ANNUAL REPORT 2013

GRUPPO CARIPARMA CRÉDIT AGRICOLE

CARISPEZIA | FRIULADRIA | CARIPARMA

Annual Report 2013

2013 Report and Consolidated Financial Statements of the Cariparma Crédit Agricole Group

Memories of the Sala Bocchi for Cassa di Risparmio

by Amedeo Bocchi

2013: Centenary Anniversary of the beginning of the works

It was 1913, Cassa di Risparmio di Parma was carrying out works for the arrangement and extension of its Headquarters in the Piazza Garibaldi, based on a design by Architect Broggi from Milan. In spring 1941, The Honourable Member of Parliament Cornelio Guerci, who was then the Chairperson of Cassa di Risparmio,
during a friendly conversation, told me that he wanted to have the new Boardroom decorated
and asked me whether, in that case, I would be willing to do the work

I answered that I would be happy to give my home Town a work that must be of considerable importance.

After some time, without committing himself,
he told me to start thinking about it
and to make some sketches.
In the meanwhile, he explained his ideas: you see, he said
there are three walls to be decorated,
the fourth is fully occupied by windows;

on one wall I would portray the "Cassa" as a river of gold
and the people bringing their savings to enlarge this river.

on the second wall ,"Protection"

on the third "Wealth".

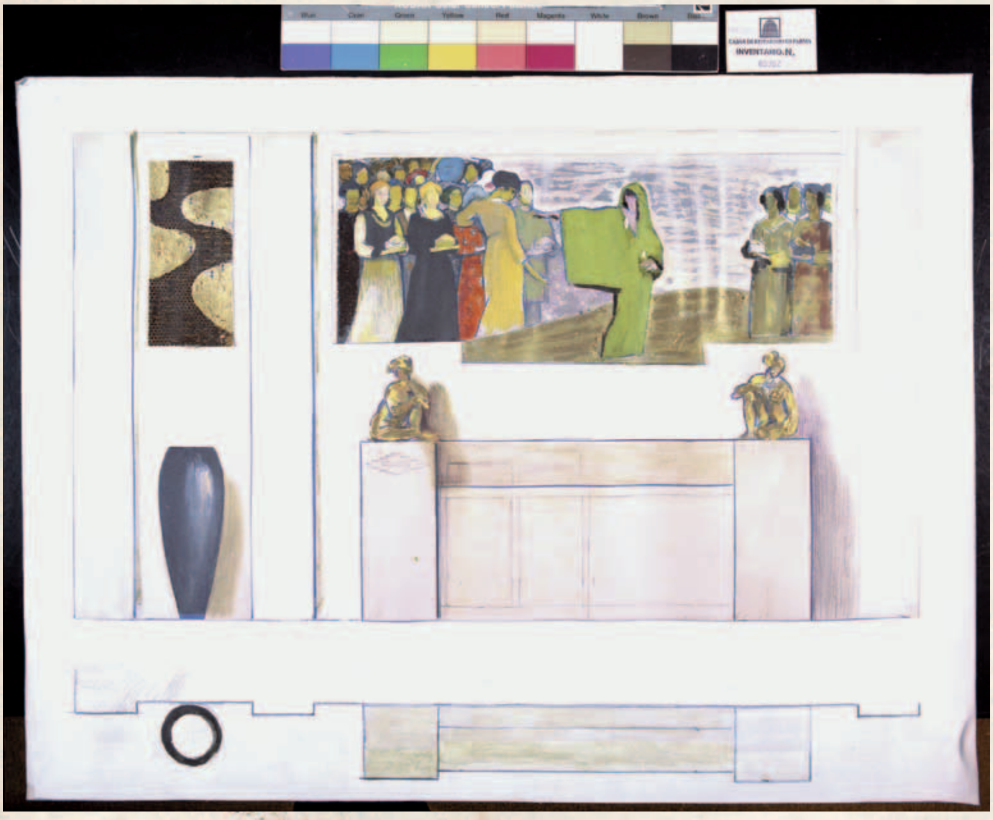
He did not say how, but he only said, do as you please and bring me something to see soon.

I immediately started sketching on some sheets of paper trying to give a concrete shape to his ideas.

It was not easy, in the end, in order to better control the proportions, I decided to make a model of the Boardroom, on a 1 to 10 scale, a sort of box with the window wall removed.

I decorated it as if it were the real Boardroom.

*I made its architectural structure with the lesenes that you can see now,
supporting the ceiling, which was certainly not high and needed to be made less oppressive.
This is why I designed three planes that, standing one centimetre and a half one over the other
and joined by a chamfered element,
in perspective, give the illusion that the central plane is significantly higher.*



*Then, I made the sketch for the "Savings" wall on its own,
with the golden and black bees pattern between the lesenes,
the central piece of furniture with the two golden bronze sculptures
and the two Bucchero ceramic vases.*

*This was the sketch I submitted, which was immediately approved
by the Board, along with the expense
of twenty thousand Italian Lire.*

*...So, in the "Savings" panel
the "Cassa" is portrayed as a river of gold,
in which the figure
of "Hope" stands inviting the People
to bring their contribution to collective wealth:*

*the People are rushing, one close to the other,
with their savings
and are represented as a single entity...*

... in the centre of the wall, for the green figure,
Ms. Tilde Cavalli was the model;

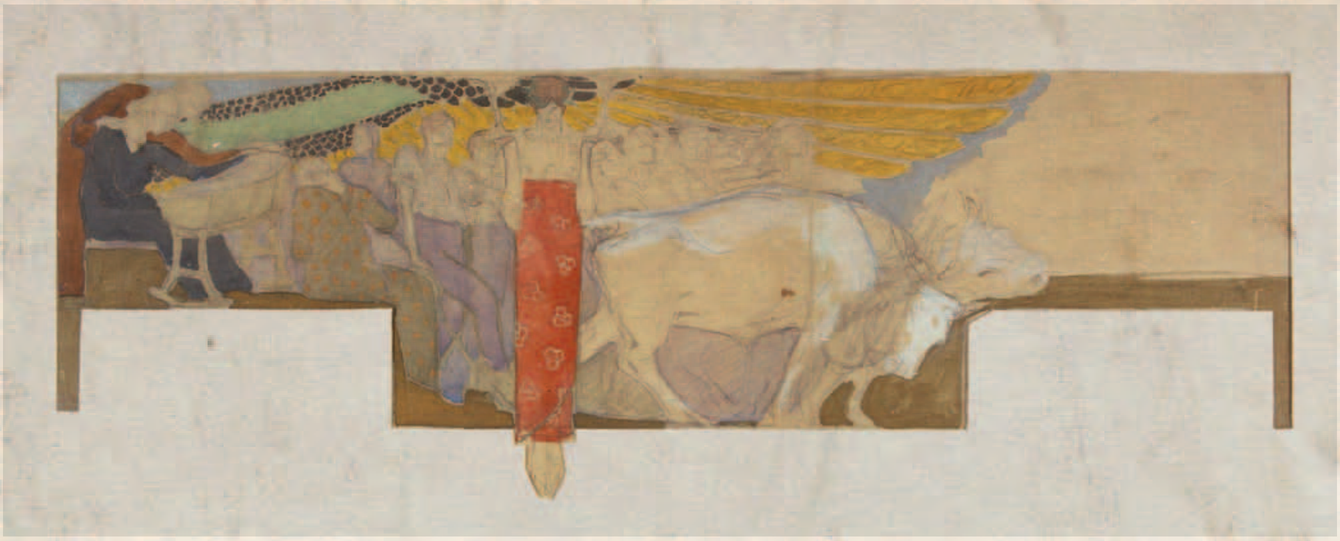
nearby, going to the left,
there is the sculptor Renato Brozzi from Traversetolo,
who was supposed to make two wrought-silver ballot-boxes,
for voting operations, which he never made; afterwards,
in exchange for the work he never made,
he gave a wrought-silver bowl.

The female figure that is depicted almost with her back towards
the viewer with a child in her arms, is a model,

The figure carrying the blue vase is the wife of the painter Pietro Gaudenzi:

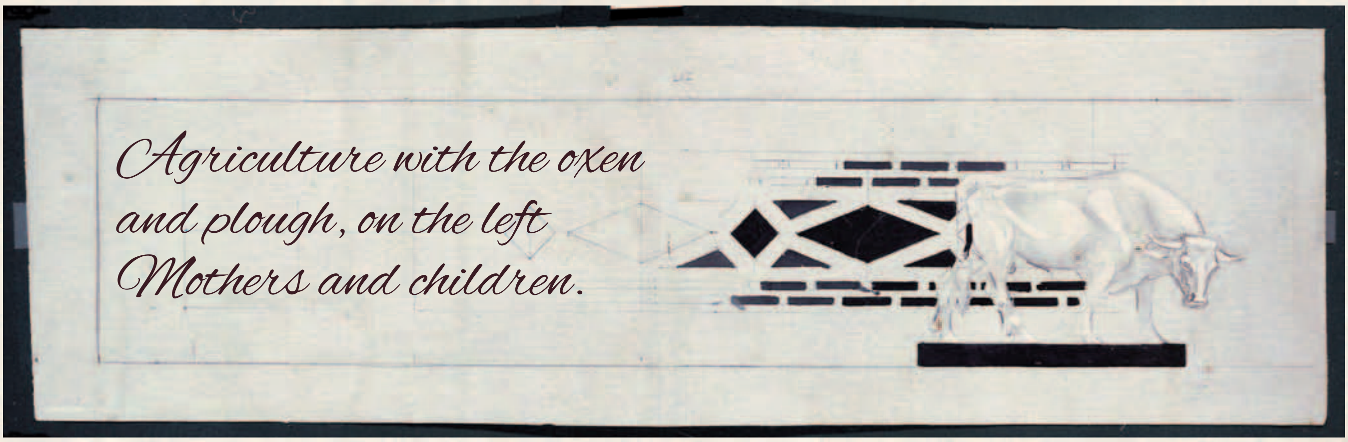
then, the female figure with the black and white striped dress is the daughter of the Manager, Mr. Petrella

the last one on the left is a woman of the lower classes: at the top, on the left, there is Mr. Petrella.
On the right, a group of a few lower class figures. The sky is made of opal interwoven with silver relief lines.



The wall to the right of the viewer looking at the central one features "Protection": the Cassa is symbolized by a large stylized wing protecting all human activities, women and children:

in the centre, a large man,
strong and pensive,
holds, with both hands, the lights
of "Thought" and behind him
there are the factory workers,



Agriculture with the oxen
and plough, on the left
Mothers and children.

The third wall features "Wealth", represented by a large field of golden wheat, made in relief in order for the gold to stand out; from this golden field,

three winged female nudes arise dropping flowers symbolizing the goodness of God, who always gives everything, every blessing.

Summary

Letter from the Chairperson

In 2013, the European economy continued in recession.

As shown by the GDP that decreased by -1.9%, the Italian economic situation was particularly affected by this scenario, with effects on the real economy, on households and on businesses.

However, in the last part of the year, macroeconomic fundamentals showed the first signs of recovery, which will allow recovery of profitability, also in the Banking System, overcoming the impacts generated by the current systemic weakness.

Despite the unfavourable external economic developments, as at 31 December 2013 our Group made a net profit of Euro 150 million, posting a YOY increase of +70%, net of non-recurring items. This performance substantiates profitability on the increase, driven by income from operations, despite the implementation, as required by the situation, of a prudential increase in loan coverage.

The Group has strengthened its liquidity while ensuring constant support to the real economy and achieving good performances in lending to households and businesses (+4%) vs. a general decrease in the Banking System.

Another very significant achievement was the improved capital soundness: Core Tier 1 came to 10.4% and Tier Total to 13.4%, thus substantiating the Bank's soundness, also with the recent authorization given by the Bank of Italy for the use of internal rating systems (AIRB approach) for the Retail Portfolio. As early as on the reporting date, our capital ratios would be fully compliant with the Basel 3 requirements in force for 2014.

We have continued to operate on the basis of sound foundations, focusing on expenses control while continuing to invest, especially in the innovation of processes, services and products. The launch of the new service model, MO.SER, in line with the Business Plan, was our response to the changes in Customers' requirements: an innovative model for the management of Customers aimed at improving the organization efficiency and commercial effectiveness, while optimizing risk control.

In its capacity as the Parent Company, Cariparma enhanced the synergies with its subsidiaries FriulAdria, Carispezia and CALIT, not only maintaining their identity in their respective areas of operations, but also enhancing their local specific weight.

With the development of the Liguria Project, in 2014 Carispezia will become the Group's reference Bank in the Liguria Region through a transfer of Cariparma Branches. The Group also focused on enhancing FriulAdria strategic position, by supporting it to achieve increasing effectiveness in operations.

Once again, belonging to the Crédit Agricole Group proved to be a crucial strong point, not only thanks to the Group's strong position in the European economic scenario, but also to the important synergies with the Products Factories based in Italy.

The Group performance for 2013 proved the effectiveness of the management actions that were started in previous years. Also in 2014, we will continue to support the growth of the Italian economic system, fostering access by women and young people to the labour and business markets, in line with the international best practices.

The Chairperson

ARIBERTO FASSATI

Corporate Bodies and Independent Auditors

Board of directors

CHAIRPERSON

Ariberto Fassati*

DEPUTY CHAIRPERSON

Xavier Musca*

Fabrizio Pezzani*

CHIEF EXECUTIVE OFFICER

Giampiero Maioli*

DIRECTORS

Giovanni Borri

Pierre Derajinski

Daniel Epron

Marco Granelli

Nicolas Langevin

Michel Mathieu

Germano Montanari

Marc Oppenheim*

Lorenzo Ornaghi

Jean-Louis Roveyaz

Annalisa Sassi

*Membri del Comitato Esecutivo

Board of auditors

CHAIRPERSON

Paolo Alinovi

STANDING AUDITORS

Luigi Capitani

Angelo Gilardi

Stefano Lottici

Marco Ziliotti

ALTERNATE AUDITORS

Alberto Cacciani

Isotta Parenti

Senior management

CO-GENERAL MANAGER

Hughes Brasseur

DEPUTY GENERAL MANAGER

Massimo Basso Ricci

OFFICER RESPONSIBLE FOR THE PREPARATION OF THE CORPORATE ACCOUNTING DOCUMENTS

Pierre Débourdeaux

Independent auditors

Reconta Ernst & Young S.p.A.

Key figures of the Cariparma Crédit Agricole Group

Income statement thousands of euro)	2011	2012	2013
Net operating revenues	1,656,505	1,702,024	1,736,960
Net operating profit	621,611	545,327	748,903
Net profit	200,243	160,026	150,444

Balance sheet (thousands of euro)	2011	2012	2013
Loans to customers	34,781,783	35,128,149	36,391,853
Funding from customers	35,558,541	36,219,988	36,593,702
Indirect funding from customers	46,411,661	51,292,493	50,832,431

Operating structure	2011	2012	2013
Number of employees	8,954	8,775	8,652
Number of branches	902	882	863

Profitability, Efficiency and Credit Quality Ratios	2011	2012	2013
Cost/income	62.5%	68.0%	56.9%
Net income/Average equity (ROE)	5.0%	3.8%	3.3%
Net impaired loans/Net loans to customers	4.5%	5.1%	6.3%
Total writedowns on impaired loans/Gross impaired loans	38.2%	40.3%	40.1%

Capital ratios	2011	2012	2013
Core Tier 1 ratio	8.3%	9.0%	10.4%
Tier 1 ratio	8.7%	9.4%	10.9%
Total capital ratio	11.4%	12.3%	13.4%

Significant events

MARCH - The "Obbligazioni del Territorio: il risparmio che investe a km 0" Project (Community Bonds: savings invested at zero mile), which provides for the issue of debenture loans intended for Customers in the community of operations and the reinvestment of the relevant funding in the same community (to support the development of the economic and industrial fabric), was awarded the Prize "La banca vicina al territorio" (Community-focused Bank). The jury appreciated the innovative cooperation model that was designed to the benefit of the Bank's community of operations and involves Customers, both present and potential, in the development of local businesses. Thus the Bank acts as a reference point and driver within the economic fabric of the Community, coordinating the activities of all players involved (Trade Associations, Businesses, Citizens).

MAY - In order to increase its liquidity reserves, in the period the Cariparma Crédit Agricole Group completed the design of its first program for the issue of Covered Bonds. All the Banks in the Group proactively took part in this Project, which was completed in July with the issue by Cariparma of the first Covered Bond, and transferred - in May - a home mortgage loans portfolio to the special purpose company that was incorporated by the Group.

SEPTEMBER - Start-up of the "Asset Quality Review" (AQR) Group Project, aimed at preparing and carrying out, in the best possible way, the review of the quality of Assets, which will performed, within the setting-up of the Single Supervisory Mechanism, by the European Central Bank and by all European National Competent Authorities. The Cariparma Crédit Agricole Group will be subject to the AQR within the wider review on the Crédit Agricole Group.

OCTOBER - In order to respond to the difficult market situation and to the increasingly evolved requirements of Customers, the Group started an innovative program for the development of the Retail Service Model, the Mo.Ser. Project, which has been designed to review and innovate the model for the management of Retail Customers. This Project was started in October involving the central Department for the FriulVeneta Area of operations and, in the following months, the other central Departments for the Management of Areas of operations. The new Service Model is based on innovative specifications for the reception of Customers and has been designed to focus on the Customer-Bank relation.

The launch of a geographical reorganization plan, which, in 2014, will lead to a development of Carispezia in the Liguria area. This plan will be implemented with the acquisition by Carispezia of 16 Cariparma branches located in the Provinces of Genoa, Imperia and Savona. The subsequent rationalization of Carispezia operations in Liguria will generate benefits to Customers, to Carispezia and to the Group. Higher geographical effectiveness, resulting from better knowledge of the area of operations, is the basis for higher development, growth and enhancement of Carispezia in the Liguria Region.

DECEMBER - The Cariparma Crédit Agricole Group was authorized to the use - use by Cariparma and BP FriulAdria - of Advanced Internal Rating-based systems for the calculation of the capital requirement for credit risk associated to Retail Exposures (the so-called "Retail Portfolio"). This validation is the successful outcome of a project that was started in previous periods and significantly involved all the Group's structures, as well as the structures of the Parent Company Crédit Agricole, and that allows the capital ratios to considerably improve (even from the already excellent pre-validation levels).

The Cariparma Crédit Agricole Group was awarded the prize as Best Bank for Retail Mortgage loans Networks at the 4th Leadership Forum Awards.

Profile of the Cariparma Crédit Agricole Group

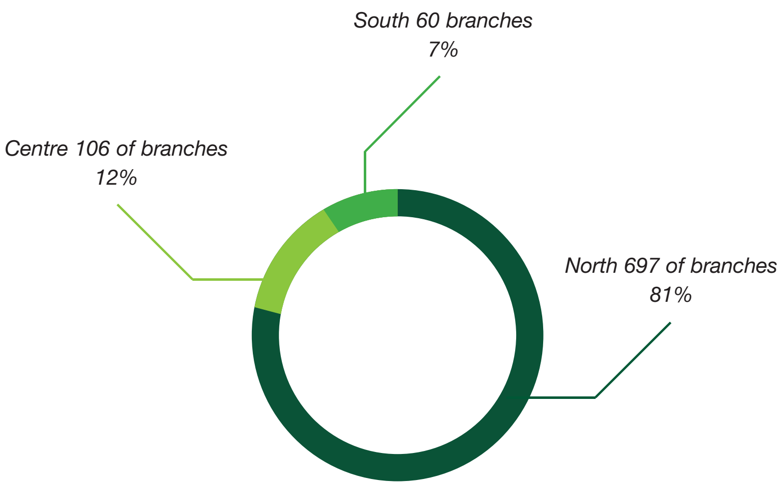
The Cariparma Crédit Agricole Group is part of the French Group Crédit Agricole and consists of:
- Cassa di Risparmio di Parma & Piacenza S.p.A. (Cariparma)
- Banca Popolare FriulAdria S.p.A. (FriulAdria)
- Cassa di Risparmio della Spezia S.p.A. (Carispezia)
- Crédit Agricole Leasing S.r.l. (CALIT)

is organized based on a federal model, with Cariparma as the Parent Company, and operates in 10 Regions of Italy:
- Campania
- Emilia-Romagna
- Friuli Venezia Giulia
- Lazio
- Liguria
- Lombardy
- Piedmont
- Tuscany
- Umbria
- Veneto

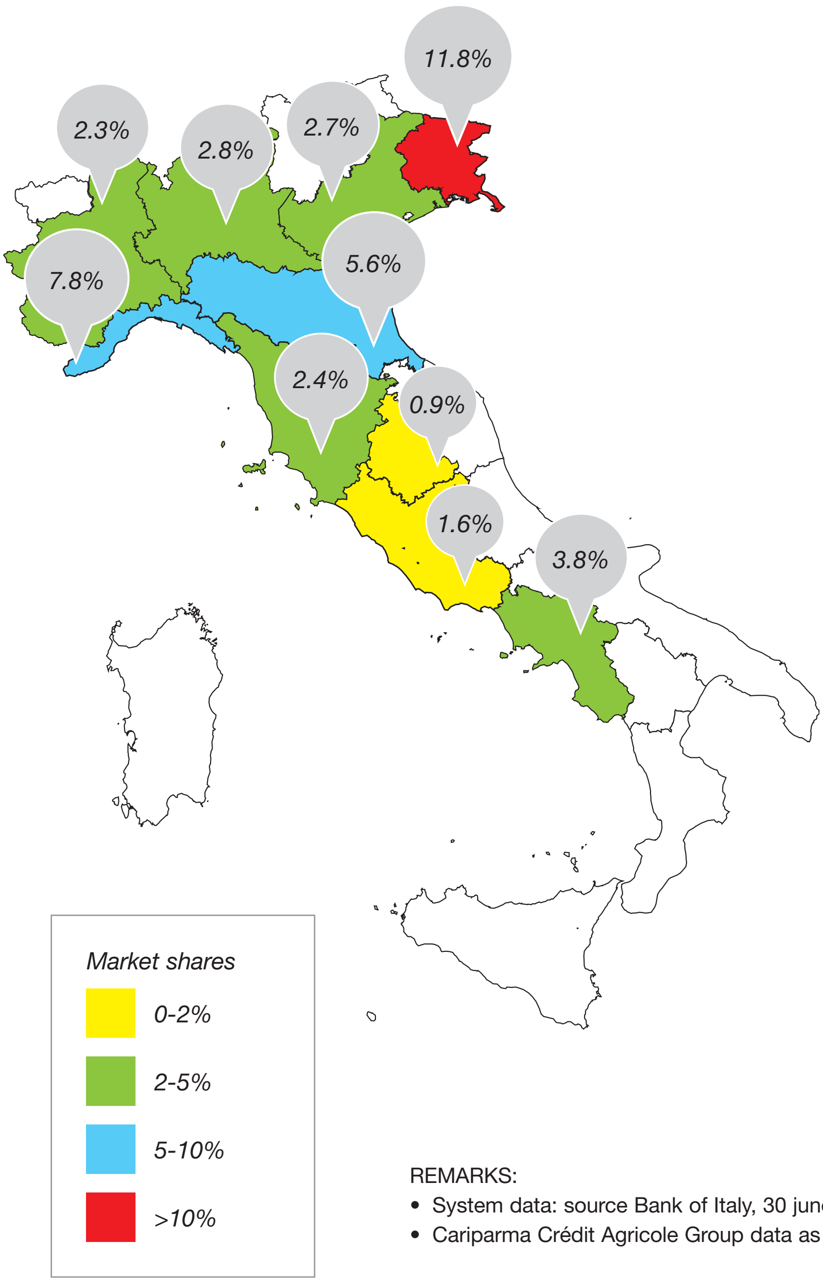
The Cariparma Crédit Agricole Group ranks among the top eight players in the Italian banking scenario in terms of areas of operations, with approximately 8 thousand Employees and over 1.7 million Customers.

	Cariparma	Carispezia	FriulAdria	Group
Number of branches	592	72	199	863
Private Banking centres	15	1	5	21
Enterprise Centres	17	3	7	27
Corporate Areas	5	1	1	7

» BRANCH DISTRIBUTION BY REGION



» BRANCH MARKET SHARE BY REGION



REMARKS:

- System data: source Bank of Italy, 30 june 2013;
- Cariparma Crédit Agricole Group data as at 31 December 2013.

CRÉDIT AGRICOLE S.A.

The Crédit Agricole Group is the leading financial partner of the French economy and one of the largest banking groups in Europe. The Group is the European leader in the Retail Banking Sector, ranks first among European asset management companies, first in the European bancassurance sector and is the global leader in in aircraft finance.

Built on its strong cooperative and mutualistic roots and relying on its 150,000 employees and 31,000 Directors of Local and Regional Banks, the Crédit Agricole Group is a responsible and responsive Bank, serving 49 million Customers, 7.4 million members and 1.2 million shareholders.

Thanks to its model of Universal Proximity Bank - which is characterized by the strong bond between its retail banks and its Product Factories - the Crédit Agricole Group supports its Customers in realizing their projects in France and worldwide providing specialist services in the following segments: insurance, real estate, payment instruments, asset management, leasing and factoring, consumer credit, investment banking.

Serving the economy, the Crédit Agricole Group also stands out for its dynamic and innovative policies on social responsibility and the environment, which engage the entire Group and all staff in implementing concrete actions. Its recent inclusion in the Vigeo-NYSE Euronext responsible investment indices substantiates the acknowledgement of this commitment.

60
THE COUNTRIES WHERE IT OPERATES

49 Mln
OF CUSTOMERS

150 000
EMPLOYEES

5,1 Mld€
NET INCOME - GROUP SHARE

76,3 Mld€
EQUITY - GROUP SHARE

11,2 %
CORE TIER ONE RATIO

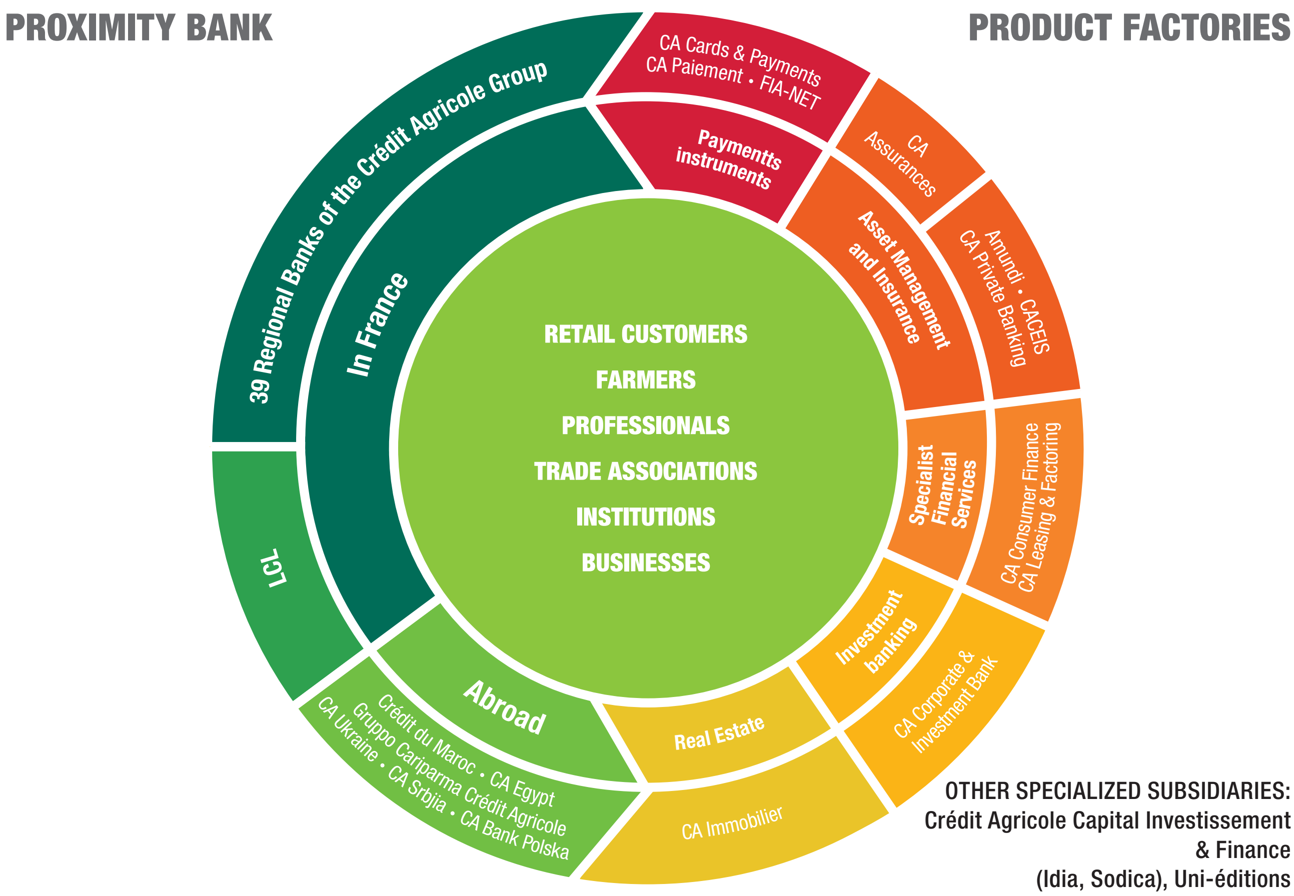
THE GROUP'S ORGANISATION

7.4 million members are at the base of the Crédit Agricole Group cooperative structure. They hold shares of the capital of the **2,483 Local Banks** and appoint their representatives: **31,000 Directors,** who put their interest at the very heart of the Group. The Local Banks own most of the capital of the **39 Regional Banks**.

The Regional Banks are cooperative regional banks providing their Customers with a full range of products and services. The Regional Banks' steering body is the Fédération nationale du crédit agricole (the National Federation of Agricultural Credit-FNCA), which defines and sets the main strategies for the Group.

Through the Federation, the Regional Banks are the controlling shareholder of Crédit Agricole S.A, with a 56.2% shareholding. Crédit Agricole S.A. holds 25% of the capital of the Regional Banks (except for Corsica); in cooperation with the specialist product companies, it coordinates the strategies for the various business lines in France and abroad.

THE UNIVERSAL CUSTOMERS-FOCUSED PROXIMITY BANK



NO. 1 FINANCIAL PARTNER TO THE FRENCH ECONOMY

NO. 1 BANCASSURER IN EUROPE

NO. 1 ASSET MANAGER IN EUROPE

The Crédit Agricole Group in Italy

In Italy, Crédit Agricole operates in all areas of Italian financial services.

For the Crédit Agricole Group, Italy is the second domestic market, ranking immediately after France.

Specialised Financial Services

CRÉDIT AGRICOLE LEASING

- It operates in the leasing sector, with real estate, operating, motor vehicle and energy leases.
- the 13th player the Italian lease sector, with a market share of 2%
- As at the end of 2013, the loan portfolio amounted to €2 billion

CRÉDIT AGRICOLE COMMERCIAL FINANCE

- the 13th player in the Italian factoring market
- The Italian market is very competitive, with 30 players.
- 2013 Turnover: €2 billion

Agos DUCATO

- Total assets: over €16 billion .
- Market share of 11.6%.
- Operates nationwide with 233 direct Branches and through the networks of the Cariparma Crédit Agricole Group and Banco Popolare Italiano.

FGA CAPITAL

- Operates in 14 European Countries and provides customized financial solutions and ancillary services dedicated to Dealers, Retail Customers and Businesses
- Total assets: €14.6 billion
- It works with the FIAT, Alfa Romeo, Lancia, FIAT Professional, Abarth, Chrysler, Jeep, Maserati, Jaguar and Land Rover brands.

Corporate and investment banking

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

- It has long been operating in Italy, in the Corporate and Investment Banking sector (capital market, structured finance, issue of debenture loans).
- Works with large companies, financial institutions and the public sector

Asset Management

Amundi ASSET MANAGEMENT

- One of the first foreign players in Italy in the asset management sector, now holds a 2% market share
- It manages over 60 Italian collective investment scheme and i open-end pension fund (SecondaPensione)
- It distributes the Luxembourg SICAVs Amundi Funds and Amundi International Sicav.
- Assets under Management: over €25 billion

CRÉDIT AGRICOLE FIDUCIARIA

- A Trust company specializing in the management of third parties' assets pursuant to Law 1966/1939
- It has been operating in Italy since 2012.
- Its Customers are mainly Italian and international Banks.

Insurance

CRÉDIT AGRICOLE VITA

- fully-controlled by Crédit Agricole Assurances S.S., operates in the Life Insurance sector.
- Places its products through the network of the Cariparma Crédit Agricole Group
- the 6th player in the Italian bancassurance sector (by placers)
- €2.2 billion worth of premiums collected in 2013 (reserves amounting to €9.1 billion)
- 360,000 existing policies

CRÉDIT AGRICOLE ASSICURAZIONI

- Fully-controlled by Crédit Agricole Assurances S.S., operates in the Non- Life Insurance sector.
- It holds a 2% share of the Italian bancassurance market
- 67,500 home policies
- 42,000 existing vehicle insurance policies
- "Protezione persona" (accident insurance policy) launched at the end of 2012

CRÉDIT AGRICOLE CREDITOR INSURANCE

- Company specializing in CPI products, for the protection of credit and Life-Style
- It operates in 11 Countries, in Italy it has been operating since September 2010 with CACI-Life and CACI- Non Life
- It is the No. 2 Italian player

Private Equity

IDIA-SODICA ITALIA CA AGRO-ALIMENTARE

- It operates in Italy through C3A, a financial holding company incorporated under the Italian law, of which Cariparma and FriulAdria hold 36.85% in total.
- Focus on unlisted Italian SMEs and on investment transactions in the agri-food and agri-industrial chains.

Report and Consolidated Financial Statements of the Cariparma Crédit Agricole Group

Group financial highlights and ratios

Income statement (*) (thousands of euro)	31.12.2013	31.12.2012	Changes	
			Amount	%
Net interest income	952,639	994,123	-41,484	-4.2
Net commission income	639,694	610,596	29,098	4.8
Dividends	1,694	2,259	-565	-25.0
Net gain (loss) on financial activities	159,472	46,323	113,149	-
Other operating revenues (expenses)	-16,539	48,723	-65,262	-
Net operating revenues	1,736,960	1,702,024	34,936	2.1
Operating expenses	-988,057	-1,156,697	-168,640	-14.6
Net Operating profit	748,903	545,327	203,576	37.3
Net provisions for liabilities and contingencies	-27,665	-35,986	-8,321	-23.1
Net impairment adjustments of loans	-523,637	-403,358	120,279	29.8
Net profit	150,444	160,026	-9,582	-6.0

Balance sheet (*) (thousands of euro)	31.12.2013	31.12.2012	Changes	
			Amount	%
Loans to customers	36,391,853	35,128,149	1,263,704	3.6
Net financial assets/liabilities held for trading	928	-218	1,146	-
Financial assets available for sale	5,096,003	4,030,081	1,065,922	26.4
Equity investments	19,263	20,433	1,170	-5.7
Property, plant and equipment and intangible assets	2,370,377	2,388,916	18,539	-0.8
Total net assets	46,643,262	44,885,936	1,757,326	3.9
Funding from customers	36,593,702	36,219,988	373,714	1.0
Indirect funding from customers	50,892,431	51,292,493	400,062	-0.8
of which: asset management	19,077,566	17,384,593	1,692,973	9.7
Net due to banks	2,779,224	1,151,537	1,627,687	-
Shareholders' equity	4,598,786	4,383,107	215,679	4.9

Operating structure	31.12.2013	31.12.2012	Changes	
			Amount	%
Number of employees	8,652	8,775	123	-1.4
Average number of employees (§)	8,253	8,486	233	-2.7
Number of branches	863	882	19	-2.2

(*) Income Statement and Balance Sheet figures are those restated in the reclassified financial statements shown on pages 25 and 33.

(§) The average number has been calculated as the weighted average of employees and atypical workers, where the weight is the number of months worked in the year; part-time staff is conventionally weighted at 50%.

(**) Restated following the final recognition of the intra-group business combination made in 2012.

Structure ratios (*)	31.12.2013	31.12.2012
Loans to customers / Total net assets	78.0%	78.3%
Direct customer deposits / Total net assets	78.5%	80.7%
Asset management / Total indirect funding	37.5%	33.9%
Loans to customers / Direct customer deposits	99.4%	97.0%
Total assets / Shareholders' Equity (Leverage)	10.9	11.3

Profitability ratios (*)	31.12.2013	31.12.2012
Net interest income / Net operating revenues	54.8%	58.4%
Net commissions income / Net operating revenues	36.8%	35.9%
Cost / income [(a)]	56.9%	68.0%
Net income / Average equity (ROE) [(b)]	3.3%	3.8%
Net profit / Total assets (ROA)	0.3%	0.3%
Net profit / Risk-weighted assets	0.6%	0.5%

Risk ratios (*)	31.12.2013	31.12.2012
Gross bad debts/ Gross loans to customers	5.5%	4.4%
Net bad debts / Net loans to customers	2.5%	2.0%
Net impairment adjustments of loans / Net loans to customers	1.4%	1.1%
Cost of risk [(c)] / Operating profit	73.6%	80.6%
Net bad debts / Total regulatory capital	29.4%	18.9%
Net impaired loans / Net loans to customers	6.3%	5.1%
Total writedowns on impaired loans / Gross impaired loans	40.1%	40.3%

Productivity ratios (*) (economic)	31.12.2013	31.12.2012
Operating expenses / No. of employees (average)	119.7	136.3
Operating revenues / No. of employees (average)	210.5	200.6

Productivity ratios (*) (capital)	31.12.2013	31.12.2012
Loans to customers / No. of employees (average)	4,409	4,139
Direct customer deposits / No. of employees (average)	4,434	4,268

Capital ratios	31.12.2013	31.12.2012
Core Tier 1 [(d)] / Risk-weighted assets (Core Tier 1 ratio)	10.4%	9.0%
Tier 1 capital / Risk-weighted assets (Tier 1 ratio)	10.9%	9.4%
Total regulatory capital / Risk-weighted assets (Total capital ratio)	13.4%	12.3%
Risk-weighted assets (thousands of euro)	23,309,590	29,808,112

(*) The Ratios are based on the balance sheet and income statement figures as restated in the reclassified financial statements shown on pages 25 and 33.

(a) The 2012 figure, which was calculated net of the expenses borne for the Solidarity Fund (which was activated in 2012), would be 60.9%.

(b) Ratio of net income to equity weighted average.

(c) The cost of risk includes the provision for contingencies and liabilities, as well as net adjustments of loans.

(d) Core Tier 1 is Tier 1 capital net of innovative equity instruments.

Management Report

» THE MACROECONOMIC SCENARIO AND THE BANKING SYSTEM IN 2013

The macroeconomic scenario in 2013

In 2013, the world economy continued to post weak growth, partly still driven by expansive monetary policies: the most recent data[1] show the gross world product (GWP) posted an increase of +2.9% YOY, that is to say, lower than expected at the opening of the year and lower than the already weak growth achieved in 2012 (+3.0% YOY). The growth rate was higher for Japan, while in emerging Countries, such as China, India, Russia and Brazil, the economic activity continued to slow down, impacted by high inflation and by the currency imbalances that arose also due to the uncertainties in the gradual reduction of monetary stimulus in the United States (so-called tapering). The US economy posted a modest growth vs. 2012, having risked of being jeopardized by the non-approval of the Federal budget - which was finally passed at the end of the year - which had caused temporary shutdown of the government offices at the beginning of October, as well as by the contrasts on the increase in the limit of issue of government debt securities.

In Europe, the economic activity showed the first signs of recovery in the last quarter, which regarded both core and peripheral Countries, even though with different growth rates. However, overall in 2013 the Euro Area was still in recession, with a decrease in GDP of -0.4%[1] at the year end, which was caused by the decrease in domestic demand, drop in investments and stagnation of households' consumption; only exports provided a positive contribution to the European economic development (+0.6%). Despite the crisis of the Cyprus banking system which arose at the beginning of the year, and despite the uncertainty associated to the Italian political elections, in 2013 tensions on the sovereign debt market remained modest, mainly thanks to the OMT (Outright Monetary Transactions) instrument, which was formulated by the ECB in 2012 and has never been used in any European Country but can significantly reduce international speculative action on Countries at risk.

Considering the economic situation and the expected modest inflation, the monetary policy adopted by the European Central Bank continued to be focused on support to the growth of the European economy: the main refinancing rate was reduced from 0.75% as at the opening of the year to an all time low of 0.25%, with the intention, as stated by President Mario Draghi, to keep the rates at present or lower levels for an extended period of time, depending on the outlook for inflation, growth and credit.

Moreover, between September and October, another step forward was made toward the European Banking Union, with the approval of the regulation on the Single Supervisory Mechanism for the banking sector, which vests the European Central Bank with the task and power to directly supervise approximately 130 significant credit institutions (including the Crédit Agricole Group and, therefore, the Cariparma C.A. Group), as well as the task to supervise over 6,000 Banks in the Euro Area starting from autumn 2014. In preparation of fully taking on its new supervisory role, in November the European Central Bank started the Asset Quality Review : an exercise for the comprehensive assessment of the quality of the assets of the most significant European Banks - which account for approximately 85% of the European Banking System - in order to enhance the transparency on available information on Banks, to identify and implement any corrective actions and to strengthen the European banking system.

As regards the Italian economy, the situation remained weaker than in the rest of the Euro Area: the recession phase continued until the first half of the year; since early summer, the first signs of stabilization have been detected, whereas only in the last quarter a modest growth was achieved, driven by the recovery in exports.

However, the overall situation was still penalized by a marked drop in domestic demand, due to the problems in the labour market and to still restrictive budgetary policies, which continued to impact households' purchasing power and to provide no incentive for the investment plans of businesses. All this caused the Italian economy to contract also in 2013, with the GDP down by -1.9%[2], due to the drop in households' consumption (down by -2.6% YOY) and in gross fixed investments (down by -4.7% YOY).

In 2013, inflation remained modest, coming to 1.2%[1] in December: despite the increase in the VAT rate implemented at the beginning of October (from 21% to 22%), consumer prices progressively dropped, driven by the decrease in the prices of energy and food products.

[1] Source: Prometeia Forecast Report January 2014

[2] Source: ISTAT (the Italian National Institute of Statistics), National Income Accounts for 2013, update of March 2014.

The Banking System in 2013

The weak macroeconomic situation, the uncertainties on the extent and strength of recovery, the still-present fragility of the financial markets are all factors that required Italian Banks to continue, in 2013, their actions to control liquidity and credit risks, to strengthen capital and to control expenses.

The Banks' exposure to Italian Government securities has significantly increased since the beginning of last year, thanks to the relatively high yields of Government securities, also due to the need to temporarily invest the liquidity obtained through the two ECB long-term (3-year) refinancing operations (LTRO in December 2011 and February 2012): therefore, the securities portfolio came to account for nearly 24% of total assets.

The still negative performance of loans was due to the unfavourable situation, which curbed demand due to adverse selection risks associated with the worsening of the borrowers' creditworthiness. The persisting recession in Italy, which has been going on for over two years now, continued to generate a worsening in credit quality for the Banking system, as well as increasingly significant difficulties in the business scenario: the latest data[3] on gross bad loans show that they came to nearly €150 billion in November 2013 (up by €27.7 billion YOY; up by over €100 billion vs. the end of 2007). The ratio of gross bad loans to total loans came to 7.8% in November 2013 (6.1% a year before; 2.8% at the end of 2007). Compared with the pre-crisis figures, the worsening was significant for small enterprises: from December 2007 to November 2013, the ratio of bad loans to total loans nearly tripled in the overall private sector (from 3.3% to 9%); it nearly doubled for producer households (from 7.1% to 13.6%) and nearly quadrupled for non-financial enterprises (from 3.6% to 12.6%).

In 2013, bank funding posted an overall decrease vs. the recovery achieved in the last part of 2012. In the period, the differences in the performance of the two main components of funding: the medium-/long-term component decreased while the short-term one increased. The latest data issued by ABI (the Italian Banking Association)[4] in December 2013 have confirmed this trend: they show a annual decrease in bonds (net of those repurchased by Banks) of -9.3%, vs. a positive development in deposits from Customers, which increased by +1.1% YOY. These trends seem to reflect both a reduction in the requirement of funds due to the lending performance and the policies implemented by the sector players, which are more focused on funding through deposits.

The drop in lending to Customers, which started in the second half of 2012, continued. Lending to households and businesses decreased: down by -7.3% YOY aa at the end of 2013. This performance was also due to the decrease in the main macroeconomic data (GDP: Investment and Consumption).

The net interest spread, which reached all time low in 2012 (164 basis points) since it was impacted by liquidity tensions, came to 187 basis points in December 2013, mainly due to greater focus on short-term funding, which is less costly.

In economic terms, the banking system profitability was impacted by the drop in net interest income, due to the decrease in loans and the high number of adjustments of loans. These impacts were only partially offset by effective control of operating expenses and by the positive contribution of income from services, especially in the intermediation and asset management segments.

As regards asset management, in 2013 net funding[5] came close to Euro 65 billion, posting the best performance in the last ten years (up by +€10 billion vs. 2005), largely making up for the outflows occurred in 2011 and 2012. Driven by subscriptions and thanks to the performance effect, Wealth Management totalled over Euro 1,331 billion.

As regards operating expenses, the actions for expenses optimization, which have been implemented in last few years by the main players in the sector, continued in the period, with considerable cuts in the majority of expense items, specifically through corporate reorganizations and voluntary redundancy schemes. The operating profit was, however, impacted by the high adjustments of loans: at the year end, total adjustments for the system came to over Euro 23 billion, exceeding the operating profit. This was due to the expected impairment of the loan portfolio quality, as well as to the requirement of maintaining adequate coverage ratios. Overall, as at 31 December 2013, the Banking system is expected to post a profit, even though a modest one (approximately €300 million), with a return on capital close to zero.

[3] Source: ABI Monthly January 2014.

[4] Source: ABI Interest Rate Statistics. The Italian Banking Association (ABI) sample: it includes 80% of the Banks operating in Italy and does not consider the operations of Cassa Depositi e Prestiti, (an Italian bank 70% of which is held by the Italian Ministry of Economy and Finance).

[5] Source: Assogestioni (the Italian Association of Asset Management firms) Mappa Mensile del Risparmio Gestito (Monthly Map of Asset Management - December 2013

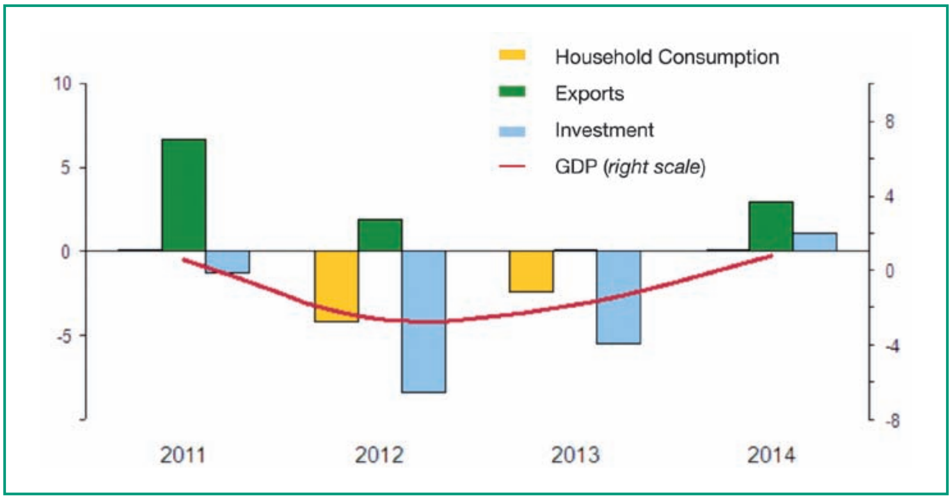
Macroeconomic and banking outlook for 2014

According to the most recent estimates, after a modest growth in 2013 (GWP for 2013: +2.9% YOY), the gross world product is expected to recover in 2014 coming to +3.6% YOY. Activities are expected to grow at different rates in the various economies: at higher rates in the United States (+2.8% YOY), in Japan (+2.2% YOY) and in the United Kingdom (+2.1% YOY), at lower rates in the Euro Area (+1.0% YOY). On the other hand, in the main emerging economies, product performance is expected to be more lively, improving compared with the previous year.

In 2014, for the Euro Area, the recovery that established at the end of 2013 is expected to continue, even though with a still modest growth of GDP, up by +1.0% YOY, mainly driven by the positive performance of net exports, which is expected to generate a new cycle of investments, with positive consequences on employment and households' consumption. However, European domestic demand is expected to remain fragile and vulnerable to various factors, such as, for example, budgetary policy, which is expected to remain restrictive, and the USA monetary policy, which is expected to be set on a less expansionary tone.

In this situation, the European Central Bank will have no other option than to renew its commitment to maintain favourable monetary policy conditions until the recovery fully establishes, keeping interest rates at the present minimum levels. In autumn 2014, the comprehensive assessment of European Banks is scheduled for completion and the European Central Bank will fully take on its task as the single supervisor of Euro Area Banks, which will amount to the first pillar of the European Banking Union.

Italy: GDP components (%, YOY)



In Italy, after a long recession phase, which started in the first quarter of 2011, the economic activity will return to grow in 2014, with an estimated YOY increase in the GDP of +0.8%1 . The expected recovery will be driven by international demand, whereas domestic demand will return to grow, but at weaker rates.

Exports are expected to accelerate significantly (up by +3.0% YOY), thanks to the established growth of the main advanced economies and to the expected improvement in demand in the Euro Area.

The improved outlook for growth will generate also a modest recovery in total investments (up by +1.1% YOY), which are also expected to benefit from the settlement of accounts payable by State Bodies.

After decreasing significantly in 2013, households' expenses are expected to gradually recover in 2014, even though their overall growth is expected to be close to zero, due to the persistent difficulties in the labour market and to restrictive budgetary policies. The progressive improvement in purchasing power will go along with an increase in households' propensity: this will reflect both precautionary purposes, associated to the remaining uncertainties in terms of income and employment, as well as the requirement to restore savings and wealth that were eaten away during the crisis.

Employment is expected to gradually recover in 2014; however, the increase in the number of people looking for a job will generate a considerable increase in the unemployment rate, which may come to 13.0% in 2014. The labour market weakness will curb any pay increase. Consequently, pressures on prices will remain weak, with an inflation rate that is expected to remain overall lower than 2% also in 2014, despite the effects of the increase in VAT rates implemented at the end of 2013.

Moreover, the development in the Italian economy will be closely linked to the coming budgetary measures: the objective, as stated by the Italian Government, is to focus on supporting the economy, but the requirement to limit action to the allocation of income and expenses in order to comply with the set budget constraints, is generating uncertainties on the possible impacts of these measures.

Considering this situation, the primary surplus is expected to stop growing in 2014, with a decrease in tax pressure and the weight of government debt on GDP coming to approximately 3%.

The features of the macroeconomic scenario as expected for 2014 will not allow the difficulties that are impacting on the banking system to be overcome in the medium-term; therefore, the banking system will, most likely, need to implement structural measures in order to return to pre-crisis levels.

The long recession phase is expected to continue to impact households' ability to save and businesses' ability to invest - even though they are expected to improve slightly - curbing the development of total funding. In 2014, banking funding is expected to post a modest increase (+1.4% YOY)[6], driven by the short-term component (up by +2.7% YOY) and loans will return to grow, even though at still low rates (+1.4% YOY).

In economic terms, in 2014 a modest recovery in net interest income is expected (up by +2.1% YOY), despite a weak development of total funding and the cost of funding that will tend to curb the widening of the net interest spread. Also in 2014, the development in revenues will be supported by the good performance of net commission income (up by +4.2% YOY), specifically in the intermediation and asset management segments.

The main issue will be once again the riskiness of loans: also in 2014, a high amount of adjustments of loans is expected (€20.8 billion at a system level), which will absorb nearly all net interest income from lending to Customers.

In this situation, a key driver to return to profitability will again be the reduction in operating expenses: for this purpose, actions will continue for structure rationalization and review of the service model, in order to make it less expensive and more focused on Customers' requirements. Therefore, operating expenses will decrease also in 2014 (down by -2.7% YOY), thus fostering progressive improvement of the cost/income ratio.

Overall, in 2014, the performance of the Italian Banking System is expected to improve: the system's gains are expected to come to Euro 3.5 billion in 2014, with a still modest, even though increasing, return on equity (ROE is expected to come to 1.2%).

» GUIDELINES AND SIGNIFICANT EVENTS IN THE YEAR

In 2013 the macroeconomic situation was still recessive and the Banking System reached low profitability levels, mainly due to the impacts of the extreme complexity of the lending market. In this scenario, the Cariparma Crédit Agricole Group has consolidated its positioning among the leading Italian Banks, achieving important objectives:

- development of its proximity bank model and consolidation of its bonds with the communities of operations;
- improvement of its capital ratios;
- strengthening of its liquidity position;
- efficient and effective management of human and technological resources.

In 2013, the Group reaffirmed its commitment to support the recovery of business profitability, focusing also on the enhancement and review of its organizational mechanism supporting its distribution channels, as well as on strengthening the processes for loan granting and monitoring.

[6] Source: Prometeia Banking Sector Forecast October 2013

» OPERATING PERFORMANCE

In an adverse macroeconomic situation, still featuring uncertainties on the financial markets and high credit risk, constant focus on profitability factors allowed the Cariparma Crédit Agricole Group to achieve important business and operating performances:

- increase both in total lending (which came to Euro 36.4 billion, up by +4% YOY) and in direct funding (which came to Euro 36.6 billion, up by +1% YOY);
- significant development in asset management (up by +10% YOY), with over €4 billion worth of placed products;
- effective control of operating expenses through important structural rationalization actions, while continuing to invest significantly (approximately €80 million);
- increase in the coverage ratio of the loan portfolio, even without any increase in the weight of impaired loans.

The Group's net income for the period came to Euro 150.4 million and this performance was achieved mainly thanks to the good performance of ordinary operations.

Profit for the period

The profit for 2013 refers to the Group perimeter, which consisted of Cariparma S.p.A.(Parent Company), Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia S.p.A., Crédit Agricole Leasing Italia S.r.l., the special purpose entities Cariparma O.B.G. S.r.l., Mondo Mutui Cariparma S.r.l. e Sliders S.r.l., which have been consolidated on a line-item basis, and of CA Agro-Alimentare S.p.A., which has been consolidated using the equity method.

Income Statement classification

In order to present performance more effectively, a summary income statement has been prepared with appropriate reclassifications so as to report the various items on the basis of consistent operational standards.

The reclassifications concerned the following:

- the recovery of the time value component on loans, reported under net interest income, rather than net impairment adjustments of loans, since this arises directly from applying the amortized cost method when there are no changes in expected future cash flows;
- net gains (losses) on trading activities and the net gains (losses) on hedging activities have been reallocated to gains or losses on financial activities;
- gains and losses on the sale or repurchase of available-for-sale financial assets and financial liabilities have been re-allocated to gains or losses on financial activities;
- The recovery of expenses, taxes and duties has been posted as a direct reduction of administrative expenses, rather than being reported under other operating revenues/expenses;
- commissions for fast loan application processing have been taken to commission income rather than being recognized under other operating revenues/expenses;
- net impairment adjustments/writebacks of available-for-sale financial assets have been reported under other operating revenues/ expenses;
- net impairment adjustments of other financial transactions, mainly relating to guarantees issued and commitments, were recognized within net adjustments on loans.

The figures presented below are expressed in thousands of Euros.

Reclassified Consolidated Income Statement

	31.12.2013	31.12.2012	Changes	
			Amount	%
Net interest income	952,639	994,123	-41,484	-4.2
Net commission income	639,694	610,596	29,098	4.8
Dividends	1,694	2,259	-565	-25.0
Gain (loss) on financial activities	159,472	46,323	113,149	
Other operating revenues (expenses)	-16,539	48,723	-65,262	
Net operating revenues	**1,736,960**	**1,702,024**	**34,936**	**2.1**
Staff expenses	-595,066	-733,096	-138,030	-18.8
Administrative expenses	-299,940	-325,081	-25,141	-7.7
Depreciation and amortization	-93,051	-98,520	-5,469	-5.6
Operating expenses	**-988,057**	**-1,156,697**	**-168,640**	**-14.6**
Operating profit	**748,903**	**545,327**	**203,576**	**37.3**
Value adjustments of goodwill	-	-10	-10	
Net provisions for liabilities and contingencies	-27,665	-35,986	-8,321	-23.1
Net adjustments of loans	-523,637	-403,358	120,279	29.8
Gain (loss) from financial assets held to maturity and other investments	-938	57,269	-58,207	
Profit before tax on continuing operations	**196,663**	**163,242**	**33,421**	**20.5**
Income tax for the period on continuing operations	-39,494	-1,563	37,931	
Profit (loss) after tax of groups of assets/liabilities under disposal	-	-	-	
Profit (loss) for the period	**157,169**	**161,679**	**-4,510**	**-2.8**
Net profit (loss) pertaining to minority interestes	-6,725	-1,653	5,072	
Net profit for the period pertaining to shareholders of the Group	**150,444**	**160,026**	**-9,582**	**-6.0**

Reconciliation between the Official and Reclassified Income Statements

	31.12.2013	31.12.2012
Net interest income	**952,639**	**994,123**
30. Net interest margin	908,587	965,943
130. Net impairement adjustments of: a) loans, of which time value on impaired loans	43,342	27,583
220. Net gains (IAS) pertaining to Calit	710	597
Net commissions income	**639,694**	**610,596**
60. Net commissions	587,739	596,065
190. Other operating revenues/expenses: past due commission	51,955	14,531
Dividends = item 70	**1,694**	**2,259**
Net gain (loss) on financial activities	**159,472**	**46,323**
80. Net gain (loss) on financial activities	12,870	18,731
90. Net gain (loss) on hedging activities	9,570	12,417
100. Gain (loss) on the disposal or repurchase of: b) financial assets available for sale	133,961	14,018
100. Gain (loss) on the disposal or repurchase of: d) financial liabilities	3,071	1,157
Other operating revenues (expenses)	**-16,539**	**48,723**
220. Altri oneri/proventi di gestione	243,544	273,548
less: recovery of expenses	-205,403	-207,422
less: past due commission	-51,955	-14,531
less: net gains (IAS) pertaining to Calit	-710	-597
130. Net impairement adjustments of: b) financial assets available for sale	-2,015	-2,275
Net operating revenues	**1,736,960**	**1,702,024**
Staff expenses = 180 a)	**-595,066**	**-733,096**
Administrative expenses	**-299,940**	**-325,081**
180. Administrative expenses: b) other administrative expenses	-505,343	-532,503
220. Other operating revenues/expenses: recovery of expenses	205,403	207,422
Depreciation and amortization	**-93,051**	**-98,520**
200. Net adjustmants of property, plant and equipment	-29,392	-30,807
210. Net adjustments of intangible assets	-63,659	-67,713
Operating expenses	**-988,057**	**-1,156,697**
Net operating profit	**748,903**	**545,327**
Goodwill value adjustments	-	-10
Net provisions for liabilities and contingencies = Item 190	**-27,665**	**-35,986**
Net impairment adjustments of loans	-523,637	-403,358
100. Gain/loss on the disposal of: a) loans	-9	-1,030
130. Net impairment adjustments of: a) loans	-480,217	-373,313
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	-43,342	-27,583
130. Net impairment adjustments of: d) other financial transactions	-69	-1,432
Gain (loss) from financial assets held to maturity and other investments	**-938**	**57,269**
240. Gain (loss) from equity investments	-1,170	56,897
270. Gain (loss) on disposal of investments	232	372
Profit before tax on continuing operations	**196,663**	**163,242**
Income tax on continuing operations	-39,494	-1,563
Profit (loss) after tax of groups of assets/liabilities under disposal	-	-
Profit (loss) for the period	**157,169**	**161,679**
Net profit (loss) pertaining to minority interests	-6,725	-1,653
Net profit for the period pertaining to shareholders of the Group	**150,444**	**160,026**

Net operating revenues

The net operating revenues of the Cariparma Crédit Agricole Group, accounting for total revenues from lending and services, came to Euro 1,737 million, increasing (up by +2.1%) over 2012. This increase benefited from the performance of trading activities, which increased by €113 million vs. the previous year, also due to the recognition of the gains resulting from the derecognition of the Bank of Italy shares held, amounting to approximately €92 million, as well as to the positive performance of commission income (up by +4.8%). All this offset the decrease in net interest income (down by -4.2%) and the absence of other non-recurring effects that were recognized in 2012.

Net interest income

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
Business with customers	963,132	1,055,085	-91,953	-8.7
Business with banks	-1,241	1,594	-2,835	
Securities issued	-359,137	-371,832	-12,695	-3.4
Differences on hedging derivatives	199,921	165,216	34,705	21.0
Financial assets held for trading	731	240	491	
Financial assets held to maturity	-	-	-	
Financial assets available for sale	149,372	143,451	5,921	4.1
Other net interest	-138	369	-507	
Net interest income	**952,639**	**994,123**	**-41,484**	**-4.2**

Net Interest income came to €952.6 million, decreasing by €41.5 million, (i.e. down by -4.2%) year-on-year. This aggregate was impacted by the decrease in net interest income from Customers, down by -€92 million, mainly due to lending weakness.

Interest income from outstanding securities came to -€359.1 million, down by €12.7 million YOY, thanks to effective control of funding cost.

The balance on interest income from available-for-sale financial assets came to €149.8 million, up by €5.9 million vs. 2012, benefiting from the actions implemented on the owned securities portfolio. This was higher than the spreads on hedging derivatives (specifically linked to macro hedge accounting applied to funding), which increased by +€34.7 million (up by +€21.0%)

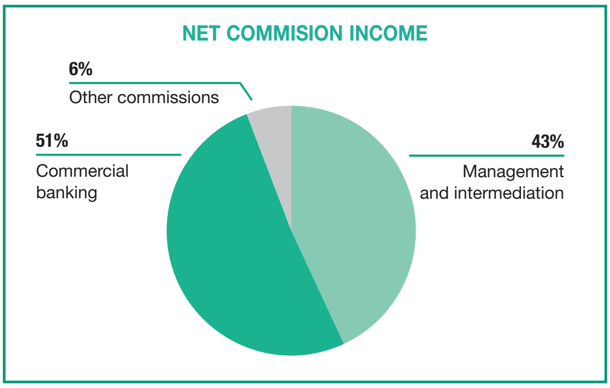
Net commission income

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
- guarantees issued	11,075	11,283	-208	-1.8
- collection and payment services	42,719	45,374	-2,655	-5.9
- current accounts	236,440	231,808	4,632	2.0
- debit and credit card services	37,955	33,073	4,882	14.8
Commercial banking business	**328,189**	**321,538**	**6,651**	**2.1**
- securities intermediation and placement	120,428	119,903	525	0.4
- foreign exchange	3,500	4,552	-1,052	-23.1
- asset management	5,948	6,705	-757	-11.3
- distribution of insurance products	143,122	123,110	20,012	16.3
- other intermediation/management commissions	2,023	2,297	-274	-11.9
Management, intermediation and advisory services	**275,021**	**256,567**	**18,454**	**7.2**
Tax collection services	**-**	**-**	**-**	**-**
Other net commissions	**36,484**	**32,491**	**3,993**	**12.3**
Total net commissions income	**639,694**	**610,596**	**29,098**	**5.7**

Net commission income came to €639.7 million, increasing by €29.1 million (up by +4.8%) vs. the previous year, thanks to strong increase in both traditional banking business (up by €6.7 million, i.e. +2.1%) and in asset management, intermediation and advisory services (up by €18.5 million, i.e. +7.2%).

Specifically, the traditional banking business segment was driven by a significant increase in commission income from current accounts (up by €4.6 million, i.e. +2.0%) as well as in commission income from payment systems (up by €4.9 million, i.e. +14.8%).

The increase in commission income from asset management, intermediation and advisory services was almost entirely due to the increase in commission income on insurance products (which accounted for €20.0 million, up by +16.3%). This segment benefited from both a more effective commercial action on placed volumes and from a higher flow of recurring commissions. Commission income from securities intermediation and placement came essentially in line with the previous period (up by +0.4%), despite a good commercial performance on volumes: this segment was affected by Customers' preference for lower-risk products.



Profit (loss) on trading activities

Items	31.12.2013	31.12.2012	Changes Amount	Changes %
Interest rates	14,027	17,490	-3,463	-19.8
Equities	-	26	-26	-
Foreign exchange	1,909	2,361	-452	-19.1
Commodities	5	11	-6	-54.5
Total net gain (loss) on financial assets held for trading	**15,941**	**19,888**	**-3,947**	**-19.8**
Total gain (loss) on hedging activities	**9,570**	**12,417**	**-2,847**	-22.9
Gain (loss) on disposal of financial assets available for sale	**133,961**	**14,018**	**119,943**	**-**
Net gain (loss) on financial activities	**159,472**	**46,323**	**113,149**	**-**

The profit on trading activities came to €159.5 million, up by €113.1 million vs. the previous period, with a significant increase in gains on disposal of available-for-sale financial assets.

Specifically:

- Gains on disposal of available-for-sale financial assets came to €134 million, increasing from €14 million in 2012. This aggregate benefited from the recognition of the gains resulting from the derecognition of the Bank of Italy shares held in the equity investments portfolio (for more exhaustive reporting, reference is made to the Note to the Consolidated Financial Statements, Part A, Section 5, "Other Aspects"). Moreover, higher income came from the disposal of assets held in the Government securities portfolio. In this regard, arbitrage transactions were carried out on Italian Government Debt Securities (BTP), or sale and replacement with other securities, in order to reduce the duration and, therefore, the sensitivity of the same portfolio to the trend of market rates, as well as arbitrage transactions between French Government securities (OAT) and BTPs, with a double purpose of reducing the portfolio duration and increasing net yield.

- Gains on hedging activities: these came to €9.6 million, decreasing vs. 2012; this amount included €8.5 million worth of gains from the early unwinding of derivative instruments hedging demand deposits, which was decided subsequent to the review of the modelling of the same deposits; the remaining part decreased YOY due to the measurement components generating the net effect of the fair value change between the hedging instrument and the hedged item.
- Gains on financial assets/liabilities held for trading: these came to Euro 15.9 million, decreasing by -€3.9 million (down by -20%) compared with the previous year; interest rate derivatives accounted for -€3.5 million of the above decrease and foreign exchange for -€0.5 million;

Other operating income (expenses)

Other operating income/expenses, coming to a balance of -€16.5 million, cannot be compared with the same item for the previous period, which had benefited from other effects that did not recur in 2013.

Operating expenses

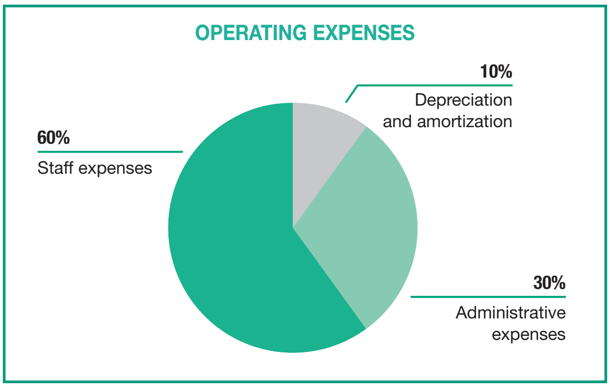
Items	31.12.2013	31.12.2012	Changes	
			Amount	%
- wages and salaries	-426,110	-437,523	-11,413	-2.6
- social security contributions	-110,861	-116,783	-5,922	-5.1
- other staff expenses	-58,095	-178,790	-120,695	-67.5
Staff expenses	**-595,066**	**-733,096**	**-138,030**	**-18.8**
- general operating expenses	-85,144	-96,277	-11,133	-11.6
- IT services	-56,269	-50,961	5,308	10.4
- direct and indirect taxes	-102,793	-87,318	15,475	17.7
- facilities management	-59,662	-66,536	-6,874	-10.3
- legal and other professional services	-20,220	-27,084	-6,864	-25.3
- advertising and promotion costs	-9,588	-11,784	-2,196	-18.6
- indirect staff expenses	-8,690	-12,379	-3,689	-29.8
- other expenses	-162,977	-180,164	-17,187	-9.5
- recovery of expenses and charges	205,403	207,422	-2,019	-1.0
Administrative expenses	**-299,940**	**-325,081**	**-25,141**	**-7.7**
- intangible assets	-63,659	-67,713	-4,054	-6.0
- property, plant and equipment	-29,392	-30,807	-1,415	-4.6
Depreciation and amortization	**-93,051**	**-98,520**	**-5,469**	**-5.6**
Operating expenses	**-988,057**	**-1,156,697**	**-168,640**	**-14.6**

Operating expenses for 2013 came to €988.1 million, decreasing YOY by €50.6 million (net of €118 million worth of provisions for the voluntary redundancy scheme allocated in 2012, -4.8%).

Specifically:

- **Staff expenses,** these accounted for 60% of total operating expenses and came to €595.1 million, decreasing YOY (net of €118 million worth of provisions for the Solidarity Fund allocated in 2012) by €20 million (-3.3%). This decrease was mainly due to the reduction in the average number of resources subsequent to the activation of the Solidarity Fund (-245 YOY), as well as to the effective management of remuneration variable components;
- **Administrative expenses,** these came to €299.9 million, decreasing by €25.1 million (down by -7.7%) vs. 2012, thanks to the implementation of important actions for structural rationalization and expense control. Specifically, the items that posted the most significant decreases are "General operating expenses" (down by -€11.1 million) and "Expenses for property management" (down by -€6.9 million), subsequent to the renegotiation of some important lease agreements. Expenses for legal and professional advisory services also decreased (down by -€6.9 million). On the other hand, expenses for IT services increased (up by +€5.3 million), as well as indirect taxes and duties (up by +€15.5 million), the latter were mainly impacted by the new revenue stamp duty on financial products;
- **Depreciation and amortization** came to €93.1 million, decreasing by 5.6% vs. the previous year, despite the implementation of a considerable investment plan (for approximately €83 million).

The cost/income ratio came to approximately 57%, decreasing by 11 percentage points from the figure of December 2012.



Operating profit

The operating profit came to €748.9 million showing a positive trend vs. 2012, thanks to the essentially stable performance of income from ordinary operations and the significant actions to rationalize operating expenses.

Provisions and other components

Net Provisions for contingencies and liabilities

Net provisions for contingencies and liabilities came to €27.7 million, posting a strong decrease from €36.0 million of 2012.

Provisioning mainly referred to repayments to Customers on financial products for €13.3 million, which increased by €3.7 million vs. the previous year, as well as non-lending disputes for €9.6 million, which, on the other hand, posted a significant decrease (down by -€45.5%).

Net impairment adjustments of loans

			Changes	
Items	**31.12.2013**	**31.12.2012**	**Amount**	**%**
- bad debts	-208,707	-219,440	-10,733	-5
- other impaired loans	-185,549	-173,022	12,527	7
- performing loans	-129,312	-9,465	119,847	
Nei impairment adjustments of loans	**-523,568**	**-401,927**	**121,641**	**30**
Net adjustments of guarantees and commitments	-69	-1,431	-1,362	-95
Net adjustments of loans	**-523,637**	**-403,358**	**120,279**	**30**

In 2013, the lending market continued to be impacted by high credit risk in an economic situation that showed few signs of recovery. In this scenario, the Cariparma Crédit Agricole Group implemented a number of lending policies and management actions that allowed loan quality to be consolidated and maintained at better level than those of the Banking System in general.

Net impairment adjustments of loans came to €523.6 million, increasing vs. 2012 by €120.3 million. This was due to more conservative measurement parameters than those that were deemed expressing measurement best practices in the past; this collective writedown has already taken account of the new guidelines that can be obtained from the draft implementing International Technical Standards published by EBA in October 2013 and concerning the recognition of forbearance, non-performing and forborne exposures, which has led to higher adjustments of performing loans for approximately €99 million. This aggregate also reports an increase in adjustments of restructured loans amounting to €21 million. Conversely, adjustments of bad loans decreased to €208.7 million from €219.4 million of 2012 (down by -4.9%), as well as adjustments of substandard loans, which decreased by €10 million, coming to €143.7 million.

In order to manage the increase in the weight of impaired loans, the Cariparma Crédit Agricole Group consolidated and enhanced its prudential policy confirming the overall coverage ratio of its loans portfolio, vs. the previous period.

Gains (loss) from financial assets held to maturity and other investments

This aggregate had a negative balance of €0.9 million, significantly decreasing vs. the 2012 figure, which benefited from the transfer of the equity investment held by the Parent Company in Crédit Agricole Vita S.p.A.

Adjustments of goodwill

In 2013, goodwill arising from various business combinations made by the Group since 2007 was tested for impairment.

For the Retail/Private Banking and Enterprises/Corporate Cash Generating Units, impairment testing showed no need for writedowns.

Profit before tax on continuing operations

Profit before tax on continuing operations came to €196.7 million, increasing YOY by €33.4 million, thanks to the good operating performance.

Income taxes on continuing operations

Current and deferred taxes totalled €39.5 million, increasing by €37.9 million vs. the previous year.

The amount for the period was affected by the recognition for Italian corporate income tax (IRES) purposes, of net adjustments of loans, as well by the increase in the IRES rate of 8.5%, which was provided for exclusively for the fiscal year 2013 (but only on a portion of the taxable base for this tax).

Some non-recurring components are to be reported. Specifically, the statutory and tax values of some goodwill items and intangible assets with definite useful life resulting from transactions for the acquisition of controlling equity investments or for the transfer of branches, which generated a positive effect on the Income Statement amounting to approximately €35.7 million.

The recognition for tax purposes of further goodwill and assets relating to branches acquired in previous periods as tax-neutral items generated another positive effect of €1.6 million.

Moreover, a provision was allocated for taxes payable on the higher value of Bank of Italy shares (pursuant to Law No. 147/2013).

Net of non-recurring components and considering the similar components that have been recognized in the Income Statement for the previous period, the tax burden decreased, coming to 33.48%. This decrease was mainly, but not exclusively, due to the decrease in the values as recognized in the Income Statement subject to taxation, such as lower writedowns of equity investments not deductible from taxes, as well as due to the performance of the Italian Regional Tax on Productive Activities (IRAP). Indeed, with a gross income slightly increasing, the amount due for this tax was, decreasing vs. the previous year, caused the weight of the Regional Tax on Productive Activities on gross profit to decrease from 36.5% of 2012 to 15.3% of 2013.

Net profit (loss) and comprehensive income

Net profit

Net profit came to €150.4 million, decreasing vs. 2012 by €9.6 million.

Comprehensive income

Items		31.12.2013	31.12.2012
10.	**Net profit (loss) for the period**	**157,169**	**161,679**
	Other income after tax	**-**	**-**
20.	Property, plant and equipment	-	-
30.	Intangible assets	-	-
40.	Actuarial gains (losses) on defined-benefit plans	3,335	-16,410
50.	Disposal groups	-	-
60.	Share of valutation reserves on equity investments accounted for using the equity method	-	-
	Other income components net of taxes with reversals to Income Statement	**-**	**-**
70.	Hedging of foreign invesments	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	Financial assets available for sale	116,893	264,379
110.	Disposal groups	-	-
120.	Share of valutation reserves on equity investments accounted for using the equity method	-	22,601
130.	**Total other income components after tax**	**120,228**	**270,570**
140.	**Comprehensive income (Item 10+130)**	**277,397**	**432,249**
150.	**Consolidated comprehensive income pertaining to minority interests**	**9,035**	**10,241**
160.	**Consolidated comprehensive income pertaining to the Parent Company**	**268,362**	**422,008**

Comprehensive income consists of the profit for the period and of the changes in assets directly recognized in equity reserves. Comprehensive income for 2013 had a positive performance coming to €268 million, mainly due to net gains (including the portion attributable to minority shareholders), as well as to the revaluation reserve for available-for-sale financial assets, which, in 2013, increased by €117 million.

The inclusion in comprehensive income of the item relating to available-for-sale financial assets entails strong volatility, which must be taken into account in analyzing the table.

» PERFORMANCE OF BALANCE-SHEET AGGREGATES

Reclassification of the Balance Sheet

In order to provide a more direct representation of the Company's balance sheet and financial position, a summary balance sheet was prepared by suitably aggregating balance-sheet items. The changes concern:

- presentation of 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 value of Hedging Derivatives and the Adjustment of financial assets and liabilities subject to generic hedging in the "Other" items in Assets and "Other" items in Liabilities;
- grouping of Intangible Assets and Property, Plant and Equipment into a single aggregate;
- inclusion of the item "Cash and cash equivalents" in the "Other Assets" residual item;
- grouping in the "Funding from Customers" item of the "Due to customers" and "Outstanding Securities" items;
- grouping of specific-purpose provisions (i.e. employee severance benefits and provisions for contingencies and liabilities) into a single aggregate.

Reclassified Consolidated Balance Sheet

Assets	31.12.2013	31.12.2012	Changes Amount	Changes %
Net financial assets/liabilities held for trading	928	-218	1,146	-
Financial assets available for sale	5,096,003	4,030,081	1,065,922	26.4
Loans to customers	36,391,853	35,128,149	1,263,704	3.6
Equity investments	19,263	20,433	-1,170	-5.7
Property, plant and equipment and intangible assets	2,370,377	2,388,916	-18,539	-0.8
Tax assets	1,196,793	1,045,190	151,603	14.5
Other assets	1,568,045	2,273,385	-705,340	-31.0
Total net assets	**46,643,262**	**44,885,936**	**1,757,326**	**3.9**

Liabilities and equity	31.12.2013	31.12.2012	Changes Amount	Changes %
Net due to banks	2,779,224	1,151,537	1,627,687	-
Funding from customers	36,593,702	36,219,988	373,714	1.0
Tax liabilities	386,232	327,843	58,389	17.8
Other liabilities	1,722,343	2,203,151	-480,808	-21.8
Specific-purpose provisions	363,657	405,379	-41,722	-10.3
Share capital	876,762	876,762	-	-
Reserves (net of treasury shares)	3,615,053	3,507,710	107,343	3.1
Valuation reserves	-43,473	-161,391	-117,918	-73.1
Minority interests	199,318	194,931	4,387	2.3
Net profit (loss) for the period	150,444	160,026	-9,582	-6.0
Total net liabilities and equity	**46,643,262**	**44,885,936**	**1,757,326**	**3.9**

Reconciliation of the official and reclassified balance sheets

Assets	31.12.2013	31.12.2012
Net financial assets/liabilities held for trading	**928**	**-218**
20. Financial assets held for trading	214,732	311,930
40. Financial liabilities for trading	-213,804	-312,148
Financial assets available for sale	**5,096,003**	**4,030,081**
40. Financial assets available for sale	5,096,003	4,030,081
Loans to customers	**36,391,853**	**35,128,149**
70. Loans to customers	36,391,853	35,128,149
Equity investments	**19,263**	**20,433**
100. Equity investments	19,263	20,433
Property, plant and equipment and intangible assets	**2,370,377**	**2,388,916**
120. Property plant and equipment	442,815	442,792
130. Intangible assets	1,927,562	1,946,124
Tax assets	**1,196,793**	**1,045,190**
140. Tax assets	1,196,793	1,045,190
Other assets	**1,568,045**	**2,273,385**
10. Cash and cash equivalents	334,127	285,966
80. Hedging derivatives	692,941	1,151,735
90. Value adjustment of financial asets sibject to macro hedging (+/-)	1,192	6,363
160. Other assets	539,785	829,321
Total net assets	**46,643,262**	**44,885,936**

Liabilities and equity	31.12.2013	31.12.2012
Net interbank funding	**2,779,224**	**1,151,537**
60. Loans to bank	-3,305,651	-4,123,908
10. Due to bank	6,084,875	5,275,445
Funding from customers	**36,593,702**	**36,219,988**
20. Due to customers	23,360,593	22,264,469
30. Securities issued	13,233,109	13,955,519
Tax liabilities	**386,232**	**327,843**
80. Tax liabilities	386,232	327,843
Other liabilities	**1,722,343**	**2,203,151**
100. Other liabilities	1,026,440	1,225,659
60. Hedging derivatives	345,373	319,350
70. Adjustment of financial liabilities hedged generically (+/-)	350,530	658,142
Specific-purpose provision	**363,657**	**405,379**
110. Employee severance benefits	151,648	171,108
120. Brovisions for liabilities and contingencies	212,009	234,271
Share capital	**876,762**	**876,762**
190. Share capital	876,762	876,762
Reserves (net of treasury shares)	**3,615,053**	**3,507,710**
170. Reserves	879,591	772,248
180. Share premium reserve	2,735,462	2,735,462
Valutation reserves	**-43,473**	**-161,391**
140. Valutation reserves	-43,473	-161,391
assets pertaining to minority interests	**199,318**	**194,931**
210. Assets pertaining to minority interests	199,318	194,931
Net profit (loss) for the period	**150,444**	**160,026**
220. Net profit (loss) for the period	150,444	160,026
Total net liabilities and equity	**43,643,262**	**44,885,936**

Operations with customers

In 2013, the Banking Systems continued to be affected by a decrease in total funding, which was still impacted by the reduction in households' income and high lending risk. Even in this situation, the Cariparma Crédit Agricole Group reaffirmed its commitment to support the real economy, increasing loans to Customers and consolidating total funding, although with a different asset mix.

Intermediated assets, consisting of the sum of loans, direct and indirect funding, came to €123,877 million, posting an increase of €1,237 million (up by +1.0%) compared with 2012.

Loans came to €36,392 million, increasing YOY by €1,264 million (up by +3.6%), concentrated on the advances and other financing component.

Total funding administrated on behalf of customers (which, as at the end of 2013, came to €87,486 million) was stable compared to the previous year.

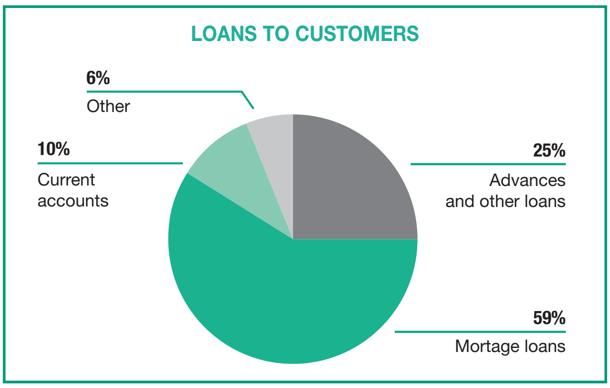
Direct funding came to €36,594 million, increasing YOY (up by +1%), whereas indirect funding slightly decreased (down by -0.8%) coming to €50,892 million.

Loans to Customers

			Changes	
Items	**31.12.2013**	**31.12.2012**	**Amount**	**%**
- Current accounts	3,714,912	4,317,175	602,263	-14.0
- Mortgage loans	21,222,416	21,217,718	4,698	0.0
- Advances and other loans	9,152,483	7,800,106	1,352,377	17.3
- Agreements repurchase	-	-	-	
- Impaired loans	2,296,530	1,788,111	508,419	28.4
Loans	**36,386,341**	**35,123,110**	**1,263,231**	**3.6**
Loans represented by securities	5,512	5,039	473	9.4
Loans to customers	**36,391,853**	**35,128,149**	**1,263,704**	**3.6**

The increase in loans to Customers, which came to €36,391 million, up by €1,263 million (+3.6%) vs. 2012, substantiates the Group's focus on households and businesses.

This increase was mainly driven by the good performance of advances and other financing, which came to €9.152 million increasing by 17.3% YOY. Mortgage loans came to €21,222 million, essentially in line with the previous year (down by -0.1%), with significant business with Customers leading to the granting of over 12,000 mortgage loans.



Loan quality

Items	31.12.2013			31.12.2012		
	Gross exposure	Total writedowns	Net exposure	Gross exposure	Total writedowns	Net exposure
- Bad debts	2,103,864	1,184,845	919,019	1,591,372	898,079	693,293
- Substandard loans	1,056,354	288,577	767,777	902,333	280,948	621,385
- Restructured loans	430,826	56,354	374,472	166,636	20,698	145,938
- Past-due / overlimit loans	243,711	8,449	235,262	335,824	8,329	327,495
Impaired loans	**3,834,755**	**1,538,225**	**2,296,530**	**2,996,165**	**1,208,054**	**1,788,111**
Performing loans	**34,354,686**	**259,363**	**34,095,323**	**33,475,162**	**135,124**	**33,340,038**
Total	**38,189,441**	**1,797,588**	**36,391,853**	**36,471,327**	**1,343,178**	**35,128,149**

Items	31.12.2013			31.12.2012		
	Gross exposure	Total writedowns	Net exposure	Gross exposure	Total writedowns	Net exposure
- Bad debts	5.5%	2.5%	56.3%	4.4%	1.97%	56.4%
- Substandard loans	2.8%	2.1%	27.3%	2.5%	1.77%	31.1%
- Restructured loans	1.1%	1.0%	13.1%	0.5%	0.42%	12.4%
- Past-due / overlimit loans	0.6%	0.6%	3.5%	0.9%	0.93%	2.5%
Impaired loans	**10.0%**	**6.3%**	**40.1%**	**8.2%**	**5.09%**	**40.3%**
Performing loans	**90.0%**	**93.7%**	**0.8%**	**91.8%**	**94.91%**	**0.4%**
Total	**100.0%**	**100.0%**	**4.7%**	**100.0%**	**100.0%**	**3.7%**

Concomitantly with the increase in volumes of loans to Customers, impaired loans, net of total adjustments, increased by 28.4%, coming to €2,297 million vs. €1,788 million in the previous year. The weight of problem loans on total net loans as at the reporting date was 6.3% vs. 5.1% in 2012, while the coverage ratio of 40% was in line with the previous year, confirming the effectiveness of the prudential policy implemented by the Cariparma Crédit Agricole Group.

Net bad loans came to €919 million vs. €693 million of December 2012, with an increase in their weight on total loans to Customers which came to 2.5% with a coverage ratio of 56.3% in line with the previous period.

Net substandard positions came to €768 million, with a weight on total loans to Customers of 2.1%, increasing from 1.8% of 2012, and a coverage ratio of 27.3%.

Net restructured loans came to €374 million, increasing from €146 million of the previous year, and accounted for 1% of total loans to Customers.

Past due/overlimit loans performed against the trend, posting a significant decrease vs. 2012, and came to €235 million, with a 0.6% weight on total loans to Customers. However, the relating coverage ratio of 3.5% increased, consistently with the Group policies.

As regards performing loans, the total amount of adjustments came to €259 million, significantly increasing vs. 2012. The collective writedown has already taken account of the new guidelines that can be obtained from the draft implementing International Technical Standards published by EBA in October 2013 and concerning the recognition of forbearance, non-performing and forborne exposures, which has led to higher adjustments of performing loans.

Funding from Customers

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
- Deposits	3,462,075	3,233,713	228,362	7.1
- Conti correnti ed altri conti	19,643,563	18,664,625	978,938	5.2
- Other items	146,148	120,439	25,709	21.3
- Repurchase agreements	108,807	245,692	-136,885	-55.7
Due to customers	**23,360,593**	**22,264,469**	**1,096,124**	**4.9**
Securities issued	13,233,109	13,955,519	-722,410	-5.2
Total direct funding	**36,593,702**	**36,219,988**	**373,714**	**1.0**
Indirect funding	**50,892,431**	**51,292,493**	**-400,062**	**-0.8**
Total funding	**87,486,133**	**87,512,481**	**-26,348**	**-**

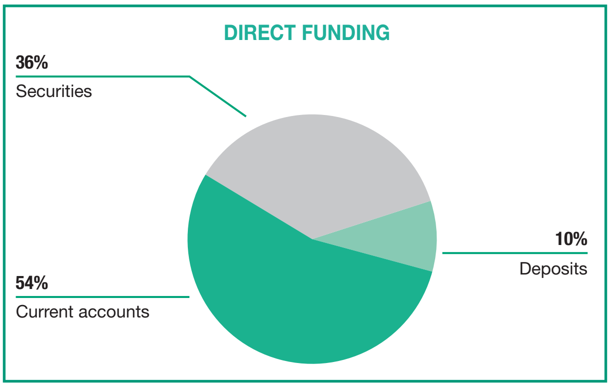
In 2013, Customers' available funds continued to decrease and Customers showed different saving requirements, with low risk appetite and preference for liquid deposits. In this situation, the Cariparma Crédit Agricole Group succeeded in consolidating its total funding (which is the aggregate of corporate sources of funding from Customers), which came to €87,486 million, in line with the previous year.

The performance of aggregates shows the recomposition of the portfolio toward short-term forms. Direct funding, which came to €36,593 million, posted a 1% increase vs. the previous year mainly concentrated on current accounts (coming to €19,644 million), up by €979 million (+5.2%).

Conversely, outstanding securities, which came to €13,233 million (accounting for 36% of direct funding), significantly decreased (down by -5.2%), substantiating the Customers' preference for products with shorter maturity terms.

In the light of the new market developments, direct funding was composed as follows: current accounts 54%, outstanding securities 36% and deposits 9%.

In December 2013, stable funding and the concomitant increase in lending allowed Cariparma to consolidate its liquidity level, with a balanced liquidity ratio (loans/funding).



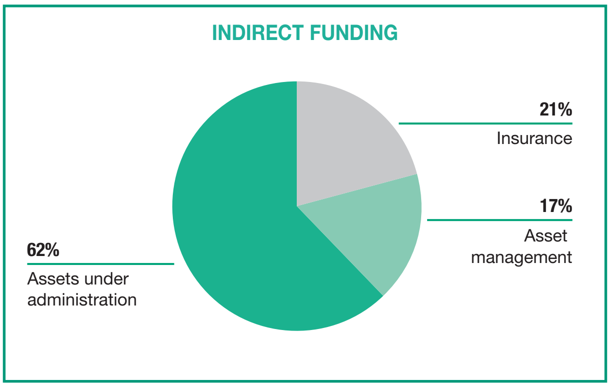
Indirect funding

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
- Asset management products	8,627,449	7,634,954	992,495	13.0
- Insurance products	10,450,117	9,749,639	700,478	7.2
Total assets under management	**19,077,566**	**17,384,593**	**1,692,973**	**9.7**
Assets under administration	**31,814,865**	**33,907,900**	**-2,093,035**	**-6.2**
Indirect funding	**50,892,431**	**51,292,493**	**-400,062**	**-0.8**

At market values, indirect funding represented 58% of total funding and amounted to €50,892 million, down by €400 million (-0.8%) vs. the previous year.

The decrease in indirect funding totally regarded assets under administration, which decreased by €2,093 million (down by -6.2%), coming to €31,815 million. This was due to financial market volatility and to the higher risk associated to equity securities, which is little consistent with the lower risk appetite of Customers, who preferred asset management products.

On the other hand, assets under management, coming to €19,078 million, posted a strong increase (up by +10%), both in the asset management segment (+13%) and in the insurance segment (+7.2%). This was the result of effective commercial actions, which led to the placing of products for over €4 billion.



Other investments

Net interbank position

The net interbank position of the Cariparma Crédit Agricole Group showed a total net debt of €2,779 million, increasing by €1,627 million vs. the previous year. This was due to implemented policy for the development of loans to Customers.

Available-for-sale financial assets

Items	31.12.2013	31.12.2012	Changes Amount	Changes %
- Bonds and other debt securities	4,877,691	3,899,658	978,033	25.1
- Equity securities and units of collective investment undertakings.	2,478	3,095	617	-19.9
Securities available for sale	**4,880,169**	**3,902,753**	**977,416**	**25.0**
- Equity investments	215,834	127,328	88,506	69.5
Shareholdings available for sale	215,834	127,328	88,506	69.5
Financial assets available for sale	**5,096,003**	**4,030,081**	**1,065,922**	**26.4**

Available-for-sale financial assets, which consisted almost exclusively of available-for-sale bonds and other debt securities, came to €5,096 million, significantly increasing by €1,065 million (up by +26.4%). This increase was almost totally due to the increase in Italian Government securities held, subsequent to the purchases made in the period and to the increase in the prices of securities. This combined with the positive effects of the recognition of Bank of Italy new shares, after derecognizing the Bank of Italy shares previously held.

The table below reports the composition of Government securities held by the Cariparma Crédit Agricole Group: Government Securities are included in the Financial Assets held for the Trading Book and in the Available-for-sale Financial Assets portfolio, and are mostly Italian Government securities.

Government securities

	31.12.2013 Nominal Value	31.12.2013 Book value	31.12.2013 Valution reserves
FVTPL			
Italian government bond	5	5	X
Argentina government bond	20	6	X
AFS			
Italian government bond	4,344,500	4,746,846	-22,731
Argentina government bond	24	24	2
French government bond	65,000	82,042	-906
Total	4,409,549	4,828,923	-23,635

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets came to €2,370 million, modestly decreasing by €19 million from €2,389 million of the previous year.

This item included goodwill and intangible assets recognized following the acquisitions from Intesa Sanpaolo, of FriulAdria and 202 branches, made in 2007, the transfer of the lease business to Crédit Agricole Leasing Italia in 2008 and the acquisition of Carispezia and 96 branches in 2011.

On the reporting date, the intangible assets relating to the above business combinations were tested for impairment and the consistency of the values recognized was confirmed.

Specific-purpose provisions

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
Employee severance benefits	151,648	171,108	19,460	-11.4
Provisions for liabilities and contingencies	212,009	234,271	22,262	-9.5
- retirement and similar liabilities	23,151	23,375	224	-1.0
- other provisions	188,858	210,896	22,038	-10.4
Total specific-purpose provisions	**363,657**	**405,379**	**41,722**	**-10.3**

Specific-purpose provisions totalled €364 million, decreasing by €42 million vs. the previous year (down by -10.3%). This decrease concerned the “Other provisions” item, which refer to legal disputes, liabilities for staff and operating risks and came to €189 million, (down by €22 million vs. the previous period), as well as provisions for Employees’ severance benefits, which decreased by €19 million.

Specifically, the decrease in this aggregate was mainly due to employees’ termination subsequent to the activation of the Solidarity Fund for the Bank’s employees, based on the agreements reached with the trade Unions.

Equity and Regulatory Capital

Equity

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
Share capital	876,762	876,762	-	0.0
Share capital premium eserve	2,735,462	2,735,462	-	0.0
Reserves	879,591	772,248	107,343	13.9
Valutation reserves of financial assets available for sale	-21,047	-135,675	114,628	-84.5
Valutation reserves of Actuarial gaings (losses) pertaining to defined-benefit pension plans	-22,426	-25,716	3,290	-12.8
Valutation reserves : Other	-	-	-	
Net profit (loss) for the period	150,444	160,026	9,582	-6.0
Total equity	**4,598,786**	**4,383,107**	**215,679**	**4.9**

As at 31 December 2013, the book value of equity, including the net Profit for the period, came to €4,599 million, increasing by €216 million from €4,383 million of the previous year.

The change in equity was mainly due to the decrease in the negative balance of valuation reserves for available-for-sale financial assets (which decreased from -€135.7 million of 2012 to -€21.0 million of 2013); this change was mainly due to writeback of Government securities held following the changes in the economic-financial situation.

As at 31 December 2013, the Bank portfolio did not include treasury shares or shares in the Controlling Company.

Regulatory Capital

Supervisory capital and capital ratios	31.12.2013	31.12.2012
Tier 1 Capital	2,550,852	2,811,752
Tier 2 Capital	574,957	857,333
Deductible elements	-	-
Supervisory capital	**3,125,809**	**3,669,085**
Credit Risk	1,652,155	2,166,171
Market risk	1,002	3,457
Operational risk	211,610	215,021
Capital requirements	**1,864,767**	**2,384,649**
Excess capital with respect to minimum requirements	**1,261,042**	**1,284,436**
Risk-weighted assets	**23,309,590**	**29,808,112**
Capital ratios %	**-**	**-**
Core Tier 1 (a) / Risk-weighted assets (Core Tier 1 ratio)	10.4%	9.0%
Tier 1 Capital / Total risk-weighted assets	10.9%	9.4%
Total capital / Total risk-weighted assets	13.4%	12.3%

In 2013, for the calculation of the capital requirement for credit risk, the Cariparma Crédit Agricole Group was authorized by the Regulator to use, for Cariparma and Banca Popolare FriulAdria, internal rating systems with an advanced approach (Advanced Internal Rating Based - AIRB - approach), for Retail Exposures (the so-called “Retail Portfolio”). Specifically, for the above perimeter, the following were validated for the AIRB approach:

- the models to estimate “Probability of Default” (PD),
- the model to estimate the loss rate in case of default “Loss Given Default” (LGD).

This event generated significant effects on consolidated capital ratios as at 31 December 2013, which considerably improved vs. 2012: Core Tier 1 came to 10.4%, Tier 1 to 11.0% and the Total Capital Ratio to 13.4%.

The developments in the capital ratios resulted from the increase in the deduction linked to the revaluation of the equity investment in the Bank of Italy and from the combined effect of the application of A-IRB approaches to RWAs and regulatory capital, and specifically:

- risk-weighted assets (€23,309 million) improved significantly (down by -€6,504 million) vs. the same figure for 2012 (€29,808 million),
- conversely, the Regulatory Capital decreased due to the application of the deduction of the excess difference between the value of ‘expected losses’ and the value of ‘total adjustments’.

Corporate development lines

Strategic plan and corporate development

OPERA is the Strategic Plan of the Cariparma Crédit Agricole Group, which was presented in 2011, and defines the guidelines on which the Group's organic and sustainable growth is based.

The Plan is based on three development pillars:
- Customer centrality, pursued by innovating the Retail Service Model and by developing services to Enterprises, as well as by implementing two specific projects focused on enhancing and strengthening control of the respective areas of operations by FriulAdria and Carispezia;
- the model's efficiency and soundness, which entails development of the operation machine, control of capital and financial soundness, risk and loan management;
- the distinctiveness of the Group's Values, ensured by proximity and support to the areas of operations.

In 2013, activities continued on the various Worksites, some of which (the Veneto Project Worksite and the Worksite for Capital Soundness and efficient management of capital and liquidity) had their design phase completed and became ordinary projects.

Specifically for the Veneto Project, the actions on the network, aimed at supporting relations with the community and business development in the area, were completed, such as the opening of the representative headquarters and the completion of the area coverage.

As regards the Worksite for Capital Soundness and efficient management of capital and liquidity a new phase was started for the control and consolidation of the results that had already been achieved.

In the light of the new developments in Customers' requirements and of the market situation, the activities continued for the implementation of the new Retail Service Model, which was made by:
- launching Branch Groups, which are subdivided into Large and Small, have a Manager, who is responsible for objectives and for the coordination of the Branches in the Group;
- activating the Small Business Centre, in order to further improve the service model for small business Customers;
- activating the first "Agenzie per Te" (Branches designed for You), which feature full integration of the physical network with direct channels, at the same providing a more advice-focused service.

As regards multichannel innovation, it is to be noted the enhancement action that includes the launch of the Online Account ("Conto Adesso") and the start-up of the projects relating to mobile development and remote selling.

Moreover, in order to ensure better control of the Enterprise segment, the activities continued referring to two important dedicated projects:
- the Corporate Banking Project, aimed at enhancing business with Customers, by creating support structures to increase the service level and strengthen the model for the supply of products with higher added value (for example, the Cash Management platform);
- the Agri-Food Project, which is based on a development strategy focusing on the specific requirements of each production chain, (specifically the meat and meat products chain, the dairy chain and the wine production chain), also through agreements with the relevant Trade Associations and with manufacturers of farm machinery, in line with the Group's vocation as community bank.

In order to provide Customers with ever improving services, investments continued for the upgrading of the Operating Mechanism through:
- the evolution of the New Branch Platform, which contributes to ensure the compliance with the main obligations associated to banking operations regarding transparency, sound verification, money-laundering and privacy;
- the implementation, in Personal Financial Planning, of tracking of the recommendations addressed to Customers, within the portfolio advisory service model;
- developments of procedures as requested by the implementation of the SEPA Regulation.

As regards the Lending Process, on the one hand activities focused on the implementation of the actions that will allow the Group to control the cost of credit (specifically to control overlimit positions and to improve recovery of substandard loans); on the other hand, they focused on the reduction of Customer response time, also by activating the electronic credit line procedure and the electronic monitoring and management procedure.

In 2013, some projects falling within the 2012 Plan perimeter were fully activated, which are functional to the achievement of the Group's objectives: the Cost Excellence Project, designed for rationalizing the cost structure (administrative expenses, review of central structures, distributive model and IT expenses), also by implementing structural actions (including the MUST Project, which was started to achieve important cost synergies at CASA Group level).

Finally, consistently with the Group regional and federal model, Carispezia continued its activities to complete optimization of geographical coverage, in order to ensure effective control and support to its reference communities.

Overall, approximately 100 resources are involved in the activities for the implementation of the Strategic Plan, with the support of specialists from the Banque de Proximité à l'International, the structure of the Controlling Company Crédit Agricole S.A., which is dedicated to the Banks based outside France.

Retail and Private Banking channel

Retail Channel - Households and Small Business Customers

Despite Italy's economic uncertainty and stagnation, in 2013 the Retail Channel of the Cariparma Crédit Agricole Group continued to develop and enhance its vocation as Community Bank, focusing on the provision of support to the real economy, on the consolidation of total funding and on the increase in its Customer base.

The implemented marketing and product innovation initiatives, increasingly focused on Customer satisfaction, were based on the analysis of the requirements as emerged from the customer satisfaction surveys made, as well as of the requirements and suggestions expressed by the Distribution Network. The centrality of Customers and of their requirements and the importance of the relational element led, again in 2013, to a significant performance with the acquisition of over 75,000 new Customers.

Many activities started in all segments: in the Children's Segment, the cooperation with Disney continued and allowed the Group to focus on the target referring to households with children, also through simple, original and high-visibility initiatives. The Cariparma Crédit Agricole Group continued to be committed to the "Financial Education" program, promoted by the "Patti Chiari" Consortium (a consortium of Italian Banks to improve the relationship between banks and customers, transparency and comparability), to improve students' awareness of economic-financial matters, with the objective to consolidate its role as proximity bank focusing on social issues. The Group also kept a range of products dedicated to young people, which can cover all the relevant requirements and is user's friendly, also thanks to direct channels.

The commitment to support young people and households in purchasing a home resulted in a wide range of home loans and initiatives for the suspension of payments ("Cariparma Sipuò" and "Fondo Solidarietà") for Customers experiencing temporary difficulties in paying instalments. In 2013, the Group range of mortgage loans was further extended, with the launch of a new campaign, which stood out for innovation and good value. The good results of the mortgage loan campaign, for Cariparma, amounted to a significant increase in its market share for mortgage loan applications, from 4.84% in January 2013 to 6.90% in November 2013 (source: CRIF), with an annual amount of mortgage loans granted of Euro 2.4 billion. In 2013, the cooperation continued with traditional loan brokerage partners, such as Kiron, Auxilia, Mediofimaa, as well as with online loan brokerage partners, such as MutuiOnline, MutuiSuperMarket and Telemutuo. Moreover, new agreements were finalized with important counterparties, such as Mutui Casa Service - Finint Group, Euroansa, Mutui.it.

The Group also continued and developed the important cooperation with the Crédit Agricole Group product companies that are dedicated to consumer credit in Italy. Despite operating in a shrinking market, the Group succeeded in consolidating its operations in the sector, focusing on households' requirements and on meeting them.

The promotion on payment cards was also significant, which are considered one of the strategic drivers for growth in 2013. This objective was pursued by organizing initiatives dedicated to Customers, in cooperation with MasterCard and CartaSi. The excellent performance of CartaConto, the prepaid card that can be recharged using the IBAN, is to reported, as well as the launch of PaySmart CartaConto, the "small" prepaid card with IBAN, which, with the mobile phone application, is a practical contactless payment instrument.

Consistently with its vocation as Proximity Bank, in the period the Group developed a new project, the “Community Bonds” project, which consists in the issuance of debenture loans in a given community and has been designed to obtain liquidity to be used exclusively to finance the development and growth of SMEs based in the same community.

The actions implemented in the Wealth Management segment were also significant: the Group commercial effort focused on advisory initiatives aimed at providing Customers with the best possible portfolio asset allocation based on the market conditions and each Customer’s specific risk profile, also through a considerable development in business with Customers thanks to the support given by the Personal Financial Planning platform. Moreover, the asset management segment benefited from the consolidation and enhancement of the partnership with product companies, both of the Group and unrelated, achieving a good performance in terms of funding, with over Euro 4 billion worth of products placed in the year.

As regards the Small Business segment, in 2013 the pursued targets were the consolidation of the Group’s image, the innovation of the product range supplied, the development of new business through agreements with important partners in the community of operations and the increase in the Customer base.

In order to enhance its position as a key partner for the business fabric of the communities of operation, the Group, which is fully aware of the particularly difficult economic situation, wanted to give a tangible sign of its proximity to businesses, by allocating pre-authorized loans. Through this initiative Businesses’ investments and cash requirements could be supported, with pre-authorized loan solutions at subsidized rates.

At the same time, in a process for continuous innovation of the products supplied based on the analysis of Customers’ requirements, another item was added to the Small Business product range, namely “Oltreconfine” (Beyond the Border), a set of high added-value services dedicated to businesses that make collection and payment transactions with foreign counterparties. Another action that was implemented to meet the requirement for an instrument to invest business liquidity was “CrescidepositoPiù Affari”, a deposit account ensuring increasing returns over time with amounts available at any time.

Moreover, in 2013, several actions were implemented for the growth of the Agri-Agro (Agri-food) sector, by developing in the period four chains: wine making, meat and meat products, dairy products and bakery products. The adoption of this full-scale approach, ranging across all the Group’s distribution channels, led to a good performance, significantly contributing to the acquisition of new Customers.

This action also relied on a well-developed partnership network, with further consolidation of the agreements with CreditAgri - Coldiretti, John Deere, dealers of farm machinery, Confagricoltura and the main Confidi (Italian mutual loan-guarantee consortia).

Another strategic driver in 2013 was the development of important partnerships with companies, such as Mc Donald’s, and with leading loan brokers, such as Mcs, in order to foster present and future growth, both in terms of Customer base and in terms of funding.

NON-LIFE BANCASSURANCE

In an essentially static market situation, in 2013 the Cariparma Crédit Agricole Group posted a significant increase in the Non-Life Bancassurance segment.

As regards the products and services supplied, an approach was developed designed to provide a “global” insurance-related advisory service, starting from thorough analysis of each Customer’s protection requirements in order to arrive at the definition of customized solutions, in a perspective of maximizing the service level provided and Customer retention.

In this regard, the very good commercial performance of the “Protezione Infortuni” (Accident Protection) insurance product - the latest inclusion in CAA product range - is to be reported, as well as Customers’ appreciation for the products that have been designed to meet the requirements for protection of individuals and households from contingencies.

THE NEW SERVICE MODEL: Mo.Ser

In 2013, an ambitious project was started for a new Service Model (Mo.Ser), which is proving to be consistent with the requirements of Customers and of the Banking sector, which is increasingly focused on commercial effectiveness and organizational efficiency, ensuring excellent quality of the services provided to Customers.

The new Service Model is based on innovative specifications for the reception of Customers and has been designed to focus on the Customer-Bank relation. Streamlining, safety and promptness are the innovation keys of the new facilities that have been made available to Customers, consisting of three modules: “Agenzia Per Te” (the Branch for You), Branch Groups and the Small Business Centre.

» AWARDS AND RECOGNITIONS

Also in 2013, the cross-Group expertise and commitment were awarded several recognitions by sector experts.

The Group was given two important recognitions within the ABI (the Italian Banking Association) 2013 Award for Innovation: the “Obbligazioni del territorio: il risparmio che investe a km 0” Project was the winner in the “Bank close to the Community” category, while the “RiCrediti: innovare il microcredito” (Ricrediti: innovating microcredit), was awarded a special mention for its features of innovation, impact and concreteness.

The Group received other recognitions within the MF 2013 Innovation Award, namely the prize for the most innovative insurance products and services for the Accident Protection policy, while, in the section dedicated to Banking products and services, the Group was awarded the second prize in the category of Current Account and Payment Services for Businesses with “Oltreconfine” and the third prize in the Home Loans category, with the “Casa Semplice” home loan.

Also within the AIFIN “Banca e Territorio” (Bank and Community) Award the Group obtained three recognitions: the 1st prize in the category “Initiatives for the environment protection with Debit Cards in recyclable plastic, the 2nd prize in the category for the support of art and culture with the “Il Principe Abusivo” (the Illicit Prince) project, as well as the second prize for the special award “Community Bank of the year”.

Finally, within the 4th Leadership Forum Awards, the Group was the winner as Best Bank for the Retail Mortgage Loans Networks.

Private Banking Channel

In 2013, the financial markets achieved positive performances, despite the difficult economic situation, featuring a modest growth of the global economy.

The positive performance of equity and bond markets, even though in a volatile situation, contributed to an increase in funding from asset management products, increasingly appreciated by Customers, in order to achieve positive real yields in a situation of portfolio diversification and risk control.

In this difficult market situation, the Private Banking Channel of the Cariparma Crédit Agricole Group succeeded in achieving a positive performance, thanks to the strong development action that was implemented both externally and internally, which led to an increase in the Customer base (up by +1.2% vs. 2012) and to a subsequent increase in total funding (up by +3%).

Just as significant was the action for the optimization of portfolio asset allocation and for the requalification of Assets Under Management, which led a very good performance in placing asset management core products (Asset Management up by +18% vs. 2012, of which the Insurance segment account for +24%).

Therefore, the performance of volumes and their requalification generated an appreciable increase in revenues vs. the previous period, which exceeded expectations.

Moreover, in 2013 important changes were made to the structure of the Private Banking distribution network of the Cariparma Crédit Agricole Group, which went from an approach entailing the management of the “Individual” relation to a “Team” approach, with training provided to all the Network resources throughout the phases of the New Organizational Model (Change Management).
The objectives of this important change were:
- To improve and enhance full-scale knowledge of Customers
- To improve service level
- To improve the commercial effectiveness of the Network
- To improve control on compliance matters.

This important project had a strategic value in achieving the Channel's objectives and allowed the professional growth of the Resources engaged in the Group's Private Banking Network, who succeeded in combining commercial effectiveness with efficiency in controlling compliance matters.

Finally, constant monitoring of operational risks was arranged and performed by the team of the Manager in charge of operational risks for the Private Banking Channel, in order to effectively control risks to which the Group is exposed in ordinary operations and consistently with the directives of the Controlling Company Crédit Agricole;

Enterprise and Corporate channels

In 2013, the Enterprise and Corporate banking channel of the Cariparma Crédit Agricole Group continued to follow its strategic guidelines aimed at integrating the Group's commercial bank profile with a distinguishing supply of Corporate Banking products and services, designed for companies of various sizes, levering the skills available in the Cariparma Group and in the other structures of the Crédit Agricole Group.

A strategy aimed at increasing the Group's market shares and the number of its Customers, focusing on:
- strategic sectors and segments: agri-food, mechanics, pharmaceutical industry and the manufacturing sector;
- high quality of the service provided and the relations established;
- development of the collection and payment business, international and enterprise finance segments and operations in derivatives;
- maintaining the present excellent quality of credit and assets;
- optimization of capital allocation.

Despite the present economic uncertainty, both at an international and at a local level, which also features an increase in non-payments and defaults ranging across all business areas, the Corporate Bank of the Cariparma Crédit Agricole Group succeeded in maintaining its market shares and, at the same time, in consolidating its profitability and financial structure.

Also in 2013 lending continued to grow; loans to Customers came to approximately Euro 11 billion.

In terms of synergies with product companies, in 2013, operations with Crédit Agricole Leasing Italia achieved an increase of 15% vs. 2012 in the volumes of new leases. The close cooperation with Crédit Agricole Commercial Finance, the factoring company of the Crédit Agricole Group, led to an increase in reporting and, subsequently, to an increase in loans and turnover, up by 18% over the previous year coming to over Euro 1.4 billion.

With the objective of implementing the Corporate Banking Business Plan, the new commercial approach was consolidated, also by segmenting Customers more accurately based on profitability, potential for growth and riskiness, in order to achieve greater direct interaction with Customers, to improve the service quality and to maximize comprehensive income from business with the specific Customer over a medium-/long-term horizon.

Significant support was provided to the development of the main agri-food segments, Wine making, Dairy, Meat and meat products and Bakery, with commercial campaigns and dedicated products.

In 2013, important agreements were signed with the objective to provide Customer Enterprises not only with credit support, but also with a contribution for the maintenance or restoration of financial equilibrium in their corporate operations. Specifically, the cooperation agreement with SACE Fct (the factoring company of the SACE Group, the Italian state-owned export credit agency) to allow easier access to factoring services to enterprises that are suppliers to the State, in order to support their liquidity requirements and improve cash flows management. Moreover, an agreement was signed with Euler Hermes Italia for easier access insurance products to cover non-payment risk, both in Italy and abroad.

Greater use of the Central Guaranty Fund for SMEs, also thanks to specific training provided to Managers, allowed enhanced financial support to be given to Customer Enterprises.

In 2013, benefits were achieved from the cooperation agreement with Simest, through which several projects for investment on foreign markets by Italian enterprises obtained the credit support required for their realization.

The strategic importance of collection and payment services and the new European regulations required substantial investments aimed at implementing and developing the processes for the management of this business line. Particular care was given to the structuring of added-value SEPA-compliant services and products, as well as of the Creditor Mandates Management service.

A new integrated CBI (Interbank Corporate Banking) platform and an improved Cash Management/Cash Pooling service are currently being developed and will be activated in the first part of 2014.

Seizing the intra-group synergies resulting from its belonging to the Crédit Agricole Group, a project was started to provide Italian companies with support in accessing foreign markets, through several meetings during which the main opportunities and problems of the target Countries will be covered.

Main ratios

Despite the present economic uncertainty, both at an international and at a local level, which also features an increase in non-payments and defaults ranging across all business areas, the Corporate Bank of the Cariparma Crédit Agricole Group succeeded in maintaining its market shares and, at the same time, in consolidating its profitability and financial structure.

Income for the period was stable YOY (+3%), especially thanks to interest income (up by +5%). Also in 2013, the Group succeeded in maintaining positive growth rates in lending (up by +10% over 31 December 2012), especially in the short-term segment (up by +10%), as well as in the corporate segment and in the enterprise segment. Loans to customers came to approximately Euro 11 billion.

Direct funding came to Euro 3.7 billion increasing by 14% VS. 31 December 2012, being driven and supported especially by the short-term component of the corporate segment (up by +20%). Total funding performed well coming to over Euro 12.4 billion.

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Main commercial initiatives

With the objective of implementing the Corporate Banking Business Plan, the new commercial approach was consolidated, also by segmenting Customers more accurately based on profitability, potential for growth and riskiness, in order to achieve greater direct interaction with Customers, to improve the service quality and to maximize comprehensive income from business with the specific Customer over a medium-/long-term horizon.

The increase in loans was based also on two “Pre-authorized” initiatives, with a total lending allocation of over Euro 1 billion reserved for the growth and investments of approximately 1,700 virtuous Customer companies.

Significant support was provided to the development of the main agri-food segments, Wine making, Dairy, Meat and meat products and Bakery, with commercial campaigns and dedicated products.

Synergic activities continued with the Private Banking segment, which allowed business with Customers to be consolidated in order to cover on a full scale all financial and wealth management requirements providing a Wealth Management and Business Advisory facility.

Products and services for Corporate Customers

In 2013, important agreements were signed with the objective to provide Customer companies not only with credit support, but also with a contribution for the maintenance or restoration of financial equilibrium in their corporate operations. Specifically, the cooperation agreement with SACE Fct (the factoring company of the SACE Group, the Italian state-owned export credit agency) to allow easier access to factoring services to companies that are suppliers to the State, in order to support their liquidity requirements and improve cash flows management. Moreover, an agreement was signed with Euler Hermes Italia for easier access insurance products to cover non-payment risk, both in Italy and abroad.

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A new integrated CBI (Interbank Corporate Banking) platform and an improved Cash Management/Cash Pooling service are currently being developed and will be activated in the first part of 2014.

Corporate finance

In the year, by proactively cooperating with the Managers, the Corporate Finance Specialist Team finalized important deals, in particular with mid-Corporate Customers, strengthening the market positioning and the role of the Cariparma Crédit Agricole Group as a qualified player in the structured finance sector. This activity allowed structured finance commission income to increase by over 30% vs. 2012.

Communication and Marketing

With the objective of streamlining the understanding and use of the new SEPA services, in June and July a number of dedicated meetings with Customers were organized in order to allow them to safely carry out the migration to SEPA and to ensure business continuity starting from 2014.

Consistently with the Group’s international vocation, a project was started to provide Italian companies with support in accessing the markets of target Countries through a number of conferences/workshops designed to cover the main business, legal and tax opportunities and problems, associated to operations in foreign markets

In a perspective of developing intra-group synergies seizing the potential resulting from belonging to the Crédit Agricole Group, in October, a Cariparma Team led a delegation of Italian Companies to Casablanca, providing them with the chance of meeting Moroccan Companies selected among the present and prospect Customers of Crédit du Maroc, thus starting a profitable exchange and setting the basis for the development of future business relations.

In the second part of 2013, 350 interviews were made with Customers in the Enterprise and Corporate segments of the Cariparma Crédit Agricole Group, aimed at surveying the satisfaction level of our Customers and at assessing the developments, as occurred the year, in their priorities and rating of the single factors under survey: lending, relations with the relevant Manager, quality-price ratio, international services, transparency in communication, collection/payment and Corporate Banking services. The main findings include the fact that Customers acknowledge and have appreciated the measures implemented by the Cariparma Group in terms of access to credit and pricing; the Corporate Banking service also obtained excellent ratings. Relations with the relevant Manager remained excellent, proving once again that they are the strong point of the Cariparma Group Corporate Bank.

Direct channels

In 2013, Direct Channels and the multichannel facilities continued to be developed, by implementing initiatives and projects regarding internet banking, mobile banking, the Phone Bank, self-service areas and the integration of direct channels with the Branches physical network.

The possibility to make transactions and to interact with the Bank in remote mode and on mobile devices is increasingly appreciated by Customers, who like being able to manage their bank accounts without being restricted in terms of opening hours, place or available device.

For the Group, not only Direct Channels are an important way of doing business and maintaining relations with Customers, but they also amount to a significant business opportunity since they allow the Bank to generate relations with Customers, to detect and meet their requirements through remote selling of products and services, both directly and/or as a support to the Branches.

In 2013, the relevant strategy focused especially on the online acquisition of new Customers, on the development of the range of remote-mode products and services, on increasing diffusion of multichannel services with Customers, on promoting and fostering the use of direct channels, as well as on launching important projects aimed and strengthening and improving the Group's range of multichannel products and services.

In short, this strategy implemented by carrying out the following projects:
- design and launch of the new online account called "Conto Adesso" (May 2013) in order to acquire new Customers;
- the start-up of important partnership agreements with unrelated companies in order to acquire new Customers and develop business with them;
- putting into operation the range of remote-mode products with the deposit account "CrescidepositoPiù", which can be purchased from the Nowbanking web platform and the vehicle insurance policy "Protezione Guida", which can be taken out through the contact center of the Phone Bank;
- start-up of the project for the construction of the new mobile banking platform;
- the launch of the project for the development of the new Corporate Banking platform;
- the release of new internet banking functions, such as functions for the upgrading to SEPA , the European payment system;
- the consolidation of the Phone Bank support to the Branches network for business development purposes, specifically for the sale of home loans through online brokers.

Also in 2013, more investments were made on the development of systems to provide Customers with the maximum possible level of security against frauds, which make Nowbanking one of the "safest" platforms in the Banking System.

Continuing to implement the plan that was started in 2012, also in the reporting year actions were taken aiming at reducing paper communications to Customers, by replacing them with digital documents that are made available on the Internet Banking platforms (Nowbanking and Banklink.Net2), thus generating significant savings for the Group and advantages for the Customers, since electronic communications are free of charge.

Moreover, in 2013 important marketing and communication actions were taken, which focused on the following areas:
- presence on the web, especially on search engines, in order to make the Group's online product range- based on "Conto Adesso" - know to the public;
- development of co-creation initiatives within the Mobile Banking project, through the presence and launch of prize competitions on the social networks, in particular Facebook;
- incentives for the use and promotion of Direct Channels culture with the prize competition "Nowbanking Privati: più lo usi, più vinci" ("Nowbanking for Retail Customers: the more you use it the more you win") and with dedicated meetings with Customers at the Branches, replicating the initiative "Nowbanking in tour", which was started in 2012

Particular care was also given to enhancing "multichannel" awareness and culture of the Group's employees, with WebTV coverage, the activation of forums to foster the exchange of information and the collection of suggestions, as well as by managing a specific section dedicated to Direct Channels on the corporate intranet. In 2013, these initiatives contributed to significantly increase the main ratios referring to Direct Channels:
- over 460,000 Retail Customers and 125,000 Small Business Customers connected online through Nowbanking, with a penetration rate of 46% for the Retail Customers and 56% for Small Business Customers;
- over 70% Customers" transactions carried out through the Direct Channels;
- contacts with Customers generated by Phone Bank increased by 40% vs. 2012.

Organization and IT

Continuing the actions started in the previous period, in 2013 the Group focused on strategic initiatives for growth consistently with the development lines provided for by the Business Plan.

In 2013, the MOSER project was tested, which is the program for the development of the Service Model, designed to review and innovate the model for the management of Retail Customers as strategic driver to support the achievement of the set objectives of commercial effectiveness and organizational/operating efficiency. The implementation of the Moser Project on the Network includes two key modules:
- Agenzia Per Te: a new Branch model, which has been designed to be more open, fast and welcoming, arranged based on a new layout of the premises (large reception area and machines with high technological content) with the objective of generating operating efficiency, of making the management of cash and of low added value transactions more practical and safer, as well as of increasing the level of service provided to Customers, thanks to the Self Area that is open 24 hours a day and 7 days a week;
- Branches Groups and Small Business Centre: two models that have been designed to enhance commercial effectiveness, to increase the service level and to reduce the cost of risk, thanks to the reorganization of the Retail Network in Groups of Branches and to the creation of Small Business Centres.

As at 31 December 2013, 34 “Agenzie Per Te” were operating, Branches Groups for FriulAdria and Carispezia, as well as an Area Central Department for Cariparma and 1 pilot Small Business Centre. The roll-out mechanism is fully operational for the implementation of the start-up plan set for the three-year period 2014-2016.

Consistently with the renewal of channels, the project for the creation of a single platform for Retail Branches (Nwe Branch Platform) continued, which includes product sales and after-sale management (Seller), as well as the Customer operating management (Teller) into a single front-end. The innovative element is the replacement of paper agreements with their electronic version, having legal value, by adopting a graphometry-based digital signature (the signatures of the Customer and of the Bank affixed on the document with a certified cryptography system). This solution allows higher operating efficiency to be achieved, as well as stronger compliance control and higher level of service to Customers, by dematerializing agreements and bank receipts; moreover, it will reduce the significant losses resulting from disputes on agreements that have not been properly signed and will fully mitigate the risk of theft of the Customer’s identity by third parties (considerable reduction of internal and external frauds).

To innovate the range of products supplied to the Group’s Customers, two projects were started which have been designed for the adoption of two new platforms supporting multichannel innovation: Corporate Banking and Mobile Banking. The new internet banking platform for local Corporate Customers, replacing the present BanklinkNet2 platform, will be a tool supporting the acquisition of new Customers thanks to the development of new functions and to the supply of specific products (first release scheduled for June 2014).

At the same time, the upgrading of the present Mobile Banking platform (both for phone devices and tablets), designed in order to provide Customers with multichannel integrated services, will contribute to creating a new channel for Bank-Customers relations (first release scheduled for April 2014).

In order to extend the range of finance products, a specific project was started (OTC Pro Model), which has been designed to add a dedicated service model for professional Customers (companies with turnover >€40M and Retail Customers having specific features) that make frequent transactions in derivatives. Therefore, the objective was set of providing these Customers with a new, streamlined trading process, with the support of new application tools that can guide, trace and store all the various operating phases making up such trading process.

To fully comply with the new European Regulation that came into force concerning SEPA (February 2014), the IT infrastructure for the management of collection and payment flows to Customers were fully renewed, in order to suitably support the opportunities for Banks to increase business in the payment area, relying on integrated services that are innovative and competitive on a European scale.

The new platform for the management of SCTs (SEPA Credit Transfers) is fully operational, for both payments and collections to and from the Banks in the Single Euro Payment Area. At the same time, the procedure for SDDs (SEPA Direct Debit) was also activated, along with the additional optional service SEDA (SEPA-compliant Electronic Database Alignment), which allows the Bank to be chosen as Alignment Bank, and along with the new added-value service of Creditor Mandates Management (CMM or with the Italian acronym GMC), which provides the Payee with the possibility to delegate full management of the mandates database to the Bank.

For the sale and management of payment cards, the new application Card+was adopted, which supports the Manager in proposing products for sale with customized lists for specific Customer targets and ensures standardized management of the different types of cards. As at the reporting date, this application managed the CartaSi, CartaConto, Telepass and Viacard products (the latter two are devices for electronic payment of motorway tolls); in 2014 this application will be activated also for the management of debit cards.

As regards lending, a two-year project (2013-2014) was started with the objective of reviewing the entire set of lending tools and processes, from Analysis to Pre-default Management. The new tools (the new electronic loan processing procedure -Italian acronym PEF, Sistema Esperto, Rating Procedure, PEG, Tableau de Board), which will be integrated in a Loan Portal, are currently being developed in partnership with leading players in the lending sector, to share investments, best practices and reduce release times.

Also in 2013, a significant portion of investments was made in upgrading IT processes and procedures to the new provisions issued by the relevant regulatory bodies. All upgrading actions were completed in compliance with the regulations and the regulatory deadlines.

As regards security systems, the plan for the installation of the Guardia Interattiva (Interactive Guard) solution, which started in 2012, continued and was completed, which, by replacing the classical methods of physical surveillance, allows the level of protection of high-risk Branches to be increased and, at the same time, management costs to be reduced. In the two-year period 2012/2013, 91 interactive guards were completed at Group level, as well as the centralized management system at the Parent Company.

The Operating Processes Department completed, as per the relevant schedule, the process for the outsourcing of the activities carried out by centralized back offices, keeping the governance of processes and ensuring both the service quality and risk management.

The Real Estate Technical Service was engaged in the MOSER project, as well as in the usual plans for openings, in the renovation of owned properties and in works for transfer or reduction of the premises of the Branches of the three Banks, carrying out 23 actions (18 for Cariparma, 4 for FriulAdria and 1 for Carispezia). Moreover, the preparatory activities and the executive design for the extension of the Cavagnari Centre, which has been scheduled for the two-year period 2014-2015, started. Thanks to these extension works, employees that are presently based in leased premises will be based at the Cavagnari Centre, ensuring higher efficiency in logistic terms and reducing operating and management expenses.

The workforce

As at 31 December 2013, the workforce recorded in the Group's Register consisted of 8,652 employees, broken down by entity as follows: Cariparma 6,365, FriulAdria 1,672, Carispezia 561 and CALIT 54. Taking into account the 240 terminations as at the end of the year, for employees that have joined the Solidarity Fund for voluntary redundancy, the number of the Group's employees would come to 8,412, broken down as follows: Cariparma 6,228, FriulAdria 1,584, Carispezia 547 and CALIT 53.

In 2013, at Group level, 90 resources were recruited and 214 terminated. Recruitments (36.7% of whom were expert staff), were made in order to strengthen Central Management structures, as well as to partially replace terminated staff. Of the 214 terminations, 129 were due to the Solidarity Fund activated in 2012.

Intragroup mobility involved 75 employees, equal to 0.9% of staff as at the reporting date.

99.3% of staff are on permanent employment contracts, while 47.7% of staff are female.

The Group operates in 10 Italian Regions while maintaining strong roots for Cariparma in Emilia Romagna, for FriulAdria in Friuli Venezia Giulia and for Carispezia in Liguria, the regions in which 51.5% of staff work.

As at the reporting date, the Employees' average age was 45 years and 8 months (of which, in years/months - Senior managers 51.09 years, Junior managers 48.06 years, Professionals 43.05 years), while the average seniority was 19 years and 7 months (Senior managers 14.09 years, Junior managers 21.07 years, Professionals 18.01 years).

34.8% of staff are university graduates or hold a postgraduate title.

Training was a focus at Group level: approximately 50,300 thousand person/days were supplied involving 95.4% of staff, confirming training as one of the key drivers for the Group's development.

Specifically, investments had the objective of improving the quality of the staff's effectiveness and responsibility-taking, as well as of providing training suitable to generate sustainable actions and results.

For the 5th consecutive year, the Cariparma Crédit Agricole Group was awarded the "Top Employers Italia" quality mark, with a commendation of Excellent for the highest quality management of its Human Resources and its strategies for attracting, motivating and retaining talented staff.

Remuneration Policies

The Group Remuneration Policies for 2013 were essentially in line with those set for 2012 and were approved by the Parent Company's Board of Directors on 26 March 2013 and by the Shareholders' General Meeting on 30 April 2013.

The remuneration policy and guidelines for the Group are defined by the Parent Company Crédit Agricole with the aim of ensuring common and consistent management at a global level; these were subsequently adopted by the Cariparma Crédit Agricole Group which, after having set them in relation to its own reference perimeter, submitted them to the Board of Directors of each entity and thereafter to the each entity's Shareholders' General Meeting for final approval.

The Cariparma Crédit Agricole Group's remuneration policies are differentiated in terms of reference population target for both corporate governance processes and for systems and tools adopted, and are based on the following principles:
- alignment of the business strategies of the Banks and of the Group;
- attraction, motivation and retention of professionally qualified resources;
- merit recognition in order to appropriately reward the resources' personal contribution;

- actual value creation and orienting the performances of the entire staff to short-, medium- and long-term targets, within a regulation reference framework aiming at a proper control of corporate risks, both present and prospective, as well as at maintaining adequate liquidity and capital;
- internal remuneration fairness, ensuring fair rewarding of the contributions supplied and the responsibilities assigned;
- external remuneration competitiveness through constant reference to the market, also with the support of tools for the analysis and measurement of work positions prepared by specialised companies which supply the reference benchmarks for each type of position, company sizes and market;
- affordability of the remuneration systems by controlling the effects of labour cost on the income statements of the single Banks and of the Group, in the short-, medium- and long-term;
- compliance with the law and regulatory provisions relevant for the single Banks and for the Group in its entirety.

It is also reported the important legislation development currently under way on this matter, both at a European level (CRD IV and EBA Standards) and at a national level (New Supervisory provisions on remunerations and incentives in Banks and Banking Groups), which shall be implemented in the Group Remuneration Policies that will be set for 2014.

Internal customer satisfaction

In order to achieve effective governance of processes and of logics for good corporate operation, the Internal Customer Satisfaction (ICS) process was designed and activated five years ago and has been operating since then; it is a tool that has the purpose of assessing, verifying and measuring the perception the the various Group departments have of the services they receive from other internal structures.

The process key targets are:
- to increase the Group's ability to generate effective teamwork between its various Departments and Units.
- to contribute to the creation of a corporate culture increasingly focused on the requirements of internal Customers.

Assessments are performed on a six-month basis and the results have both an absolute and relative value, as a measurement of the improvement/worsening rate of internal customer satisfaction in the following half years.

Finance

The Cariparma Crédit Agricole Group focussed on three main guidelines with regard to assets/liabilities balances:
- Management of interest rate risk
- Management of liquidity risk;
- Capital Management.

By continuing to implement this policy, the Group succeeded in significantly protecting its profit, as shown by the contribution of hedgings to P&L.

The objectives set by the Group for the management of interest rate risk, as in the past, concerned the choices on coverage of the Group cumulative exposure, as well as the exposures of the individual Banks, which were all maintained at extremely contained levels.

As regards liquidity, the System showed the stabilization of the conditions that characterized recent years, with a slightly and progressively decreasing trend in the cost of liquidity, even without any recovery in the interbank market; the cost of liquidity has however remained higher in the domestic market.

Therefore, the Group's prudential management continued to increase reserves (also by issuing, in July, a self-held Covered Bond, to which all the Group Banks contributed), and close cooperation with the sales Departments continued, in view of effective management of maturities and their concentration. Not only has the structured setting up of reserves in a Basel 3 perspective allowed the estimated LCR to improve, but it has also decreased the portfolio volatility maintaining liquidity.

Capital management focused on the measurement of prospective impacts of the regulatory implementations associated to Basel 3 requirements, as well as on the subsequent developments, taking account both of the transition to advanced methods for Retail Credit Risk for two of the three Banks (Cariparma and FriulAdria) and of the uncertainties on the timeframe for the implementation of the new regulations, which have not yet been finalized.

Lending policies and strategies

Section 1 - Credit risk

QUALITATIVE DISCLOSURES

General aspects

The Lending Governance Central Department (Italian acronym DCGC) is responsible for the lending operations of the Cariparma Crédit Agricole Group. It has the task of setting, in compliance with the corporate strategies and objectives, the lending policies directions and the guidelines on lending and credit risk management coordinating their implementation by the relevant units of the Banks and of the Group.

This Central Department has also the following responsibilities:
- to define, for the Cariparma Crédit Agricole Group, the strategies and guidelines for the achievement of the set objectives in terms of control of the cost of credit;
- to define and promote, consistently with the Group strategies and objectives, an appropriate standardization of models, lending instruments and lending governance rules.

Credit Risk management policies

Organisational aspects

Lending operations are performed by the different dedicated structures of the Parent Company and of the Group Banks and investee Companies; these dedicated structures report on both a solid and dotted line to the DCGC.

Cariparma has the Loan Department, the Non-performing Loan Department and the Special Loan Department:
- Cariparma Loan Department is responsible for loans' performance and quality within the scope of lending processes and policies approved by the Lending Governance Central Department; it consists of Loan Granting Offices, each of which specializes in the assessment of loan applications segmented by Customer type (Retail and Enterprise Corporate) and relating to specific "production chains" representing economic activity sectors that are deemed particularly significant for the Group's strategy;
- The Non-performing loan Department is responsible to provide centralized control of monitoring and recovery processes for non-performing loans and impaired loans, ensuring close contact with the Cariparma Network for prompt and effective action to prevent loan impairment;
- The Special Loan Department is responsible for the performance and quality of loans to Real Estate and Building Companies, as well as to Companies that are subject to debt restructuring agreements, with reference to the remedial actions provided for by Articles 67,182, 160 and 161 of the Italian Bankruptcy Law.

The following also report on a solid line to the DCGC: the Medium-/Long-term Loan Service, the Office for the Control of Group Loans and the Lending Department Secretary Office.

The Group Banks and Investee Companies have also the following structures, which report on a dotted line to the DCGC: Loan Service and Non-performing Loan Service (FriulAdria), Loan Service and Non-performing Loan Office (Carispezia), Loan Department (CALIT).

Management, measurement and control systems

Lending policies and strategies

Lending Policies govern the procedures through which the Banks and Companies in the Cariparma Crédit Agricole Group intend to take and manage credit risk; they have been defined with the objective of fostering a balanced growth of loans to worthy Customers, as well as of controlling and re-qualifying exposures to risky Customers.

Lending Policies are defined at a Group level and updated on an annual basis. They fall within the scope of the Credit Risk Strategy, which is set every year in agreement with the Parent Company Crédit Agricole S.A., and are an integral part of the Group's strategic planning process, since they are designed to ensure optimal allocation of capital and liquidity and, therefore, of loans themselves.

Lending policies steer the Bank's strategy, since:
- They are based on the Probabilities of Default (PD) calculated based on rating models;
- They provide for general requirements in order for mortgage loans to be granted, also to achieve appropriate risk mitigation in determining the Economic Capital;
- They set rules for credit-risk taking towards Customers, both in the short- and medium-/long-term;
- They subdivide Customers based on the expected loss, so as to prepare specific and different lending strategies to which the Distribution Network refers in order make loan proposals.

Lending policies are differentiated based on the categories of Customers, as follows:
- Lending Policies for Companies, production chains and State Bodies;
- Lending Policies for Retail Customers.

The review of Lending Policies for Companies, production chains and State Bodies, which was carried out in 2013, pursued the following objectives:
- To identify the positioning of each sector in terms of risk/return;
- To associate a "sector view" to each sector, separating high-risk sectors from low-risk ones with potential opportunities for growth;
- To set the credit risk management strategy on the basis of higher differentiation in accordance with the specific creditworthiness (Customer Risk).

Consistently with the above objectives, the annual review entailed the following:
- The consolidation of the selective criteria already in force, based on which the Group Banks manage credit risk;
- Streamlining of the procedures for derogation, as selectively proposed in the application of the set Lending Policies, to be submitted to the relevant Decision-making Body for approval and differentiated both in terms of Customers' specific creditworthiness and in terms of "Lending Policy" classes;
- The classification into Segments of the specific Customers of Companies operating in the Real Estate Promotion sector, by defining differentiated "Policies" that implement guidelines and "limits" consistently with the Risk Strategy, which is set annually with the Parent Company Crédit Agricole, based on the sector high risk;
- A more complex definition of the criteria adopted by the "Policies" that are dedicated to specific economic activities (such as the agri-food industrial sector and the sector of renewable energy), as well as with regard to Companies with high vocation for export, which offer interesting opportunities for the development of loans;
- The Policies on OTC derivative financial instruments;
- The enhancement of the criteria for identifying and applying loan technical forms, consolidating the principle of a marked separation between financial ones and those that are truly commercial, as well as the definition of risk concentration limits and loan duration limits, which are differentiated based on the Customers' risk profile.

Lending Policies for Retail Customers are defined at Banking Group level and applied to Natural Persons that take out loans for purposes other than those relating to business activities, excluding all Customers falling in the Impaired Loans perimeter. Lending Policies are structured based on Customer risk and the type of product that has been applied for by the Customer.

The process for writing down and granting loans to Retail Customers uses the Rating System both for choosing the Decision-Making Body responsible for granting the loan, and for the definition of the creditworthiness of the same Customer.

Lending Policies are integrated in an Expert Decision-Making System (the so-called "Lending Strategies") in the Electronic Loan Application Processing which steers decision-making processes and are different for the following products:
- Mortgage loans;
- Unsecured loans and Personal Loans;
- Opening of overdraft facilities on current accounts, mortgage current accounts, guarantees and bonds, products for international transactions or Derivatives.

Lending Policies and Strategies assign a summary rating/assessment to Retail Customers, using the three categories here below which set the relevant procedure and a different decision-making body:
- "Favourable" file: in this case the loan application is submitted to the relevant Decision-Making Body within a streamlined decision-making process;

- File "to be assessed": in this case the loan application processing can go on, but requires closer examination but still within an ordinary decision-making process;
- File "to be rejected": the loan application must be rejected. Only in "exceptional" cases - and having exhaustive additional information that shows such suitable good elements as to lead to a favourable creditworthiness assessment - the Proposal may be submitted to a Higher Decision-Making Body (at least the Retail Area Department), still within an ordinary decision-making process.

Moreover, each product is associated to different objectives, features and contents, which are deemed suitable to foster a balanced growth of Loans to worthy Customers and to mitigate credit risk in lending to risky Customers, with specific reference to setting the duration of the transaction, maximum amount of the loan and acquisitions of guarantees.

Lending processes

The loan-granting process in force uses methods based on rating systems and sets the lending decision-making powers based on the Probability of Default assigned to the counterparty and reassessed at least one a year. Therefore:
- It complies with the instructions issued by the Supervisory Body relating to the requirement that loan granting processes and counterparty creditworthiness measurement processes use the instruments envisaged for the economic capital definition;
- It allows lending decision-making powers to be fine-tuned based on the customer's risk rating and therefore their extension for worthy counterparties and their limitation for the weaker ones, stimulating, where necessary, the adoption of appropriate mitigation actions. They are differentiated based upon "Decision-making classes" set by the combining the parameters of Probability of Default assigned to the customers and the riskiness of the technical forms based on the presence or absence of certain and enforceable guarantees. For each decision class a maximum granting ceiling is set.
- The granting process is managed by the Corporate IT System within the dedicated specific procedures ("PEF - Electronic Loan Application Process").

After the first loan has been granted and disbursed, the position is periodically reviewed, at regular intervals or in response to an alert from/ initiative of dedicated structures, both peripheral and central, for the following purposes:
- ascertaining that the counterparty and the counterparty's sureties remain solvent;
- ascertaining the continuing compliance of the guarantees (legal certainty, ease of realization and the consistency of their value with the size of the exposure);
- verifying compliance with the risk concentration limits;
- verifying the information on which the counterparty's risk rating is based on and checking possible changes over time.

The review process described above shall lead to confirming, increasing or decreasing the loans granted or to their revocation in compliance with the contract provisions and/or to increasing the guarantees securing the exposure. There are cases in which the loan review can be automatic with the support of an expert system applied to positions with low and ascertained risk profiles, by thoroughly examining appropriate and preset indicators.

The implemented process for the monitoring and management of non-performing loans also uses methods based on rating systems. Customers are subdivided based on risk profile rated monthly using the prescribed tools (performance rating) and combining the parameters of internal rating models (Probability of Default) and other indicators that can be immediately detected and useful to notice a sudden down-grading of counterparty risk.

Moreover, actual risk warnings can be more accurately distinguished from "false alarms" and practical and prompt intervention lines are set, by which:
- Counterparties that are temporarily in non-performing positions are reset to normal grading, thus protecting the business relation;
- Exposures to counterparties that are structurally in non-performing positions are reduced and/or mitigated, thus controlling credit risk;
- The relation between credit risk and yield is reviewed by amending the conditions applied.

The monitoring process adopted by the Cariparma Crédit Agricole Group is continuous in order to promptly detect any early warnings and, therefore, to maintain a high quality of the loan portfolio; the management of problem loans is dealt with by dedicated structures, both central and peripheral, suitably strengthen in the year.

These structures use procedures and tools which implement the management system for problem loans and ensure prompt activation of the necessary measures for their settlement or their recovery, in the event that the account cannot be regularly continued.

Cost of credit

The year was characterized by the continuing economic crisis begun in 2008, which increasingly hit not only businesses but households as well, which were affected by the reduction in employment rates and by ordinary and extraordinary arrangements for redundancy benefits and mobility.

The Group has further strengthened the internal processes and corporate structures dedicated to monitoring and management of non-performing loans, specifically:
- The Special Loan Department has been set up with the specific objective of enhancing control on the quality of loans to Real Estate and Building Companies and to Companies subject to Debt Restructuring Plans, pursuant to the Bankruptcy Law in force;
- Measures have been implemented to enhance control on loan management processes for all loan classification levels, in order to increase effectiveness of the management of performing Customers that are at risk of impairment;
- Roles dedicated to the management of overlimit positions have been set up at all Retail Area Departments, reporting to the Loan Manager, with the task of assisting branches in managing loans already upon the first early warnings (especially positions overlimit from the very first day);
- Loans-related powers have been centralized to a greater extent (both with regard to granting and to authorization of positions overlimit) at Central Departments, with the objective of higher effectiveness in risk-taking;
- The structures that are engaged in the management of impaired loans have been strengthened in order to reduce the stock of these loans.

The traditional policy of the Cariparma Crédit Agricole Group was confirmed, which provides for prudential accruals to be made for impaired exposures, leading to a growth trend in the coverage ratios of the relevant stock.

Impaired financial assets

The process to monitor performance allows the procedures for the management and control of the loan portfolio to be activated; the organizational logic of these procedures is based on the following principles:
- The use of probability of default and of a number of management indicators differentiated by segment and type of Customers to support decision-making activities;
- The diversification of processes depending on the Customer’s level of risk.

Monitoring procedures and systems have been further enhanced in order to allow:
- Overlimit positions to be identified in their very early days, in order for the relevant Corporate Departments to define and implement the required management remedial actions, where possible;
- The analysis of the files showing statistical real estate revaluations with significant changes compared with the previous values.

In addition to periodic specific measurement of the recovery value, the management process for impaired positions also involves:
- Verifying whether the counterparty is capable of recovering financial health and, consequently, restoring the business and loan relationship;
- Acquisition of additional guarantees, whether collaterals and/or personal guarantees or other credit risk mitigation tools and techniques;
- Scheduling and monitoring loan workout plans agreed with Customers;
- Enforcement and/or court-ordered acquisition of guarantees for enforced recovery of exposures.

Risk management

Objectives and policies on risk taking, management and hedging

1. Summary of the mechanism, perimeter and roles

In the Cariparma Crédit Agricole Group, the Parent Company Cariparma has overall risk steering, management and control role, while the Group Companies operate within the independence limits assigned to them, implementing operational action plans that allow effective and efficient monitoring and control of their areas of operations and their Customers.

The key principles at the basis of risk management and control are the following:
- clear identification of risk-taking responsibilities;
- measurement and control systems in line with the best solutions adopted at an international level;

- organizational separation between operating and control roles

The perimeter including the risks detected, monitored and integrated, (considering diversification benefits) in the economic capital, is as follows:
- credit and counterparty risks; this category also includes concentration risk;
- market risk of the Trading Book;
- price risk of the Banking Book ;
- Interest Rate Risk of the Banking Book;
- liquidity risk;
- exchange rate risk of the Banking Book;
- operational risk.

As a rule, the Cariparma Crédit Agricole Group reviews annually the Group Risk Strategy, which sets the risk levels (credit, financial, market and operational risks) which the Group deems adequate to its development strategy. Through this Strategy, which is submitted for approval to the Risk Committee of Crédit Agricole S.A., the global limits (or alert thresholds) are identified and are appropriately integrated with operational limits that are fined-tuned for the single entities in the Group. This system of limits and/or alert thresholds is submitted for approval to the Boards of Directors of the Parent Company Cariparma and of the individual entities in the Group; as regards CALIT, the Risk Strategy is updated within the ligne métier leasing.

Risk management is ensured also by specific Committees, including:
- the Internal Control Committee, which coordinates departments engaged in control functions (Audit, Compliance, Risks and Permanent Controls), as well as the combination of internal control bodies, in compliance with the procedures adopted by Crédit Agricole at Group level;
- the Operational Risks Committee, which approves guidelines and action plans on operational risks (except Compliance), monitors control outcomes and activities and governs Continuity of Operations for the Group;
- the Credit Risk Committee, which performs analyses and measurements, steers the risk strategy in the management and monitoring of global and operating lending limits;
- the ALM and Financial Risks Committee, which is engaged also in monitoring and control of all issues relating to financial risks (market, liquidity, interest rate, exchange rate and counterparty risks for market transactions);
- the Compliance Committee, which analyses the present status of the relevant legislation and makes proposals for any correction measures.

Departments engaged in control functions, according to the respective responsibilities and powers, take part also in other management committees, including the New Assets and Products Committee (NAP), the Investment Committee, the Loan Committee and the Loan Monitoring Committee (the latter two are not Group Committees, but single Bank ones).

Finally, Departments engaged in control functions and the Executive in Charge take part in the meetings of and report to the Audit Committee for Internal Control; this is a BoD Committee set up by the Board of Directors in order to have support in ensuring the effectiveness of the internal control system, pursuant to the Supervisory Provisions concerning Banks' Organization and Corporate Governance (Bank of Italy, March 2008).

2. Risk management and hedging

Credit Risk

In the Cariparma Crédit Agricole Group, the lending process (strategies, powers, loan granting and management rules) is performed consistently with the guidelines issued by the Parent Company Crédit Agricole S.A and focuses on:
- the achievement of objectives that are sustainable and consistent with the Group's risk appetite and value creation, ensuring and improving the quality of lending operations;
- portfolio diversification, limiting the concentration of exposures to counterparties/groups, economic activity sectors or geographical areas;
- efficient selection of economic groups and single credit line grantees, through an accurate creditworthiness analysis designed to limit insolvency risk;
- favouring, in the present economic situation, lending operations that support the real economy and the production system, and that can develop business with Customers;
- constant control of accounts and relating exposures, made both with IT procedures and with systematic monitoring of all positions showing any irregularities, in order to promptly detect any signs of impairment.

The process is regulated based on phases, in order to identify risk management criteria, the activities to be carried out to ensure the criteria are properly applied, the units responsible for these activities and the procedures to support them. The subdivision into phases and the assignment of tasks to the different organizational structures are made focussing on the process operativeness, that is to say its fitness to achieve the set objectives (effectiveness) and its ability to achieve then at consistent costs (efficiency).

With its Risk Strategy, the Cariparma Crédit Agricole Group reasserted that one of its priority objectives is a controlled growth that, in the present economic situation, focuses on less risky Customer segments, as well as on maintaining a balance between funding and lending and on control of the cost of credit risk.

Also in 2013, the constant monitoring of the loan portfolio quality was pursued by adopting precise operating procedures in all phases of the loan position management, in order to implement preventive management of default risk. Problem and impaired loans are subject to specific management processes, which entail accurate monitoring via a preset control system based on early-warning indicators. These indicators allow prompt management of positions as soon as any irregularities arise, and they interact with the processes and procedures for loans management and control.

The organization structure, procedures and tools, on which the management of problem exposures is based, ensure that the initiatives and measures to restore performing status are promptly taken, or swift recovery actions, if the account conditions prevent its continuation.

The Group mitigates credit risk with ancillary agreements or adopting tools and techniques that ensure effective mitigation of the 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 Group uses a large number of tools for measurement and management of credit risks, which can ensure detailed control of the quality of its loan portfolio.

After the loan has been granted and disbursed, the position is measured on a time basis (at regular intervals or some other set schedule) or in response to an alert from/initiative of dedicated structures (for example, loan monitoring structures) and subject to review of credit lines in order to verify:
- that the counterparty and the counterparty's sureties remain solvent;
- continuing compliance of the guarantees (legal certainty, ease of liquidation and the consistency of their value with the size of the exposure);

Interest Rate Risk and Price Risk of the Banking Book

Asset and Liability Management (ALM) refers to the positions in the Banking Book and focuses mainly on fixed-rate positions and liquidity. The Banking Book includes typical positions of banking business operations, which are lending and funding without trading objectives. Therefore, the measurement of interest rate risk refers to all on-balance-sheet and off-balance-sheet transactions, excluding the supervisory trading book.

The Governance model adopted by the Cariparma Crédit Agricole Group assigns the task and powers for the management of interest rate risk to the Financial Management Department (Italian acronym DGF) of Cariparma, which is responsible for centralized risk management for the entire Italian banking group, in compliance with the guidelines set down by Crédit Agricole S.A. The Risk and Permanent Controls Department is responsible for independent control of the interest rate risk management system, by assessing its compliance with the risk measurement model defined based management and regulatory requirements.

Global limits on banking book price risk are defined on the basis of the type of instruments that can be held (Italian, German, and French Government Bonds); they are expressed with reference to the maximum nominal value that can be held and to a stress limit on prices of these type of assets, in line with the legislation applicable to the Parent Company CASA.

In compliance with the guidelines issued by the Crédit Agricole S.A. Group and with prudential regulations, the system for classifying interest rate risk and price risk is normally reviewed annually as part of the Group's Risk Strategies and approved by both the Board of Directors and the Crédit Agricole S.A. Group Risk Committee.

Liquidity risk

Liquidity risk, both short- and medium-/long-term, for a Bank, is the risk that it may become difficult or impossible to meet promptly and economically its payment obligations, due to the impossibility of both raising funds on the market (funding liquidity risk) and to liquidate its assets (market liquidity risk).

The governance model adopted by the Cariparma Crédit Agricole Group delegates the management of liquidity risk to the Central Finance Department that, through the Financial Management Department (Italian acronym: DGF) of Cariparma, manages this risk for the entire Italian banking group, in compliance with the guidelines set down by the Crédit Agricole S.A. Group. The Risk Management and Permanent Controls Department is responsible for controlling liquidity risk, again in compliance with the guidelines issued by the Crédit Agricole S.A. Group.

The management of short-term liquidity, which concerns the management of events impacting on the Cariparma Crédit Agricole Group's liquidity position over a time horizon of between over-night and 12 months, has the primary purpose to sustain the Group's ability to meet ordinary and extraordinary payment obligations and minimize the associated costs. The ceiling system is based on stress scenarios, with the purpose of ensuring a liquidity surplus on different time horizons and in increasingly serious scenarios. The stress assumption used cover idiosyncratic crises, systemic crises and global crises. The limit structure is completed by a set of management and early warning indicators which allow detection of, for instance, the performance of stable balance-sheet resources and the availability of reserves that can be immediately marketed and eligible with the Central Bank. The Group has a Contingency Funding Plan in place.

In 2013, a project was carried out, with the coordination of the Parent Company Crédit Agricole, aimed at implementing the Group device for the calculation of liquidity coverage ratios (LCR), in compliance with the time schedule set down by the legislation.

Market risk of the Trading Book

Market risk is generated by the positions held by the Banks in the Cariparma Crédit Agricole Group in the supervisory trading book. The Group does not engage in significant proprietary trading in financial and capital markets. Nevertheless, it has positions deriving from its placement and trading activities made on behalf of Customers.

The Group operates in the sale of "Over the Counter" (OTC) derivative products to the different Customer segments, with a specialist team supporting trading activities. Intermediated derivatives are hedged back-to-back in order to be immunized from market risk. Credit Support Annex (CSA) agreements have been signed with the main market counterparties, in order to mitigate total exposure, while counterparty risk on Customers has not been mitigated.

The Group aims at meeting the requirements of Customers who use derivative instruments for their purposes, which are mostly hedging of interest rate risk (retail and enterprises mortgage loans) and exchange rate risk (enterprises).

In compliance with the guidelines issued by the Crédit Agricole S.A. Group and with prudential regulations, the classification of market risk is generally reviewed annually within the Group's Risk Strategy and is submitted for approval to the Board of Directors and to the Group Risk Committee of Crédit Agricole S.A.

Operational risks

The adopted definition of operational risk is that set down in the document "Basel 2 - International Convergence of Capital Measurement and Capital Standards" issued by the Basel Committee on Banking Supervision, according to which it is defined as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". This definition encompasses legal risk, which includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

To consolidate and enhance control of operational risks, the Group has set some macro-objectives:
- full ongoing compliance with the regulatory requirements for the use of the Traditional Standardized Approach (TSA) for the calculation of the Regulatory Capital provided for by Basel 2, except for CALIT that uses the base approach;
- such a monitoring of risks and losses so as to allow a more management-oriented approach, especially in terms of risk mitigation and prevention initiatives;

- fine-tuning of the permanent controls systems and extension of the coverage of the same controls within the company perimeter;
- compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of the Regulatory Capital.

The Risks and Permanent Control Department is the reference body for the management of operational risks and has the task to ensure the existence, completeness and relevance of the permanent controls implemented in the Group, through a structured and traceable control plan, as well as, consequently, to guarantee to the Central Departments and to the Board of Directors that all types of risks are under control.

In this regard, the Risk Management and Permanent Controls Department proactively takes part in the most important corporate projects, especially those with high organizational impact, in order to provide its contribution from the very early stages up to consistent and complete preparation of the mechanisms for the governance of the risks associated to each initiative.

The management of operational risks requires sharing and proactivity also by all corporate structures; therefore, within the scope of permanent controls and operational risks, in order be at all times fully aware of the risk issues associated to the different corporate processes, both specific control roles within the corporate departments, and mechanisms that are functional to the set targets are operating:
- Operational Risks Manager (ORM), having the task of reporting the presence of any actual and potential risks in the various corporate structures and of coordinating the performance of permanent controls;
- Security Control and Continuity of Operations Plan (Italian acronym PCO), having the task of coordinating and monitoring measures regarding problems of security (both physical and IT) an the Continuity of Operations Plan;
- Head of IT Systems Security (Italian acronym: RSSI), having the task of monitoring and governing all aspects relating to IT security, from the relevant policy to risk analysis and action plans;
- Business Continuity Manager (BCM), responsible for the Continuity of Operations Plan, a role that is equivalent to RPCA at CASA;
- Area Operating Units, located at the Distribution Network facilities, with the task of performing permanent controls of 2nd degree 1st level;
- Fraud Prevention Unit (Italian acronym: NAF), having the task of monitoring and deciding on fraud-relating problems;
- mechanisms and tools, functional to the proper control of risks and to the management of mitigation/improvement measures, including:
- the Operational Risk Committee, as described above;
- the Interfunctional Unit for the Provision of Outsourced Essential Services (Italian acronym: PSEE), having the task of monitoring and decide on any problems relating to outsourcing of functions defined as “essential or important” in accordance with the Supervisory regulations;
- the remote controls system for the Distribution Network, with the summary early warning indicators, aimed at detecting any out-of-standard situations;
- Improvement Meetings, meetings with the Branches that have experienced problems in the outcome of permanent controls, Internal Audit inspections and other verifications, where, with the Area Management Departments, the issues found are analysed and an action plan for improvement is prepared.

As a rule, outsourced activities are always governed by a service agreement that, in addition to regulating the proper provision of the services, sets down a system of controls aimed at ensuring compliance with the qualitative and quantitative level agreed. Based on the different subject-matter areas, reference internal roles are identified at the Bank’s various structures and given the task of reporting to the Parent Company’s relevant Departments on the contract general reliability. Finally, special controls are activated whenever the outsourced activities can be defined as “essential” pursuant to Bank of Italy- CONSOB (Italian Securities and Exchange Commission) joint regulation and to the 15th update of Circular No. 263/2006 of the Bank of Italy.

3. Internal Control System

The Cariparma Crédit Agricole Group has progressively upgraded its internal control system to the model adopted by the Parent Company Crédit Agricole S.A., developing it in compliance with both the French legislation (to which the Controlling Company Crédit Agricole is subject) and with the Italian legislation.

In compliance with the Corporate Law and with the Bank of Italy’s supervisory provisions and implementing the guidelines issued by the Controlling Company Crédit Agricole S.A., as well as the Board of Directors’ resolutions, the Group uses an internal controls system that aims at providing constant control of operational risks, as well as at ensuring that control activities are adequate to the Group’s organization and that the relevant reporting is reliable, accurate, trustworthy and prompt.

The internal controls system involves:
- the Top Management;
- the Collective Bodies;

- the Supervisory Body;
- the roles with control responsibilities;
- all Staff;
- the Independent Auditors.

The analysis and monitoring of operational risks are carried out based on the Group taxonomic references, which provide for verification of compliance with the terms set down by the legislation, reliability of processes and of their exercise, security, conformity, as well as application of best practices for controls.

The controls system consists of the following:
- Permanent Control, which includes controls of:
- 1st degree, carried out continuously, starting from the beginning of a transaction and throughout its validation process, by the staff involved, by 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 Statements undergo specific first-degree controls carried out within the accounting units;
- 2nd degree/level 1 (2.1), carried out by staff having operating tasks, but not directly involved in making the decisions on the transaction being controlled; specifically, within the central administration structures, monitoring controls are performed on all departments 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 taking, that is to say, the Compliance Department, Risk Management and Permanent Controls Department; these two Departments have specific control responsibilities on financial reporting.
- Periodic Control, consisting of a 3rd degree control that is carried out by the Audit Department on a periodic basis through remote and on-site verifications, as well as through documentary checks.

Moreover, constant adjustments and upgrading are made for continuous compliance with any new developments in the relevant legislation, as well as with existing regulations, which also enhances coverage through specific policies that are implemented at Group level.

The Departments engaged in 2nd degree/ level 2 (2.2) and in 3rd degree controls report directly to the Board of Directors on the activities performed, on the main risks detected, on the identification and construction of mitigation tools, as well as on the effects of their application.

Basel 2/ Advanced IRB Approach

In 2013, the Cariparma Crédit Agricole Group was authorized to use internal rating systems, with an “advanced” approach (Internal Rating Based - Advanced),to quantify the credit risk capital requirements for Cariparma and Banca Popolare FriulAdria regarding Retail Loan Exposures (the so-called “Retail Portfolio”).

Specifically, for the above perimeter, the following were validated for the IRB approach:
- the models to estimate “Probability of Default” (PD),
- the model to estimate the loss rate in case of default “Loss Given Default” (LGD).

The Cariparma Crédit Agricole Group has scheduled the start of the procedure to extend the use of advanced approaches (the roll-out plan) also to the subsidiary Cassa di Risparmio della Spezia.

As regards the “Exposures to Companies” (i.e. Corporate Customers), consistently with the strategic guidelines issued by the Parent Company Crédit Agricole S.A., the Cariparma Crédit Agricole Group is currently examining the actions required to have the use of advanced approaches authorized also for this exposure class.

The choice of the IRB Permanent Partial Use (PPU) for all exposures referring to the subsidiary Crédit Agricole Leasing (hereinafter referred to as CALIT) was made considering the low materiality of the sizes of its portfolio, as well as the specificity of CALIT core business within the Cariparma Crédit Agricole Group.

The risk measurement system is fully integrated in decision-making processes and in the management of corporate operations: the rating system has long been playing an essential role in loan granting, in risk management, in the internal allocation of capital and in the Bank governance, also contributing to ensure risk prevention and mitigation. In order to ensure essential standardization of lending processes and of credit risk measurement, internal models are used by all the Companies in the Cariparma Crédit Agricole Group (that is to say, Cariparma S.p.A., Banca Popolare FriulAdria S.p.A., Carispezia S.p.A. and Crédit Agricole Leasing Italia S.r.l.).

Rating systems are used in the main phases of the lending value chain. With specific reference to the processes for loan granting and monitoring, the management use of the rating system consists of:

- (lending policies) the set lending policies govern the procedures through which the Banks and the Companies in the Cariparma Crédit Agricole Group lend and manage credit risk;
- (loan granting) the measurement of creditworthiness upon the first loan granting and upon review/change in loans granted, as well as for giving decision-making powers on loan granting;
- (loan monitoring) the use of PD based on performance analysis, combined with other variables to monitor performance, in order to detect and remedy non-performing positions before they are classified as defaulting;
- (collective writedown/) the Bank's approach for collective impairment provisioning for performing loans uses Basel II metrics to calculate the provision (PD and LGD), as well as to identify sensitive loans subject to impairment;
- (Bank's reporting) the use of risk measurements produced by the model in the Bank's reporting.

Lending value chain and experience requirement

1 Lending policies

- *Integrated Rating Systems (PD) to identify policies for development towards creditworthy counterparties*

2 Granting and renewing loans

- *Rating Systems linked to the decision-making powers systems*

3 Management and monitoring

- *Performance Monitoring Systems based on «performance» PD and on a set of additional indicators*

4 Other Processes

- **Loan reporting.** Periodic preparation of Reports on Credit Risk performance, using the Basel 2 risk parameters (PD, LGD)
- **Accounting and Financial Reporting.** Use of the Basel 2 risk parameters for collective writedowns

This full integration in loan management processes allows:

- the creation and development of internal models supporting the measurement of creditworthiness, which measure, at a statistically objective standard, the probability of default of counterparties (Retail).

In 2013, lending, control and organizational processes were systematized by:

- strengthening internal controls, with specific reference to first-level controls (consolidation of Data Quality controls) and to second-level ones (Validation and Control of Regulatory Requirements);
- systematizing, with an organic framework, all reference regulations (i.e. use of rating in loan granting processes, use of rating in monitoring metrics, collective writedown provisioning logics with statistical parameters).

By quantifying mandatory capital requirements with internal systems, the management of regulatory capital could be optimized, allowing a "weighted" analysis of the loan portfolio and "aware" development considering the risks taken), as well as allowing better planning of loans and of credit in the medium-/long-term.

Finally, more effective assessment of risks allows better disclosure and, consequently, better transparency in communications, which is crucial to meet the requirements of the various stakeholders of the Bank.

Audit

Within the internal controls system, the Audit Department is responsible for third-degree controls (periodic controls). Its perimeter of action includes all the organization structures and processes of all the Companies in the Cariparma Crédit Agricole Group: the distribution network, the central structures, the Information Technology Departments and the main providers of outsourced services.

Cariparma Audit Department reports on a dotted line to the CEO and on a solid line to the Audit Department of Crédit Agricole S.A.

Specifically, the Audit Department of the Cariparma Crédit Agricole Group:
- ensures that periodic controls are carried out on processes and organizational units of all the Companies in the Cariparma Crédit Agricole Group, through a constant and independent monitoring action on the regular performance of operations, to prevent or detect the onset of problem and risk situations or behaviours;
- assesses proper operation of the internal controls system as a whole and its suitability to ensure effectiveness and efficiency of ùcorporate processes, protection of the value of assets, prevention of losses, reliability and integrity of accounting and management information, compliance of operations with both the policies set by the corporate governance bodies and with internal and external regulations;
- performs a governance and steering action on the Internal Audit Departments of the Companies in the Cariparma Crédit Agricole Group;
- provides the Senior Management, Corporate Bodies and the Parent Company Crédit Agricole with prompt and systematic reporting on the activities carried out.

The audit perimeter is covered with an internal subdivision between the following structures:
- Central Structures Audit Service, which covers all Central Departments of the 3 commercial Banks, the Information Technology (IT) Department and CALIT, as well as the services that are outsourced by the Group Companies;
- Cariparma Network Audit Service, which covers all operating units of the Cariparma and Carispezia distribution networks;
- FriulAdria Audit Service, which covers all the units in the distribution network of Banca Popolare FriulAdria.

The methods and tools used comply with the model set down by the Controlling Company Crédit Agricole S.A. Specifically, preliminary analyses are carried out on potential risks in the various function areas, in order to define priority of review actions and to make annual and multiannual plans of audit activities.

Audit activities are organized to ensure full coverage of the reference perimeter within a maximum of 3 years for the distribution network units and within a maximum of 5 years for central Departments and processes.

The weaknesses detected are systematically reported to the relevant Corporate Departments, by formulating specific recommendations: their implementation and the improvements achieved are then verified in the subsequent follow-up audits.

The Audit Department periodically verifies also the implementation status of the recommendations issued during control actions performed by the Supervisory Bodies and by the Controlling Company Crédit Agricole S.A.

Activities of the Validation Unit

The Validation Unit is provided for by the New Provisions for Prudential Supervision of banks issued by the Bank of Italy with Circular No. 263 of 27 December 2006 and has also the task of assessing:
- the process for the development and the performances of risk measurement systems,
- maintenance of their proper operation over time,
- that the defined systems are actually used in the different management scopes.

In the Cariparma Crédit Agricole Group, the Validation Unit is part of the Risk Management and Permanent Controls Department. Independent assessment is ensured also by the verifications performed by the Department responsible for third-level controls. The activity of the Validation Unit is governed by a specific Policy, which sets down its work methods, perimeter of action, any materiality thresholds for its verifications, as well as the process for communication and control of evidence and the relating remedial actions.

Other information

In 2013, the option for the tax consolidation regime between the Group Companies as provided for by Article 117 and following ones of the Italian Consolidated Act on Income Taxes (TUIR) was exercised, in order to obtain the advantages, also economic ones, both actual and potential, generated by adopting this regime".

Tax-related disputes

A dispute relating to registration taxes is presently under way with the Agenzia delle Entrate (Italian Inland Revenue Service). The latter requalified - as sale of a company - the transactions carried out in 2007 for the transfer of branches from Intesa Sanpaolo to Cariparma and FriulAdria and the subsequent transfer of the acquired shares to the Institutional Shareholders of the two Banks, for a total amount, jointly payable by the various parties that were involved on different grounds in the specific transactions, of approximately €43 million. A similar problem emerged for a transaction carried out by CALIT with the Intesa Group for €2.2 million. In these disputes, 1st instance Court decisions were issued in favour of the Group, which were appealed against by the Italian Inland Revenue Service. Also in the light of specific opinions from leading Legal Firms, as well as of the favourable Court decisions, no provision has been made for the above disputes.

It is reported that, on 6 March 2014, Notices of Settlement, again regarding registration taxes and on the same grounds, were served referring to similar transactions carried out in 2011 again with the Intesa Sanpaolo Group, for a total amount payable of approximately €15 million. The above remarks cannot but be extended to these charges.

As reported in previous periods, Cariparma was served a notice of assessment for the sale of loans on a non-recourse basis to a securitization Company, which is unrelated to the Group, made in 2005, concerning alleged taxes payable amounting to €5.5 million, plus penalties and interest. In the light of specific opinions from leading Legal Firms, as well as of the most recent documents on administrative practices on this matter, the Group has decided to make no provision.

In 2013, Banca Popolare FriulAdria was subject to a general inspection by the Italian Inland Revenue Service, which was followed by an Official record of Findings (Italian acronym: PVC). With reference to the alleged findings in the PVC, in order to control dispute-related costs, specific acceptance of findings was filed, thus reducing the subsequent expense to an amount of approximately Euro 0.1 million. The filed acceptance of findings does not include the findings contained in the official record relating to transfer prices with foreign Companies, which might lead to the assessment of taxes for €0.5 million, plus penalties and interest. The findings are deemed groundless, since valid reasons exist supporting the Bank's conduct.

For Carispezia, a dispute has been started for registration taxes amounting to approximately €0.6 million concerning the rate to be applied to the purchase of a company made in 2006 by CariFirenze, which was at the time Carispezia' s controlling company; the Inland Revenue Service has filed an appeal against the first instance court's decision which was for the most part favourable to Carispezia. Even though the Group believes that this dispute may result in a favourable Court decision, for prudential reasons, provisions have been made covering the part for which the Bank lost in the first instance Court proceedings.

Information on transactions with related parties and atypical and/or usual transactions

The qualitative and quantitative analysis of transactions made in the year with parties that meet the definition of related party pursuant to the "Regulation for Risk Assets and Conflicts of Interest towards Related Parties for the Companies in the Cariparma Crédit Agricole Group", which was adopted by the Group in December 2012, is reported in Part H of the Note to the Financial Statements, to which reference is made. Part H also includes the analysis of any atypical and/or unusual transactions in accordance with the definition given in CONSOB Regulation 11971/99.

Performance of consolidated companies

The performance of Banca Popolare FriulAdria S.p.A.

Banca Popolare FriulAdria is subject to the management and coordination of Cariparma, which has a 80.17% shareholding. The remaining stake in FriulAdria is publicly held.

In 2013, the Bank made a profit, thanks to the improvement in income from operations, mainly due to expense control. Banca Popolare FriulAdria confirmed its important role in supporting the local economy, specifically at a regional level, despite the ongoing recession scenario. Moreover, the action to optimize its organizational structure and strengthen its control and lending processes continued.

As at 31 December 2013, net profit came to €28.5 million, increasing by €9.6 million over the previous year (up by +50.4%).

Operating profit came to €120.0 million, increasing by €32.5 million (up by +37.2%) vs. the previous year, mainly due to effective control of operating expenses with stable income.

Operating income came to €308.3 million, posting a slight increase vs. 2012 (up by +0.8%), with a good performance of commission income (up by +3.2%) and of income from trading activities offsetting the decrease in net interest income from €186.8 million to €170.7 million in 2013 (down by -8.6%). Specifically, the performance of trading activities benefited from more transactions made on the owned securities portfolio (sale of Italian Government securities, which allowed gains to be realized),

The decrease in operating expenses (down by -13.8%) mainly referred to staff expenses, which decreased from €137.5 million in 2012 (which included €25.4 million worth of non-recurring expenses referring to the activation of the Solidarity Fund) to €110 million in 2013. Administrative expenses and depreciation/amortization also decreased by -3.0% and -6.1%, respectively, vs. the previous year. Net of the provision for the Solidarity Fund, expenses would still be lower by -€4.8 million (down by -2.5%).

Net impairment adjustments of loans came to €63.6 million, increasing by €4.3 million (up by +7.3%) vs. the previous period: the performance of this aggregate continued to be impacted by the difficulties in the lending market. Profit before tax on continuing operation came to €53.9 million, posting a significant increase vs. 2012.

The performance of Cassa di Risparmio della Spezia S.p.A.

Cassa di Risparmio della Spezia is subject to the management and coordination of Cariparma that holds 80% of Carispezia's share capital; the remaining stake in Carispezia is held by the Cassa di Risparmio della Spezia Foundation.

In 2013, Carispezia strengthened its positions in the Cariparma Crédit Agricole Group, consolidating its geographical reorganization and enhancing its leading role in the areas of operation.

In the reporting period, Carispezia performed well, with a net profit coming to €14.4 million, up by €2.7 million vs. the previous year, thanks to its good income from operations. The net operating income increased from €103.7 million in 2012 to €109.8 million in 2013 (up by +6.0%); net commission income performed particularly well increasing from €37.8 million to €45.4 million (up by +20.0%), as well as net interest income, which came to €55.6 million, increasing by €2.1 million vs. 2012 (up by +3.9%). The contribution of income from trading activities was lower than in the previous period, decreasing from €12.2 million in 2012 to €9.3 million in 2013 (down by -24.2%). Operating expenses came to €69.4 million, decreasing by €2.9 million (down by -4.0%) vs. the previous year; this decrease mainly referred to administrative expenses, on which also the implemented structural reorganization and the expenses control generated effects.

Net accruals to provisions for contingencies and liabilities had a positive balance of €5.3 million, markedly improving compared with -€0.6 million in 2012, whereas net impairment adjustments of loans came to -€23.6 million, posting a significant increase mainly due to the consolidation of the coverage ratio.

Based on the above, profit before tax on continuing operation came to €22.1 million, increasing by €3.5 million (up by +18.9%) from €24.6 million in 2012.

The performance of Crédit Agricole Leasing Italia S.r.l. (CALIT)

The leasing market

The Italian Leasing market closed 2013 with €14.4 billion worth of signed contracts, decreasing by 12.8% vs. the previous year.

The sector was impacted by the eight consecutive quarters of economic recession, which caused a strong reduction in consumption and a progressive contraction in industrial production, which generated a subsequent estimated decrease of approximately 5.4% in gross fixed investments on top of the 8.3% decrease in 2012. The general economic situation and the weakening of the industrial sector generated a crisis also in the leasing market, which has always been linked to Companies' investments in machinery and infrastructures.

In 2013, the drop in investments stopped, with stable volumes in the third quarter (-0.4%) and signs of weak recovery in the last months of the year.

These signs of recovery emerged especially in the equipment leasing segment, which now accounts for about half of total contracts signed and for 1/3 of volumes, in which the number of new transactions increased by 6% and intermediation volumes by 2%.

The most significant decrease, which was expected due to the termination of State incentives, referred to the energy segment (down by -56%); real estate leases also continued to decrease (down by -18%), while car leases were essentially stable (mainly due to leases without purchase option and those with final option higher than 10%, which are typical of lease companies related to manufacturers).

In this situation, for the sector, the new tax rules implemented with the 2014 Stability Law, which reinstated tax deductibility of fees for equipment leases (including leases of motor vehicles) to a period equal to half of the depreciation period for the same assets and deductibility of fess for real estate leases to 12 years vs. 18 years as per the previous regulations, also reinstating deductibility of real estate lease fees for self-employed workers and freelancers.

Based on this new tax framework, leasing market players expect a considerable increase in signed lease contracts for 2014, with new investments in production which could return, in a few years, to reach approximately Euro 20 billion, thus improving leasing penetration on total investments (which have been estimated as increasing by 1.6% in 2014), and could generate significant positive effects for the real economy in general.

The company's business activities

In this difficult market situation, the Company continued to implement specific risk control strategies, limiting operations in some sectors and favouring sectors deemed strategic by the Group, with effective selection of Customers in accordance with the guidelines issued by the Parent Company and with its support.

Total volumes for the new production increased compared with the market, coming to €345.2 million, up by 22% vs. 2012.

The business continued to be refocused on equipment leases and the weight of real estate leases was further reduced, as done in last few years.

Net income from new contracts was also focused on, in order to ensure and develop future profitability of this portfolio.

Performance

In 2013, the Company made a loss of -€1.2 million, posting a marked improvement compared with a loss of -€20.9 million in 2012.

Net operating revenues came to €25.2 million, increasing by 13.5% vs. the previous year, mainly due to an increase in net interest income (which accounted for over 90% of net operating revenues) generated by the stability in market interest rates and by the profitability of new contracts, which allowed the total average return of the portfolio to increase.

Operating expenses, net of non-recurring items, decreased by 3.6%, thanks to the continuing implementation of the policies that were adopted in the previous periods for expense control.

As at the reporting date, the number of employees, including staff seconded to the Company, was stable, coming to 57 resources, while the average number of employees decreased by one resource (57 vs. 58).

Thanks to effective expenses control and to the increase in net Intermediation income, the Cost/Income ratio was again excellent, coming to 32.9% (38.8% in 2012) and substantiating the structure's effectiveness compared to business volumes.

Even though decreasing vs. the previous period, the cost of risk remained high (€18.2 million) with a 1% weight on average loans.

In 2013, the implementation of prudential policies for risk hedging continued and the management of impaired loans was improved.

The recession phase generated a progressive impairment of the loan portfolio, especially the historical one, even though at much lower rates than the leasing market ones (close to 9 percentage points as at the end of 2013).

Net impaired loans totalled €222 million, up by 3% vs. 2012, and accounted for 11.7% of total net loans to Customers. The relating writedowns came to a total of €69 million (up by +14%) and accounted for 23.7% of the book value of loans (21.8% as at 31 December 2012).

Specifically, bad loans had a coverage ratio of 33.7%, while substandard loans of 10.7%. The ratio of Net Bad Loans to Net Loans to Customers came to 6.4%.

Collective write-downs made on uniform categories of performing loans came to a total of €10.8 million, up by over €1 million vs. 2012, and ensured a coverage ratio for these loans of 0.6%.

Thus, the global coverage ratio of the portfolio came to 4%, increasing from 3.5% in 2012.

Net debt came to a total of €1,849 million and mainly consisted of net dues to Banks for loans received, amounting to €1,832 million (of which 77% are loans received from and net liabilities to the Cariparma Crédit Agricole Group).

Reconciliation of the Parent Company equity and profit (loss) for the period and consolidated equity and profit (loss) for the period

	31.12.2013	
	Equity	of which: Net profit (loss) for the period
Balances in Parent Company accounts	4,486,995	126,236
Effect of copnsalidation of subsidiaries	112,961	48,448
Effect of equity method accounting of significant equity investments	-1,170	-1,170
Dividends received in the period	-	-23,070
Other changes	-	-
Balances in consolidated accounts	**4,598,786**	**150,444**

Outlook

Overview

Significant events occurred after the reporting date

As regards the Group, from the end of 2013 to the date of approval of this report, no such events occurred as to significantly affect the Group's structure and its profit for 2013.

Research and Development

No research and development activities were performed in the year.

Risks and uncertainties

The policies for the monitoring, management and control of risks, operational, credit and market ones, in the multiple aspects provided for also by the applicable legislation and regulations, both primary and secondary, to which the Group is subject, as a lender subject to regulatory supervision, are still key and priority principles on which Banks will have to prove their effectiveness, both towards competitors and towards domestic and international markets, which are increasingly difficult to forecast and uncertain, as well as highly volatile.

For exhaustive reporting on the risks and uncertainties to which the Group the Company belongs to is exposed and on the techniques adopted for their mitigation, reference is made to other sections of this Note to the Financial Statements; in compliance with the provisions also of the Italian Civl Code, at Article 2428, as well as by Bank of Italy Circular No. 263/2006 as updated, in this regard, it cannot but be reasserted what was reported in the previous periods, that is to say, the constant focus that has been placed for years by the Group and by its management on the monitoring of risks and uncertainties; this also amounts to the response to and implementation of the countless and important recommendations that the relevant Authorities (national and international) have issued and are issuing on this matter.

The Group Governance Bodies are fully aware, and today more than ever, that sustainable development and growth cannot but be based also on effective analysis of the risks to which the Group is exposed and of the relating uncertainties in terms of impacts that risks may have on the Group equity, financial position and performance, as well as on their management and mitigation to acceptable low levels, and this in order to protect that precious resource that generates growth and development, that is to say, savings, and along with them, Customers' confidence on the one hand, and loans (drivers of growth) on the other.

In compliance also with the legislation provisions, both specific for the sector in which the Group operates and civil and financial law provisions, the current national and international economic situation (financial and real economy) in general is deemed such as to require real and monetary policy measures to be implemented by Supranational and State Government Authorities, (aimed at boosting the present weak recovery), as well as adequate policies to constantly strengthen the monitoring of risks and uncertainties by financial players, such as those implemented by the Group.

Financial players are well aware that they need to constantly implement growth and development policies that must focus also on the protection of the interests of all stakeholders, without failing to perform, for this reason, the institutional role that the Group has, both in terms of support to the economic and social fabric of its Customers, and in terms of enhancement of the value of that key factor for development and growth which is effective and prudential management of savings.

Information pursuant to Article 123- bis paragraph 2, letter b) of Legislative Decree 58/98 (Italian Consolidated Financial Act, Italian acronym TUF)

Internal Control System

The Cariparma Crédit Agricole Group has progressively upgraded its internal control system to the model adopted by the Parent Company Crédit Agricole S.A., developing it in compliance with both the French legislation (to which the Controlling Company Crédit Agricole is subject) and with the Italian legislation.

In compliance with the Corporate Law and with the Bank of Italy's supervisory provisions and implementing the guidelines issued by the Controlling Company Crédit Agricole S.A., as well as the Board of Directors' resolutions, the Group uses an internal controls system that aims at providing constant control of operational risks, as well as at ensuring that control activities are adequate to the Group's organization and that the relevant reporting is reliable, accurate, trustworthy and prompt.

The internal controls systems involves:
- the Top Management;
- the Collective Bodies;
- the Supervisory Body;
- the roles with control responsibilities;
- all Staff;
- the Independent Auditors.

The analysis and monitoring of operational risks are carried out based on the Group taxonomic references, which provide for verification of compliance with the terms set down by the legislation, reliability of processes and of their exercise, security, conformity, as well as application of best practices for controls.

The controls systems consists of the following:

- **Permanent Control,** which includes controls of:
  - 1st degree, carried out continuously, starting from the beginning of a transaction and throughout its validation process, by the staff involved, by 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 Statements undergo specific first-degree controls carried out within the accounting units;
  - 2nd degree/level 1 (2.1), carried out by staff having operating tasks, but not directly involved in making the decisions on the transaction being controlled; specifically, within the central administration structures, monitoring controls are performed on all departments 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 Department and Risk Management and Permanent Controls Department;
- **Periodic Control,** consisting of a 3rd degree control that is carried out by the Audit Department on a periodic basis through remote and on-site verifications, as well as through documentary checks.

Moreover, constant adjustments and upgrading are made for continuous compliance with any new developments in the relevant legislation, as well as with existing regulations, which also enhances coverage through specific policies that are implemented at Group level.

Collective Bodies

In line with the Group characteristics, in Cariparma's, FriulAdria's and Carispezia'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 Departments engaged in 2nd degree/level 2 (2.2) and in 3rd degree controls report directly to the Board of Directors on the activities performed, on the main risks detected, on the identification and construction of mitigation tools, as well as on the effects of their application.

The Boards of Directors of the subsidiaries adopt the risk policies for risk management and mitigation approved by the Board of Directors of the Parent Company; moreover, the Boards of Directors of the Group Banks identify and assign responsibilities to the various corporate structures and departments, so that the respective tasks are clearly assigned and potential conflicts of interests are prevented.

The Audit Committee for Internal Control, consisting of Independent Directors has the function to provide the Board of Directors with advice and proposals on matters relating to risk management, financial reporting system and the internal controls system, in order to ensure an efficient and effective control system; it periodically reports to the BoD on these matters, providing its opinions and assessments, promptly setting, where necessary, appropriate correction measures in case of deficiencies or warnings.

The Chief Executive Officer, together with the Senior Manager in Charge, certifies with a specific report on the Financial Statements for the year, on the Interim Condensed Financial Statements and on the Consolidated Financial Statements, the adequacy and actual application of the administrative and accounting procedures for the preparation of the Separate Financial Statements and of the Consolidated Financial Statements.

Control Departments

The Cariparma Crédit Agricole Group has three independent control structures that, within their control perimeter and based on the relevant tasks, ensure constant control on all corporate operations and the risks generated by the same:

- the Risk Management and Permanent Controls Department (which included the Validation Unit) and the Compliance Department, which are responsible for second degree - second level controls;
- the Internal Audit Department, which is responsible for third-degree control.

Moreover, in compliance with the provisions of Article 154-bis of the Italian Consolidated Finance Act, the Senior Manager in Charge has the responsibility to monitor the internal controls system relating to accounting and financial reporting.

Risks and Permanent Controls

The Risk Management and Permanent Controls Department (Italian acronym DRCP) of the Cariparma Crédit Agricole Group, which is the Department governing Risks and Permanent Controls, is independent of any management and decision-making function entailing risk-taking: this independence is ensured by the organizational placement that provides for direct dotted line reporting to the Chief Executive Officer of the Cariparma Crédit Agricole Group and for solid line reporting to the Group Risk Management Department (Direction des Risques et contròles permanents Groupe) of the Controlling Company Crédit Agricole S.A.

As regards control of structural and operational consistency, it is specified that the Risk Management and Permanent Controls Departments of the subsidiaries report on a solid line to the Risk Management and Permanent Controls Department of the Parent Company Cariparma ; the former, through continuous coordination and guide, ensure the implementation and constant update of the internal control system for their respective perimeters, in compliance with the Group guidelines and methods and providing the holding structure with a systematic information flow.

The Risk and Permanent Controls Department ensures full monitoring of risks falling within its scope and oversees controls relating to such risks, through specialized units operating within the same Department and dedicated to the following risk areas:

- **credit** risks, including:
  a. concentration risk;
  b. counterparty risk;
- **market** and **financial** risks;
- **Operational** risks, including in particular:
  a. fraud risks;
  b. risks associated to insurance coverage;
  c. risks associated to Information Systems Security (ISS);
  d. risks associated to the Continuity of Operations Plan (Italian acronym: PCO);
  e. risks associated to the Provision of Outsourced Essential Services (Italian acronym: PSEE).

The activities of the Validation Unit aim at independent verification of:

- tools;
- technical-organizational control;
- the controls system implemented to measure risks, to calculate the minimum prudential capital requirements, in order to verify compliance with such controls over time with the regulations that are relevant for the application of advanced approaches.

The Risk Management and Permanent Controls Department of the Cariparma Crédit Agricole Group takes part in defining and implementing the policies for risk management. Specifically, within its perimeter of action:

- it coordinates the process to design the Group Risk Management Strategy;
- participates in defining lending policies;
- contributes to and validates quantitative approaches for provisioning;
- expresses its opinion on the main risk-taking instances.

Moreover, the Risk Management and Permanent Controls Department is responsible for the preparation of the Group Risk Disclosure. The reports are submitted on a quarterly basis to the Boards of Directors of the single Banks. The reporting produced by this Department also includes loan coverage policies and is made to the Top Management, to inform on the performance of the main risk ratios in order for action plans to be better and promptly prepared as required to mitigate, prevent or avoid risk factors.

Compliance

The Compliance Department has the mission of controlling and managing compliance risk, continuously identifying the regulations that apply to the Group, as well as measuring and assessing the impacts produced by the same on the corporate processes and procedures, and defining prevention and control policies. Specifically, it has the objective of ensuring centrality of Customers and of their interests, the prevention of offences pursuant to Italian Legislative Decree No. 231/01, prevention of money-laundering and market abuses, protecting the Group Companies, Employees and Senior Managers against the risk of penalties, financial losses and reputational damage, also through advice and assistance.

Senior Manager in Charge

In compliance with Article154-bis of the Italian Consolidated Financial Act, the Senior Manager in Charge certifies, with a specific report attached to the Annual Report and Separate Financial Statements, to the Annual report and Consolidated Financial Statements, as well as to the Interim Condensed Financial Report, the adequacy and actual operation of the internal control system relating to financial reporting.

With reference to the above reports and financial statements, the Senior Manager in Charge also states that they have been prepared in compliance with the international accounting standards, that they are consistent with the accounting books and records and adequate to give a true and correct representation of the equity, balance-sheet, income and cash flow position of the Company.

To prepare this statement, the Senior Manager in Charge assesses the existence of:
- an internal controls system and of a corporate structure functional to reducing error risk and improper conducts;
- administrative and accounting procedures for the preparation of Financial Reporting, by analyzing their adequacy and actual application. Processes producing significant impacts on the accounts and on financial reporting and falling within the perimeter of responsibility of the Senior Manager in Charge include accounting and administrative processes strictly speaking, business processes (finance and lending), steering and control processes and support processes.

The approach adopted has a risk-based logic for the identification of significant accounts and of corporate processes that are relevant for the Group's financial reporting.

Internal Audit

Third-degree controls are performed by the Internal Audit Department through periodic analyses of the organizational structures, processes and conducts; these activities are carried out consistently with the Group's own audit model with on-site and remote verifications.

Statutory audit of the accounts

For the Cariparma Crédit Agricole Group, the statutory audit of the accounts is performed by Independent Auditors, who carry out the activities provided for in Article 14, paragraph 1 of Italian Legislative Decree No. 39 of 27 January 2010.

In special reports, the Independent Auditors express a judgement on the separate annual financial statements and on the consolidated annual financial statements, as well as on the interim financial report.

The task as Independent Auditors for the statutory audit of the accounts has been assigned to the company Reconta Ernst & Young S.p.A. up to 31 December 2020.

Corporate social responsibility

Social responsibility is an integral part of the corporate culture of the Cariparma Crédit Agricole, who, with specific tools, is committed to improving its relations with all its stakeholders.

Specifically, the Group had adopted two key tools: the Corporate Social Responsibility Report and the FReD Project.

The Corporate Social Responsibility Report has been prepared in accordance with the international guidelines issued by the Global Reporting Initiative (G3.1), as well as with the instructions issued by the Italian Banking Association (ABI) on sustainability reporting in the banking sector; it is the document summarizing all the initiatives that have been implemented by our Banks within the Corporate Social Responsibility scope, continuing in our commitment to deliver sustainable growth aimed at supporting the economies of the Communities where the Group operates.

The **FReD** Project, which was promoted by Crédit Agricole S.A., has been designed to provide the different entities in the Group with a common reference framework for CSR policies, making available tools for the measurement of progress made and results achieved.

FReD is structured in a total of 15 actions, 5 for each of the three sustainability pillars: respect for Employees, confidence of Customers, protection of the environment; this process continuity is ensured by the fact that, for each completed action, another relating to the same pillar must be immediately identified and started.

In 2013, the Projects of the Cariparma Crédit Agricole Group were the following:

Pillar	Project
Confidence	**Training on Money-laundering Prevention** provided to Employees: in order to prevent crimes and offences.
	NORKOM Money-laundering Controls: in order to detect suspicious transactions.
	FATCA - Controls to prevent Tax Evasion by USA Taxpayer Customers: to prevent tax evasion by US Customers.
	Observation Network for Consumers-Banks Relations: to meet, exchange opinions and focus on some matters that are deemed priorities in the Customers' interest.
	Complaints Monitoring: to monitor complaints in qualitative-quantitative terms, in order to improve processes and the quality of relations with Customers.
Respect	**Company Nursery:** to help working parents.
	Education/Work Integration Internship: to integrate University and work environments, giving newly-graduates the change of acquiring experience.
	Corporate Social Responsibility Joint Committee: to develop continuous exchange and interaction with Trade Unions.
	Focus Groups: to foster proactive participation of Employees on various topics.
	PSYA Psychological Support: to help Employees and their family members, who, in specific circumstances, may need to receive support, exchange views or have advice.
Demetra	**Telecontrol Installation at Branches:** to reduce energy consumption and achieve a more effective use of resources, through telecontrol.
	Installation of Solar Panels: to produce clean energy.
	Differentiated Waste Collection: to reduce pollution and to increase recycling.
	Verification of ESG standards in contracts with Suppliers AND Providers: to start differentiating Suppliers and Providers also based on Social Responsibility standards.
	Dematerialization of transparency documents: to reduce paper consumption.

The Cariparma Crédit Agricole Group wants to remain focused on two key principles: proximity to its Communities of operations and its social role for support to the economy, which a Bank must always play, especially in difficult times.

This is how "Aperti al tuo mondo" (Open to your World), the payoff of the Cariparma Crédit Agricole Group brand, represents the commitment that the Bank has undertaken to the Communities of operations. Relying on the value of this relationship and on open communication, the Group promotes many projects for the enhancement of the Communities where it operates: Cariparma, Carispezia and FriulAdria have always worked in close contact with the respective reference social-economic fabric, generating value for their Communities of operations; support to the local economy, focus on people and categories experiencing difficulties, support to different art, cultural and sport expressions are the principles informing the many projects started and supported.

For more exhaustive information on the CSR actions implemented by the Cariparma Crédit Agricole Group, reference is made to the Corporate Social Responsibility Report for 2013 and to its website www.gruppocariparma.it/menu/responsabilita-sociale-d-impresa

Certification of the Consolidated Financial Statements pursuant to Article 154-bis of Legislative Decree No. 58/1998

The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Débourdeaux, Senior Manager in charge of the preparation of the company 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 1998:

- the adequacy in relation to the company's characteristics and
- the actual application

of the administrative and accounting procedures for the formation of the Consolidated Financial Statement during the course of the 2013 financial year.

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

3. The undersigned certify also that:

3.1 the consolidated report and financial statements as at 31 December 2013:

a) have 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 dated 19 July 2002;

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

c) furnishes a true and correct representation of the capital, 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, 25 March 2014

Giampiero Maioli
Chief Executive Officer

Pierre Débourdeaux
Senior Manager in charge of the preparation
of the Company accounting statements

Report of the Board of Auditors on the Separate Annual Report and Financial Statements and on the Consolidated Annual Report and Financial Statements as at 31 December 2013

Dear Shareholders,

The duties of the Board of Auditors of Cassa di Risparmio di Parma e Piacenza S.p.A. (hereinafter also referred to simply as Cariparma) are mainly governed by the Italian Civil Code, by Legislative Decree No. 39 of 27 January 2010 ("Implementation of Directive 2006/43/EC on statutory audit of annual accounts and consolidated accounts"), by Legislative Decree No. 58 of 24 February 1998 ("Consolidated Finance Act") and by the supervisory regulations issued by the Bank of Italy. This last item specifically refers to Legislative Decree No. 385 of 1 September 1993 ("Consolidated Act on Banking"), to Legislative Decree No. 231 of 21 September 2007 ("Implementation of Directive 2005/60/EC concerning the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as well as of Directive 2006/70/EC laying down implementation measures, as amended and integrated") and, finally, to the Instructions and Provisions issued by the same Bank of Italy (specifically "Supervisory Provisions concerning Banks' Organization and Corporate Governance" issued on 4 March 2008).

In the reporting year, this Board of Auditors performed its supervisory activity pursuant to the above-mentioned decrees and provisions, also considering the standards of conduct recommended by the Italian National Association of Chartered Accountants.

Supervisory activity

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

Moreover, pursuant to Articles 16 and 19 of the above Legislative Decree No. 39/2010, this Board supervised:
a) the financial reporting process;
b) the effectiveness of the internal control, internal audit and risk management systems;
c) the statutory audit of annual separate and consolidated accounts;
d) the independence of the statutory auditor or of the statutory audit company, specifically regarding the provision of non-audit services to the body subject to the statutory audit of accounts.

In order to perform all activities summarized above, from 2 April 2013, date of its report on 2012 Annual Report and Financial Statements, to today's date, 58 meetings of the Board of Auditors were held (as substantiated by the Register of the Board of Auditors' meetings), and
1. the members of the Board of Auditors 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 be assured that the resolutions were in compliance with the law and with the Company's Articles of Association and that are not blatantly imprudent, hazardous, in conflict of interests or such as to jeopardize the corporate equity;
2. thanks both to the above-mentioned attendance at the meetings of the Board of Directors and of the Committees and at meetings with the senior management (Chief Executive Officer, Co-General Manager, Deputy General Manager), the Board obtained information on the company general performance and outlook, as well as on the transactions carried out by the Company, which were most significant due to their size or features;
3. with regard to intra-group transactions and transactions with related parties, the Board of Auditors supervised the same, through participation of the Chairperson or his/her Deputy, in the meetings of the Related Parties Committee (which was set up with resolution passed by the Board of Directors on 24 November 2010), as well as in the meetings of the BoD and of the Executive Committee. In this regard, as reported in "Part H" of the Note to the Separate Financial Statements and to the Consolidated Financial Statements, this Board states that, on 11 December 2012, it approved, implementing the specific Regulation issued by the Bank of Italy, the document "Regulation for Risk Assets and Conflicts of Interest towards related parties for the Cariparma Crédit Agricole Group", in order to give

the Group a specific internal regulation that amounts to the new body of law on these issues. The Board of Auditors acknowledges that in paragraph 2 of the above "Parts H", the Board of Directors reports that "During the year, no atypical or unusual transactions were carried out whose size or features might have jeopardized the protection of corporate equity and the interests of minority shareholders";

4. it ensured its presence, through the attendance of its Chairperson and of a Standing Auditor, at the meetings of both Cariparma and Group Credit Committees;
5. it monitored, specifically at the meetings between the Board of Auditors, the Top Management and the Heads of Departments engaged in control functions (the so-called Internal Control Committee) the outcomes of control activities, the progress of Audit, Risk Management and Compliance projects, also in regard to the Integrated Control System, to money-laundering prevention and MiFID;
6. supervised the effectiveness and operation of the overall internal control system, specifically through periodical and constant meetings with the Central Risk Management and Permanent Controls Department, the Central Audit Department, the Central Compliance Department and with the Senior Manager in charge of the preparation of the accounting documents, obtaining copy of the reports prepared by the various Corporate Bodies and Committees in charge of governance and control. In this regard, it is reported that this Board, represented by its Chairperson or by another Member, took part in the meetings of the Audit Committee for internal control;
7. it worked in coordination with the Company appointed for the statutory audit of the accounts, Reconta Ernst & Young S.p.A (to whom the statutory audit of the accounts was assigned for the period 2012-2020 with resolution of the Shareholders' General Meeting passed on 23 April 2012) : to this end, periodical meetings were held for the examination of quarter accounting data, and other meetings were held to exchange data and information relevant for the performance of the respective duties and for the analysis of the outcomes of the work made by the Independent Auditors.

   In this regard, the Independent Auditors did not inform this Board, in the above occasions or otherwise, of any reprehensible facts or problems and/or inadequacy: moreover, it is stated that, on 7 April 2014, this Board received the report pursuant to Article 19, paragraph 3 of Italian Legislative Decree No. 39/2010, which does not show any significant deficiencies in the internal control system relating to the financial reporting process.

   The Board verified that the Independent Auditors published on their website the annual transparency report, pursuant to Article 18 of the above Legislative Decree No. 39 of 27 January 2010 in compliance with the terms set by law. The Independent Auditors sent to this Board the annual confirmation of independence, pursuant to Article 17, paragraph 9, letter a of the above Legislative Decree No. 39/2010;
8. it supervised the adequacy and compliance of the Internal Capital Adequacy Assessment Process (ICAAP) with the regulatory requirements. Moreover, this Board acquired information on this topic from the relevant Departments - including the Risk Management and Permanent Controls Departments - at the periodic meetings held. As stated in the report to the 2012 Financial Statements, the Document "ICAAP Report as at 31 December 2012" was submitted to the Board of Directors on 26 March 2013 after the Board expressed its opinion on 15 March 2013. The ICAAP Report as at 31 December 2013 will be submitted to the Board of Directors on 29 April 2014;
9. the Board also worked in close coordination with the Board of Auditors of the Subsidiary Companies, also through meetings held with the respective control bodies. At these meetings no matters to be submitted to the attention of the Controlling Company's shareholders emerged;
10. it operated in coordination, also through specific meetings and contacts, with the Supervisory Body appointed pursuant to Legislative Decree 231/01, in whose meetings the Chairperson of this Board or another appointed Auditor is invited to participate.

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

- with minutes dated 3 June 2013, pursuant to Article 2389, paragraph 3 of the Italian Civil Code, also considering the Bank of Italy's Measure of 30 March 2011, as well as its Communication of 13 March 2013, it gave its opinion on the proposal for the remuneration to be paid to the Chief Executive Officer;
- with minutes dated 17 June 2013, in response to the requests made by the Bank of Italy on Operations in derivatives with Customers (Record No. 0255032/13 of 12 March 2013), concerning "Adequacy and operation of the overall internal controls system for protection against legal risks associated to operations in derivative instruments with Customers";
- with minutes dated 3 December 2013, pursuant to the Bank of Italy's Circular No. 263, version 15 title V chapter 7 page 18, this Board expressed its favourable opinion on the proposal to appoint the new Head of the Risk Management and Permanent Controls Department;
- with minutes dated 2 March 2014, the Board of Auditors expressed its remarks on the "Assessment of adequacy of Cariparma Compliance Department;

Moreover, after hearing the other Board Members, the Chairperson of the Board of Auditors signed the letters containing the Bank's remarks on the findings emerged from the inspections carried out by the Bank of Italy referring to:

- the inspection on Cassa di Risparmio di Parma S.p.A. concerning the assessment of the adequacy of adjustments of bad loans, substandard loans and restructured loans, as well as of the relevant policies and implementation practices, which was completed on 9 May 2013;
- the general inspection on the subsidiary Cassa di Risparmio della Spezia S.p.a. completed on 31 October 2013.

The Board confirms that both inspections generated partially favourable outcomes and that the remarks made by the Supervisory Authority on such occasion are being dealt with through an appropriate remediation plan by the Bank and by the Group.

As already stated in the Report on the Annual Report and Financial Statements for the previous year, this Board, within the scope of its duties, monitored the activities and projects for the strengthening of the structures and governance upgrading to the Cariparma Crédit Agricole Group's new sizes and to the difficult market situation, with a specific focus on the adequacy of control and management of corporate risks. In this regard, this Board acknowledges (as also detailed in the Management Report) that, in 2013, the Cariparma Crédit Agricole Group has proactively continued to implement the internal controls system in force, in compliance with the company law, with the supervisory provisions issued by the Bank of Italy and with the guidelines issued by the Controlling Company Crédit Agricole.

Specifically, in the period, this Board supervised the start-up of the process for the progressive upgrading of the structures of the Bank and of the Group to the "New regulations for the prudential supervision on banks on the internal controls system, Information System and Continuity of Operations" pursuant to the Bank of Italy's Circular No. 263/2006 as updated on 2 July 2013. In this regard, it is stated that the Bank sent the self-assessment report on the company situation with reference to the new regulation (the so-called Gap Analysis) to the Bank of Italy within the set terms, while in 2014 the new regulatory provisions shall be implemented (except for those with deferred deadlines).

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

Annual Report and Separate Financial Statements and Annual Report and Consolidated Financial Statements

The Annual Report and Financial Statements as at 31 December 2013 are governed by the provisions set forth in Legislative Decree No. 38 of 28 February 2005 and in the Bank of Italy's Circular No. 262 of 22 December 2005, as updated in January 2014, and they were prepared in compliance with IASs/IFRSs applicable as at 31 December 2013, endorsed by the European Union, as provided for in Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002. In the Note to the financial statements, the Management Body states that no departures were made in the application of IASs/IFRSs.

The Separate Financial Statements for the year and the Management Report accompanying them are deemed adequate to supply information on the Bank's situation, the management performance in the year being reported and outlook (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 Statements as at 31 December 2013, it is stated that they are governed by the provisions of Legislative Decree No. 38 of 28 February 2005 and of the Bank of Italy's Circular No. 262 of 22 December 2005, as updated in January 2014, and they were prepared in compliance with IASs and relating interpretations by IFRIC endorsed by the European Commission, as provided for in Community Regulation No. 1606 of 19 July 2002.

As reported by the Directors in the Note to the Consolidated Financial Statements, the consolidation perimeter consists of the Parent Company Cariparma, the subsidiaries Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia S.p.A., Crédit Agricole Leasing Italia S.r.l., Sliders S.r.l., Cariparma OBG S.r.l. and Mondo Mutui Cariparma S.r.l (which, even though not formally controlled since it is a special-purpose entity, has been consolidated on a line-item basis pursuant to SIC 12 Consolidation - Special-Purpose Entities), as well as CA Agro-Alimentare S.p.A. which has been consolidated with the equity method.

With regard to the Consolidated Financial Statements as at 31 December 2013, being given all the above, we hereby inform you that we supervised on the general layout of the same, on their general compliance with the law as to their preparation and layout and, on this topic, no particular remarks are to be made. Moreover, this Board also verified compliance with the rules on the preparation of the Management Report.

The Board of Auditors hereby states that the same Board received the Independent Auditors' reports on the statutory audit of the Separate Financial Statements and of the Consolidated Financial Statements as at 31 December 2012, dated 28 March 2014, which do not set forth any shortcomings or requests for additional reporting.

As reported in the Note to the financial statements, the Group and the Bank classified the Bank of Italy shares as Available-for-Sale Financial Assets, subsequent to the new form that such shares have taken with the approval of Decree Law No. 133 of 30 November 2013, converted as amended into Law No. 5 of 29 January 2014, which provides for several new developments in the regulation of the equity capital of the Bank of Italy, as adopted in the new Statute of the Bank of Italy, resolved by the Extraordinary General Meeting held on 23 December 2013 and approved with Presidential Decree of 27 December 2013.

Following the above classification, these financial instruments were derecognized and the difference between the present value of the new shares, calculated for the single equity investments based on the total value of Euro 7.5 billion as assessed by an expert committee tasked with this measurement by the Bank of Italy itself, and the relevant book value has been recognized in the Income Statement. As reported, since the topic is currently being examined by several Italian and international authorities with regard to the application of IASs/IFRSs to this transaction, an interpretation of the accounting standards that differs from the adopted approach might emerge.

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 statutory audit of the accounts of Cariparma S.p.A. as at 31 December 2013 has conveyed no remarks and no additional reporting requirement; having also considered that the information received to date from the Senior Manager in Charge does not report significant shortcomings or problems, this Board of Auditors expresses favourable opinion on the approval of the Financial Statements and the relevant Management Report, as well as on the proposal for the allocation of profit for the year, which have been submitted by the Board of Directors for your approval.

Parma, 9 April 2014

The Board of Auditors

Paolo Alinovi

Luigi Capitani

Angelo Gilardi

Stefano Lottici

Marco Ziliotti

Independent Auditors' Report

EY
Building a better working world

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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(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 ("Cariparma Crédit Agricole Group") as of and for the year ended December 31, 2013, comprising the balance sheet, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of 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. Our audit was performed in accordance with auditing standards 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 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 and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated March 29, 2013.

3. In our opinion, the consolidated financial statements of the Cariparma Crédit Agricole Group at December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; 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 Crédit Agricole Group for the year then ended.

4. The management of Cassa di Risparmio di Parma e Piacenza S.p.A. is responsible for the preparation of the Management Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Management Report and the specific section on Corporate Governance and the Company's Ownership Structure regarding the information included therein in compliance with art. 123-bis paragraph 2, letter b) of Legislative Decree n. 58/1998, as required by the 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 (the Italian Stock Exchange Regulatory Agency). In our opinion the Management Report and the information reported therein in compliance with article 123-bis paragraph 2, letter b) of the Legislative Decree n. 58/1998,in the specific section of the report, are consistent with the consolidated financial statements of the Cariparma Crédit Agricole Group as of December 31, 2013.

Milan, March 28, 2014

Reconta Ernst & Young S.p.A.
signed by: Guido Celona, Partner

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

Assets		31.12.2013	31.12.2012
10.	Cash and cash equivalents	334,127	285,966
20.	Financial assets held for trading	214,732	311,930
30.	Financial assets carried at fair value	-	-
40.	Financial assets available for sale	5,096,003	4,030,081
50.	Financial assets held to maturity	-	-
60.	Loans to banks	3,305,651	4,123,908
70.	Loans to customers	36,391,853	35,128,149
80.	Hedging derivatives	692,941	1,151,735
90.	Value adjustment of financial assets subject to macro hedging (+/-)	1,192	6,363
100.	Equity investments	19,263	20,433
110.	Reinsurers' share of technical revrses	-	-
120.	Property, plant and equipment	442,815	442,792
130.	Intangible assets	1,927,562	1,946,124
	of which: goodwill	1,575,536	1,575,536
140.	Tax assets	1,196,793	1,045,190
	a) current	360,629	313,747
	b) deferred	836,164	731,443
	b1) of which: Law 214/2011	721,653	564,004
150.	Non-current assets or groups of assets being divested	-	-
160.	Other assets	539,785	829,321
Total assets		**50,162,717**	**49,321,992**

Liabilities and shareholders' equity	31.12.2013	31.12.2012
10. Due to banks	6,084,875	5,275,445
20. Due to customers	23,360,593	22,264,469
30. Securities issued	13,233,109	13,955,519
40. Financial liabilities held for trading	213,804	312,148
50. Financial liabilities carried at fair value	-	-
60. Hedging derivatives	345,373	319,350
70. Value adjustment of financial liabilities subject to macro hedging (+/-)	350,530	658,142
80. Passività fiscali	386,232	327,843
a) current	292,708	231,149
b) deferred	93,524	96,694
90. Liabilities in respect of assets being divested	-	-
100. Other liabilities	1,026,440	1,225,659
110. Employee severance benefits	151,648	171,108
120. Provisions for liabilities and contingencies	212,009	234,271
a) retirement and similar liabilities	23,151	23,375
b) other provisions	188,858	210,896
130. Technical reserves	-	-
140. Valutation reserves	-43,473	-161,391
of which: in respect of assets being divested	-	-
150. Redeemable shares	-	-
160. Equity instruments	-	-
170. Reserves	879,591	772,248
175. Down-payments on dividends (-)	-	-
180. Share premium reserve	2,735,462	2,735,462
190. Share capital	876,762	876,762
200. Treasury shares (-)	-	-
210. Minority interests (+/-)	199,318	194,931
220. Net profit (loss) fo the period (+/-)	150,444	160,026
Total liabilities and shareholders' equity	**50,162,717**	**49,321,992**

CONSOLIDATED INCOME STATEMENT

Voci		31.12.2013	31.12.2012
10.	Interest income and similar revenues	1,428,837	1,543,627
20.	Interest expense and similar charges	(520,250)	(577,684)
30.	**Net interest income**	**908,587**	**965,943**
40.	Commission income	613,514	622,212
50.	Commission expense	(25,775)	(26,147)
60.	**Net commission income**	**587,739**	**596,065**
70.	Dividends and similar revenues	1,694	2,259
80.	Net gain (loss) on trading activities	12,870	18,731
90.	Net gain (loss) on hedging activities	9,570	12,417
100.	Gain (loss) on disposal or repurchase of:	137,023	14,145
	a) loans	(9)	(1,030)
	b) financial assets available for sale	133,961	14,018
	c) financial assets held to maturity	-	-
	d) financial liabilities	3,071	1,157
110.	Net gain (loss) on financial assets and liabilities carried at fair value	-	-
120.	**Gross income**	**1,657,483**	**1,609,560**
130.	Net impairment adjustments of:	(482,301)	(377,020)
	a) loans	(480,217)	(373,313)
	b) financial assets available for sale	(2,015)	(2,275)
	c) financial assets held to maturity	-	-
	d) other financial transactions	(69)	(1,432)
140.	**Profit (loss) from financial operations**	**1,175,182**	**1,232,540**
150.	Net premiums	-	-
160.	Other net revenues (expenses) fom insurance undertakings	-	-
170.	**Profit (loss) from financial operations and insurance undertakings**	**1,175,182**	**1,232,540**
180.	Administrative expenses:	(1,100,409)	(1,265,599)
	a) staff expenses	(595,066)	(733,096)
	b) other administrative expenses	(505,343)	(532,503)
190.	Net provisions for liabilities and contingencies	(27,665)	(35,986)
200.	Net adjustments of property, plant and equipment	(29,392)	(30,807)
210.	Net adjustments of intangible assets	(63,659)	(67,713)
220.	Other operating revenues (expenses)	243,544	273,548
230.	**Operating expenses**	**(977,581)**	**(1,126,557)**
240.	Gain (loss) from equity investments	(1,170)	56,897
250.	Gains (losses) from property, plant and equipment and intangible assets measured at fair value	-	-
260.	Value adjustments of goodwill	-	(10)
270.	Gain (loss) on disposal of investments	232	372
280.	**Gain (loss) before tax on continuing operations**	**196,663**	**163,242**
290.	Income tax for the period on continuing operations	(39,494)	(1,563)
300.	**Profit (loss) after tax on continuing operations**	**157,169**	**161,679**
310.	Profit (loss) after tax of groups of assets/liabilities under disposal	-	-
320.	**Net profit (loss) for the period**	**157,169**	**161,679**
330.	Net profit (loss) pertaining to minority interests	(6,725)	(1,653)
340.	**Profit (loss) for the period pertaining to the Parent Company**	**150,444**	**160,026**

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Items		31.12.2013	31.12.2012
10.	**Net profit (loss) for the period**	**157,169**	**161,679**
	Other income after tax without reversal to income statement	**-**	**-**
20.	Property, plant and equipment	-	-
30.	intangible assets	-	-
40.	Defined-benefit plans	3,335	(16,410)
50.	Disposal groups	-	-
60.	Share of valutation reserves on equity investments accounted for using the equity method	-	-
	Other income after tax withreversal to income statement		
70.	Hedging of foreign investments	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	**Fianncial assets available for sale**	**116,893**	**264,379**
110.	**Diaposal groups**	**-**	**-**
120.	Share of valutation reserves on equity investments accounted for using the equity method	-	22,601
130.	**Total other income components after tax**	**120,228**	**270,570**
140.	**Comprehensive income (Item 10+130)**	**277,397**	**432,249**
150.	Consolidated comprehensive income pertaining to minority interests	9,035	10,241
160.	**Consolidated comprehensive income pertaining to the Parent Company**	**268,362**	**422,008**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS AT 31 DECEMBER 2013

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity
Group equity at 31.12.2012 (*)	**876,762**	**2,735,462**	**793,737**	**-21,489**	**-161,391**	**160,026**	**4,383,107**
Minority Interests at 31.12.2012 (*)	**53,994**	**101,905**	**38,027**	**1,864**	**-2,512**	**1,653**	**194,931**
Allocation of net profit for previous period							
Reserves	-	-	99,918	-	-	-99,918	**-**
Dividends and other allocations	-	-	-	-	-	-61,761	**-61,761**
Changes in the period							
Changes in reserves	-	-	-	-	-	-	**-**
Equity transactions	-	-	-	-	-	-	**-**
Charity	-	-	1,050	-	-	-	**1,050**
Other variations	-	-	-	750	-	-	**750**
Consolidation adjustments	4	-	-	1,941	-	-	**1,945**
Shares and rights on shares of the Parent Company	-	-	-	685	-	-	**685**
Comprehensive income	-	-	-	-	120,228	157,169	**277,397**
Group equity at 31.12.2013 (*)	**876,762**	**2,735,462**	**898,779**	**-19,188**	**-43,473**	**150,444**	**4,598,786**
Minority Interests at 31.12.2013 (*)	**53,998**	**101,905**	**33,953**	**2,939**	**-202**	**6,725**	**199,318**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS AT 31 DECEMBER 2012

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity
Group equity at 31.12.2011 (*)	**876,762**	**2,735,462**	**704,588**	**1,521**	**-423,373**	**200,243**	**4,095,203**
Minority Interests at 31.12.2011 (*)	**53,994**	**101,905**	**39,300**	**12**	**-11,100**	**7,793**	**191,904**
Allocation of net profit for previous period							
Reserves	-	-	86,626	-	-	-86,626	**-**
Dividends and other allocations	-	-	-	-	-	-121,410	**-121,410**
Changes in the period							
Changes in reserves	-	-	-	-	-	-	**-**
Equity transactions	-	-	-	-	-	-	**-**
Charity	-	-	1,250	-	-	-	**1,250**
Other variations	-	-	-	-	-	-	**-**
Consolidation adjustments	-	-	-	-22,011	-	-	**-22,011**
Shares and rights on shares of the Parent Company	-	-	-	853	-	-	**853**
Comprehensive income	-	-	-	-	270,570	161,679	**432,249**
Group equity at 31.12.2012 (*)	**876,762**	**2,735,462**	**793,737**	**-21,489**	**-161,391**	**160,026**	**4,383,107**
Minority Interests at 31.12.2012 (*)	**53,994**	**101,905**	**38,027**	**1,864**	**-2,512**	**1,653**	**194,931**

CONSOLIDATED STATEMENT OF CASH FLOWS

Voci		31.12.2013	31.12.2012
A.	**OPERATING ACTIVITIES**		
1.	**Operations**	**882,429**	**990,187**
-	net profit (loss) for the period (+/-)	150,444	160,026
-	gains (losses) on financial assets held for trading and financial assets/liabilities carried at fair value (+/-)	-10,145	-18,562
-	gains (losses) on hedging activities (+/-)	-9,570	-9,234
-	net impairment adjustments (+/-)	478,474	316,059
-	net adjustments of property, plant and equipment and intangible assets (+/-)	93,051	98,520
-	net provision for liabilities and contingenciess and other costs/revenues (+/-)	27,665	35,986
-	unpaid taxes and duties (+)	39,494	1,563
-	net adjustements/writebacks of discontinuing operations net of tax effects (-/+)	-	-
-	other adjustments (+/-)	113,016	405,829
2.	**Liquidity generated/absorbed by financial assets**	**-1,397,449**	**-514,124**
-	financial assets held for trading	107,343	27,267
-	financial assets carried at fair value	-	-
-	financial assets available for sale	-1,078,188	37,294
-	loans to banks: on demand	89,905	79,967
-	loans to banks: other loans	728,352	286,939
-	loans to customers	-1,738,924	-779,394
-	other assets	494,063	-166,197
3.	**Liquidity generated/absorbed by financial liabilities**	**697,528**	**-1,122,208**
-	due to banks: on demand	-421,572	349,005
-	due to banks: other payables	1,231,002	-1,975,059
-	due to customers	1,096,124	-624,341
-	securities issued	-627,729	1,204,291
-	financial liabilities held for trading	-98,344	4,683
-	financial liabilities carried at fair value	-	-
-	other liabilities	-481,953	-80,787
Net liquidity generated/absorbed by operating activities		**182,508**	**-646,145**
B.	**INVESTMENT ACTIVITIES**		
1.	**Liquidity generated by**	**2,058**	**185,466**
-	sale of equity investments	-	182,287
-	dividends from equity investments	1,694	2,259
-	sale of financial assets held to maturity	-	-
-	sales of property, plant and equipment	364	920
-	sale of intangible assets	-	-
-	disposal of business units	-	-
2.	**Liquidity absorbed by**	**-74,644**	**-63,975**
-	purchase of equity investments	-	-
-	purchases of financial assets held to maturity	-	-
-	purchases of property, plant and equipment	-29,547	-21,640
-	purchases of intangible assets	-45,097	-42,335
-	acquisition of assets through transfer transactions	-	-
Net liquidity generated/absorbed by investing activities		**-72,586**	**121,491**
C.	**FUNDING**		
-	Issues/purchases of treasury shares	-	-
-	issues/purchases of capital instruments	-	-
-	dividend distribution and other	-61,761	-120,160
Net liquidity generated/absorbed by funding		**-61,761**	**-120,160**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD		**48,161**	**-644,814**

RECONCILIATION

Financial Statement items	31.12.2013	31.12.2012
Cash and cash equivalents at beginning of period	285,966	930,780
Total net liquidity generated/absorbed during the period	48,161	-644,814
Cash and cash equivalents: effect of exchange rates changes	-	-
Cash and cash equivalents at end of period	**334,127**	**285,966**

KEY: (+) generated (-) absorbed

Note to the Consolidated Financial Statements

Part A Accounting policies

A.1 GENERAL INFORMATION

Section 1 - Statement of compliance with the international accounting standards

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

Therefore, the IASs/IFRSs in force at 31 December 2013 (including SIC and IFRIC interpretations) have been applied as endorsed by the European Commission and listed in the specific schedule attached to this Financial Report.

The Financial Statements and tables in the Explanatory Note have been prepared in accordance with the provisions set down in Circular No. 262 “Bank Financial Statements: layouts and preparation” of 22 December 2005, issued by the Bank of Italy exercising the powers provided for in Article 9 of Italian Legislative Decree No. 38/2005, and, specifically, the updates made in the second revision have been adopted.

International Accounting Standards endorsed by the European Union and applicable as from 2013

Standards, amendments or interpretations	Date of publication	Date of first application
Amendments to IAS 1 - Presentation of items of Other Comprehensive Income	6 June 2012 (UE n° 475/2012)	1 January 2013
Amendments to IAS 19 (2011) - Employee Benefits.	6 June 2012 (UE n° 475/2012)	1 January 2013
Adoption of IFRS 13 - Fair Value Measurement	29 December 2012 (UE n° 1255/2012)	1 January 2013
Amendment to IFRS 7 - Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	29 December 2012 (UE n° 1256/2012)	1 January 2013
Amendments to IFRS 1 - First-time adoption International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	29 December 2012 (UE n° 1255/2012)	1 January 2013
Adoption of IFRIC 20 - Stripping costs in the Production Phase of a Surface Mine	29 December 2012 (UE n° 1255/2012)	1 January 2013
Amendments to IAS 12 - Income Taxes - Deferred tax: Recovery of Underlying Assets	29 December 2012 (UE n° 1255/2012)	1 January 2013
Amendment to IAS 32 - Financial instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	29 December 2012 (UE n° 1256/2012)	1 January 2013 (*)
Amendments to IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34, IFRIC 2	28 March 2013 (UE n° 301/2012)	1 January 2013

(*) The option for the early adoption of this standards with application as from 1 January 2013 rather than 1 January 2014.

The application of these new provisions did not generate impacts on the profit (loss) and net financial position for the period.
Given that:
- the amendment to IAS 1 provides for gains and losses that are directly recognized in equity to be classified based on whether they will be recycle or not. The implementation of this amendment to recognition amounts to a simple disclosure.

- The amendment to IAS 19 mainly provides for the obligation to report actuarial differences relating to defined-benefit plans, as gains and losses directly recognized in equity. This approach, which was an option in the previous version of IAS19, was already applied by the Group.
- The amendment to IFRS 7, which aims at the reconciliation between IFRS offsetting rules - as defined in IAS 32- and the US offsetting rules based on the US GAAP, provides for the effects of offsetting agreements on financial assets and liabilities to be reported. Applying this amendment amounts to including an additional table in the Note to the Financial Statements ("Offsetting of Financial Assets and Financial Liabilities") as at 31 December 2013.
- The application of IFRS 13 does not extend the scope of fair value measurement, but provides guidance on how the fair value of financial instruments and non-financial assets and liabilities must be measured, as already required or allowed by other accounting standards. In this way, a single standard provides all the rules for fair value measurement, which were previously set down by different standards and, at time, with inconsistencies between them. Given that many IFRS 13 concepts are consistent with the present practice, the new standard does not generate significative impacts on the Bank's measurements. On the other hand, wider fair value disclosure is required, which extends to assets and liabilities, also non-financial, which are measured at fair value on a non-recurring basis. These requirements have been endorsed in the Bank of Italy Circular No. 262 as updated.

International Accounting Standards endorsed by the European Union and applicable after 31 December 2013

Standards, amendments or interpretations	Date of publication	Date of first application
Adoption of IFRS 10 - Consolidated Financial Statements	29 December 2012 (UE n° 1254/2012)	1 January 2014
Adoption of IFRS 11 - Joint Arrangements	29 December 2012 (UE n° 1254/2012)	1 January 2014
Adoption of IFRS 12 - Disclosures on Interests in Other Entities	29 December 2012 (UE n° 1254/2012)	1 January 2014
Adoption of IAS 27 - Separate Financial Statements (2011)	29 December 2012 (UE n° 1254/2012)	1 January 2014
Adoption of IAS 28 - Investments in Associates and Joint Ventures (2011)	29 December 2012 (UE n° 1255/2012)	1 January 2014
Amendments to IFRS 10, IFRS 11, IFRS 12	05 April 2013 (UE n° 313/2013)	1 January 2014
Amendments to IFRS 10, IFRS 12 on relations with investment entities	21 November 2013 (UE n° 1174/2013)	1 January 2014

The exhaustive assessments made do not lead to expect that the application of these new provisions have significant impacts on the Company's profit (loss) and corporate procedures.

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 Equity, the Statement of Cash Flows and the Note to the Financial Statements, accompanied by the Directors' Report on operations, on the performance achieved and on the financial and cash flow position of the Bank.

In accordance with 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 amounts in the Financial Statements are expressed in Euro units, whereas those in the Note and in the Management Report, are expressed in thousands of Euro, unless not otherwise specified.

This Annual Report and Financial Statements have been prepared in compliance with the general principles provided for by IAS 1 and with the specific principles endorsed by the European Commission and reported in Part A 2 of this Note.

No exceptions were made in applying the IASs/IFRSs.

As to the business continuity assumption underlying the Financial Statements, it is believed that the Group will continue to operate in the foreseeable future. Accordingly, the Report and Consolidated Financial Statements as at 31 December 2013 were prepared on a going-concern basis.

In the light of the disclosures required by IFRS 7 concerning the risks to which the Group is exposed, appropriate information has been provided in the management report on operations and the note to the financial statements, specifically Section E.

The Explanatory Note also supplies information on tests carried out to ascertain whether there is any impairment in equity investments, securities available for sale and intangible assets (including goodwill).

The financial statements and the Note also contain comparative figures for the year ended as at 31 December 2012, as well as the figures for the year being reported.

Use of estimates and assumptions in preparing the annual report and financial statements

In preparing the annual report and financial statements, the Bank used estimates and assumptions that could have an impact on the amounts recognized in the balance sheet and income statement, as well as the disclosures concerning the assets and liabilities recognized in the financial statements. Subjective assessments were made and available information was used in arriving at these estimates.

By their very nature, the estimates and assumptions used may vary from year to year. The present amounts recognized in the financial statements may therefore differ, perhaps significantly, in future periods due to changes in the subjective assessments used. The main areas in which subjective assessments by management are required are as follows:
- quantifying impairment losses for loans and receivables and, in general, 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;
- assessing the adequacy of the value of 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 applied to the main aggregates reported in the financial statements provide detailed information on the major assumptions made and subjective assessments used in preparing the financial statements.

Contents of the financial statements

BALANCE SHEET AND INCOME STATEMENT

The Balance Sheet and Income Statement contain items, sub-items and further information (the “of which” for items and sub-items) and comply with the templates supplied by the Bank of Italy with Circular No. 262 of 22 December 2005, as updated and specified.

In order to facilitate understanding of the figures, the statements are given in full including also the items with no amounts for the reporting year, nor for the previous year. In the Income Statement, revenues are set forth without a sign, while expense figures are set forth in parenthesis.

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income consist of items showing the changes in the value of the assets recognized in the year offsetting the valuation reserves, net of the related tax effect.

As for the Balance Sheet and the Income Statement, in the statements, in accordance with the Bank of Italy’s definition, the items with no amounts for the reporting year, nor for the previous one, have been stated also.

Negative amounts are set forth in parenthesis.

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 the above Bank of Italy Circular no. 262/2005. The statement shows the composition and movements of the shareholders' equity items during the reporting year and in the previous one, broken down into share capital (ordinary shares and savings shares), capital reserves, income reserves, comprehensive income and net profit or loss. The value of treasury shares is deducted from equity.

No equity instruments other than ordinary shares have been issued.

STATEMENT OF CASH FLOWS

The statement of cash flows for the period under review and the previous period were prepared using the indirect method, by which cash flows from operating activities are represented by the profit or loss for the year, adjusted for the effects of non-monetary transactions.

Cash flows are broken down into flows generated by operating, investing and funding activities.

Cash flows generated during the year are shown without sign, while those absorbed are shown with a negative sign.

Contents of the Note to the Financial Statements

The Note to the Financial Statements contains the information required by Circular No. 262/2005 issued by the Bank of Italy, as updated and specified, as well as further information required by the International Accounting Standards.

As for the Balance Sheet and the Income Statement, in the statements, in accordance with the Bank of Italy's definition, the items with no amounts for the reporting year, nor for the previous one, have been stated also.

In the tables relating to the Income statement items, revenues are set forth without a sign, whereas expense figures 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., the consolidation perimeter includes the subsidiaries and associates specified below.

Subsidiaries are companies in which Cariparma, directly or indirectly, concomitantly holds:
- Power over the investee entity;
- The exposure or rights to variable returns from its involvement with the investee;
- The ability to exercise its power over the investee to affect the amount of its returns.

Subsidiaries are companies in which Cariparma, directly or indirectly, holds more than 50% of the voting rights in the Shareholders' General Meeting or in which, despite holding a lower percentage of the voting rights, it has the power to appoint the majority of the directors of the investee or to set the financial and operating policies of the same (controlling influence).

Special-purpose entities/special-purpose vehicles (SPE/SPV) have also been included, when the requirements are met, also irrespective of the existence of a majority shareholding.

Associates are companies in which Cariparma exercises significant influence, holding, either directly or indirectly, at least 20% of the voting rights or having the power to participate in setting financial and operating policies of the investee company, despite holding less than 20% of the voting rights, due to specific legal ties such as being party to a shareholders' agreement.

Consolidation methods

Full consolidation involves the line-by-line aggregation of the Balance Sheet and Income Statement items of the subsidiaries.

After allocating the relevant portion of the equity and profits or losses to minority interests under a separate appropriate item, the value of the equity investment is cancelled out against the remaining value of the equity of the subsidiary.

Positive differences resulting from this operation are recognized under “Intangible assets” as goodwill or other intangible assets, once any allocations of the subsidiary’s assets or liabilities to other items, if applicable, are made. Negative differences are taken to profit or loss.

Acquisitions of businesses are recognized using the acquisition method provided for by IFRS 3, as amended by EU Regulations No. 495/2009 and 149/2011 of the Commission, applied starting from the date of acquisition, that is to say, from the moment in which control of the business is effectively achieved.

Profit or losses of a subsidiary acquired during the period are included in the Consolidated Financial Statements starting from the date of acquisition. Conversely, profit or losses of a subsidiary sold during the period are included in the Consolidated Financial Statements up to the date at which control is transferred

Consolidation using the Equity method involves initial recognition of the equity investment at cost and subsequently its adjustment based on the pertaining equity portion of the investee company’s equity. The difference between the value of the equity investment and the shareholders’ equity of that 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 period is recognized under a specific item in the income statement.

The other major consolidation operations include:
- elimination of dividends paid or declared by the consolidated companies;
- elimination of significant intercompany transactions from the balance sheet or income statement;
- elimination of gains and losses arising from intercompany sales and relating to amounts included in equity;
- adjustments needed to harmonize accounting policies within the Group;
- where applicable, recognition of the tax effects of any adjustments to harmonize the measurement criteria for items or other consolidation adjustments.

The reporting date of the Financial Statements of the Parent Company and of the other consolidated companies is 31 December 2013.

Where necessary - and with the exception of marginal instances - any Financial Statements prepared on the basis of other accounting policies are adjusted to conform with the Group’s accounting policies. In a few marginal instances, the companies do not apply the IASs/IFRSs and, therefore, for such companies it was assessed that application of the IASs/IFRSs would not have cause significant effects on the Consolidated Financial Statements of the Cariparma Crédit Agricole Group.

1. Equity investments in subsidiary companies controlled both exclusively and jointly

The following table shows the equity investments included within the scope of consolidation, indicating:
- The consolidation method;
- The type of relationship;
- The Investee company;
- The percentage of voting rights held by the shareholder.

Company name		Registered office	Type of relationship (1)	Equity investment		% Actual votes available
				Investor	% Holding	
A.Company						
Parent Company						
Cassa di Risparmio di Parma e Piacenza S.p.A.	(Cariparma)	Parma				
A1. Consolidated on a line-by-line basis						
1. Banca Popolare FriulAdria S.p.A.	(Friuladria)	Pordenone	1	Cariparma S.p.A	80,17%	80,17%
2. Cassa di Risparmio della Spezia S.p.A.	(Carispezia)	La Spezia	1	Cariparma S.p.A	80,00%	80,00%
3. Crédit Agricole Leasing Italia S.r.l.	(Calit)	Milano	1	Cariparma S.p.A	85,00%	85,00%
4. Sliders S.r.l.		Milano	1	Cariparma S.p.A	100,00%	100,00%
5. Mondo Mutui Cariparma S.r.l. (2)		Milano	4	Cariparma S.p.A	19,00%	19,00%
5. Cariparma OBG S.r.l. (2)		Milano	1	Cariparma S.p.A	60,00%	60,00%
A2. Proportionately consolidated						

(1) Type of relationship:

1= Majority of voting rights at General meeting

2= Controlling influence of the extraordinary general meeting

3= Agreements with other shareholders

4= Other types of control

(2) See item 2 below. Other information.

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. Other information

In the first half of 2013, the company Cariparma OBG S.r.l. was included in the consolidation perimeter. This is a special-purpose vehicle (pursuant to Article 7-bis of Law No. 130/99), which was incorporated to allow the Group to issue Covered Bonds ("CBs") by transferring, to the same special-purpose vehicle, portfolios of mortgage loans (both home and business) granted by the Banks in the Cariparma Crédit Agricole Group and then placed as guarantees for CB investors.

In the Consolidated Financial Statements as at 31 December 2013 the Company Mondo Mutui Cariparma S.r.l. was also consolidated, since it is a special-purpose entity (SPE) 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 benefits from the SPE's operations (SIC 12).

Section 4 - Events occurred after the reporting date

From the end of 2013 to the approval of this Annual Report and Financial Statements, no events occurred which could significantly change the structures of the Cariparma Crédit Agricole Group.

Asset Quality Review - AQR

On 16 May 2013, the EBA recommended to National Competent Supervisory Authorities to carry out an asset quality review on European significant Banks, to verify the classifications and measurements of loans made by the same Banks, in order to restore confidence that was impacted by worries on asset quality resulting from the macroeconomic situation in Europe.

On 23 October 2013, the ECB communicated that, together with the National Competent Supervisory Authorities, it will carry out a comprehensive assessment of the Banking System, pursuant to the Single Supervisory Mechanism Regulation (Regulation (EU) No. 1024/2013 of the Council of 15 October 2013), which came into force on 3 November 2013.

This exercise will have twelve-month duration and will concern the leading European Banks, including the Crédit Agricole Group and, consequently, the Cariparma Crédit Agricole Group.

The asset quality review aims at enhancing transparency of Bank exposures (in view of the creation of the Single Supervisory Mechanism) and includes (i) the assessment of the adequacy of provisioning for loan exposures as made by the Banks, (ii) assessment of the adequacy of collateral valuation for loan exposures and (iii) the analysis of the measurement of complex financial instruments and high-risk assets in the Banks' balance sheets.

For the Cariparma Crédit Agricole Group, a Work Group has been set up (which also includes the Central Finance Department, the Risk Management and Permanent Controls Department, the Lending Governance Central Department and the Organization and Systems Department); the Work Group, which operates in close cooperation with the relevant structures of the Crédit Agricole Group, is fully engaged in the preparation for the review that will be carried out by the Regulators.

Section 5 - Other aspects

Classification and accounting treatment of Bank of Italy shares

Cariparma holds 6,360 of Bank of Italy shares, which were recognized in the AFS portfolio for an amount of Euro 67 million in the 2012 financial statements.

Italian Law Decree No. 133 of 30 November 2013, converted with amendments into Law No. 5 of 29 January 2014, implemented several new rules governing the Bank of Italy equity capital.

These new rules have been adopted in the new Statute of the Bank of Italy, which was approved by the Extraordinary Meeting held on 23 December 2013 and endorsed with Presidential Decree of 27 December 2013.

These regulatory developments have led to a radical alteration in the features of the securities representing the equity investments in the Bank of Italy, by structurally changing the equity and administrative rights associated to these securities and, thus, changing their very nature, as well as their risk-yield profile, as confirmed also by professional opinions published by trade associations.

Specifically, the newly-issued Bank of Italy shares are deemed to be essentially different from the replaced ones. Consequently, in compliance with the provisions of IAS 39 concerning the derecognition of financial instruments, the difference between the present value of the new shares, calculated for the single equity investments based on the total value of Euro 7.5 billion as assessed by an expert committee tasked with this measurement by the Bank of Italy itself, and the relevant book value has been recognized in the Income Statement.

Based on the available complete information framework, which also considers authoritative opinions given by leading law and advisory firms, the new securities are deemed not to have the features provided for by the IASs/IFRSs in order for the same securities to be recognized in the HFT portfolio and, therefore, they must be recognized as available-for-sale financial assets (AFS portfolio), both in the consolidated and separate financial statements.

It is reported that, since the topic is currently being examined by several Italian and international authorities with regard to the application of IASs/IFRSs to this transaction, an interpretation of the accounting standards that differs from the adopted approach might emerge.

Definition of the process for the allocation of the cost of the Business Combination provisionally recognized in 2012

In 2013, the price of the intra-group business combinations that were carried out in 2012 was defined; these combinations consisted in the transfer of business units between Companies in the Cariparma Crédit Agricole Group (common control transactions). Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the financial statements of the companies involved on the basis of continuity of proprietary interest, without recognizing any gain or loss effects.

As at 31 December 2012, the effects on equity were the following:

Group equity for the period (as from financial statement 31.12.2012)	4,838,100
CHANGES OF ASSETS:	**-6**
Tax assets-deferred (Item 140)	-21
Other assets (Item 160)	15
CHANGES OF LIABILITIES:	**13**
Tax liabilities (Item 80)	13
Reserves (Item 190)	
Group shareholders Equity (at 31.12.2012 restated)	**4,838,107**

It is also reported that the restatement of comparative data produced no effect on the profit for the year as at 31 December 2012.

Option for the National Tax Consolidation Regime

Starting from 2013, the Italian Controlling Company Cassa di Risparmio di Parma e Piacenza S.p.A. and some Italian Companies in its Group (Banca Popolare FriulAdria, Cassa di Risparmio della Spezia, CALIT) have adopted the "Italian National Tax Consolidation Regime", which is governed by Articles 117-129 of the Italian Consolidated Act on Income Taxes (Italian acronym: TUIR), which was implemented in the Tax legislation by Italian Legislative Decree No. 344/2003.

This regimes provides for consolidated companies to transfer their taxable income (or their tax loss) to the Controlling Company Cariparma S.p.A., which calculates a single taxable income or a single tax loss for the Group, as the algebraic sum of the income and/or losses of the single Companies, and recognizes a single tax account receivable from or payable to the Italian Inland revenue Service.

Audit of the Accounts

The Annual Report and Consolidated Financial Statements are subject to audit by Reconta Ernst & Young S.p.A, in accordance with the resolution passed by the Shareholders' General Meeting on 21 April 2012, whereby this Firm was given this assignment for the period 2012-2020.

A.2 INFORMATION ON THE MAIN FINANCIAL STATEMENT ITEMS

1. Financial assets held for trading

Classification

This category consists of debt and equity securities and the positive value of derivatives contracts held for trading. Derivatives contracts include derivatives embedded in complex financial instruments that have been recognized separately because:
- their financial and risk characteristics are not strictly correlated with the characteristics of the underlying contract;
- embedded instruments, also if separated, satisfy the definition of derivative;
- hybrid instruments to which they belong are not measured at fair value with the relating changes recognized in the Income Statement.

Recognition

Debt and equity securities are initially recognized at the settlement date, while derivative contracts are recognized at the date they are signed.

Financial assets held for trading are initially recognized at fair value, excluding transaction expenses and income that can be directly attributed to the instrument itself.

Any derivatives embedded in complex host contracts that are not strictly connected with the embedded derivatives and having the characteristics to meet the definition of derivative, are separated from the host contract and recognized at fair value.

Measurment

Financial assets held for trading are measured at fair value following initial recognition. Any differences arising from the application of this measurement criterion are taken to the income statement.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

To measure the fair value of financial instruments that are listed on an active market, market prices are used. In the absence of an active market, fair value is measured using estimation methods and measurement models that take account of all the risk factors correlated to the instruments and that are based on information available on the market, such as: the measurement of the price of listed instruments with similar features, discounted cash flows, option pricing models, values reported for recent comparable transactions, etc.

Equity securities, derivatives on equity securities and UCITS units, whose fair value cannot be reliably measured according to the above guidelines, are recognized at cost.

Derecognition

Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the asset continues to be recognized, even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards 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.

2. Available-for-sale financial assets

Classification

This category includes financial assets that are not otherwise classified as “Loans and Receivables”, “Financial Assets Held for Trading” or “Financial Assets Held to Maturity”.

In addition to bonds that are held for trading and are not classified as “Assets Held to Maturity or as “Loans and Receivables”, this item includes also equity investments that are not held for trading and do not amount to subsidiaries, associates or joint ventures, including private equity and investments in private equity funds, as well the shares of subscribed syndicated loans, which have been held for sale since inception.

Recognition

Available-for-sale financial assets are initially recognized at the settlement date for debt and equity securities and at the disbursement date in the case of loans. Financial assets are initially recognized at fair value, including transaction expenses or income that can be directly attributed to the instrument itself.

If, in the cases allowed by the accounting standards, recognition occurs as a result of reclassification of these assets from “Assets held to maturity”, they would be recognized at their fair value as at the time of transfer.

Measurement

Following initial recognition, debt securities classified as “Assets available for sale” are measured at fair value, with recognition in the Income Statement of the interests calculated based on the effective rate of return, whereas the gains and losses resulting from chances in the fair value are recognized in a specific equity reserve until the asset is derecognized or an impairment is recognized. Upon disposal or derecognition of an impairment loss, the accumulated gains or losses are recognized in the Income statement.

Fair value is measured based on the criteria already reported for “Financial Assets Held for Trading”.

Equity instruments included in this category, for which the fair value cannot be reliably determined are recognized at cost.

“Available-for-sale financial assets” undergo impairment 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.

For equity securities, a fair value decrease by over 30% below the initial book value or for a period over 6 months is considered evidence of impairment. Further impairment is reclassified from equity to gains (losses) for the period, until the asset is derecognized.

Where the reasons for impairment should cease to exist subsequent to an event occurred after the recognition of the impairment loss, writebacks are recognized in the income statement for loans or debt securities. The amount of the writeback shall not in any event exceed the loss originally recognized in the income statement.

For equity instruments this writeback is recognized in equity.

Loan restructuring transactions entailing the partial or complete conversion into equity instruments classified as available-for-sale financial assets

For equity instruments received within loan restructuring transactions carried out by debtors, the received equity instruments are initially recognized at fair value; the difference between the loan book value and the fair value of the equity instruments is taken to the income statement under adjustments.

Moreover, where the restructuring with total or partial equity conversion relates to impaired loan exposures, since the conversion does not modify their quality, the equity instruments received are also considered as issued by an “impaired” issuer; this entails that their subsequent fair value reductions are considered impairment evidence and, therefore, are recognized in the income statement until the issuer is restored to a performing status.

Derecognition

Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the asset continues to be recognized, even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards 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 if the contractual rights to receive the related cash flows are retained with the concomitant 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 securities with fixed or determinable payments and fixed maturity that the Company has the intention and the ability to hold to maturity. If, following a change in such intention or ability, it is no longer appropriate to continue to classify an investment as "held to maturity", it is reclassified as "Available-for-sale financial assets".

Recognition

Financial assets are initially recognized at the settlement date.

Financial assets classified in this category are initially recognized at fair value, including any costs and revenues directly attributable to them. If recognition in this category occurs as a result of reclassification from "Available-for-sale assets", the fair value of the asset at the date of reclassification is taken as the new amortized cost of the asset.

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 asset is derecognized or has incurred an impairment loss, as well as through the amortization of the difference between the book value and the amount repayable upon maturity.

Financial assets held to maturity are subject to impairment testing to determine whether there is objective evidence of impairment.

If such evidence exists, the amount of this loss is measured as the difference between the book value of the asset and the current value of expected future cash flows, discounted using the original effective interest rate.

The amount of the loss is recognized in the income statement.

If the reasons for the impairment should be removed subsequent to the recognition of the impairment loss, a writeback is taken to the income statement. 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 prior adjustments.

Derecognition

Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the asset continues to be recognized, even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards 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 “Available-for-sale financial assets”.

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 usually coincides with the disbursement date 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 recognition, 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 the rate that exactly discounts the estimated future cash flows generated by the loan in respect of principal and interest to the amount disbursed including costs and revenues attributable to the loan. This accounting treatment, using a financial logic, allows the cost/revenue economic impact to be distributed over the expected remaining life of the loan.

The amortized cost method is not used for short-term loans (lower than 12 months) as the effect of discount would be negligible. Short-term loans are measured at historical cost. The same approach is adopted for loans without a specified maturity or subject to revocation.

Loans are tested to determine whether events subsequent to recognition have given rise to objective evidence of possible impairment. Loans subject to testing include loans classified as bad loans, substandard loans, restructured loans or loans past due, in accordance with the Bank of Italy’s present rules and consistently with the IASs/IFRSs.

Impaired positions are measured individually and the amount of the writedown of each loan is equal to the difference between the book value of the loan at the time of measurement (amortized cost) and the present value of expected future cash flows, calculated by applying the original effective interest rate.

Expected cash flows take account of expected recovery times, the assumable realizable value of any security, as well as the costs likely to be incurred to recover the claim.

The original effective interest rate of each loan remains unchanged over time unless the position undergoes a restructuring that involves a change in the contractual interest rate, including when it becomes, in effect, an interest-free loan.

The writedown is recognized in the Income Statement.

The original value of the loan is written back in subsequent financial years to the extent that the reasons for the writedown cease to obtain, provided that this assessment is objectively connected with an event that occurred subsequent to the writedown. Writebacks are recognized in the income statement and the value of the loan after the writeback shall not in any event exceed the amortized cost that it would have had in the absence of the prior writedown.

Writebacks connected with the passage of time are posted among writebacks.

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. As reported in Part E of the Note to the Financial Statements, this is performed by category of loans with uniform credit risk profiles, while the related loss percentages are based on the Probability of Default (PD) and Loss Given Default (LGD) that can be observed as at the date of measurement and allow an estimation of any incurred loss.

Collective impairment losses are taken to the income statement.

In Part E of the Note to the Financial Statements, the procedures for risk management and control are exhaustively described covering all risk-related aspects.

Derecognition

Transferred loans and receivables are derecognized only if their disposal has substantially transferred all the risks and rewards associated with the ownership of the asset in question. Conversely, when a prevalent share of the risks and rewards associated with the ownership of the loans and receivable is retained, they continue to be recognized, even though legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, loans and receivables are derecognized where no form of control over the instrument has been retained. Conversely, if the company retains even a portion of control, the loan or receivable continues to be recognized to the extent of the continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in the related cash flows.

Finally, loans and receivables 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 measured at fair value

The Group has not exercised the fair value option. In other words, the Group has not opted to measure financial assets at fair value, taking the result of such measurement to the income statement, with the exception of financial assets for which IAS 39 provides for fair value measurement owing to their specific functional purpose. Therefore, only financial assets classified in the trading book, subject to fair value hedging and fair value hedging derivatives are measured at fair value and the results of this measurement are recognized 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 as endorsed by the European Commission;
- these are used to hedge risks of an investment in a foreign operation denominated in a foreign currency.

Measurement

Hedging derivatives are measured at fair value. Specifically:
- in case of fair value hedging, changes in the fair value of the hedge 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 that may arise, representing the partial ineffectiveness of the hedge, represents the net financial effect;
- in case of hedging of currency investments, changes in the fair value of the derivative is recognized in equity, for the hedging effective portion of hedging, and are recognized in the Income Statement only when, with reference to the hedged investment, hedging is not effective;

The derivative instrument is considered a hedge where there is formal documentation of the relationship between the hedged item and the hedging instrument and where it is effective at inception and throughout its life.

The effectiveness of the hedge depends on the degree to which changes in the fair value of the hedged instrument or the relative expected cash flows are offset by changes in that of the hedging instrument. Accordingly, actual effectiveness is gauged by comparing the above changes, taking into account the objective of the Company at the inception of the hedge.

A hedge is judged effective when changes in the fair value (or the cash flows) of the hedging instrument almost entirely - i.e. within an interval of between 80% and 125% - offset changes in the value of the hedged item 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 demonstrate the expected effectiveness of the hedge;
- retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how actual results deviate from the perfect hedge;

Any ineffective hedge produced by economic circumstances that are expected to return to normal as confirmed by prospective tests are not taken into account.

If the tests do not confirm the effectiveness of the hedge, hedge accounting, as described above, is discontinued and the hedge derivative contract is reclassified under trading instruments, while the hedged financial instrument is again measured using the criteria applicable to its original category.

In the case of macro-hedging, IAS 39 allows fair value hedging of the exposure to interest rate risk of designated amount of financial assets or liabilities such that a group of derivative contracts can be used to reduce changes in the fair value of the items hedged against fluctuations in market interest rates.

Amounts determined as a gap between financial assets and liabilities cannot be macro-hedged. Macro-hedging is deemed to be highly effective if, along with the fair value hedge, both at inception and during the hedge, changes in the fair value of the hedged amount are offset by the changes in the fair value of the hedging derivative, within a range of between 80% and 125%.

7. Equity investments

Recognition, classification and measurement

This item includes shares held in associates and joint ventures.

Joint ventures are companies in which the voting rights and the control of its business activities are shared equally, directly or indirectly, between the Parent Company and another party. Joint ventures also include equity investments in which, despite the lack of equal voting rights, control over the business activities and the strategic policies of the investee company is shared with other parties under contractual agreements.

Associates are companies in which the Group 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 setting 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.

Significant influence is not ascribed to interests of more than 20%, in which the Company holds only equity rights to a portion of the return on the investments, does not have a say in the investee’s management policies and can exercise governance rights only to the extent required to protect its equity investment.

Where there is evidence that the value of an equity investment may be impaired, its recoverable value is determined, taking into account the present value of future cash flows that the shareholding could generate, including its value upon disposal.

If the recoverable value is lower than the book value, the difference is recognized in the income statement.

If the reasons for the impairment should be removed subsequent to the recognition of the impairment loss, a writeback is taken to the income statement.

8. Property, plant and equipment

Classification

“Property, plant and equipment” includes land, buildings used in operations, investment property, technical plants, furniture, furnishings and equipment of any type.

This item includes assets that are used in providing goods and services, to be rented to third parties, and intended to be used for more than one year.

Recognition

“Property, plant and equipment” is initially recognized at cost, which includes, in addition to the purchase cost, all costs directly attributable to the transaction and placing the asset in service.

Extraordinary maintenance expenses that increase the future economic benefits generated by such assets are recognized as an increase in the value of the assets, while ordinary maintenance costs are recognized in the Income Statement.

Measurement

Property, plant and equipment, including investment property, is measured at cost less depreciation and impairment.

These assets are systematically depreciated over their useful life on a straight-line basis, using the following rates of depreciation for the main categories of assets as follows:

Description	Duration amortization
Land	No depreciation
Operating property	33 years (1)
Other investment property - other	
- other	33 years (1)
- property of artistic value	No depreciation
Furniture, fittings, alarm system and vehicles	From 4 to 10 anni
Computers and electronic equipment	From 3 to 10 anni
Works of art	No depreciation

(1) It is specified that, in some cases and for specific property units, their useful life, appropriately calculated, can have different durations.

Buildings are depreciated at a rate based on a useful life considered to appropriately represent the deterioration of the assets over time due to use, taking into account any extraordinary maintenance costs, which increase the value of the asset, and ordinary maintenance costs, which maintain the value of the assets for longer periods of time. Tests are however periodically performed to measure the assets' remaining useful life.

The following assets are not depreciated:
- land, whether acquired separately or incorporated in the value of the building, since it has an indefinite useful life. Where its value is incorporated in the value of the building, under the components approach, the land is considered separable from the building. The division between the value of the land and the value of the building is based on appraisals by independent experts, for buildings entirely owned by, and, therefore, fully available to the company, including the land;
- prestige property;
- works of art, since their useful life cannot be estimated and their value normally increases over time.

If there is evidence of impairment of the asset, the asset's carrying value is compared with its recoverable value. Any writedowns are recognized in the income statement.

If the reasons for the impairment should no longer exist, a writeback is recognized. The book value following the writeback shall not exceed the value the asset would have had, net of depreciation, in the absence of the prior writedowns.

Derecognition

Property, plant and equipment items are derecognized when disposed of or when the asset is permanently withdrawn from use and no future benefits are expected from its disposal.

9. Intangible Assets

Classification

Intangible assets are recognized as such if they are identifiable and are based on legal or contractual rights (for example, software). Intangible assets also include:
- software acquired from external sources or with licence for use;
- in-house developed software;
- residual goodwill recognized as the difference between purchase cost and the fair value of the assets and liabilities acquired and potential assets and liabilities recognized upon acquisition;
- intangibles representing business with Customers are recognized subsequent to the application of IFRS 3.

Recognition and measurement

Intangible assets acquired separately and generated in-house are initially capitalized at cost, whereas those acquired through business combination transactions are recognized at fair value as at the acquisition date.

After initial recognition, intangible assets are recognized net of the accumulated amortization and of any accrued impairment losses.

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

Intangible assets with finite useful life are amortized over their useful life and are tested for impairment every time signals are recorded of a possible impairment. 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 modalities with which the future economic benefits linked to the assets occur, are recognized 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.

Generally, software useful life is estimated as being five years. In compliance with IAS 38 par. 104, some large projects have been specifically identified and their useful life has been measured as being ten years.

Intangible assets with indefinite useful life, including goodwill are not amortized, but are tested for impairment annually, both at individual level and at level of cash-generating unit.

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

This recoverable value is the higher of the fair value of the cash-generating unit, net of any selling costs, and its value in use. Any subsequent writedown is recognized in the income statement.

Derecognition

Intangible assets are derecognized upon disposal or when no future economic benefits are expected to be generated by the asset.

Profits or losses resulting from the derecognition of intangible assets 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 derecognition is made.

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

"Non-current assets and disposal groups held for sale" and "Liabilities in respect of assets held for sale" include non-current assets or groups of assets/liabilities which are in the process of being divested, and for which a sale is considered highly probable. Such assets/liabilities are measured at the lower value between book value and their fair value net of disposal costs.

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

11. Current and Deferred Taxes

The effects of current taxes and deferred tax assets and liabilities are recognized at the applicable tax rates.

Income taxes are recognized in the Income Statement, except for those referring to items directly recognized in equity.

Provisions for income tax are calculated on the basis of a prudential forecast of the current tax liability and deferred tax assets and liabilities. Specifically, deferred tax assets and liabilities are calculated on the basis of temporary timing differences - without time restrictions - between the value attributed to an asset or a liability pursuant to the Italian Civil Code and the corresponding values used for tax purposes.

Deferred tax liabilities are calculated using the so-called balance-sheet liability method.

Deferred tax assets, with regard to deductible timing differences or future tax benefits that can be gained by carrying forward tax losses, are recognized to the extent their recovery is deemed likely.

Deferred tax liabilities are recognized for all taxable temporary differences, except for the reserves on which taxation is suspended, since the amount of available reserves already subject to taxation makes it likely that no taxable operations will be carried out.

Deferred tax assets and liabilities are recognized with open balances without offsets; the former are entered under "Tax assets", the latter under "Tax liabilities".

Deferred tax assets and liabilities are systematically measured to reflect any changes in tax regulations or rates, as well as in any other situation applicable to the company. The effects are recognized in the Income Statement, except when these regard changes in the temporary differences in items for which accounting policies require recognition directly in equity, in which case the change in the deferred tax liability or asset is taken directly to equity.

12. Provisions for contingencies and liabilities

Retirement and similar liabilities

The company pension plans, created pursuant to corporate agreements, qualify as "defined-benefit plans".

The liability in respect of these plans and relative current service cost are determined on an actuarial basis by applying the projected unit credit method. Under this method, future outlays are projected based on analyses of time series and the demographic curve and the discounting of these cash flows using a market interest rate, as set forth in the relevant tables in the Note to the Financial Statements.

Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

Other provisions

Other provisions for liabilities and contingencies include accruals for legal or constructive obligations associated with employment relationships and disputes, including tax disputes, resulting from a past event for which an outflow of economic resources to settle the obligation is probable and for which a reliable estimate can be made of the amount.

Where the time factor is significant, provisions are discounted using current market rates.

The accrual is recognized in the Income Statement and includes the increase in the provision due to the passage of time.

This item also includes long-term employee benefits, the charges for which are determined using the same actuarial criteria described for retirement benefits. Actuarial gains and losses are immediately recognized in full in the Income Statement.

13. Debt and Outstanding securities

Classification

“Amounts due to banks”, “amounts due to customers” and “Outstanding securities” include all forms of interbank and customer funding, repurchase agreements and funding through certificates of deposit and outstanding bond issues and other instruments, less any amounts repurchased.

Recognition

These financial liabilities are initially recognized upon the signing of the contract, which usually corresponds with receipt of the funds raised or the issue of debt securities.

The financial liabilities are initially recognized at fair value, which usually is equal to the amount collected or the issue price plus any additional expenses/income that can be directly attributed to the single funding or issue transaction. Internal administrative expenses are excluded.

Measurement

Following initial recognition, the financial liabilities are measured at amortized cost using the effective interest rate method.

This excludes short-term liabilities, which are recognized in the amount received since the time factor is negligible.

Derecognition

Financial liabilities are derecognised when they expire or are extinguished. Liabilities are also derecognized when previously issued securities are repurchased. The difference between the book value of the liability and the amount paid to repurchase it is recognized in the Income Statement.

The subsequent placement of repurchased securities on the market is treated as a new issue and is recognized at the new placement price.

14. Financial liabilities held for trading

This item includes the negative value of derivative contracts held for trading, as well as the negative value of derivatives embedded in complex contracts that are not strictly connected with such contracts. It also includes liabilities originating from technical overdrafts generated by securities trading.

All trading liabilities are measured at fair value, and the result of such measurement is taken to the Income Statement.

15. Financial Liabilities measured at fair value

No Company in the Cariparma Crédit Agricole Group has exercised the fair value option. In other words, no Group Company has opted to measure financial liabilities at fair value , taking the result of such measurement to the income statement, with the exception of financial liabilities for which IAS 39 provides for fair value measurement owing to their specific functional purpose. Therefore, only financial liabilities held in the trading book, those subject to fair value hedging and hedging derivative contracts are measured at fair value with recognition of the measurement result 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 on the date of the transaction.

Subsequent measurement

At each annual and interim Balance Sheet date, foreign currency items are measured as follows:
- monetary items are translated at the exchange rate prevailing at the balance-sheet date;
- non-monetary items measured at historic cost are translated at the exchange rate prevailing the transaction date;
- non-monetary items measured at fair value are translated using the exchange rate prevailing at the reporting date.

Exchange rate differences resulting from the settlement of monetary items or from the translation of monetary items at exchange rates other than the initial translation rate, or the translation of previous Financial Statements, are recognized in the income statement for the period in which they emerge.

When gains or losses relating to a non-monetary item are recognized in equity, the exchange rate difference for the item is also recognized in equity. Conversely, when a profit or a loss is recognized in the income statement, the corresponding exchange rate difference is also recognized in the income statement.

17. Other information

Leases

Leases have been recognized based on the provisions of IAS 17.

In particular the definition of a contract agreement as a lease transaction (or including a lease transaction) 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.

Leases are considered finance leases if they transfers all risks and rewards of ownership; otherwise, leases are classified as operating leases.

Financial lease contracts for which the Cariparma Credit Agricole 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, while interests receivable (financial components of lease fees) are recognized in the income statement, and the fee part representing capital refunding reduces the receivable value.

Classification of leases

In the initial value of the loan also includes the so-called "initial direct costs"; more in detail, the accounting standard:
- 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 measured at amortized 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 Group has also entered into operating lease contracts as Lessee, concerning cars and other operating assets. The payments associated with these operating lease contracts have been recognized in the Income Statement on a straight-line basis over the duration of the contract.

The Group has no finance lease contracts currently active.

Insurance Assets and Liabilities

The financial statements of Cariparma do not include assets or liabilities bearing insurance risks.

Treasury shares

Treasury shares are deducted from Shareholders' Equity. Similarly, the original costs of these shares and any gains or losses resulting from their subsequent sale are recognized as changes in 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. These costs, classified among "Other Assets" as required by the above circular letter No. 262/2005 issued by the Bank of Italy, are amortized over a period that does not exceed the residual duration of the lease.

Employee severance benefits

Until 31 December 2006 the employee severance benefits of Italian companies were considered a defined-benefit plan. The regulation of these benefits 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 portions accrued before 1 January 2007 (and not settled yet as at the Balance-sheet date), whereas after such 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. Under this method, future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

The expenses for the plan are recognized under staff expenses, include interests accrued, while employees' severance benefits accrued in the year, following the complementary pension plan reform introduced with the 2007 Financial Act, are entirely allocated to the " defined-benefit plan".

Actuarial gains and losses, including revaluation of the portions accrued in the previous years, based on the reference ISTAT (Italian National Institute of Statistics) index, are taken to a specific equity reserve, starting from 2010.

Based on the employees' choice, the amounts are allocated to supplementary pension schemes or to the Treasury fund managed by INPS (Italian Social Security Institute). The portions allocated to the defined-contribution plan are calculated based on the contributions due for each year without using any 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 expenses that can be directly attributed 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 amortization. These guarantees are recognized under "Other Liabilities", pursuant to the above-mentioned Bank of Italy Circular letter No. 262/2005.

Share-based payments

Share-based remuneration plans for staff are recognized in the Income Statement, with a corresponding increase in equity, based on the fair value of the financial instruments allocated as at the grant date, subdividing the relevant expenses over the time period covered by the plan.

The fair value of any options is calculated using a model that takes into account information such as the exercise price and term of the option, the current price of the shares and their expected volatility, expected dividends and the risk-free interest rate, as well as the plan-specific features. The measurement model separately measures the options and the probability that the conditions for granting the options will be achieved.

Any reduction in the number of financial instruments granted is recognized as a cancellation of a portion of such instruments.

Revenue recognition

Revenues are recognised when realized or when it is probable that future benefits will be received and these future benefits can be reliably determined. Specifically:

- interest revenues are recognized on an accrual basis, using the contractual interest rate or the effective interest rate where the amortized cost method is applied;
- default interest, if any is contractually provided for, is recognized in the Income Statement only upon collection;
- dividends are recognized in the income statement when their distribution is authorized;
- commissions for revenues from services are recognized, in accordance with the terms of the contract, in the period in which the service is rendered;

- revenues from intermediation of financial instruments held for trading, calculated as the difference between the transaction price and the instrument fair value, are recognized in the Income Statement when the transaction is recognized, if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded.

If these values cannot be easily detected or the instrument is not highly liquid, the financial instrument is recognized at a value equal to the transaction price, less the business profit; the difference with the fair value is recognized in the Income Statement over the transaction duration with progressive reduction, in the measurement model, of the correction factor relating to the instrument's low liquidity.

Fair value measurement

With the adoption of IFRS 13, the definition of fair value has been changed compared with that given by IAS 39, in a more market-based approach.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price) on the main (or more advantageous) market, irrespective of whether this price can be directly observed or estimated using a valuation technique.

Fair value applies to each financial asset or liability. As an exception, it can be estimated at a portfolio level, if the strategy for the management and monitoring of risk allow it and appropriate documentation is provided. However, certain fair value parameters are calculated on a net basis, when a group of financial assets and financial liabilities is managed based on its net exposure to market or credit risks. This is the case for calculation of Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA).

The Cariparma Crédit Agricole Group includes counterparty credit valuation adjustments (CVA) on active derivatives in the fair value.

CVA calculation is based on an estimate of expected losses starting from Probability of Default and Loss Given Default. The adopted method is based on market parameters when the counterparty has a Credit Default Swap (CDS), which is directly listed or indirectly observable, or on historical default parameters for other counterparties.

CVA is used to determine the expected loss on the counterparty from the point of view of the Cariparma Credit Agricole Group, while DVA is used to calculate expected losses on the Cariparma Credit Agricole Group from the counterparty's point of view.

FINANCIAL INSTRUMENTS

Fair value is determined using prices from financial markets in the case of financial instruments listed in active markets, or using internal measurement models for other financial instruments.

A market is considered active if quoted prices, representing effective and regular market transactions occurring during an appropriate reference period, are readily and regularly available from sources such as securities markets, dealers, stockbrokers, industry companies, pricing services or regulatory agencies. Collective investment schemes (EFT), spot exchange transactions, futures, options and shares listed on a regulated market and bonds for which at least two executable prices can be detected on a quotation service with a bid-asking spread that is less than an interval deemed consistent, are all considered as listed in an active market meeting the above requirements. Otherwise, all securities and derivatives that do not belong to the above 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 reference period.

In the case of financial instruments for which the bid-ask spread is immaterial, or for financial assets and liabilities capable of offsetting market risk, a "mid price" is used, i.e. the average market price (on the last day of the reference period) instead of the bid or ask price.

Where there is no active, liquid market, the fair value of financial instruments is defined mainly by using standard measurement techniques designed to establish what the transaction price would have been on the measurement date in an arm's length trade carried out for normal market reasons. In incorporating all the factors that operators would consider in setting the price, development of the valuation models takes into account the time value of money at the risk-free rate, the volatility of the financial instrument, as well as, where applicable, exchange rates, commodity prices and stock prices.

With finance products for which the fair value determined with measurement techniques cannot guarantee a sufficient degree of reliability, the value is prudentially calculated as the fair value at the reference date communicated by the parties with which the transactions were signed.

The measurement method chosen for a financial instrument is applied consistently over time and may only be altered if significant changes in market conditions or the subjective condition of the issuer of the financial instrument occur.

For bonds and derivative contracts, measurement models globally accepted have been defined, which refer to market parameters (communicated by the Parent Company Crédit Agricole), 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 future cash flows estimated on the basis of the forward rates with the application of index-linking parameters.

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

Shares are measured considering the direct transactions, that is, significant transactions on the security registered in a sufficiently short timeframe with respect to the time of measurement and in constant market conditions, the comparable transactions by companies operating in the same sector and supplying the same type of products and services as the associated company being evaluated provides, application of the average of significant stock exchange multiples of companies of a comparable financial size to the financial aggregates of the investee and, finally, financial, income and equity measurement methods.

For available-for-sale loan assets and for loan assets and liabilities recognized at cost or at amortized cost, the fair value for recognition purposes or reported in the Note to the Financial Statements is determined using the following method:
- medium- and long-term assets and liabilities are primarily measured by discounting future cash flows, taking account of the riskiness of the relevant portfolio;
- a good approximation of the fair value of demand or short-term assets and liabilities is represented by the initial book value, net of collective or individual writedowns ;
- the book value of non-performing loans (bad loans, substandard loans, past due loans and restructured loans) is deemed to be a reasonable fair value approximation;
- the initial book value of floating-rate and short-term fixed-rate securities is deemed a reasonable fair value approximation , due to the fact that it reflects both the change in rates and the measurement of the credit risk associated with the issuer. An analogous approach is applied for the fair value measurement of medium-/long-term fixed-rate securities and structured securities that are hedged for interest rate risk, for which the book value determined for hedge accounting purposes already takes into account interest rate risk measurement. For the latter, in determining the fair value reported in the Note to the Financial Statements, changes in their credit spread were not taken into account, given that they are immaterial.

NON-FINANCIAL ACTIVITIES

With regard to property, for which the fair value is calculated only for the purposes of disclosure in the notes to the financial statements, reference is made to a value primarily based on appraisals by independent experts, considering transactions at current prices in an active market for similar properties in the same geographical area and under the same conditions for leases and other contracts.

Method for calculating amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization, calculated using the effective interest method, of any difference between the initial amount and the amount at maturity, and minus any impairment loss.

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability.

To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

Subsequent to initial recognition, the amortized cost method makes it possible to allocate revenues and costs pertaining to the instruments over their expected lifetime. The calculation of amortized cost differs depending on whether the financial asset or liability being measured is fixed-rate or floating-rate, and - in the case of a floating rate instrument - whether the variability of the rate is known ahead of time. For fixed-rate instruments, or instruments with fixed rate over specified time periods, future cash flows are measured using the known interest rate (single or variable) over the life of the loan. For floating rate financial assets and liabilities whose variability is not known ahead of time (e.g. because it is linked to an index), cash flows are determined using the last known rate. Each time the rate is changed, the amortization schedule is recalculated, as is the effective rate of return over the entire useful life of the instruments, i.e. through maturity. Any adjustments are recognized as expense or income in the Income Statement.

Amortized cost is calculated for loans and receivables, financial assets held to maturity, available-for-sale financial assets, debt and outstanding securities.

Financial assets and liabilities traded on an arm's length basis are initially recognized at fair value, which normally is equal to the amount received or paid, including, for instruments measured at amortized cost, directly attributable transaction costs and commissions.

Transaction costs are incremental internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument that cannot be charged to the customer. These commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for repurchase agreements, non-use, unwinding.

In addition, not considered in the amortized cost calculation are the costs that the Group would sustain independently of the transaction (for example, administrative costs, recording and communication expenses), nor those that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as commissions for services collected for the completion of Structured Finance operations, which would however have been collected independently of the subsequent financing of the transaction (such as, for example, arrangement commissions).

With specific reference to loans, costs attributable to the financial instrument include commission paid to distribution channels, fees paid for advice/assistance to the organization and/or participation in syndicated loans, expenses borne for loans acquired by subrogation and, finally, up-front commissions relating to loans granted at a higher-than-market rates; while the revenues considered in the calculation of amortized cost are up-front commissions relating to loans granted at lower-than-market rates, commissions for participation in syndicated transactions and brokerage fees linked to commissions paid by intermediation companies.

As to securities not classified as held for trading, transaction costs include commissions on contracts with stockbrokers operating in Italian markets, commissions paid to intermediaries operating in foreign stock and bond markets based on a prepared schedule of commissions. The amortized cost does not include stamp duties, as these are deemed immaterial.

With regard to securities issued, amortized cost is calculated taking into account commission for placing debenture loans paid to third parties, legal expenses, fees paid to stock exchanges and fees paid to auditors for work done on each individual issue, while the amortized cost excludes commissions paid to rating agencies, legal and advice/revision expenses for the annual update of prospectuses, expenses for the use of indexes and commissions that arise during the life of the debenture loan issued.

Following initial measurement, they are measured at amortized cost, reporting effective interest rates that are higher or lower than the nominal rates. Finally, structured assets or liabilities not measured at fair value and recognized in the income statement are also measured at amortized cost, with the embedded derivative recognized separately from the host financial instrument.

Hedged financial assets and liabilities, for which changes in fair value with respect to the hedged risk are recognized in the income statement, are not measured at amortized cost. However, the financial instrument is once again measured at amortized cost where the hedge terminates. From that moment, previously recognized changes in fair value are amortized, calculating the new effective interest rate that takes account of the value of the loan adjusted for the fair value of the hedged item, up to the originally scheduled expiry of the hedge. Moreover, as stated previously in the section on measuring loans and receivables, debt and outstanding securities, the amortized cost method does not apply to short-term financial assets and liabilities since the impact of discounting is negligible, nor to loans without a specified maturity or loans subject to revocation.

Methods for determining impairment losses

FINANCIAL ASSETS

At every reporting date, financial assets not classified as “Financial Assets held for trading” undergo impairment testing to determine whether there is objective evidence that their book value is not fully recoverable.

Impairment exists where there is objective evidence of a reduction in future cash flows compared with the original estimates following the occurrence of specific events. The loss must be capable of being reliably measured and must be correlated with actual, not merely expected, events.

Impairment is measured individually for financial assets that show specific evidence of impairment, and collectively for financial assets for which individual measurement is not required or for which individual measurement has not produced a writedown

Loans to customers and loans to banks subject to individual assessment include those classified as bad debts, substandard loans, restructured loans or loans past due in accordance with the Bank of Italy’s definitions, and consistent with IAS/IFRS.

Impaired positions are measured individually and the amount of the writedown of each loan is equal to the difference between the book value of the loan at the time of measurement (amortized cost) and the present value of expected future cash flows, calculated by applying the original effective interest rate.

Expected cash flows take account of expected recovery times, the assumable realizable value of any security, as well as the costs likely to be incurred to recover the claim. Cash flows from loans for which recovery is expected in the short-term are not discounted, since the impact of the time factor is deemed immaterial.

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. To this end performing loans are subdivided into categories with uniform credit risk profile, 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 losses .

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 impairment loss measurement also takes account of the risk associated with the counterparty’s country of residence.

Moreover, for shares, objective evidence of impairment is deemed found in the presence of one of the following signals: a rating downgrading by over 2 classes, a market capitalization significantly lower than the Shareholders’ Equity, start of implementation of a debt restructuring plan, a significant negative change in the book value of Equity.

Please, see the relevant section of the Note for information on measurement methods used to calculate fair value.

OTHER NON-FINANCIAL ACTIVITIES

Property, plant and equipment and intangible assets with definite useful life undergo impairment testing if there is evidence that the book value of the asset can no longer 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 written down to the recoverable value.

The recoverable value is determined with reference to the fair value of the property, plant and equipment asset or intangible asset net of divestment expenses or to the use value, if it can be determined and is higher than the fair value.

The fair value of property is mainly determined on the basis of appraisals by independent experts. The appraisal is updated whenever there is a change in the property market trend that could affect the validity of the previous estimates and, in any case, every three years. Impairment losses are recognized only when the fair value, net of sale costs, or the value in use of the asset is lower than its book value for three consecutive years.

For other Property, plant and equipment items and intangible assets (other than goodwill), the Group determines the value in use as the present value of the estimated future cash flows using a discount rate before-taxes reflecting market data (the current cost of money and asset-specific risks).

Segment reporting method

The Bank presents segment reporting, as required by IFRS 8.

The sectors of economic activity included in segment reporting are determined based on the Group's organisational and management structure, as provided for in IFRS8.

The Group's business segments are:
- Retail/Private Banking;
- Corporate/Enterprises
- Other/sundry ones.

For segment reporting purposes, management figures, suitably reconciled with Financial Statement figures, have been used.

The methods used for the impairment testing of goodwill are reported in point 13.3 - Assets.

A.3 DISCLOSURE OF TRANSFERS OF FINANCIAL ASSETS BETWEEN PORTFOLIOS

A.3.1 Transfers beetween portfolios

In 2013 no transfers between portfolios were made.

” A.4 FAIR VALUE REPORTING

QUALITATIVE DISCLOSURES

Classification of financial instruments as non-financial assets/liabilities

Reporting on fair value hierarchy as required by IFRS 13 applies to financial instruments and to non-financial assets/liabilities that are measured at fair value (irrespective of whether they are measured on a recurring or non-recurring basis).

The standard classifies fair value into three levels in accordance with the observability of the inputs to valuation techniques used to measure fair value:
- Level 1: Fair value whose inputs are quoted prices (unadjusted) on active markets.

Financial instruments directly listed on active markets belong to level 1.

Specifically, these are stocks and bonds listed on active markets, investment schemes quoted on active markets (EFT) and derivatives traded on regulated markets.

A market is deemed active when quoted prices are easily and regularly available from the Stock Exchange, a stockbroker, an intermediary, a price quotation service or a regulatory agency and when these prices represent real transactions regularly carried out on the market in normal competition conditions.

- Level 2: Fair value determined using universally-acknowledged measurement models based on directly or indirectly observable market parameters.

These data can be observed, either directly or indirectly, (for instance, the interest rate curve can be determined based on interest rates that can be directly observed on the market at a reference date).

The following are level-2 financial instruments:
  - shares and bonds listed on a market that is considered inactive or not listed on an active one, but whose fair value is determined using a universally-acknowledged measurement model based on market data that are either directly or indirectly observable;
  - financial instruments whose fair value is determined using measurement models based on observable market data.
- Level 3: Fair value to determine which a significant part of the parameters used is unobservable.

The fair value of some complex financial instruments that are not traded on an active market is determined using measurement techniques that are based on assumptions and not on observable market data.

These are mainly complex financial instruments, such as interest rate instruments, equity derivatives and restructured loans, where the measurement of correlation or volatility parameters cannot be directly compared to market data.

A.4.1 Level-2 and Level-3 Fair Value: measurement techniques and inputs used

Level 2: this level includes all financial instruments for which there is no active market, but whose fair value measurement is based on observable market data. Therefore, universally-acknowledged measurement models have been defined, which refer to market parameters.

Specifically, fixed-rate bonds referring to financial assets or liabilities are measured using the discounted cash flow method as provided for by the security contractual scheme; variable-rate bonds are measured by discounting future cash flows estimated on the basis of the forward rates with the application of index-linking parameters.

Derivative contracts are assessed using specific calculation algorithms, according to the type of the different categories of transactions.

Level 3: this level includes all financial instruments for which there is no active market and whose measurement is not based on observable market data, or for which the measurement used is that communicated by qualified marker players.

A.4.2 Measurement sensitivity and processes

The Financial Management Department is responsible for defining the fair value category of the financial instruments recognized. Choosing between the above methods is not an option, since they must be applied in a hierarchical order: absolute priority is given to official prices that are available on active markets for assets and liabilities to be measured (Level 1) or for assets and liabilities that are measured using techniques based on parameters that are observable on the market (Level 2); lower priority is given to assets and liabilities whose fair value is determined based on measurement techniques referring to parameters that are unobservable on the market and, thus, more discretionary (Level 3).

IFRS 13 also requires that, for recurring fair value measurements categorized within Level 3 of the fair value hierarchy, a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.

In this regard, it is reported that this case does not apply to some Level-3 financial instruments classified as Held for Trading and AFS. The unobservable parameters that can influence the measurement of instruments categorized as Level 3 are mainly the assumptions that are at the basis of the models used to measure investments in equity securities and OTC derivatives. For these investments, no quantitative sensitivity analysis of the fair value measurement to changes in unobservable inputs was made, since the fair value was obtained from third party sources and no adjustments were made, or was measured using a model whose inputs specifically refer to the entity being measured (for example the company's equity values) and alternative values for such inputs cannot be reasonably assumed.

For other financial instruments measured at fair value and categorized as Level 3, the main parameter that is unobservable on the market and affects fair value measurement is the recovery rate of indirectly held exposures to Icelandic Banks. In quantitative terms, an increase/decrease of one percentage point in the Recovery Rate would generate an increase or decrease, respectively, in the fair value amounting to approximately €1.6 million.

Reference is made to the breakdown analysis of the composition of these cases, which is reported in the next section on quantitative disclosures.

A.4.3 Fair value hierarchy

For the assets and liabilities recognized, the Financial Management Department assesses whether transfers have occurred between the hierarchy levels by reviewing categorization at every reporting date.

The Financial Management Department makes transfers from Level 1 to Level 2 only for financial instruments that are listed in a regulated but inactive market and that can be measured using standard internal pricing models of the Group.

The Financial Management Department makes transfers to Level 3 only for financial instruments that are not listed in a regulated market and that cannot be measured using standard internal pricing models of the Group.

A.4.4 Other Information

The cases provided for by IFRS 13 at paragraphs 51, 93 item (i) and 96 did not apply to the Group.

A.4.5 FAIR VALUE HIERARCHY

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: categorization by fair value level

Financial assets/liabilities carries at fair value	31.12.2013 Level 1	31.12.2013 Level 2	31.12.2013 Level 3	31.12.2012 Level 1	31.12.2012 Level 2	31.12.2012 Level 3
1. Financial liabilities held for trading	18	181,370	33,344	143	249,476	62,311
2. Financial liabilities carried at fair value	-	-	-	-	-	-
3. Financial assets available for sale	4,829,585	-	266,418	3,851,787	-	178,294
4. Hedging derivatives	-	692,941	-	-	1,151,735	-
5. Property, plant and equipment	-	-	-	-	-	-
6. Intangible assetS	-	-	-	-	-	-
Total	**4,829,603**	**874,311**	**299,762**	**3,851,930**	**1,401,211**	**240,605**
1. Financial liabilities held for trading	-	181,625	32,179	12	251,149	60,987
2. Financial liabilities carried at fair value	-	-	-	-	-	-
2. Financial liabilities carried at fair value	-	215,689	129,684	-	319,350	-
Total	**-**	**397,314**	**161,863**	**12**	**570,499**	**60,987**

As at the reporting date, the portfolios measured at fair value of the Cariparma Crédit Agricole Group, that is to say, the portfolio of financial assets held for trading, the portfolio of available-for-sale financial assets (AFS) and hedging derivatives consisted, for 80.4%, of financial assets that qualify for categorization as Level 1 (L1), with a weight that is essentially in line with the previous year.

This category mostly consists of Italian and French Government securities (€4,829 million).

Financial assets categorized as Level 2 (L2) are mostly OTC derivatives held for trading (€179,1 million) and for hedging purposes (€692,9 million).

The portfolio of AFS financial assets that have been measured at fair value and categorized as Level 3 (L3) includes unlisted equity securities that have been measured based on internal measurement models, mainly based on the issuer's equity (€266 million). Assets held for trading measured at fair value and categorized as Level 3 (L3) consist of complex OTC derivatives, which are measured based on the indications provided by qualified counterparties in the market (€33 million).

Financial liabilities held for trading and hedging derivatives that are measured at fair value and categorized as L2 entirely consist of OTC derivatives (€181,6 million and €215,7 million, respectively).

A.4.5.2 Changes for the period in assets measured at fair value on a recurring basis (Level 3)

	Financial Assets			Hedging	Property, plant and equipment	Intangible assets
	Held for trading	Carried at fair value	Available for sale			
1. Opening balance	**62,311**	**-**	**178,294**	**-**	**-**	**-**
2. Increases	**702**	**-**	**254,058**	**-**	**-**	**-**
2.1 Purchases	445	-	2,614	-	-	-
2.2 Profits recognized in:	-	-	-	-	-	-
2.2.1 Income Statement	191	-	3,312	-	-	-
- of which: Capital gaings	126	-	240	-	-	-
2.2.2 Shareholders' equity	X	X	178	-	-	-
2.3 Transfers from other categories	60	-	51	-	-	-
2.4 Other increases	6	-	247,903	-	-	-
3. Decreases	**29,669**	**-**	**165,934**	**-**	**-**	**-**
3.1 Sales	1,078	-	2,990	-	-	-
3.2 Redemptions	23,065	-	-	-	-	-
3.3 Losses recognized in:	-	-	-	-	-	-
3.3.1 Income Statement	5,519	-	1,297	-	-	-
- of which Capital losses	5,518	-	-	-	-	-
3.3.2 Shareholders' equity	X	X	2,647	-	-	-
3.4 Transfers to other categories	-	-	-	-	-	-
3.5 Other decreases	7	-	159,000	-	-	-
4. Final inventories	**33,344**	**-**	**266,418**	**-**	**-**	**-**

The "Other increases" item includes the recognition of the equity investment in the Bank of Italy after the updating of its equity capital for Euro 159 million, while the "Other decreases" item includes the derecognition of the equity interest before the valuation updating for Euro 159 million.

A.4.5.3 Changes for the period in liabilities measured at fair value on a recurring basis (Level 3)

	Financial Liabilities		
	Held for trading	Carried at fair value	Hedging
1. Opening balance	**60,987**	**-**	**-**
2. Increases	**1**	**-**	**129,684**
2.1 Issues	-	-	129,684
2.2 Profits recognized in:			-
2.2.1 Income Statement	1	-	-
- of which: Capital gaings	1	-	-
2.2.2 Shareholders' equity	X	X	-
2.3 Transfers from other categories	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**28,808**	**-**	**-**
3.1 Redemptions	23,519	-	-
3.2 Repurchases	-	-	-
3.3 Losses recognized in:			-
3.3.1 Income Statement	5,290	-	-
- of which Capital losses	5,290	-	-
3.3.2 Shareholders' equity	X	X	-
3.4 Transfers to other categories	-	-	-
3.5 Other decreases	-	-	-
4. Final inventories	**32,179**	**-**	**129,684**

A.4.5.4 Assets and liabilities that are not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

Asset/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31.12.2013				31.12.2012			
	Book Value	Level 1	Level 2	Level 3	Book Value	Level 1	Level 2	Level 3
1. Financial assets held to maturity	-	-	-	-	-	-	-	-
2. Loans to banks	3,305,651	-	3,305,651	-	4,123,908	-	4,123,666	-
3. Loans to Customers	36,391,853	-	-	38,063,738	35,128,149	-	-	35,723,618
4. Investment property	11,268	-	-	27,284	11,544	-	-	22,525
5. Non-current assets or groups of assets being divested	-	-	-	-	-	-	-	-
Total	**39,708,772**	**-**	**3,305,651**	**38,091,022**	**39,263,601**	**-**	**4,123,666**	**35,746,143**
1. Due to banks	**6,084,785**	**-**	**6,084,785**		**5,275,445**	**-**	**5,275,445**	**-**
2. Due to customers	23,360,593	-	23,351,140	9,453	22,264,469	-	22,264,469	-
3. Sicuruties issued	13,233,109	-	11,092,741	2,183,364	13,955,519	-	11,910,951	2,110,794
4. Liabilities associated to assets being divested	-	-	-	-	-	-	-	-
Total	**42,678,487**	**-**	**40,528,666**	**2,192,817**	**41,495,433**	**-**	**39,450,865**	**2,110,794**

” DISCLOSURE ON “DAY ONE PROFIT/LOSS”

Paragraph 28 of IFRS 7 governs the specific situation where, in case of purchase of a financial instrument that is measured at fair value but not listed on an active market, the transaction price, which generally amounts to the fair value best estimate upon initial recognition, is different from the fair value determined based on the measurement techniques used by the entity.

In this case, a measurement profit/loss is realized upon acquisition, which shall be adequately disclosed by financial instrument class.

It is reported that this case does not apply to the Group consolidated financial statements.

Part B Notes to the Consolidated Balance Sheet

ASSETS

Section 1 - Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: composition

	31.12.2013	31.12.2012
a) Cash	334,127	285,966
b) Demand deposits with Central Banks	-	-
Total	**334,127**	**285,966**

Section 2 - Financial assets held for trading - Item 20

2.1 Financial assets held for trading: Composition by type

Items/Amounts	31.12.2013			31.12.2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A On-Balance-Sheet Assets						
1. Debt securities	18	2,194	826	54	2,173	1,352
1.1 Structured Securities	-	120	-	1	-	582
1.2 Other debt securities	18	2,074	826	53	2,173	770
2. Equity securities	-	9	-	-	9	-
3. Units in collective investment undertakings	-	-	25	-	-	54
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
TOTAL A	**18**	**2,203**	**851**	**54**	**2,182**	**1,406**
B Derivatives						
1. Financial Derivatives	-	179,167	32,493	89	247,294	60,905
1.1 trading	-	179,167	32,493	89	247,294	60,905
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	**-**	**179,167**	**32,493**	**89**	**247,294**	**60,905**
Total (A+B)	**18**	**181,370**	**33,344**	**143**	**249,476**	**62,311**

It is reported that financial assets held for trading «Other debt securities» include securities issued by the Icelandic bank Glitnir Banki Hf for a total of €725 thousand. These securities matured on 4 November 2010 and have been classified as bad debts.

2.2 Financial assets held for trading: Composition by debtor/issuer

Items/Amounts	31.12.2013	31.12.2012
A. On-balance-sheet assets		
1. Debt securities	**3,038**	**3,579**
a) Governments and central banks	11	11
b) Other public entities	-	-
c) Banks	3,011	3,521
d) Other issuers	16	47
2. Equity securities	**9**	**9**
a) Banks	9	9
b) Other issuers:	-	-
- insurance companies	-	-
- financial companies	-	-
- non-financial companies	-	-
- other	-	-
3. Units in collective investment undertakings	**25**	**54**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total A	**3,072**	**3,642**
B. Derivatives		
a) Banks		
- fair value	95,272	104,985
b) Customers		
- fair value	116,388	203,303
Total B	**211,660**	**308,288**
Total (A+B)	**214,732**	**311,930**

The item "OICR (Collective Investment Undertakings)" 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	31.12.2013
A. Opening balance	**3,579**	**9**	**54**	**-**	**3,642**
B. Increases	**859,272**	**13,259**	**517**	**-**	**873,048**
B1. Purchases	854,274	13,250	512	-	868,036
B2. Fair Value gains	5	-	-	-	5
B3. Other changes	4,993	9	5	-	5,007
C. Decreases	**859,813**	**13,259**	**546**	**-**	**873,618**
C1 Sales	856,415	13,258	544	-	870,217
C2. Redemptions	-	-	-	-	-
C3. Fair Value losses	544	-	2	-	546
C4 Transfers to other portfolios	-	-	-	-	-
C5. Other changes	2,854	1	-	-	2,855
D. Closing balance	**3,038**	**9**	**25**	**-**	**3,072**

Rows B3. and C5. include profits and losses from trading, accrued income on the differences between issue prices and nominal values and on coupon interests, effects resulting from exchange rate fluctuations.

Any initial technical overdrafts are reported in row C5. and final ones in row B3.

Section 4 - Available-for-sale financial assets - Item 40

4.1 Available-for-sale financial assets: composition by type

	31.12.2013			31.12.2012		
Items/Amounts	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**4,828,910**	**-**	**48,783**	**3,850,483**	**-**	**49,175**
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	4,828,910	-	48,783	3,850,483	-	49,175
2. Equity securities	**675**	**-**	**217,635**	**1,304**	**-**	**129,119**
2.1 Carried at Fair Value	675	-	217,511	1,304	-	58,722
2.2 Carried at cost	-	-	124	-	-	70,397
3. Units in collective investment undertakings	**-**	**-**	**-**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**4,829,585**	**-**	**266,418**	**3,851,787**	**-**	**178,294**

The main equity securities measured at cost are:
Cattleya S.r.l. (book value Euro 2,400 thousand, whose fair value is equal to the cost, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the entity's specific operations);

- SILCA S.n.c. (book value Euro 2,059,972, whose fair value is equal to the historical cost, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the entity's specific operations);
- CA Fiduciaria S.p.A. (book value Euro 300 thousand, whose fair value is equal to the cost, since it is a newly-incorporated company);
- Consorzio Agrario Provinciale di Parma (book value €572, whose fair value is equal to the historical cost because there is no distribution of profits, due to its co-operative company status, and, in case of liquidation, only the share capital is paid back).;

In general, these equity securities have been measured at cost, since their fair value could not be reliably determined because there is no active market for these instruments, there were no recent transactions, similar securities could not be found and measurement models could not be properly applied as there are no estimates of future cash flows.

4.2 Available-for-sale financial assets: composition by debtor/issue

Items/Amounts	31.12.2013	31.12.2012
1. Debt securities	**4,877,693**	**3,899,658**
a) Governments and central banks	4,828,911	3,850,483
b) Other public entities	-	350
c) Banks	-	-
d) Other issuers:	48,782	48,825
2. Equity securities	**218,310**	**130,423**
a) Banks	167,986	76,504
b) Other issuers	**50,324**	**53,919**
- insurance companies	-	-
- financial companies	22,744	23,909
- non-financial companies	27,580	30,010
- other	-	-
3. Units in collective investment undertakings	**-**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total	**5,096,003**	**4,030,081**

4.3 Available-for-sale financial assets subject to micro-hedge (specifically hedged)

	31.12.2013	31.12.2012
With specific fair value hedges:	**4,729,056**	**2,995,790**
1. Interest rate risk	4,729,056	2,628,351
2. Price risk	-	367,439
3. Exchange risk	-	-
4. Credit Risk	-	-
5. Multiple risks	-	-
With specific cash flow hedges:	**-**	**-**
1. Interest rate risk	-	-
2. Exchange risk	-	-
3. Other	-	-
Total	**4,729,056**	**2,995,790**

4.4 Available-for-sale financial assets: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	31.12.2013
A. Opening balance	**3,899,658**	**130,423**	**-**	**-**	**4,030,081**
B. Increases	**2,724,637**	**254,845**	**-**	**-**	**2,979,482**
B1. Purchases	2,326,042	2,854	-	-	2,328,896
B2. Fair value gains	82,841	293	-	-	83,134
B3. Writebacks	-	718	-	-	718
- recognized through income statement	-	X	-		-
- recognized through equity	-	718	-	-	718
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	315,754	250,980	-	-	566,734
C. Decreases	**1,746,602**	**166,958**	**-**	**-**	**1,913,560**
C1 Sales	1,519,290	2,925	-	-	1,522,215
C2. Redemptions	36,046	-	-	-	36,046
C3. Fair Value losses	9,436	2,897	-	-	12,333
C4. Writedowns for impairment	-	2,015	-	-	2,015
- recognized through income statement	-	2,015	-	-	2,015
- recognized through equity	-	-	-	-	-
C5 Transfers to other portfolios	-	-	-	-	-
C6. Other changes	181,830	159,121	-	-	340,951
D. Closing balance	**4,877,693**	**218,310**	**-**	**-**	**5,096,003**

Rows B5. and C6. include profits and losses from realization, accrued income on the differences between issue prices and nominal values and on coupon interests, as well as, marginally, effects resulting from exchange rate fluctuations.

Section 6 - Loans to Banks - Item 60

6.1 Loans to banks: composition by type

Type of transaction/values	31.12.2013				31.12.2012			
	Book Value	Fair Value			Book Value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Claims on central banks	**265,891**	**-**	**-**	**-**	**691,848**	**-**	**-**	**-**
1. Fixed-term deposits	-	X	X	X	-	X	X	X
2. Reverse requirement (*)	265,891	X	X	X	691,848	X	X	X
3. Repurchase agreements	-	X	X	X	-	X	X	X
4. Other	-	X	X	X	-	X	X	X
B. Loans to banks	**3,039,760**	**-**	**-**	**-**	**3,432,060**	**-**	**-**	**-**
1. Current accounts and demand deposits	166,158	X	X	X	256,073	-	-	-
2.Fixed-term deposits	1,928,213	X	X	X	1,826,763	-	-	-
3. Other financing:	36,413	-	-	-	38,918	-	-	-
3.1 Repurchase agreements	-	X	X	X	-	X	X	X
3.2 Finance lease	-	X	X	X	-	X	X	X
3.3 Other	36,413	X	X	X	38,918	X	X	X
4. Debt securities	908,976	-	-	-	1,310,306	-	-	-
4.1 Structured Securities	-	X	X	X	-	X	X	X
4.2 Other debt securities	908,976	X	X	X	1,310,306	X	X	X
Total	**3,305,651**	**-**	**3,305,651**	**-**	**4,123,908**	**-**	**4,123,666**	**-**

(*) It is specified that, as at 31 December 2012, the balance of the Statutory Reserve amounted to Euro 228,759 thousand. As at 31 December 2012, other additional liquidity reserves amounting to Euro 463,089 thousand were held at the Central Bank, as eligible assets for refinancing.

6.2 Loans to banks subject to micro-hedge (specifically hedged)

At the end of 2013, there were no loans to banks subject to micro-hedge, i.e. specifically hedged.

6.3 Finance leases

At the end of 2013 there were 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	31.12.2013						31.12.2012					
	Book Value			Fair Value			Book Value			Fair Value		
		Impaired						Impaired				
	Performing	Purchased	Other	Level 1	Level 2	Level 3	Performing	Purchased	Other	Level 1	Level 2	Level 3
Funding	34,089,811	-	2,296,530	-	-	38,058,226	33,334,999	-	1,788,111	-	-	35,718,579
1. Current accounts	3,714,912	-	473,900	X	X	X	4,317,175	-	345,551	X	X	X
2. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
3. Mortgage loans	21,222,416	-	1,200,939	X	X	X	21,217,718	-	984,637	X	X	X
4. Credit cards, personal loans and loans repaid by automatic deductions from wages	620,352	-	32,044	X	X	X	722,676	-	30,318	X	X	X
5. Finance leases	1,638,345	-	220,699	X	X	X	1,644,215	-	214,109	X	X	X
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
7. Other transactions	6,893,786	-	368,948	X	X	X	5,433,215	-	213,496	X	X	X
Debt securities	5,512	-	-	-	-	5,512	5,039	-	-	-	-	5,039
8. Structured securities	-	-	-	X	X	X	-	-	-	X	X	X
9. Other debt securities	**5,512**	**-**	**-**	**X**	**X**	**X**	**5,039**	**-**	**-**	**X**	**X**	**X**
Total	**34,095,323**	**-**	**2,296,530**	**-**	**-**	**38,063,738**	**33,340,038**	**-**	**1,788,111**	**-**	**-**	**35,723,618**

7.2 Loans to Customers: composition by debtor/issuer

Type of transactions/Amounts	31.12.2013			31.12.2012		
		Impaired			Impaired	
	Performing	Purchased	Other	Performing	Purchased	Other
1. Debt securities:	**5,512**	**-**	**-**	**5,039**	**-**	**-**
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other issuers	5,512	-	-	5,039	-	-
- non-financial companies	5,512	-	-	5,039	-	-
- financial companies	-	-	-	-	-	-
- insurance undertakings	-	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans to:	**34,089,811**	**-**	**2,296,530**	**33,334,999**	**-**	**1,788,111**
a) Governments	8,023	-	1	5,092	-	7
b) Other public entities	327,034	-	1,895	254,265	-	1
c) Other	33,754,754	-	2,294,634	33,075,642	-	1,788,103
- non-financial companies	17,118,619	-	1,826,083	18,150,633	-	1,327,552
- financial companies	2,839,309	-	44,331	1,451,716	-	35,063
- insurance undertakings	83,378	-	1	21,738	-	1
- other	13,713,448	-	424,219	13,451,555	-	425,487
Total	**34,095,323**	**-**	**2,296,530**	**33,340,038**	**-**	**1,788,111**

7.3 Loans to Customers subject to micro-hedge (specifically hedged)

Type of transactions/Amounts	31.12.2013	31.12.2012
1. Loans with specific fair value hedges	67,303	75,289
a) interest rate risk	67,303	75,289
b) exchange rate risk	-	-
c) credit risk	-	-
d) multiple risks	-	-
2. Loans with specific cash flow hedges	-	-
a) interest rate risk	-	-
b) exchange rate risk	-	-
c) other	-	-
Total	**67,303**	**75,289**

7.4 Finance leases

	Total					
	31.12.2013					
		Principal portion			Gross investment	
Time ranges	Net impaired exposure		of which secured residual value	Interest portion		of which unsecured residual value
- demand	108,608	19,446	-	4,362	23,808	3
- up to 3 months	14,445	41,965	-	12,441	54,405	1,048
- over 3 months up to 1 year	20,531	174,448	-	46,560	221,008	12,452
- over 1 year up to 5 years	39,014	628,403	-	175,500	803,903	36,313
- mote than 5 years	38,101	794,430	-	165,702	960,132	182,491
- duration indefinite	-	-	-	-	-	
Totale	**220,699**	**1,658,693**	**-**	**404,564**	**2,063,257**	**232,307**
Rettifiche di valore						
- analitiche	-	-	-	-	-	-
- collettive	-	-10728		-	-	-
Totale netto	**259,713**	**1,669,422**	**-**	**580,064**	**2,063,257**	**232,307**

Leases are contracts by which a subject (lessee) asks the leasing company (lessor) to purchase (or have made) an asset by a manufacturer or Seller (Supplier) in order to use it, against the payment of a set period fee (rent).

Crédit Agricole Leasing Italia Srl finance lease contracts envisage that the lessee, granted that the same has fulfilled all obligations undertaken, at the end of the set contract duration, may choose:

- To acquire the ownership of the asset by paying a pre-set price;
- To return the asset subject to the lease contract.

The contract duration, over the 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.

Financed assets vary according to the applicant and/or the nature of the activity performed. In general, financed assets fall into 4 categories: motor vehicles (cars, commercial vehicles and industrial vehicles), air rail naval (airplanes, boats, railway cars), equipment and property (commercial and industrial buildings both completed and to be built).

Sale and lease-back

Sale and lease-back is a transaction by which the same asset is sold and leased back.

Loans resulting from lease-back contracts, which for Crédit Agricole Leasing Italia S.r.l. have no particular features in contractual clauses, except possibly in the ones relating to the regulation of the Supplier role (identifiable with the lessee), amounted to Euro 258 million.

Section 8 - Hedging derivatives - Item 80

8.1 Hedging derivatives: composition by type of hedge and levels

Type of transactions/Amounts	Fair Value 31.12.2013			Notional value 31.12.2013	Fair Value 31.12.2012			Notional value 31.12.2012
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial Derivatives	**-**	**692,941**	**-**	**14,147,728**	**-**	**1,151,735**	**-**	**15,325,646**
1) Fair value	-	692,941	-	14,147,728	-	1,151,735	-	15,325,646
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**692,941**	**-**	**14,147,728**	**-**	**1,151,735**	**-**	**15,325,646**

8.2 Hedging derivatives: composition by hedged portfolio and by type of hedge

Transactions/ Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific								
	Interest rate risk	Exchange rate risk	Credit risk	Price risk	Multiple risks	Generic	Specific	Generic	
1. Financial assets available for sale	12,156	-	-	-	-	X	-	X	X
2. Loans and receivables	19,632	-	-	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	**31,788**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	661,153	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	-	-	-	X
Total liabilities	**661,153**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

The "Hedging Derivatives" item referring to financial liabilities consisted of Euro 283.277 thousand for hedging own bonds issued and Euro 377.876 thousand referring to macro-hedge (generic collective hedging) of fixed-rate demand deposits.

Section 9 - Adjustment of financial liabilities subject to macro-hedge - Item 90

9.1 Adjustment of hedged assets: composition by hedged portfolio

Value adjustments of hedged assets	31.12.2013	31.12.2012
1. Positive adjustment	**1,469**	**6,363**
1.1 of specific portfolios:	1,469	6,363
a) loans	1,469	6,363
b) financial assets available for sale	-	-
1.2 total	-	-
2. Negative adjustment	**-277**	**-**
2.1 of specific portfolios:	-277	-
a) loans	-277	-
b) financial assets available for sale	-	-
2.2 total	-	-
Total	**1,192**	**6,363**

9.2 Assets subject to macro-hedge for interest rate risk

Type of transactions/Amounts	31.12.2013	31.12.2012
Loans	439,636	138,293
Financial assets available for sale	-	-
Portfolio	-	-
Total	**439,636**	**138,293**

Section 10 - Equity investments - item 100

10.1 Equity investments in subsidiaries, joint-ventures or companies subject to significant influence: information on investments

			Equity investment		
Name	Registred office	Type of relationship	Investor	% holding	% of votes
A. Companies subject to significant influence					
2. CA - Agroalimentare S.p.A.	Parma	connected	Cariparma FriulAdria	26.32 10.53	x x
3. Greenway Società Agricola a r.l.	Camino al Tagliamento (UD)	connected	FriulAdria	35.00	x
4. Glassfin S.r.l.	San Vito al Tagliamento (PN)	connected	FriulAdria	31.66	x
5. Gefil S.p.A.	La Spezia	connected	Carispezia	25.83	x
6. Bauhaus S.p.A.	Milano	connected	Sliders	19.90	x

10.2 Equity investments in subsidiaries, joint-ventures or companies subject to significant influence: accounting data

Name	Total Assets	Total Revenue	Profit (loss)	Equity	Book value	Fair value		
						Level 1	Level 2	Level 3
A. Companies accounted for with equity method	**98,729**	**1,108**	**-631**	**92,891**	**19,263**	**-**	**-**	**-**
A.1 Joint venture	-	-	-	-	-	-	-	-
A.2 Companies subject to significant influence	98,729	1,108	-631	92,891	19,263	-	-	-
1. CA Agroalimentare S.p.A	92,015	375	-906	91,623	16,330	-	-	-
2. Greenway Società Agricola a R.L.	6,714	733	275	1,268	350	-	-	-
3. Glassfin S.r.l.	3,205	146	-521	-429	-	-	-	-
4. Gefil S.p.A.	17,772	4,291	448	11,058	2,583	-	-	-
5. Bauhaus S.p.A.	9,116	3	-6,010	9,108	-	-	-	-

The data reported have been taken from the latest Annual Report approved by each company.

The fair value of equity investments in companies subject to significant influence has not been reported, since no one of these companies is listed.

10.3 Equity investments: changes for the period

	31.12.2013	31.12.2012
A. Opening balance	**20,433**	**123,222**
B. Increases	**-**	**15,006**
B.1 Purchases	-	15,006
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4. Other changes	-	-
C. Decreases	**1,170**	**117,795**
C.1 Sales	-	102,449
C.2 Writedowns	1,170	15,346
C.3. Other changes	-	-
D. Closing balance	**19,263**	**20,433**
E. Total Revaluation	**-**	**-**
F. Total writedowns	**-**	**-**

(*) This amount refers to the measurement with the equity method of the equity investment in CA Agroalimentare S.p.A.

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

At the end of 2013, the remaining commitment to the company CA Agro-Alimentare amounted to Euro 17.5 million

Section 12 - Property, plant and equipment - Item 120

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

Assets/Amount	31.12.2013	31.12.2012
1.Owned	**431,547**	**431,248**
a) land	117,299	117,312
b) buildings	263,643	262,737
c) furnishing	12,848	14,160
d) electronic equipment	6,704	6,170
e) other	31,053	30,869
2. Acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furnishing	-	-
d) electronic equipment	-	-
e) other	-	-
Total	**431,547**	**431,248**

12.2 Investment property, plant and equipment: composition of assets measured at cost

Assets/Amounts	31.12.2013				31.12.2012			
	Book value	Fair Value			Book value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Owned	**11,268**	**-**	**-**	**27,283**	**11,544**	**-**	**-**	**22,525**
a) land	4,733	-	-	12,427	4,645	-	-	11,343
b) buildings	6,535	-	-	14,856	6,899	-	-	11,182
2. Acquired under finance leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	**11,268**	**-**	**-**	**27,283**	**11,544**	**-**	**-**	**22,525**

12.5 Operating property, plant and equipment: changes for the period

	Land	Buildings	Furnishing	Electronic equipment	Other	Total
A. Opening balance	**117,312**	**489,549**	**99,283**	**57,512**	**191,413**	**955,069**
A.1 Total net writedowns	-	-226,812	-85,123	-51,342	-160,544	-523,821
A.2 Opening net balance	117,312	262,737	14,160	6,170	30,869	431,248
B. Increases	**-**	**11,951**	**3,215**	**3,922**	**10,508**	**29,596**
B.1 Purchases	-	1,387	3,215	3,922	10,508	19,032
B.2 Increases in internal intangible assets	-	10,564	-	-	-	10,564
B.3 Writebacks	-	-	-	-	-	-
B.4. Fair Value gains:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7 Other changes	-	-	-	-	-	-
C. Decrease	**13**	**11,045**	**4,527**	**3,388**	**10,324**	**29,297**
C.1 Sales	13	42	-	-	396	451
C.2 Depreciation	-	10,256	4,466	3,339	9,732	27,793
C.3 Writedowns for impairment	-	-	-	-	-	-
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	-	747	61	49	196	1,053
D. Closing net balance	117,299	263,643	12,848	6,704	31,053	431,547
D.1 Total net writedowns	-	235,718	89,588	54,682	170,276	550,264
D.2 Closing gross balance	117,299	499,361	102,436	61,386	201,329	981,811
E. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**

12.6 Investment property, plant and equipment: changes for the period

	31.12.2013	
	Land	Buildings
A. Opening balance	4,645	6,899
B. Increases	118	18
B.1 Purchases	118	-
B.2 Capitalized improvement costs	-	18
B.3 Fair value gains recognized in	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from operating assets	-	-
B.7 Oyher changes	-	-
C. Decreases	30	382
C.1 Sales	30	75
C.2 Depreciation	-	307
C.3 Fair Value losses	-	-
C.4 Writedowns for impairment	-	-
C.5 Negative exchange rate differences	-	-
C.6 Transfers to other assets portfolios	-	-
a) operating assets	-	-
b) discontinuing operations	-	-
C.7 Other changes	-	-
D. Closing balance	4,733	6,535
E. Carried at fair value	12,427	14,857

Section 13 - Intangible assets - Item 130

13.1 Intangible Assets: composition by type of asset

	31.12.2013		31.12.2012	
Assets/Amounts	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**1,575,536**	**X**	**1,575,536**
A.1.1 pertaining to parent company shareholders	X	1,575,536	X	1,575,536
A.1.2 minority interests	X	-	X	-
A.2 Other intangible assets	**352,026**	**-**	**370,588**	**-**
A.2.1 Assets carried at cost:	352,026	-	370,588	-
a) Intangible assets developed in-house	4,765	-	2,478	-
b) Other assets	347,261	-	368,110	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
Total	**352,026**	**1,575,536**	**370,588**	**1,575,536**

The cost of intangible assets with finite life is amortized on a straight-line basis over the useful life of the asset, which, for all software has been set at 5 years. The useful life of some types of software, specifically identified, has been estimated in 10 years.

In-house generated intangible assets were recognized for Euro 2.5 million. These assets resulted from staff expenses borne for in-house development of software and are amortized over a 5-year period.

The useful life of intangible assets representing business with Customers has been set at 15 years, based on the time series available on the rate of Customer turnover in the Retail segment.

13.2 Intangible Assets: changes for the period

		Other intangible assets: internally generated		Other intangible assets: Other		
	Goodwill	with finite life	with indefinite life	with finite life	with indefinite life	Total
A. Opening balance	**1,581,546**	**2,911**	**-**	**639,628**	**-**	**2,224,085**
A.1Total net writedowns	6,010	433	-	271,518	-	277,961
A.2 Opening net balance	**1,575,536**	**2,478**	**-**	**368,110**	**-**	**1,946,124**
B. Increases	**-**	**2,851**	**-**	**42,253**	**-**	**45,104**
B.1 Purchases	-	2,851	-	42,253	-	45,104
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	**-**	**564**	**-**	**63,102**	**-**	**63,666**
C.1 Sales	-	-	-	-	-	-
C.2 Writedowns	-	564	-	63,085	-	63,649
- Depreciation and amortization	X	564	-	63,085	-	63,649
- Writedowns:	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Fair Value losses recognized in:		-	-	-	-	-
- equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
C.4 Tranfers to discontinuing operations	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	17	-	17
D. Closing net balance	**1,575,536**	**4,765**	**-**	**347,261**	**-**	**1,927,562**
D.1 Total net writedowns	-	996	-	326,431	-	327,427
E. Closing gross balance	**1,575,536**	**5,761**	**-**	**673,692**	**-**	**2,254,989**
F. Carried at cost	**-**	**-**	**-**	**625**	**-**	**625**

13.3 Other Information

Impairment Testing of Intangible Assets with Finite Useful Life

At the end of 2013 it was verified that the value of each of the elements making up intangible assets, which were recognized within the scope of transactions made in 2007 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the component relating to loans to Customers, the present value was calculated taking into account the rate of early repayment of loans between March 2008 and December 2013, the cost of credit (the 2011-2013 average) and the long-term taxation level;
- 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 Commission Income, the present value of commission income was recalculated taking account of the expected level of commission income from “banking services”

The analysis had a positive result.

Therefore, the overall value of these intangible assets was found to be higher than the value recognized as at 31 December 2013 amounting to:

- Banca Popolare FriulAdria; Euro 49,985 thousand;
- 180 Cariparma branches purchased in 2007: Euro 91,088 thousand;
- 29 Banca Popolare FriulAdria branches purchased in 2007: Euro 8,975 thousand;
- For a total of Euro 150,048 thousand.

At the end of 2013, it was verified that the value of each of the elements making up intangible assets, which were recognized within the scope of transactions made in 2011 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the component relating to demand deposits, volumes were essentially in line with the date of purchase and their measurement took into account the introduction of the Multiple ITR System;
- with regard to Net Commission Income, the changes in Wealth Management commission income for Assets under Administration and Assets under Management for 2011, 2012, 2013 and 2014, as well as the relevant 15-year perspective forecasts were analyzed.

Therefore, the overall value of these intangible assets, which were recognized within the scope of transactions made in 2011, was found to be higher than the value recognized as at 31 December 2013 amounting to:

- Carispezia: Euro 24,613 thousand;
- 81 Cariparma branches purchased in 2011: Euro 69,860 thousand;
- 15 Banca Popolare FriulAdria branches purchased in 2011: Euro 13,896 thousand;
- For a total of Euro 108,369 thousand.

Impairment test on goodwill

As required by the IASs/IFRSs, the goodwill resulting from the purchases of Banca Popolare FriulAdria, of the 180 Cariparma branches and the 29 Banca Popolare FriulAdria branches (made in 2007), of the 81 Cariparma branches and of the 15 Banca Popolare FriulAdria branches (made in 2011), of CALIT (made in 2009) and of Carispezia (made in 2011) was tested for impairment. The goodwill paid in relation to the transactions described above was allocated as follows:

CGU	Goodwill (€/thousand)
Retail+Private Chanenl	1,502,324
Enterprises+Corporate Channel	73,212

These CGUs have been identified consistently with the Segment Reporting made in the Annual Report and Consolidated Financial Statements. The use value of each CGU has been determined in accordance with the method adopted by the Crédit Agricole S.A. Group, i.e. using the Discounted Cash Flow Method (discount of future profits and losses), and compared with the relevant carrying amount (book value), which was calculated as the sum of goodwill, intangible assets and equity absorbed.

Starting from 2013, the model that has been adopted for calculating future cash flows consists of three stages:

- for the first stage (2014-2016) the following forecasts were used: the 2014 Budget, and for 2015 and 2016 the forecasts reviewed in the light of the 2014 Budget;
- for the second stage (2017-2018) 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 2016);
- The last stage considers the terminal value: the cash flow after tax 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 measurement practices adopted in the sector.

Specifically, the following assumptions on plan development are pointed out:

- Increase in the average lending and funding volumes: 2-4% per year;
- Market rates scenario: rates returning to more physiological levels, in line with a gradual exit from the crisis;
- Reduction of administrative expenses: in the reference time horizon, as the combined effect of expense control strategies that the Group is pursuing and of the new investments aiming at the development and automation of the Distribution Network;
- Cost of Risk: the Group has forecast a gradual exit from the present economic crisis reaching a cost of risk at a physiological level in 2018;

The allocated equity has been measured based on an 8% rate of RWAs, in line with the new Basel 3 provisions, the International Regulatory Framework for Banks in force starting from 1 January 2014, which requires a level of Common Equity Tier 1 (CET1) of 8%, including 2.5 pp required as capital conservation buffer.

The cash flows (after taxes) thus determined were then discounted at a rate (ke) calculated based on the Capital Asset Pricing Model (risk-free rate plus the product of the beta coefficient and the risk premium), and equal to 9.7% (vs. 9.8% used for the impairment test for the 2012 Annual Report and Financial Statements).

The ke rate applied is the same for all CGUs identified, since no appreciable differences have been detected between them in terms of risks taken.

The components of the discount rate ke and the relating comparison with the parameters used in 2012 are reported below:

Remuneration of capital (K_e)	9.66%	9.81%
- of which risk-free rate	4.62%	4.77%
- of which Beta	1.2	1.2
- of which risk premium	4.20%	4.20%

With Beta yields and risk premium being equal, the risk-free rate, calculated as the long-term average yield of the ten-year Italian Treasury Bonds (Italian acronym; BTP), decreased subsequent to the gradual decrease in the average yield of government securities.

For all CGUs (Retail/Private Banking and Enterprises/Corporate) the calculation produced a CGU value higher than the corresponding book value of the CGU.

It was also found that the result for the Retail-Private Banking and Enterprise-Corporate CGUs was obtained even with changes (within a reasonable range of oscillation) in the elements making up the discount rate. More specifically, the sensitivity analysis was carried out varying the parameters as follows:

- risk-free rate: variation range between 1.92% (average rate of 10-year Bunds in December 2013) and 4.62%;
- beta: variation range between 1.05 (average Beta of a sample of medium-size listed Italian Banks, calculated over a three-year time horizon) and 1.20;
- risk premium: variation range between 3.50% (1900-2011 geometric mean, source "Equity Risk Premiums (ERP): Determinants, Estimation and Implications - The 2013 Edition", Aswath Damodaran, March 2013) and 4.20%;

Also in these cases, the result of the sensitivity analysis was positive.

Lastly, we determined the discounting rate or long-term growth rate "g" at which the use value becomes equal to the book value. This analysis showed that the book value is equal to the use value only with a marked increase in the discounting rate ke (11.6% for the Retail/ Private Banking CGU and 12.3% for the Enterprise/Corporate CGU), whereas, even with a long-term growth rate equal to zero, the use value would remain higher than the book value for both CGUs.

Section 14 - Tax Assets and Tax Liabilities - Assets Item 140 and Liabilities Item 80

14.1 Deferred tax assets: composition

	31.12.2013	31.12.2012
A. Deferred tax assets:	**836,164**	**731,443**
A1. Receivables (including securuzation)	252,480	132,570
A2. Other financial instruments	35,477	84,786
A3. Goodwill	472,319	434,230
A4. Long-term costs	-	-
A5. Property, plant and equipment	-	-
A6. Provisions for liabilities	53,912	59,813
A7. Representation expenses	-	-
A8. Staff expenses	-	-
A9. Tax losses	-	-
A10. Unused tax credits to be deducted	-	-
A11. Other	21,976	20,044
B. Offset against deferred tax liabilities	**-**	**-**
C. Net deferred tax assets	**836,164**	**731,443**

14.2 Deferred tax liabilities: composition

	31.12.2013	31.12.2012
A. Gross deferred tax liabilities	**93,524**	**96,694**
A1. Capital gains spreading	1,087	511
A2. Goodwill	-	-
A3. Property, plant and equipment	17,287	18,006
A4. Financial instruments	23,526	19,513
A5. Staff expenses	-	-
A6. Other	51,624	58,664
B. Offset against deferred tax assets	**-**	**-**
C. Net deferred tax liabilities	**93,524**	**96,694**

14.3 Changes in deferred tax assets (recognized in the Income Statement)

	31.12.2013	31.12.2012
1. Opening balance	**642,058**	**503,258**
2. Increases	**228,039**	**196,502**
2.1 Deferred tax assets recognized during the periond	213,193	195,019
a) in respect of previus years	-	-
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other	213,193	195,019
2.2 New taxes or increases in tax rates	-	50
2.3 Other increases	14,846	1,433
3. Decreases	**76,939**	**57,702**
3.1 Deferred tax assets derecognized during the period	65,731	56,620
a) reversals	65,731	56,620
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	53
3.3 Other reductions	11,208	1,029
a) changes in tax credits of which: Law 214/2011	4,919	559
b) other	6,289	470
4. Closing balance	**793,158**	**642,058**

The increases and other decreases under points 2.3 and 3.3 refer to the increases or decreases resulting from the more accurate recognition of deferred tax assets after the Group filed its income tax return. The related balancing item is not represented by income statement items, but by current tax liabilities.

14.3.1 Changes in deferred tax assets pursuant to Law 214/2011 (recognized in the Income Statement)

	31.12.2013	31.12.2012
1. Opening balance	**560,604**	**449,296**
2.Increases	**207,928**	**140,989**
3. Decreases	**50,061**	**29,681**
3.1 Revelsals	41,672	28,874
3.2 Changes in tax credits	4,919	559
a) resulting from losses of period	4,919	559
b) resulting from tax losses	-	-
3.3 Other reductions	3,470	248
4. Closing balance	**718,471**	**560,604**

Deferred tax assets pursuant to Law 214/2011 were also recognized in equity for an amount of Euro 3,182 thousand.
Therefore, total deferred tax assets transformable pursuant to Law 214/2011 came to Euro 721,653 thousand.

14.4 Changes in deferred tax liabilities (recognized in the Income Statement)

	31.12.2013	31.12.2012
1. Opening balance	**80,696**	**109,671**
2. Increases	**615**	**1,834**
2.1 Deferred tax liabilities recognized during the year	380	1,666
a) in respect of previous years	-	-
b) due to change in accounting policies	377	-
c) other	3	1,666
2.2 New taxes or increases in tax rates	-	57
2.3 Other increases	235	111
3. Decreases	**14,650**	**30,809**
3.1 Deferred taxes derecognized in the financial year	14,179	30,794
a) reversals	14,179	30,794
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	9
3.3 Other reductions	471	6
4. Closing balance	**66,661**	**80,696**

The other increases and decreases include the increases or decreases resulting from the more accurate recognition of deferred taxes after the Group filed its income tax return. The related balancing item is not represented by income statement items, but by current tax liabilities.

14.5 Changes in deferred tax assets (recognized in equity)

	31.12.2013	31.12.2012
1. Opening balance	**89,385**	**208,072**
2. Increases	**4,055**	**4,103**
2.1 Deferred tax liabilities recognized during the year	986	4,044
a) in respect of previous years	131	-
b) due to change in accounting policies	-	-
c) other	855	4,044
2.2 New taxes or increases in tax rates	-	59
2.3 Other increases	3,069	-
3. Decreases	**50,434**	**122,790**
3.1 Deferred tax assets derecognized during the period	50,434	122,748
a) revelsals (*)	50,434	122,748
b) swritedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	20
3.3 Other reductions	-	22
4. Closing balance	**43,006**	**89,385**

(*) Cancelled 2013 taxes mainly referred to the measurement of AFS securities.

14.6 Changes in deferred tax liabilities (recognized in equity)

	31.12.2013	31.12.2012
1. Opening balance	**15,998**	**8,547**
2. Increases	**22,795**	**13,041**
2.1 Deferred tax liabilities recognized during the year	20,637	13,041
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	20,637	13,041
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	2,158	-
3. Decreases	**11,930**	**5,590**
3.1 Deferred taxes derecognized in the financial year	11,930	5,590
a) reversals(*)	11,930	5,590
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	-	-
4. Closing balance	**26,863**	**15,998**

(*) The increase and decrease in taxes mainly referred to the measurement of AFS securities and any re-attribution in case of transfers.

Section 16 - Other assets - Item 160

16.1 Other assets: composition

	31.12.2013	31.12.2012
Sundry debits in process	61,312	91,723
Stamp duty and other assets	5	5
Items being processing	108,342	262,289
Accrued income not allocated to other items	24,221	14,574
Prepaid expenses not allocated to other items	59,234	50,821
Protested bills and checks	3,404	2,830
Leasehold improvements	12,835	9,526
Tax advances paid on behalf of third parties	84,345	95,641
Sundry items	186,087	301,912
Total	**539,785**	**829,321**

LIABILITIES

Section 1 - Due to Banks - Item 10

1.1 Due to banks: composition by type

Type of transactions / Amounts	31.12.2013	31.12.2012
1. Due to central banks	**800,006**	**-**
2. Payables due to banks	**5,284,869**	**5,275,445**
2.1 Current accounts and demand deposits	392,975	814,546
2.2 Fixed-term deposits	2,699,356	2,198,492
2.3 Loans	2,191,401	2,260,386
2.3.1 Repurchase agreements	1,001,049	1,043,932
2.3.2 Other	1,190,352	1,216,454
2.4 Liabilities in respect of commitments to repurchase own equity instruments	-	-
2.5 Other payables	1,137	2,021
Total	**6,084,875**	**5,275,445**
Fair value - level 1	-	-
Fair value - level 2	6,084,785	5,275,445
Fair value - level 3	-	-
Fair value total	**6,084,785**	**5,275,445**

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 instalments as from December 2014	Euribor 3 months + 334 b.p.	euro	250,000	250,380
Subordinated deposit	30.03.2011	30.03.2021	5 equal instalments as from March 2017	Euribor 3 months + 220 b.p.	euro	400,000	400,000

1.3 Breakdown of item 10 “Due to Banks”: structured liabilities

As at the end of 2013, there were no structured liabilities to banks.

1.4 Due to Banks subject to micro-hedge (specifically hedged)

As at the end of 2013 there were no dues to banks subject to micro-hedge.

1.5 Liabilities in respect of finance leases

As at the end of 2013, there were no due to banks resulting from finance lease transactions.

Section 2 - Due to Customers - Item 20

2.1 Due to Customers: composition by type

Type of transaction/Amounts	31.12.2013	31.12.2012
1. Current accounts and demand deposits	22,129,447	21,224,462
2. Fixed-term deposits	976,192	673,876
3. Loans	115,963	250,673
3.1 Repurchase agreements	108,807	245,692
3.2 other	7,156	4,981
4. Loiabilities in respect of commitments to repurchase own equity	-	-
5. Other payables	138,991	115,458
Total	**23,360,593**	**22,264,469**
Fair value - level 1	-	-
Fair value - level 2	23,351,140	22,264,469
Fair value - level 3	9,453	-
Fair Value	**23,360,593**	**22,264,469**

2.2 Breakdown of item 20 “Due to Customers”: subordinated liabilities

As at the end of 2013, there were no subordinated liabilities to Customers.

2.3 Breakdown of item 20 “Due to Customers”: structured liabilities

As at the end of 2013, there were no structured liabilities to Customers.

2.4 Due to customers subject to micro-hedge (specifically hedged)

At the end of 2013 there were no due to Customers subject to micro-hedge.

2.5 Liabilities in respect of finance leases

As at the end of 2013 there were no dues to Customers resulting from finance lease transactions.

Section 3 - Outstanding securities - Item 30

3.1 Outstanding securities: composition by type

Type of securities/values	31.12.2013				31.12.2012			
	Book value	Fair Value			Book value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	11,147,318	-	11,070,289	120,025	11,938,782	-	11,885,006	120,000
1.1 structured	183,345	-	186,722	-	206,475	-	211,703	-
1.2 other	10,963,973	-	10,883,567	120,025	11,732,307	-	11,673,303	120,000
2. Other securities	2,085,791	-	22,452	2,063,339	2,016,737	-	25,945	1,990,794
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	2,085,791	-	22,452	2,063,339	2,016,737	-	25,945	1,990,794
Total	**13,233,109**	**-**	**11,092,741**	**2,183,364**	**13,955,519**	**-**	**11,910,951**	**2,110,794**

The sub-item of “Other securities” “2.2 other” includes certificates of deposit and banker’s drafts issued by the Group Banks.

3.2 Breakdown of item 30 “Outstanding securities”: subordinated securities

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value
Subordinated loan	29.06.2011	31.12.2100	5 equal instalments as from 14 Dec. 2013	Euribor 3 months + 0,10%	euro	120,000	115,225
Subordinated loan	14.12.2007	14.12.2017	50% by 30 June 2015, 50% by 30 June 2016	Up to 30.06.2012 5%; after 50% Euribor 6 months + 1,00%	euro	30,000	22,159
Subordinated loan	30.06.2009	30.06.2016	50% by 30 June 2015, 50% by 30 June 2016	5% fixed	euro	77,250	75,845
Subordinated loan	30.06.2009	30.06.2016	perpetual (call 5 years)	Euribor 3 months + 7,29%	euro	222,750	227,138

3.3 Breakdown of item 30 “Outstanding securities”: securities subject to micro-hedge (specifically hedged)

As at the end of 2013, there were €9,742 million worth of securities subject to micro-hedge for interest rate risk.

Section 4 - Financial liabilities held for trading - Item 40

4.1 Financial liabilities held for trading: composition by type

Type of transactions / Amounts	31.12.2013					31.12.2012				
		Fair Value					Fair Value			
	NV	Level 1	Level 2	Level 3	FV*	NV	Level 1	Level 2	Level 3	FV*
A. On-balance-sheet liabilities										
1. Payables due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-		-	-	-	-	-
3.1 Bonds	-	-	-	-		-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other	-	-	-	-		-	-	-	-	
3.2.1 structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial Derivatives		-	181,625	32,179			12	251,150	60,986	
1.1 Trading	X	-	174,543	29,809	X	X	12	239,502	57,880	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	7,082	2,370	X	X	-	11,648	3,106	X
2. Credit derivatives		-	-	-			-	-	-	
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		**-**	**181,625**	**32,179**			**12**	**251,150**	**60,986**	
Total (A+B)	**X**	**-**	**181,625**	**32,179**	**X**	**X**	**12**	**251,150**	**60,986**	**X**

Key:

FV = fair value

FV = fair value calculated excluding changes in value resulting from changes in the issuer's credit rating after the issue date*

NV = nominal value or notional value.

4.2 Breakdown of Item 40 "Financial liabilities held for trading": subordinated liabilities

As at the end of 2013, there were no subordinated liabilities held for trading.

4.3 Breakdown of Item 40 "Financial liabilities held for trading": structured liabilities

As at the end of 2013, there were no structured liabilities held for trading.

Section 6 - Hedging derivatives - Item 60

6.1 Hedging derivatives: composition by type of hedge and levels

	Fair value 31.12.2013			Notional amount 31.12.2013	Fair value 31.12.2012			Notional amount 31.12.2012
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A) Financial Derivatives	**-**	**215,689**	**129,684**	**5,897,168**	**-**	**319,350**	**-**	**3,168,879**
1) Fair value	-	215,689	129,684	5,897,168	-	319,350	-	3,168,879
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**215,689**	**129,684**	**5,897,168**	**-**	**319,350**	**-**	**3,168,879**

6.2 Hedging derivatives: composition by hedged portfolio and by type of hedge

Operazioni/Tipo di copertura	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	317,990	-	-	-	-	X	-	X	X
2. Loans and receivables	10,188	-	-	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	**328,178**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	17,195	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	-	-	-	X
Total liabilities	**17,195**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	X	-	-

The "Hedging Derivatives" item referring to financial liabilities consisted of Euro 3,151 thousand for hedging own bonds issued and Euro 14,044 thousand referring to macro-hedge of fixed-rate demand deposits.

Section 7 - Adjustment of financial liabilities subject to macro-hedge - Item 70

7.1 Adjustment of financial liabilities subject to hedge

Adjustment of hedged liabilities /Amounts	31.12.2013	31.12.2012
1. Positive adjustment of financial liabilities	350,530	658,142
2. Negative adjustment of financial liabilities	-	-
Total	**350,530**	**658,142**

The part of fixed-rate demand deposits that is considered stable by the internal model adopted by the Group is subject to macro-hedge. The adjustment of these liabilities decreased from €658.1 million as at 31 December 2012 to €350.5 million as at 31 December 2013; this change was mainly due to the developments in market rates.

7.2 Liabilities subject to macro-hedge for interest rate risk: composition

Type of transaction/Values	31.12.2013	31.12.2012
Financial liabilities	6,124,800	6,398,700

Section 8 - Tax liabilities - item 80

See Section 14 - Assets.

Section 10 - Other liabilities - Item 100

10.1 Other liabilities: composition

	31.12.2013	31.12.2012
Payables to suppliers	164,867	132,665
Amounts due to third parties	223,787	333,417
Credit transfers orded and being processed	115,499	176,334
Amounts payable to tax authorities on behalf of third paties	84,227	91,627
Advances on loans	3,008	1,801
Adjustments for illiquid items	153,936	199,825
Staff costa	74,887	70,606
Uncapitalized accrued expenses	8,890	0
Deferred income not allocated to other items	68,189	0
Guarantees and commitments	7,853	7,784
Sundry items and deferred income not allocated to other items	121,297	211,600
Total	**1,026,440**	**1,225,659**

Section 11 - Employees' Severance Benefits - item 110

11.1 Employee severance benefits: changes for the period

	31.12.2013	31.12.2012
A. Opening balance	**171,107**	**164,246**
B. Increases	**4,255**	**25,028**
B.1 Provision for the period	3,584	2,676
B.2 Other changes	671	22,352
C. Decreases	**23,714**	**18,166**
C.1 Severance payments	15,441	18,166
C.2 Other changes	8,273	-
D. Closing balance	**151,648**	**171,108**
Total	**151,648**	**171,108**

11.2 Other Information

Description of the main actuarial assumptions

Pursuant to the Italian legislation (Article 2120 of the Italian Civil Code), at the date of termination of his/her employment at a company, each employee is entitled to a severance package called “Trattamento di Fine Rapporto” (Employee Severance Benefits or with the Italian acronym TFR) equal to the sum of the Severance Benefits accrued for each year of work for the company.

The amount of each annual portion is calculated dividing the ordinary pay by 13.5 (in percentage terms this portion is equal to 7.41% of the pay); to the resulting amount a deduction is made of 0.5%, which is paid directly to the Italian National Social Security Institute (INPS) as a pension contribution. Therefore, net portion accrued annually is equal to 6.91% of the ordinary pay.

As at 31 December of each year, the Provision for Employees’ Severance Benefits is subject to revaluation applying a rate of 1.5% plus 75% of the increase in the consumer price index for blue-collar and white-collar households for the year. Effective from 1 January 2001, these revaluations have been taxed based on an annual rate of 11%.

Pursuant to the legislation, employees may ask for advances on the Severance Benefits accrued when the employment is still going on.

With regard to the provisioning for the annual portion of Employees Severance Benefits, no contributions have to be paid by the Employer and/or by the Employee, and no asset is provided for to cover the accrued liabilities.

With the entry into force of Italian 2007 Finance Act, concerning the Reform of Supplementary pension Schemes, the measurement of Employees Severance Benefits, in accordance with IAS 19, must take the impact of the new provisions into account.

Specifically, for the companies in the Cariparma Crédit Agricole Group, which have a number of employees higher than 50, starting from 31 December 2006, the portions of Severance Benefits accrued are paid to external Supplementary Pension Schemes of the State Treasury Fund managed by the Italian National Social Security Institute (INPS).

In the light of these amendments, the Bank’s obligation consists of the portions of Employees’ Severance Benefits accrued before 1 January 2007 (and not yet paid out as at the reporting date), which increase annually only by the revaluation rate applied on the existing amounts.

Since IAS 19 requires that the Provision for Employees’ Severance Benefits (classified as a defined-benefit plan) is subject to actuarial measurement, based on a set of financial and demographic assumptions, the plan is exposed to risks resulting from the changes over time in the actuarial assumptions applied to the measurements. The main assumptions are:
- the discount rate: specifically, Carispezia uses IBOOX AA rates for the plan different durations: an increase in these rates generates a decrease in the IAS 19 liability and vice versa.
- the inflation rate: which sets the annual revaluation level: an increase in inflation generates an increase in the IAS 19 liability and vice versa.
- the turnover rate: changes in turnover rate may generate negative or positive impacts on the IAS 19 liability. This impact depends on the effects of the combination with the other assumptions applied (such as the inflation rate).

In the reporting year, this Bank was not subject to reductions and settlements, other than those resulting from terminations for retirement or for Voluntary Redundancy with the Solidarity Fund.

Changes for the period in defined-benefit net liabilities (assets) and in rights to refunds from the plan (IAS 19, paragraphs 140 and 141)

The statement of reconciliation for 2013 of the present value of the plan obligation for the Cariparma Crédit Agricole Group is given below:

Actuarial value of the bond as at 1 Jan. 2013	171,107
A. Service cost	59
B. Interest cost	3,517
C.1 Actuarial Gains/losses from changes in financial assumptions	-5,581
C.2 Actuarial Gains/losses from changes in demographic assumptions	-
C.3 Actuarial Gains/losses as per experience	-2,014
D. Payments provided for by the Plan	-15,441
Actuarial value of the bond as at 31 Dec. 2013	**151,648**

Disclosure of the fair value of the plan assets (IAS 19, paragraphs 142 and 143)

This point does not apply because no assets covering Employees' Severance Benefits have been provided for.

Description of the main actuarial assumptions (IAS 19, paragraph 144)

As reported in point one of this paragraph, the main actuarial assumptions used for Employees' Severance Benefits are the rate of discount of cash flows (or discount rate), the annual probability of cancellation for causes other than the death of employees in service (or turnover rate) and the cost-of-living index for white-collar and blue collar households (or inflation rate).

For the actuarial measurement of Employees' Severance Benefits as at 31 December 2013, the assumptions used by the Cariparma Crédit Agricole Group:
- Discount rate: IBOXX AA rates relating to the flows' different durations, specifically 2.09% (IBOXX AA, duration 7-10);
- Turnover percentage: 3.25%
- Inflation rate: 2.00%.

Other assumptions generating residual impact are the demographic table (RG48), the probability that advances on Severance Benefits are asked (equal to 3.00% per year) and the amount of advances on Severance Benefits (equal to 60% of the total available for advances to the Employee).

Disclosure of amount, timing and uncertainty of future cash flows (IAS 19, paragraphs 145, 146 and 147)

The results of the sensitivity analyses for each one of the main assumptions reported in point 4 are given below:

DISCOUNT RATE

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	**+50 bp**	**-50 bp**
151,648	145,089	158,599

TURNOVER PERCENTAGE

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	**+100 bp**	**-100 bp**
151,648	151,379	151,704

INFLATION RATE

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	**+50 bp**	**-50 bp**
151,648	156,333	147,208

The stresses applied to carry out the sensitivity analyses have been taken from the annual reports and the weighted average duration of the Bank's obligation is approximately 9 years.

Multi-employer plans (IAS 19, paragraph 148)

This paragraph does not apply because Employees' Severance Benefits do not amount to a multi-employer plan.

Defined-benefit plans that share risks between entities under common control (IAS 19, paragraphs 149 and 150)

This does not apply because Employees' Severance Benefits do not amount to a plan that shares risks between entities under common control.

Section 12 - Provisions for contingencies and liabilities - Item 120

12.1 Provisions for contingencies and liabilities: composition

Items / Amounts	31.12.2013	31.12.2012
1 Company pension plans	23,151	23,375
2. Other provisions for liabilities and contingencies	188,858	210,896
2.1 legal disputes	51,414	57,828
2.2 staff expenses	106,362	122,623
2.3 other	31,082	30,445
Total	**212,009**	**234,271**

12.2 Provisions for contingencies and liabilities: changes for the period

	31.12.2013	
Items	Pension plans	Other funds
A. Opening balance	**23,375**	**210,896**
B. Increases	**2,743**	**55,380**
B.1 Provisions for the period	-	54,807
B.2 Changes due to passage of time	643	439
B.3 Changes due to changes in the discount rate	-	37
B.4. Other changes	2,100	97
C. Decreases	**2,967**	**77,418**
C.1 Use during the year	2,967	58,745
C.2 Changes due to changes in the discount rate	-	55
C.3. Other changes	-	18,618
D. Closing balance	**23,151**	**188,858**

12.3 Company defined-benefit pension plans

1. Description of the plans and relating risks

The section of the defined-benefit pension plan concerns exclusively staff that already retired.

The plan is funded by a provision accrued by the Company, determined based on the mathematical reserve, which is calculated and certified annually by an independent actuary.

2. Changes for the period in defined-benefit net liabilities (assets) and in rights to refunds from the plan

The statement of reconciliation for 2013 of the present value of the plan obligation for the Cariparma Crédit Agricole Group is given below:

Actuarial value of the bond as at 1 Jan. 2013	23,375
A. Service cost	-
B. Interest cost	644
C.1 Actuarial Gains/losses from changes in financial assumptions	1,025
C.2 Actuarial Gains/losses from changes in demographic assumptions	-
C.3 Actuarial Gains/losses as per experience	1,075
D. Payments provided for by the Plan	-2,968
Actuarial value of the bond as at 31 Dec. 2013	**23,151**

The value of the mathematical reserve is equal to the amount that the Management should have as at the measurement date, based on the assumptions used, in order to meet all the commitments undertaken to the participants in the plan.

3. Disclosure of the fair value of plan assets

This point does not apply because no assets covering the plan have been provided for.

4. Description of the main actuarial assumptions

The following essential assumptions have been made with reference to the company defined benefits pension plan:
- annual probabilities of exclusion due to death of retired staff were calculated based on sim2006;
- for assignment to the surviving family in case of the pensioner’s death, differentiated technical bases were used according to the age and gender of the member.
- the cost of living index for white-collar and blue-collar households, required for smoothing the annual pension instalments, was assumed at 2%;
- the annual increase in the plan benefits is governed by the relevant regulation.

To calculate the present value, in compliance with the instructions of the Parent Company, the rate adopted was IBOXX AA (duration 7-10 years) of 2.09%.

5. Disclosure of amount, timing and uncertainty of future cash flows

The results of the sensitivity analyses for each one of the main assumptions reported in point 4 are given below:

DISCOUNT RATE

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	**+50 bp**	**-50 bp**
23,151	22,364	23,995

MORTALITY RATE

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	**+20 bp**	**-20 bp**
23,151	21,138	25,775

6. Multi-employer plans

This case does not apply to Carispezia.

7. Defined-benefit plans that share risks between entities under common control

This case does not apply to Carispezia.

12.4 Provisions for contingencies and liabilities - other provisions

Sub-item 2.2 "Other provisions - staff expenses" of Table 12.1 also includes:
- the amounts accrued in previous years by the Cariparma Crédit Agricole Group for liabilities relating to the trade union agreement of 11 January 2007 allowing employees interested to opt for early retirement or for the voluntary redundancy plan using the Solidarity Fund for employees of the baking sector: this procedure was closed on 31 December 2007;
- the amounts accrued in 2012 by the Cariparma Crédit Agricole Group for the liabilities resulting from the framework agreement signed with the Group Trade Union representatives on 2 June 2012, which has defined a voluntary redundancy plan (Solidarity Fund) and gives the possibility to voluntarily terminate with incentives their employment to those that are already eligible for pension or will become eligible in the next three years.

Sub-item 2.3 "Other provisions - others" also includes accruals for risks made to protect, despite the lack of a legal obligation, Customers who engaged in transactions involving derivatives and have suffered from the impact of the world financial crisis.

Sub-item 2.3 also included provisions for Credit Protection insurance policies pursuant to ISVAP (Italian Private Insurance Supervisory Institute) regulation No. 35 obliging insurance companies to pay back the portion of the advanced single premium, which was not used following early repayment of the loan linked to the policy itself, to Customers. The provision is an estimate of the possible future expenses to be borne by the Cariparma Crédit Agricole Group to reimburse the insurers for the portion of commissions received on premiums paid by Customers.

The dispute with the Agenzia delle Entrate (Italian Inland Revenue Service) is still pending in relation to two Notices of Settlement regarding Registration Taxes that are allegedly due since the Agenzia requalified - as sale of a company - the transactions carried out in 2007 for the transfer of branches from Intesa Sanpaolo and the subsequent transfer of the relevant shares by the transferor to the Institutional Shareholders. The amount of the dispute, involving all parties concerned on different grounds, amounts to a total, for all parties involved, including unrelated parties with respect to the Group, of approximately €43 million. In this dispute, 1st instance Court decisions were issued in favour of the Group entailing the tax refund, which were appealed against by the Italian Inland Revenue Service. Considering the above Court decisions and in the light of specific opinions from leading Legal Firms, no provision has been made for the above dispute. A similar situation, with a similar favourable first-instance Court decision, concerns a transaction made by CALIT with the Intesa Group for €2.2 million.

It is reported that, on 6 March 2014, Notices of Settlement, again regarding registration taxes and on the same grounds, were served referring to similar transactions carried out in 2011 again with the Intesa Sanpaolo Group, for a total amount payable of approximately €15 million. The above remarks cannot but be extended to these charges.

In 2013, Banca Popolare FriulAdria was subject to a general inspection by the Italian Inland Revenue Service, which was followed by an Official record of Findings (Italian acronym: PVC). With reference to the alleged findings in the PVC, in order to control dispute-related costs, specific acceptance of findings was filed, thus reducing the subsequent expense to an amount of approximately Euro 0.1 million. The filed acceptance of findings does not include the findings contained in the official record relating to transfer prices with foreign Companies, which might lead to the assessment of taxes for €0.5 million, plus penalties and interest. The findings are deemed groundless, since valid reasons exist supporting the Group's conduct. Consequently, no provision was made for this issue.

Section 15 - Equity attributable to the Shareholders of the Parent Company - Items 140, 160, 170, 180, 190, 200 and 220

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

The Parent Company's share capital, fully paid-in, consists of 876,761,620 ordinary shares.

No treasury shares were held as at the reporting date.

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	**876,761,620**	**-**
- fully paid	876,761,620	-
- partially paid	-	-
A.1 Treasury shares (-)	-	-
A.2 Shares in circulation: opening balance	876,761,620	-
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: final inventories	**876,761,620**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares at the end of the year	876,761,620	-
- fully paid	876,761,620	-
- partially paid	-	-

Share Capital: other information

The share capital of the Parent Company, fully paid-in, consists of 876,761,620 ordinary shares with a nominal value of Euro 1 each.

15.4 Income Reserves - Other information

Items	Amounts
Legal reserve	126,303
Statutory reserves	657,526
Reserve under Art.13 of Legislative Decree 124/93*	314
Other reserve	114,636
Total	**898,779**
Reserve from share-based payments**	2,980
Other reserve	-22,168
Total reserves	**879,591**

(*) Reserve made pursuant to Article13 of Italian Legislative Decree 124/93 to take advantage of tax relief on the portions of Employees' severance benefits to be used for complementary pension schemes.

(**) Reserve recognizing the increase in equity resulting from payments based on shares of the Controlling Company Crédit Agricole SA. made to employees and directors

Section 16 - Equity attributable to Minority Shareholders - Item 210

16.1 Share capital: composition and changes for the period

Items	31.12.2013	31.12.2012
1. Share capital	53,998	53,994
2. Share premium reserve	101,905	101,905
3. Reserves	36,892	39,891
4. (Treasury Shares)	-	-
5. Valutation reserves	-202	-2,512
6. Equity instruments	-	-
7. Profit (loss) for the period of minority interest	6,725	1,653
Total	**199,318**	**194,931**

OTHER INFORMATION

1. Guarantees issued and commitments

Operations	31.12.2013	31.12.2012
1) Financial guarantees issued	**873,435**	**952,830**
a) Banks	284,110	276,699
b) Customers	589,325	676,131
2) Commercial guarantees issued	**988,632**	**981,532**
a) Banks	97,148	44,010
b) Customers	891,484	937,522
3) Irrevocable commitments to disburse funds	**352,695**	**471,063**
a) Banks	**111,001**	**130,583**
i) certain use	111,001	130,583
ii) uncertain use	-	-
b) Customers	**241,694**	**340,480**
i) certain use	23,707	25,607
ii) uncertain use	217,987	314,873
4) Commitments underlying credit derivatives: Protection sales	**-**	**-**
5) Assets pledged as guarantee for third-party debts	**-**	**-**
6) Other commitments	**77,222**	**113,110**
Total	**2,291,984**	**2,518,535**

2. Assets pledged as collateral for own liabilities and commitments

Portfolios	31.12.2013	31.12.2012
1. Financial assets held for trading	-	-
2. Financial assets carried at fair value	-	-
3. Financial assets available for sale	1,380,332	1,335,006
4. Financial assets held to maturity	-	-
5. Loans to banks	115,709	390,381
6. Loans to customers	3,096,485	89,564
7. Property, plant and equipment	-	-

As at the end of 2013, the followings were used as collaterals:

- €75 million in securities, used for repurchase agreements for funding purposes, acquired in repurchase agreements transactions for lending purposes, which have not been recognized as assets in the Balance Sheet;
- €5,545 million in senior securities resulting from the internal securitization, which have not been recognized as assets in the Balance Sheet.

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	1<> 5 years	> 5 years	Unspecified maturity	Total
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant - Hardware	-	-	-	-	-
Electronic plat - other	-	-	-	-	-
Other - vehicles (including automobiles)	3,178	4,190			7,368
Other - office machinery	107	16			123
Other - telephones (fixed and mobile)	-	-	-	-	-
Other - other	-	-	-	-	-
Software	-	-	-	-	-
Total	**3,285**	**4,206**	**-**	**-**	**7,491**

OPERATING LEASES - LESSEE - IAS 17 ART. 35 - LETTER C

Expenses for 2013	Minimum payments	Potential lease installments	Subletting payments	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant - Hardware	-	-	-	-
Electronic plat - other	-	-	-	-
Other - vehicles (including automobiles)	3,438	-	-	3,438
Other - office machinery	499	-	-	499
Other - telephones (fixed and mobile)	-	-	-	-
Other - other	-	-	-	-
Software	-	-	-	-
Total	**3,937**	**-**	**-**	**3,937**

OPERATING LEASES - LESSEE - IAS 17 ART. 35 - LETTER D

Description of agreements	Criteria for redetermining lease fees	Renewal or purchase option clauses	Indexing clauses
Other - vehicles (including cars)	Fee determined based on brand, model, engine size and accessories of each vehicle and including additional services	The Customer shall have the right to request an extension of the agreement, with prior acceptance by the renting Company, at a fee that the renting Company may review	
Other - office machinery	Photocopiers: fixed monthly fee for each machine	Photocopiers: purchase option at the end of the lease	

5. Management and intermediation services

Type of services	Amount
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	**841,514**
a) individual	841,514
b) collective	-
3. Custody and administration of securities	
a) third-party securities on deposit held as part of depository bank services (excluding asset management)	-
1. securities issued by the bank drawing up the Financial Statement	
2. other securities	-
b) third-party securities on deposit (excluding asset management): other	48,650,239
1. securities issued by the bank drawing up the Financial Statement	13,330,879
2. other securities	35,319,360
c) third-party securities deposited with third parties	46,618,786
d) securities owned by bank deposited with third parties	5,585,716
4. Other transactions	**-**

6. Financial assets subject to offsetting, or subject to master netting arrangements or similar agreements

Technical forms	Gross amount of financial assets (a)	Gross amount of financial liabilities offset (b)	Net amount of financial assets recognized (c=a-b)	Related amounts not subject to offsetting		31.12.2013	31.12.2012
				Financial instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	904,601	-	904,601	331,309	310,847	262,445	483,677
2. Repurchase agreements	-	-	-	-	-	-	-
3. Securities loan	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total (31.12.2013)	**904,601**	**-**	**904,601**	**331,309**	**310,847**	**262,445**	**X**
Total (31.12.2012)	**1,460,023**	**-**	**1,460,023**	**314,548**	**661,798**	**-**	**483,677**

7. Financial liabilities subject to offsetting, or subject to master netting arrangements or similar agreements

Technical forms	Gross amount of financial liabilities (a)	Gross amount of financial assets offset (b)	Net amount of financial liabilities recognized (c=a-b)	Related amounts not subject to offsetting		31.12.2013	31.12.2012
				Financial instruments (d)	Cash deposits as collateral (e)		
1. Derivatives	559,177	-	559,177	331,309	106,300	121,568	197,546
2. Repurchase agreements	1,109,858	-	1,109,858	-	1,001,049	108,809	1,277,885
3. Securities loan	-	-	-	-	-	-	-
4. Other transactions	-	-	-	-	-	-	-
Total (31.12.2013)	**1,669,035**	**-**	**1,669,035**	**331,309**	**1,107,349**	**230,377**	**X**
Total (31.12.2012)	**1,921,115**	**-**	**1,921,115**	**314,548**	**131,136**	**-**	**1,475,431**

Part C Information on the Consolidated Income Statement

Section 1 - Interest - Items 10 and 20

1.1 Interest income and similar revenues: composition

Items	Debt securities	Loans	Other transactions	31.12.2013	31.12.2012
1. Financial assets held for trading	731	-	-	731	240
2. Financial assets available for sale	-	-	-	-	-
3. Financial assets held to maturity	149,833	-	-	149,833	143,451
4. Loans to banks	-	-	-	-	-
5. Loans to customers	13,238	32,401	-	45,639	65,065
6. Financial assets carried at fair value	115	1,031,607	1,527	1,033,249	1,168,667
7. Hedging derivatives	X	X	199,042	199,042	165,216
8. Other Assets	X	X	343	343	988
Total	**163,917**	**1,064,008**	**200,912**	**1,428,837**	**1,543,627**

1.2 Interest income and similar revenues: differences on hedging transactions

Items/Amounts	31.12.2013	31.12.2012
A. Positive differences on hedging transactions	487,814	444,553
B. Negative differences on hedging transactions	(288,772)	(279,337)
C. Balance (A-B)	**199,042**	**165,216**

1.3 Interest income and similar revenues: other information

1.3.1 Interest income on foreign-currency financial assets

As at the end of 2013, interest income on foreign-currency financial assets came to Euro 5,751 thousand.

1.3.2 Interest income on finance lease transactions

As at the end of 2013, interest income on finance lease transactions came to Euro 48,351 thousand.

1.4 Interest expenses and similar charges: composition

Items/Technical forms	Debts	Securities	Other transactions	31.12.2013	31.12.2012
1. Due to central banks	-	X	-	-	-
2. Due to banks	(40.346)	X	-	(40.346)	(58.351)
3. Due to customers	(119.360)	X	(1)	(119.361)	(142.039)
4. Securities issued	X	(358.926)	-	(358.926)	(371.832)
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities carried at fair value	-	-	-	-	-
7. Other liabilities and provisions	X	X	(1.617)	(1.617)	(5.462)
8. Hedging derivatives	X	X	-	-	-
Total	**(159.706)**	**(358.926)**	**(1.618)**	**(520.250)**	**(577.684)**

1.6 Interest expenses and similar charges: other information

1.6.1 Interest expenses on foreign-currency liabilities

At the end of 2013, interest expense on foreign-currency liabilities was 1,686 thousand Euro.

1.6.2 Interest expenses on liabilities for finance lease transactions

In 2013, no interest expenses were recognized resulting from finance lease transactions.

Section 2 - Commissions - Items 40 and 50

2.1 Commissions income: composition

Type of services / Amounts	31.12.2013	31.12.2012
a) guarantees issued	15,177	14,485
b) credit derivatives	-	-
c) management, intermediation and advisory services:	281,772	263,642
1. trading in financial instruments	-	-
2. foreign exchange	3,500	4,553
3. portfolio management	7,604	7,861
3.1. individual	7,604	7,861
3.2. collective	-	-
4. security custody and administration	5,901	6,440
5. depository services	-	-
6. securities placement	104,591	105,057
7. order collection	15,973	15,646
8. advisory services	213	157
8.1 in respect of investments	-	-
8.2 in respect of financial structure	213	157
9. distribution of third-party services	143,990	123,928
9.1. asset management	-	-
9.1.1. individual	-	-
9.1.2. collective	-	-
9.2 insurance products	143,123	123,110
9.3 other	867	818
d) collection and payment services	46,845	49,977
e) servicing activities for securitizations	-	-
f) services for factoring transactions	-	-
g) tax collection services	-	-
h) management of multilateral exchange systems	-	-
i) keeping and managing current accounts	184,302	217,097
j) other services	85,418	77,011
Total	**613,514**	**622,212**

Sub-item “j) other services” includes commission on debit and credit cards and e-money services amounting to Euro 43,938 thousand, commissions for loans granted amounting to Euro 16,105 thousand, and other residual items.

2.2 Commissions expenses: composition

Services/Amounts	31.12.2013	31.12.2012
a) guarantees received	(4,066)	(3,180)
b) credit derivatives	-	-
c) management and intermediation services:	(6,931)	(7,266)
1. trading in financial instruments	(2,288)	(2,225)
2. foreign exchange	-	-
3. portfolio management	(1,657)	(1,156)
3.1 own portfolio	-	-
3.2 third-party portfolio	(1,657)	(1,156)
4. securities custody and administration	(1,244)	(1,088)
5. placement of financial instruments	(1,742)	(2,797)
6. off-premises distribution of securities, products and services	-	-
d) collection and payment services	(4,126)	(4,426)
e) other services	(10,652)	(11,275)
Total	**(25,775)**	**(26,147)**

Sub-item "e) other services" includes commission on debit and credit cards and e-money services amounting to Euro 5,983 thousand and other residual items.

Section 3 - Dividends and similar income - Item 70

3.1 Dividends and similar income: composition

	31.12.2013		31.12.2012	
Items	Dividends	Income from units in collective investment undertakings	Dividends	Income from units in collective investment undertakings
A. Financial assets held for trading	5	-	2	-
B. Financial assets available for sale	1,689	-	2,257	-
C. Financial assets carried at fair value	-	-	-	-
D. Equity investments	-	X	-	X
Total	**1,694**	**-**	**2,259**	**-**

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	**5**	**2,761**	**(546)**	**(383)**	**1,837**
1.1 Debt securities	5	2,005	(546)	(156)	1,308
1.2 Equity securities	-	-	-	-	-
1.3 Units in collective investment	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	756	-	(227)	529
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial Assets and Liabilities: exchange rate differences	**X**	**X**	**X**	**X**	**1,278**
4. Derivatives	**152,132**	**162,669**	**(141,446)**	**(163,702)**	**9,755**
4.1 Financial Derivatives:	152,132	162,669	(141,446)	(163,702)	9,755
- on debt securities and interest rates	152,027	162,522	(141,340)	(163,561)	9,648
- on equity securities and equity indices	-	-	-	-	-
- on foreign currencies and gold	X	X	X	X	102
- other	105	147	(106)	(141)	5
4.2 Credit derivatives	-	-	-	-	-
Total	**152,137**	**165,430**	**(141,992)**	**(164,085)**	**12,870**

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

5.1 Net gain (loss) on hedging activities: composition

Income components/Values	31.12.2013	31.12.2012
A Gain on:	**-**	**-**
A.1 Fair value hedges	398,503	421,103
A.2 Hedged financial assets (fair value)	2,145	147,175
A.3 Hedged financial liabilities (fair value)	399,598	8,173
A.4 Cash flow hedges	-	-
A.5 Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)	**800,246**	**576,451**
B. Loss on:	**-**	**-**
B.1 Fair value hedges	(652,374)	(160,283)
B.2 Hedged financial assets (fair value)	(138,205)	(1,873)
B.3 Hedged financial liabilities (fair value)	(97)	(401,878)
B.4 Cash flow hedges	-	-
B.5 Assets and liabilities in foreign currencies	-	-
Total expense on hedging activities (B)	**(790,676)**	**(564,034)**
C. Net gain (loss) on hedging activities (A-B)	**9,570**	**12,417**

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

6.1 Gain (Loss) on disposal or repurchase: composition

Items/Income components	31.12.2013 Gains	31.12.2013 Losses	31.12.2013 Net gain	31.12.2012 Gains	31.12.2012 Losses	31.12.2012 Net gain
Financial assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to customers	-	(9)	(9)	1,584	(2,614)	(1,030)
3. Financial assets available for sale	138,465	(4,504)	133,961	14,018	-	14,018
3.1 Debt securities	46,172	(4,504)	41,668	13,645	-	13,645
3.2 Equity securities	92,293	-	92,293	373	-	373
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets	**138,465**	**(4,513)**	**133,952**	**15,602**	**(2,614)**	**12,988**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	6,121	(3,050)	3,071	5,560	(4,403)	1,157
Total liabilities	**6,121**	**(3,050)**	**3,071**	**5,560**	**(4,403)**	**1,157**

Section 8 - Net impairment adjustments - Item 130

8.1 Net impairment adjustments of loans:composition

Transactions/ Income components	Writedowns			Writebacks				31.12.2013	31.12.2012
	Specific			Specific		Portfolio			
	Writeoffs	Other	Portfolio	A	B	A	B		
A. Loans to banks	-	-	-	-	-	-	-	-	-
- loans	-	-	-	-	-	-	-	-	-
- debt securities	-	-	-	-	-	-	-	-	-
B. Loans to customers	**(4,997)**	**(436,788)**	**(148,506)**	**43,406**	**47,466**	**-**	**19,202**	**(480,217)**	**(373,313)**
Impaired loans purchased	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- loans	-	-	X	-	-	-	X	-	-
- debt securities	-	-	X	-	-	-	X	-	-
Other loans	**(4,997)**	**(436,788)**	**(148,506)**	**43,406**	**47,466**	**-**	**19,202**	**(480,217)**	**(373,313)**
- loans	(4,997)	(436,788)	(148,506)	43,406	47,466	-	19,202	(480,217)	(373,313)
- debt securities	-	-	-	-	-	-	-	-	-
C. Total	**(4,997)**	**(436,788)**	**(148,506)**	**43,406**	**47,466**	**-**	**19,202**	**(480,217)**	**(373,313)**

Key:

A= from interest

B= other writebacks

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

Transactions/Income components	Writedowns		Writebacks		31.12.2013	31.12.2012
	Specific		Specifiche			
	Writeoffs	Other	A	B		
A Debt securities	-	-	-	-	-	-
B. Equity securities	-	(2,015)	X	X	(2,015)	(620)
C Units in collective investment undertakings	-	-	X	-	-	(1,655)
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**-**	**(2,015)**	**-**	**-**	**(2,015)**	**(2,275)**

Key:

A= from interest

B= other writebacks

8.4 Net impairment adjustments of other financial instruments: composition

Transactions/ Income components	Writedowns			Writebacks				31.12.2013	31.12.2012
	Specific			Specific		Portfolio			
	Writeoffs	Other	Portfolio	A	B	A	B		
A. Guarantees issued	-	(3,169)	(35)	-	2,472	-	663	(69)	(1,432)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	**-**	**(3,169)**	**(35)**	**-**	**2,472**	**-**	**663**	**(69)**	**(1,432)**

Key:

A= from interest

B= other writebacks

Section 11 - Administrative expenses - Item 150

11.1 Staff expenses: composition

Items	31.12.2013	31.12.2012
1) Employees	(590,350)	(728,446)
a) wages and salaries	(425,606)	(437,478)
b) social security contributions	(110,553)	(116,824)
c) severance benefits	(217)	(297)
d) pensions	-	-
e) allocation to employee severance benefit provision	(3,584)	(2,676)
f) allocation to provision for retirement and similar liabilities:	(643)	(383)
- defined contribution	-	-
- defined benefit	(643)	(383)
g) payments to external pension funds:	(37,647)	(37,524)
- defined contribution	(37,647)	(37,524)
- defined benefit	-	-
h) costs in respect of agreements to make payments	-	-
i) other employee benefits	(12,100)	(133,264)
2) Other personnel	(2,196)	(2,057)
3) Directors and auditors	(2,520)	(2,593)
4) Retired personnel	-	-
Total	**(595,066)**	**(733,096)**

Voluntary redundancy plan with incentives - Master Agreement of 2 June 2012

The 2011-2014 Strategic Plan of the Cariparma Crédit Agricole Group has set, as one of its objectives, a structural reduction of labour cost and of staff number.

In order to pursue the above objectives, whose achievement was at risk due to the pension system reform implemented in Italy at the end of 2011, the Group has started extensive and complex talks with the Trade Unions, which have led to the definition of a Voluntary Redundancy Plan. This Plan provides for the possibility for those who are already eligible for pension or will become eligible in the next few years to terminate their employment voluntarily and with incentives.

Between 30 September 2012 and 31 December 2014, the total number of voluntary terminations at Group level could amount to 722, for a total expenditure of approximately Euro 120 million.

In this context, in order to respond to a requirement for generational change, it has been planned to recruit a pool of around 100 to 150 people between 2014 and 2015 who will work at the Parent Company.

11.2 Average number of employees by category

	31.12.2013
Employees:	8,165
a) senior management	103
b) Junior management	3,538
c) other employees	4,524
Other personnel	88

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

11.3 Defined-benefit company pension plans: total expenses

Items	31.12.2013	31.12.2012
Changes due to passage of time	(643)	(383)

11.4 Other employee benefits

This item represents expenses the Solidarity Fund, for non-occupational insurance policies, voluntary retirement incentives, special bonus with assignment of free shares, and other fringe benefits, as well as payments to the bank employees' cultural and recreational club.

11.5 Other administrative expenses: composition

Items	31.12.2013	31.12.2012
Direct and indirect taxes	(102,804)	(87,337)
Data processing	(42,931)	(37,214)
Facility rental and management	(58,374)	(64,068)
Professional consulting services	(15,160)	(21,834)
Telephone, postal charges and couriers	(12,655)	(15,926)
Telephone and data transmission	(10,875)	(10,916)
Legal expenses	(5,126)	(5,233)
Property maintenance	(3,933)	(5,175)
Furnishing and plant maintenance	(12,795)	(14,600)
Marketing, development and entertainment	(9,591)	(11,785)
Transportation	(19,696)	(21,046)
Lighting, heating and air conditioning	(17,217)	(17,527)
Office supplies, printed material, print subscriptions, photocopying, etc	(6,034)	(5,845)
Staff training expenses and reimbursements	(8,766)	(12,460)
Security	(3,414)	(4,402)
Information and title searches	(5,907)	(6,040)
Insurance	(113,798)	(130,028)
Cleaning	(6,610)	(7,267)
Leasing of other property, plant and equipment	(6,965)	(7,257)
Management of archives and document handling	(1,154)	(1,140)
Reimbursement of costs to Group companies	(31,512)	(35,565)
Sundry expenses	(10,026)	(9,838)
Total	**(505,343)**	**(532,503)**

Section 12 - Net provisions for contingencies and liabilities - Item 190

12.1 Net provisions for contingencies and liabilities: composition

The provision of Euro 27,665 thousand is composed of €2,659 thousand for damage compensation and bankruptcy revocatory actions, of €9,311 thousand for non-lending-related litigation, of €14,942 thousand for provisions accrued to protect Customers' investments and of €753 thousand for other provisions.

Section 13 - Net adjustments/writebacks of property, plant and equipment: Item 200

13.1 Net adjustments of property, plant and equipment: composition

Assets/Income components	Amortization (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Property, plant and equipment:				
A.1 Owned	(29,392)	-	-	(29,392)
- Operating assets	(29,065)	-	-	(29,065)
- Investment property	(327)	-	-	(327)
A.2 Acquired under finance leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
Total	**(29,392)**	**-**	**-**	**(29,392)**

Section 14 - Net adjustments/writebacks of intangible assets - Item 210

14.1 Net adjustments of intangible assets: composition

Assets/Income components	Amortization (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Intangible assets				
A.1 Owned	(63,659)	-	-	(63,659)
- Generated internally by the Bank	(563)	-	-	(563)
- Other	(63,096)	-	-	(63,096)
A.2 Acquired under finance leases	-	-	-	-
Total	**(63,659)**	**-**	**-**	**(63,659)**

Section 15 - Other operating revenues and expenses - Item 220

15.1 Other operating expenses: composition

Items	31.12.2013	31.12.2012
Expenses for financial lease transactions	(4,603)	(3,952)
Currency adjustments	-	-
Intergration and reorganizing charges	-	-
Amortization of expediture for leasehold improvements	(5,569)	(7,411)
Other charges	(20,019)	(13,295)
Consolidation adjustments	-	-
Total	**(30,191)**	**(24,658)**

15.2 Other operating income: composition

Items	31.12.2013	31.12.2012
Rental income and recovery of expenses on real estate	817	930
Income related to finance leases	766	767
Recovery rental expenses	-	-
Recovery of taxes and duties	90,689	75,940
Recovery of insurance costs	111,778	128,635
Recovery of other expenses	7,897	7,228
Recovery service	-	-
Other income	61,788	84,706
Consolidation adjustments	-	-
Total	**273,735**	**298,206**

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

16.1 Gain (loss) on equity investments: composition

Income components/Sectors	31.12.2013	31.12.2012
1) Joint venture		
A. Gains	-	-
1. Revalutations	-	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other income	-	-
B. Losses	-	-
1. Writedowns (*)	-	-
2. Impairments	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net profit	**-**	**-**
2) Companies under significant influence		
A. Gains	-	72,243
1. Revalutations	-	-
2. Gains on disposal	-	72,243
3. Writebacks	-	-
4. Other income	-	-
B. Losses	(1,170)	(15,346)
1. Writedowns	(1,170)	(15,346)
2. Impairments	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net profit	**(1,170)**	**56,897**
Total	**(1,170)**	**56,897**

(*) Essentially referring to the measurement using the Equity method of Crédit Agricole Agroalimentare S.p.A.

Section 18 - Value adjustments of goodwill - Item 260

18.1 Value adjustments of goodwill: composition

In 2013, the goodwill that emerged from the various business combinations made by the Group starting from 2007 was tested for impairment: for no one of the Cash Generating Units (i.e. Retail + Private Banking and Enterprises + Corporate), the test showed evidence of impairment.

Section 19.1 - Gain (loss) on disposal of investments - Item 270

19.1 Gain (loss) on disposal of investments: composition

Income components / Sectors	31.12.2013	31.12.2012
A. Land and buildings	231	531
- Gains on disposal	231	531
- Losses on disposal	-	-
B. Other assets	1	(159)
- Gains on disposal	1	5
- Losses on disposal	-	(164)
Net gain	**232**	**372**

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		31.12.2013	31.12.2012
1.	Current taxes (-)	(202,489)	(193,895)
2.	Changes in current taxes from previous periods (+/-)	-	107
3.	Reduction of current taxes for the period (+)	98	26,188
3.bis	Reduction of current taxes for the period for tax receivables pursuant to Law No. 214/2011 (+)	4,919	559
4.	Change in deferred tax assets (+/-)	144,663	138,722
5.	Change in deferred tax liabilities (+/-)	13,315	26,756
6.	Income taxes for the period (-) (-1+/-2+3+3bis+/-4+/-5)	(39,494)	(1,563)

(1) *This amount includes the substitute tax of Euro 31,354 thousand, including interest, due for the discharge of the tax liability in respect of goodwill regarding the s ubsidiaries Banca Popolare FriulAdria and Carispezia, pursuant to Italian Decree Law No. 201/2011, the substitute tax of Euro 2,956 thousand for the residual discharge of the tax liability in respect of intangible assets with a finite useful life regarding the branches acquired in 2011, and tax provisions made for the recognition of the higher value of the Bank of Italy shares pursuant to Italian Law No. 147/2013.*

(4) *This amount includes ordinary taxes, for Euro 64,174 thousand, which will be saved in the future subsequent to the discharge of the tax liability in respect of goodwill relating to the subsidiaries Banca Popolare FriulAdria and Carispezia pursuant to Italian Decree Law No. 201/2011. The amount includes Italian Regional Tax on Productive Activities (IRAP) for Euro 1,639 thousand relating to the recognition for tax purposes of the goodwill and of the higher value of the assets referring to the acquisition of branches from Cassa di Risparmio di Firenze in 2007, which, at the time, were transferred as tax-neutral items within the specific consolidation regime.*

(5) *The amount includes the release of taxes amounting to Euro 6,111 thousand, due to the discharge of tax liability in respect of intangible assets with a limited life referring to the branches acquired in 2011.*

20.2 Reconciliation of theoretical tax liability and actual tax liability recognized

	31.12.2013
Net profit before tax from continuing operations	196,663
Profit after tax of groups of assets/liabilities under disposal (before tax)	-
Theoretical taxable income	**196,663**

	31.12.2013
Income tax - Theoretical tax liability	(54,082)
- effect of revenues that do not form taxable income	23,283
- additional rate for corporate income tax (IRES) 8.5% (*)	(3,850)
- consolidation effect	(1,098)
Income tax - Actual tax expenses	**(35,747)**
- tax on realignment gain under Decree Law D.L. 185/2008 and L. 244/2007	**(2,956)**
- effect of relignment-associated future taxes recovery pursuant to L.D. 185/2008 and Law 244/2007	**6,111**
- tax on realignment gain under Decree Law D.L. 201/2011	**(31,354)**
- effect of requested IRES refund for IRAP deduction pursuant to Law Decree 201/2011	**63,876**
- effect of deduction and tax receivables	**62**
Imposte accantonate per il riconcoscimento del amggior valore del titolo della Banca d'Italia L.147/2013	**(11,037)**
IRAP - Theoretical tax expenses	(10,690)
- effect of revenues/expenses that do not from taxable income	(79,626)
- effect of other changes	60,445
- consolidation effect	(217)
IRAP - Actual tax expenses	**(30,088)**
Other taxes	-
IRAP effect of the recognition of the tax value of goodwill of branches acquired initially under consolidated tax-neutral regime	1,639
Actual tax expenses for the period	**(39,494)**

(*) Article 2, paragraph 2, of Italian Decree Law No. 133 of 30 November 2013, sets down, for the fiscal year 2013, the application of an additional rate to the Italian corporate income tax (Italian acronym: IRES) for lenders, financial companies and insurance companies. This higher income tax is not due on increases in taxable income relating to losses and net writedowns of loans.

Section 22 - Net profit (loss) for the period attributable to minority shareholders - Item 330

22.1 Breakdown of item 330 «net profit (loss) attributable to minority shareholders»

The net profit attributable to minority shareholders came to Euro 6,752 thousand; this amount referred to Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia and Crédit Agricole Leasing S.r.l.

Section 24 - Earnings per share

24.1 Average number of ordinary shares of diluted capital

The Parent Company's capital consists of 876,761,620 shares with a nominal value of €1 each.

Part D Consolidated comprehensive income

Statement of consolidated comprehensive income

		Gross amount	Income tax	Net amount
10.	**Net profit (loss) for the period**	**X**	**X**	**157,169**
	Other income components			
20	Property, plant and equipment	-	-	-
30.	Intangible assets	-	-	-
40.	Defined-benefit plans	5,496	(2,161)	3,335
50.	Discontinuing oparations	-	-	-
60.	Share of valutation reserve on equity investments accounted for by equity method	-	-	-
	Other income components with reversal to income statement			
70.	Hedging of foreign investments:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
80.	Exchange rate differences:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
90.	Cash flow hedges:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
100.	Financial assets available for sale:	175,451	(58,558)	116,893
	a) changes in fair value	190,631	(63,657)	126,974
	b) reversal to income statement	(15,180)	5,099	(10,081)
	- writedowns for impairment	302	32	334
	- profit/loss for realization	(15,482)	5,067	(10,415)
	c) other changes	-	-	-
110.	Discontinuing oparations:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
120.	Share of valutation 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	-	-	-
130.	**Total for other income components**	**180,947**	**(60,719)**	**120,228**
140.	**Coprehensive income (Item 10+130)**			**277,397**
150.	Consolidated comprehensive income pertaining to minority interests	-	-	(9,035)
160.	**Consolidated comprehensive income pertaining to the Parent Company**			**268,362**

Part E Risks and related Hedging Policies

Section 1 - The Banking Group Risk Management

The Cariparma Crédit Agricole Group attaches great relevance to risk measurement, management and control, as an essential condition to ensure sustainable growth, in such a complex economic situation as the present one.

Cariparma is the operating Parent Company of the Italian Group and is engaged in overall guidance on and control of risks, both as the coordinating Entity and as a commercial bank with its own distribution network.

As a Group strongly operating in the Retail Banking business , its approach to risks takes account of the features of its main reference market and of the guidelines issued by the French Parent Company on the Group's vocation as Proximity Bank, which results in services designed to build and consolidate priority relations with local Customers, by fully understanding their specificities and enhancing their potential for development and growth, as well as by offering lines of dedicated products and services, specialist Branches throughout the geographical areas of operations, by making product specialists available to Customers and by providing training programs that involve also Trade Associations.

The Group Companies internally implement the structures and mechanisms for risk management and control as set down by the Group, carry out commercial actions in the reference perimeter and benefit from the functions that are centralized and directly performed by Cariparma.

Risk appetite and culture dissemination

The guidelines on risk-taking are set by the Risk Strategy approved by the Parent Company Crédit Agricole, which specifically provides for and steers credit risk, operational risk, market and financial risks.

The Risk Strategy, which amounts to the reference framework to determine risk appetite, sets the global limits (or alert thresholds) that can be integrated with operational limits and/or limit that are specific to each single Bank in the Cariparma Crédit Agricole Group.

These limits are submitted for approval to the Boards of Directors of the Parent Company Cariparma and of the single entities in the Group.

As a rule, the Cariparma Crédit Agricole Group reviews annually the Group Risk Strategy, defining risk levels that the Group deems adequate to its development strategy.

In order to constantly ensure effective risk measurement and effective integration of risk management in the Group's governance and operations, as well as dissemination and sharing of risk culture, the Group's organization includes, on a permanent and fully structured basis, specific Committees and Interdepartmental Working Groups, which consist of the reference roles of all relevant corporate Departments.

To be noted are the Internal Control Committee and Risk Committees, which, within their different Risk scopes (Credit Risk, Operational Risk, Financial Risk and Compliance Risk) are responsible for designing and formalizing risk management policies, for structuring and assigning tasks and responsibilities to corporate bodies and departments, for monitoring risk trends and steering the relevant action plans, consistently with the Group's risk appetite and with the guidelines issued by the Parent Company Crédit Agricole and adopted by the Board of Directors.

Going downstream in the organization, important drivers for the dissemination of risk culture are provided by:

- the Operational Risk Manager (ORM), a key role for activity and support, within the respective reference perimeter, on the identification of operational risks and processing of the relevant practices;
- preparation of 2.1 controls, which directly involves the relevant structures in defining the scopes to be monitored;
- scenario analysis and RSA (Risk Self Assessment, with subsequent implementation of risk mapping), which directly involve the relevant structures in identifying risk and their possible consequences;
- risk analysis when essential services are outsourced, which involves the structures responsible for the processes being contracted out;
- specific training (such as the training course, via the corporate intranet, on fraud prevention, to be mandatorily taken by all Staff).

Internal Control System

In accordance with the applicable regulations in force and with the guidelines issued by the Parent Company Crédit Agricole S.A., the internal control system of the Cariparma Crédit Agricole Group is structured so as to ensure, when fully operating, detection, measurement, verification and control of risks associated to the performance of corporate operations.

In general, the internal control system is implemented with two modes of control, permanent and periodic; the control structure consists of three different levels and is implemented based on the French legislation and CASA guidelines:

<table>
<tr><th>Control type</th><th colspan="2">Control Level</th><th>Structures involved</th><th>Control frequency</th></tr>
<tr><td rowspan="3">Permanent control</td><td colspan="2">1st Degree</td><td>Employees, Information Systems Dep., involved in the start-up or validation of the transaction</td><td rowspan="3">Constant</td></tr>
<tr><td rowspan="2">2nd Degree</td><td>1st Level</td><td>Employees other than those that started the transaction</td></tr>
<tr><td>2nd Level</td><td>- Central Compliance Department
- Risk Management and Permanent Controls Department (DRCP)
- Validation Unit within the DRCP</td></tr>
<tr><td>Periodic control</td><td colspan="2">3rd Degree</td><td>Audit Department</td><td>Periodic</td></tr>
</table>

Consistently with the guidelines issued by the Parent Company Crédit Agricole SA, the Permanent Controls System is part of the wider scope of review of the Banks' operations, in the light of the International Convergence of Capital Measurement and Capital Standards (Basel II), to ensure the capital adequacy of internationally active banks.

Permanent control consists of the following:
- Automatic first-degree
  - controls: carried out by automated systems;
  - line-based:
  - direct: manual controls made by the employee;
  - hierarchic: Branch manager and higher decision-making roles.
- Second-degree degree controls
  - first-level controls: employees other than those who started the transaction and authorised to carry out the operational procedure (for example, back office);
  - second-level controls: employees exclusively engaged in specialist last-level permanent control (e.g. risk monitoring, verification of adequacy and effectiveness of permanent controls): Central Compliance Department/Risk Management and Permanent Controls Department/Validation Unit.

Periodic control (called "third-degree control") refers to specific verifications carried out by the Audit Department, with both remote and on-site inspections, which are provided for by an Audit Plan covering all activities (including permanent control and non-compliance control).

The internal control tool adopted by the Cariparma Crédit Agricole Group results from a process involving:
- the definition of the scope of control and the areas of responsibility of the different players appointed;
- the identification of the main risk zones, based on the risk mapping;
- the implementation of the classification of operating activities, decision-making powers and controls;
- performance of permanent controls at the different degrees and levels envisaged, monitoring correct implementation of the procedures and detection of any early warnings;
- the performance of periodic control by the Internal Audit Department;
- the implementation of a specific system for reporting to corporate bodies and top management engaged in governance and control functions.

The configuration of the internal control system is shared and formalized in the entire Group through an internal regulation structure, which reports on a solid line to the Governance Department and which defines and updates the operational rules that govern processes, activities and controls.

The Cariparma Crédit Agricole Group has three independent control structures that, within their control perimeter and based on the relevant tasks, ensure constant control on all corporate operations and the risks generated by the same:
- the Risk Management and Permanent Controls Department (which included the Validation Unit)
- the Compliance Department, which are responsible for second-degree - second-level control;
- the Internal Audit Department, which is responsible for third-degree control.

Moreover, in compliance with the provisions of Article 154-bis of the Italian Consolidated Finance Act, the Senior Manager in Charge has the responsibility to monitor the internal controls system relating to accounting and financial reporting.

The Risk Management and Permanent Controls Department

The Risk Management and Permanent Controls Department (Italian acronym DRCP) of the Cariparma Crédit Agricole Group, which is the Department governing Risks and Permanent Controls, is independent of any management and decision-making function entailing risk-taking: this independence is ensured by the organizational placement that provides for direct dotted line reporting to the Chief Executive Officer of the Cariparma Crédit Agricole Group and for solid line reporting to the Group Risk Management Department (Direction des Risques et contròles permanents Groupe) of the Controlling Company Crédit Agricole S.A.

As regards control of structural and operational consistency, it is specified that the Risk Management and Permanent Controls Departments of the subsidiaries report on a solid line to the Risk Management and Permanent Controls Department of the Parent Company Cariparma ; the former, through continuous coordination and guide, ensure the implementation and constant update of the internal control system for their respective perimeters, in compliance with the Group guidelines and methods and providing the holding structure with a systematic information flow.

The Risk Management and Permanent Controls Department ensures full monitoring of risks falling within its scope and oversees controls relating to such risks, through specialized units operating within the same Department and dedicated to the following risk areas:
- credit risks, including
  a. concentration risk,
  b. counterparty risk,
- market and financial risks,
- operational risks, including in particular:
  a. fraud risks;
  b. risks associated to insurance coverage;
  c. risks associated to Information Systems Security (ISS);
  d. risks associated to the Continuity of Operations Plan (Italian acronym: PCO);
  e. risks associated to the Provision of Outsourced Essential Services.

The activities of the Validation Unit aim at independent verification of:
- tools,
- technical-organizational control,
- the controls system implemented to measure risks,

to calculate the minimum prudential capital requirements, in order to verify compliance with such controls over time with the regulations that are relevant for the application of advanced approaches.

The Risk Management and Permanent Controls Department of the Cariparma Crédit Agricole Group takes part in defining and implementing the policies for risk management. Specifically, within its perimeter of action,
- it coordinates the process to design the Group Risk Management Strategy,
- participates in defining lending policies,
- contributes to and validates quantitative approaches for provisioning,
- expresses its opinion on the main risk-taking instances.

Moreover, the Risk Management and Permanent Controls Department is responsible for the preparation of the Group Risk Disclosure. The reports are submitted on a quarterly basis to the Boards of Directors of the single Banks. The reporting produced by this Department also includes loan coverage policies and is made to the Top Management, to inform on the performance of the main risk ratios in order for action plans to be better and promptly prepared as required to mitigate, prevent or avoid risk factors.

The Compliance Department

The Compliance Department has been established in accordance with regulatory provisions, with the main aim of overseeing and controlling compliance of the various activities with the applicable legislation and regulations, including self-regulation, abiding by the guidelines issued by the Parent Company Crédit Agricole SA.

The aim of this Department is to ensure, through careful planning, the upgrading of the various organisational procedures to the regulations in force and the correct definition of first- and second-level control principles in corporate processes, with positive effects on the business.

This Department supports and advises the Company's Top Management in order to prevent conducts which could lead to penalties, generate losses or cause significant reputational damage.

Within this scope, Compliance activities are an opportunity to develop the Company's value for the benefit of all stakeholders.

The Compliance function of the Parent Company Cariparma is the task of the Central Compliance Department, which reports on a solid line to Cariparma Chief Executive Officer and on a dotted line to the Direction de la Conformité of Crédit Agricole S.A.

Each Company's organization includes a Compliance Unit, which reports on a solid line to the Company's Top Management and on a dotted line to Cariparma's Central Compliance Department. The Heads of these Units have the mission to mitigate compliance risk within their own Company.

All Compliance Units follow standardised risk measurement criteria in accordance with the approach provided for by current legislation and with the guidelines issued by the French Parent Company, consistently with each Company's sizes and Customers.

These Compliance Units are an integral part of the internal controls system.

The Audit Department

The Audit Department is independent of any role and body engaged in management and decision-making functions entailing risk-taking: this independence is ensured by the organizational placement that provides for direct dotted-line reporting to the Chief Executive Officer of the Cariparma Crédit Agricole Group and for solid-line reporting to the Group Audit Department of the Parent Company Crédit Agricole SA.

The Audit Department
- ensures that periodic controls are carried out on processes and organizational units of all the Companies in the Cariparma Crédit Agricole Group, through a constant and independent monitoring action on the regular performance of operations, in order to prevent or detect the onset of problem and risk situations or conducts.
- assesses effectiveness of the internal controls system as a whole and its suitability to ensure:
  a. effectiveness and efficiency of corporate processes;
  b. protection of the value of assets;
  c. prevention of losses;
  d. reliability and integrity of accounting and management data;
  e. compliance of operations with both the policies set by the corporate governance bodies and with internal and external regulations;
- performs a governance and steering action on the internal audit units of the Companies in the Cariparma Crédit Agricole Group;
- provides the Top Management, Corporate Bodies and the Parent Company Crédit Agricole S.A. with prompt and systematic reporting on the activities carried out.

Senior Manager in Charge

Pursuant to above-mentioned Article 154-bis, the Senior Manager in Charge shall state, jointly with the Chief Executive Officer, through the appropriate statement attached to the Annual Report and Separate Financial Statements, the Annual Report and Consolidated Financial Statements and the Interim Condensed Financial Report:

- the adequacy and actual application of the administrative and accounting procedures;
- consistency of the corporate financial statements and reports with the accounting books' and records;
- The suitability of said financial reports for providing a true and correct representation of the performance, equity, cash flow and financial situation of the Bank and the Group.

Moreover, the Senior Manager in Charge states that the Management Report includes a reliable analysis of the performance and profitability, as well as of the situation of the Bank and of the Group, together with a description of the main risks and uncertainties to which they are exposed.

1.1 Credit Risk

QUALITATIVE DISCLOSURES

General aspects

Credit risk management policies

Management, measurement and control systems

In compliance with the legislation and regulations in force, the Cariparma Crédit Agricole Group has implemented a risk control system, in organizational, regulatory and methodological terms, which all the Group Companies must comply with, in order for the Parent Company to perform, effectively and economically, its steering, management, technical-operational and strategic control functions.

The Group entities proactively cooperate to identify the risks which they are exposed to and to define the relevant criteria for their measurement, management and control.

The key principles to which the Group's risk analysis and management refer, in order to pursue an increasingly aware and efficient allocation of the economic and regulatory capital, are the following:

- rigorous control and effective management of all types of risk;
- implementation of logics for sustainable value creation in the process for setting the Group's risk appetite and capital allocation;
- fine-tuning of the Group's risk appetite based on the specific risk cases and/or specific operations within the Risk Strategy of the Cariparma Crédit Agricole Group.

The Cariparma Crédit Agricole Group reasserted its priorities, which are controlled growth,

- focused on Customer segments having low risk profiles, as well as on providing support to the Communities of operation,
- set so as to maintain the balance between funding and lending, as well as to control the cost of credit risk, in a still uncertain economic situation.

Specifically, in 2013 risks continued to be focused on as follows:

- strengthening the loan portfolio management and the process for the recovery of sensitive or impaired exposures;
- making the loan granting process more selective, especially based on risk by product sector.

The Risk Management and Permanent Controls Department is responsible for the preparation of the Group Risk Disclosure. The reports are submitted on a quarterly basis to the Boards of Directors of the single Banks. The reporting produced by this Department also includes loan coverage policies and is made to the Top Management, to inform on the performance of the main risk ratios in order for action plans to be better and promptly prepared as required to mitigate, prevent or avoid risk factors. Specifically, in 2013 the Risk Management and Permanent Controls Department started to implement an interdepartmental project aimed at reengineering and automating the monthly "Credit Risk Tableau" (both at Group level and at the level of the single subsidiaries), which is also sent to the Parent Company Crédit Agricole SA. This document analyses the credit quality of the single Entities in the Group, as well as the developments in Risk Exposures, on the basis of the main regulatory and management guiding principles: the regulatory segmentation of Customers, product sectors, the distribution structure and Customer segments and sub-segments. Credit Risk, in its main components being default risk and migration risk, is measured in terms of impacts on the Income Statement (cost of Credit Risk) and on the Balance Sheet (absorbed Regulatory Capital).

In addition to its specific reporting activities, the Risk Management and Permanent Controls Department participates in analyzing the portfolio risk developments. Specifically, it has the following tasks:
- to create, develop and produce analysis and monitoring tools, also in cooperation with the Management Departments in charge, for the management and mitigation of credit risk;
- to estimate and forecast future and perspective risk scenarios, which could impact on the credit quality of the Group's Customers portfolio, in terms of distribution channel, product sector and geographical area, with regard to regulatory (e.g.: ICAAP), management and budget objectives;
- to provide risk estimates and forecasts, for regulatory, management and budget purposes.

The credit quality analysis is made also thanks to tools (Key Risk Indicators) that the Risk Management and Permanent Controls Department develops for more effective monitoring of the perimeter (either geographical or sector) in which the monitoring and mitigation action is to be performed, as well as for more effective measurement of the risk.

Basel 2/ Advanced IRB Approach

In 2013, the Cariparma Crédit Agricole Group was authorized to use internal rating systems, with an "advanced" approach (Internal Rating Based - Advanced) to quantify the credit risk capital requirements for Cariparma and Banca Popolare FriulAdria regarding Retail Loan Exposure(the so-called "Retail Portfolio").

Specifically, for the above perimeter, the following were validated for the IRB approach:
- the models to estimate "Probability of Default" (PD),
- the model to estimate the loss rate in case of default "Loss Given Default" (LGD).

The Cariparma Crédit Agricole Group has scheduled the start of the procedure to extend the use of advanced approaches (the roll-out plan) also to the subsidiary Cassa di Risparmio della Spezia.

As regards the "Exposures to Companies" (i.e. Corporate Customers), consistently with the strategic guidelines issued by the Parent Company Crédit Agricole S.A., the Cariparma Crédit Agricole Group is currently examining the actions required to have the use of advanced approaches authorized also for this exposure class.

The choice of the IRB Permanent Partial Use (PPU) for all exposures referring to the subsidiary Crédit Agricole Leasing (hereinafter referred to as CALIT) was made considering the low materiality of the sizes of its portfolio, as well as the specificity of CALIT core business within the Cariparma Crédit Agricole Group.

The risk measurement system is fully integrated in decision-making processes and in the management of corporate operations: the rating system has long been playing an essential role in loan granting, in risk management, in the internal allocation of capital and in the Bank governance, also contributing to ensure risk prevention and mitigation. In order to ensure that lending and risk measurement processes are essentially harmonized, the internal models are used by all entities in the Cariparma Crédit Agricole Group (i.e Cariparma S.p.A., Friuladria S.p.A., Carispezia S.p.A., Crédit Agricole Leasing Italia S.r.l.).

Rating systems are used in the main phases of the lending value chain. With specific reference to the processes for loan granting and monitoring, the management use of the rating system consists of:
- (lending policies) the set lending policies govern the procedures through which the Banks and the Companies in the Cariparma Crédit Agricole Group lend and manage credit risk;
- (loan granting) the measurement of creditworthiness upon the first loan granting and upon review/change in loans granted, as well as for giving decision-making powers on loan granting;
- (loan monitoring) the use of PD based on performance analysis, combined with other variables to monitor performance, in order to detect and remedy non-performing positions before they are classified as defaulting;
- (collective writedown) the Bank's approach for collective writedown provisioning for performing loans uses Basel II metrics to calculate the provision (PD and LGD), as well as to identify sensitive loans subject to impairment;
- (Bank's reporting) the use of risk measurements produced by the model in the Bank's reporting.

Lending value chain and experience requirement

1 Lending Policies

- *Integrated Rating Systems (PD) to identify policies for development towards creditworthy counterparties*

2 Granting and Renewing Loans

- *Rating Systems linked to the decision-making powers systems*

3 Management and Monitoring

- *Performance Monitoring Systems based on «performance» PD and on a set of additional indicators*

4 Other Processes

- **Loan reporting.** Periodic preparation of Reports on Credit Risk performance, using the Basel 2 risk parameters (PD, LGD)
- **Accounting and Financial Reporting.** Use of the Basel 2 risk parameters for collective writedowns

This full integration in loan management processes allows:
- the creation and development of internal models supporting the measurement of creditworthiness, which measure, at a statistically objective standard, the probability of default of counterparties (Retail).

In 2013, lending, control and organizational processes were systematized by:
- strengthening internal controls, with specific reference to first-level controls (consolidation of Data Quality controls) and to second-level ones (Validation and Control/ of Regulatory Requirements);
- systematizing, with an organic framework, all reference regulations (i.e. use of rating in loan granting processes, use of rating in monitoring metrics, collective/writedown/ impairment provisioning logics with statistical parameters).

By quantifying mandatory capital requirements with internal systems, the management of regulatory capital could be optimized, allowing a “weighted” analysis of the loan portfolio and “aware” development considering the risks taken), as well as allowing better planning of loans and of credit in the medium-/long-term.

Finally, more effective assessment of risks allows better disclosure and, consequently, better transparency in communications, which is crucial to meet the requirements of the various stakeholders of the Bank.

Process for the development, management and update of Models - Roles and Responsibilities

The process for the development, management and update of models, consistently with the guidelines issued by Crédit Agricole S.A., consists of the activities and procedures aimed at defining, either when creating or updating the same, the rating models to be applied to loan exposures, that is to say, statistical models designed to support loan measurement and to allow the Cariparma Crédit Agricole Group’s capital requirements to be determined based on the risk of unexpected losses.

The models to measure risk parameters are designed to generate - both for reporting and management purposes - risks measurements that are:
- suitable for detecting the key elements at the basis of the measurement of creditworthiness of the parties to which the Group has or intends to take loan exposures;
- relatively stable over time, so as to reflect, in every Customer segment, the long-term riskiness (measured by the rate of default) of the Group’s loan exposures, both present and potential;
- designed so as to prevent uncontrolled growth of risk in positive cycle phases and - conversely - indiscriminate restriction of lending in negative cycle phases (countercyclical feature).

The Unit responsible for model development, management and update is the Model Development Unit, which reports to the Lending Risks and Financial Risks Service that belongs to the Risk Management and Permanent Controls Department.

Specifically, the Model Development Unit is responsible for the development, for the entire Cariparma Crédit Agricole group, of internal rating models and of the LGD model, ensuring compliance with the regulatory requirements set by the Bank of Italy (in terms of implementation of the Basel II New Capital Accord), with the guidelines issued by Crédit Agricole SA. as well as with the international best practices. Moreover, this Unit has the task of documenting the structure and operating procedures of the models adopted, in particular by the rating system, formalizing the features and the choices for methods adopted, as well as any changes in the model components and overall structure, giving the grounds for such changes.

Moreover, all internal models used by the Cariparma Crédit Agricole Group are submitted for approval to the “Comité Normes et Méthodes” of the Parent Company Crédit Agricole S.A, are subject to internal validation by the Cariparma Validation & Data Quality Unit, as well as to Internal Audit by the IGL (Inspection Générale Groupe) Department of Crédit Agricole S.A.

QUANTITATIVE DISCLOSURES

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 values)

	Banking group						Other companies		
Portfolio/quality	Bad debts	Substandard loans	Restructured positions	Impaired past due positions	Non-impaired past due positions	Other assets	Impaired	Other	Total
1. Financial assets held for trading	764	843	2,414	1,153	-	209,524	-	-	214,698
2. Financial assets available for sale	48,783	-	-	-	-	4,828,910	-	-	4,877,693
3. Financial assets held to maturity	-	-	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	-	3,305,640	-	11	3,305,651
5. Loans to customers	919,019	767,777	374,472	235,262	2,081,841	32,013,482	-	-	36,391,853
6. Financial assets carried at fair value	-	-	-	-	-	-	-	-	-
7. Financial assets being divested	-	-	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-	692,941	-	-	692,941
Total 31.12.2013	**968,566**	**768,620**	**376,886**	**236,415**	**2,081,841**	**41,050,497**	**-**	**11**	**45,482,836**
Total 31.12.2012	**742,843**	**630,302**	**146,393**	**327,817**	**2,050,963**	**40,716,988**	**-**	**11**	**44,615,317**

All financial assets are classified by credit quality with the exception of capital securities and units in collective investment schemes. Financial assets held for trading and available-for-sale financial assets classified as non-performing both refer to securities maturing on 4 November 2010 and issued by Glitnir Banki hf, put into liquidation by order of the District Court of Reykjavik on 22 November 2010.

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

	Impaired assets			In bonis			
Portfolio/quality	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	Total (net exposure)
A. Banking Group							
1. Financial assets held for trading	6,253	1,079	5,174	X	X	209,524	214,698
2. Financial assets available for sale	48,782	-	48,782	4,828,911	-	4,828,911	4,877,693
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	3,305,640	-	3,305,640	3,305,640
5. Loans to customers	3,834,755	1,538,225	2,296,530	34,354,686	259,363	34,095,323	36,391,853
6.Financial assets carried at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	692,941	692,941
Total A	**3,889,790**	**1,539,304**	**2,350,486**	**42,489,237**	**259,363**	**43,132,339**	**45,482,825**
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	-	-	-	11	-	11	11
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	**-**	**-**	**-**	**11**	**-**	**11**	**11**
Total 31.12.2013	**3,889,790**	**1,539,304**	**2,350,486**	**42,489,248**	**259,363**	**43,132,350**	**45,482,836**
Total 31.12.2012	**3,057,979**	**1,210,624**	**1,847,355**	**41,449,903**	**135,124**	**42,767,962**	**44,615,317**

All financial assets are classified by credit quality with the exception of capital securities and units in collective investment schemes. Loans to Banks and loans to Customers include both loans and other technical forms (securities, etc.).

Performing loans to customers: analysis of age of past-due loans

	Exposures subject to collective agreement renegotiation			Altre esposizioni in bonis		
Performing loans to customers: analysis of age of past-due loans	Gross exposure	Portfolio adjustments	Nei exposure	Gross exposure	Portfolio adjustments	Net exposure
1. Non past-due exposures	467,037	2,922	464,115	31,786,700	237,333	31,549,367
2. Up to 90 days	46,168	1,101	45,067	1,695,766	14,544	1,681,222
3. From 91 to 180 days	2,285	106	2,179	158,589	1,393	157,196
4. From 181 to 1 year	819	8	811	133,396	1,402	131,994
5. More than 1 year	-	-	-	63,925	553	63,372
Total 31.12.2012	**516,309**	**4,137**	**512,172**	**33,838,376**	**255,225**	**33,583,151**

Detailed disclosure, as required by the Bank of Italy with the letter of 17 February 2011, states the age of performing loans, calculated considering the entire exposure to counterparties that, at the reference date had at least one loan past-due but did not meet the requirements of Circular No. 272 of the Bank of Italy to be classified as impaired loans. Where there are several loans past due for the same debtor counterparty, the longest delay is considered.

A.1.3 Banking Group - On-balance-sheet and off-balance-sheet exposures 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	2,340	1,576	X	764
b) Substandard loans	-	-	X	-
c) Restructured positions	-	-	X	-
d) Past due positions	-	-	X	-
e) Other assets	3,307,884	X	-	3,307,884
Total A	**3,310,224**	**1,576**	**-**	**3,308,648**
B. Off-balance-sheet exposures				
a) impaired	-	-	X	-
b) other	2,273,551	X	-	2,273,551
Total B	**2,273,551**	**-**	**-**	**2,273,551**
Total A+B	**5,583,775**	**1,576**	**-**	**5,582,199**

For exposure classified as bad loans, please refer to the notes to Table A.1.1. above.

On-balance-sheet exposures summarize all financial assets with banks from items 20 “Financial assets held for trading”, 40 “Financial assets available for sale” and 60 “Loans to banks”, with the exception of derivative contracts, which, in this section, are considered off-balance-sheet.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives, including hedging derivatives) entailing credit risk assumption.

A.1.4 Banking Group - On-balance-sheet exposures to Banks: changes in gross impaired positions

Causali/Categorie	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening gross exposure	**2,180**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**160**	**-**	**-**	**-**
B.1 from performing loans	160	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 to performing loans	-	-	-	-
C.2 writeoffs	-	-	-	-
C.3 collections	-	-	-	-
C.4 assignments	-	-	-	-
C.5 transfers to other categories of impaired positions	-	-	-	-
C.6 other decreases	-	-	-	-
D. Closing gross exposure	**-**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	2,340	-	-	-

A.1.5 Banking Group - On-balance-sheet exposures to Banks: changes in total adjustments of loans

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Initial overall adjustments	**1,455**	**-**	**-**	**-**
- of which; exposures assigned but not recognized	-	-	-	-
B. Increases	**121**	**-**	**-**	**-**
B.1 writedowns	121	-	-	-
B.1 bit loss on the disposal	-	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 writebacks from valutations	-	-	-	-
C.2 writebacks from collections	-	-	-	-
C.2 bis gain on the disposal	-	-	-	-
C.3 writeoffs	-	-	-	-
C.4 transfers to other categories of impaired positions	-	-	-	-
C.5 other decreases	-	-	-	-
D. Total closing adjustments	**1,576**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.6 Banking Group - 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.1 Banking Group				
a) Bad debts	2,152,648	1,184,846	X	967,802
b) Substandard loans	1,056,354	288,577	X	767,777
c) Restructured positions	430,826	56,354	X	374,472
d) Past due positions	243,710	8,448	X	235,262
f) Other assets	39,183,614	X	259,363	38,924,251
Total A	**43,067,152**	**1,538,225**	**259,363**	**41,269,564**
B. Off-balance-sheet exposures				
B.1 Banking Group				
a) Impaired	52,508	8,279	X	44,229
b) Other	1,920,600	X	654	1,919,946
Total B	**1,973,108**	**8,279**	**654**	**1,964,175**

Specifically, on-balance-sheet exposures summarize all financial assets with customers from items 20 “Financial assets held for trading”, 40 “Financial assets available for sale” and 70 “Loans to customers”, with the exception of derivative contracts, which, in this section, are considered off-balance-sheet.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives, including hedging derivatives) entailing credit risk assumption.

A.1.7 Banking Group - On-balance-sheet exposures to customers: changes in gross impaired positions

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. Opening gross exposure	**1,640,197**	**902,333**	**166,636**	**335,824**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**603,230**	**824,932**	**287,885**	**702,194**
B.1 from performing loans	37,773	467,517	225,355	667,589
B.2 transfers from other categories of impaired positions	545,910	277,641	13,996	5,648
B.3 other increases	19,547	79,774	48,534	28,957
C. Decreases	**90,779**	**670,911**	**23,695**	**794,308**
C.1 to performing loans	3,085	69,198	3,209	445,553
C.2 writeoffs	20,905	4,446	-	92
C.3 collections	63,148	54,697	19,021	41,242
C.4 assignments	-	-	-	-
C.4 bis losses from disposals	-	-	-	-
C.5 transfers to other categories of impaired positions	2,174	541,280	1,465	298,277
C.6 other decreases	1,467	1,290	-	9,144
D. Closing gross exposure	**2,152,648**	**1,056,354**	**430,826**	**243,710**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.8 Banking Group - On-balance-sheet exposures to customers: changes in total adjustments of loans

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. Initial overall adjustments	**898,079**	**280,948**	**20,698**	**8,330**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**351,734**	**182,588**	**36,916**	**10,094**
B.1 writedowns	224,566	174,494	35,307	7,274
B.1 bis loss on the disposal	-	-	-	-
B.2 transfers from other categories of impaired positions	126,962	5,727	577	270
B.3 other increases	206	2,367	1,032	2,550
C. Decreases	**64,967**	**174,959**	**1,260**	**9,976**
C.1 writebacks from valuations	33,936	33,747	768	1,396
C.2 writebacks from collections	9,148	8,454	15	662
C. 2 bis gain on the disposal	-	-	-	-
C.3 writeoffs	19,786	4,262	-	92
C.4 transfers to other categories of impaired positions	728	127,378	450	4,979
C.5 other decreases	1,369	1,118	27	2,847
D. Total closing adjustments	**1,184,846**	**288,577**	**56,354**	**8,448**
- of which: exposures assigned but not derecognized	-	-	-	-

A.2 Classification of exposures on the basis of external and internal ratings

A.2.1 Banking Group - Breakdown of on-balance-sheet exposures and off-balance-sheet exposures by external rating class

	External rating grades							
Exposures	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Not rated	Total
A. On-balance-sheet exposures	**-**	**2,520,258**	**1,011,945**	**2,713,194**	**141,533**	**339,002**	**36,000,659**	**42,726,591**
B. Derivatives	**-**	**28,022**	**6,927**	**25,548**	**814**	**1,119**	**842,173**	**904,603**
B.1 Financial Derivatives	-	28,022	6,927	25,548	814	1,119	842,173	904,603
B.2 Credit derivatives	-	-	-	-	-	-	-	-
C. Guarantees issued	**-**	**585,894**	**151,880**	**250,655**	**13,360**	**71,786**	**697,686**	**1,771,261**
D. Commitments to disburse funds	**-**	**2,517**	**2,517**	**13,947**	**-**	**60**	**174,016**	**193,057**
E. Other	**-**	**-**	**-**	**-**	**-**	**-**	**361**	**361**
Total	**-**	**3,136,691**	**1,173,269**	**3,003,344**	**155,707**	**411,967**	**37,714,895**	**45,595,873**

The above breakdown by rating class refers to measurements made by Cerved Group S.p.A. (ECAI - External Credit Assessment Institution - recognized by the Bank of Italy).

The “without rating” column includes exposures with counterparties for which a Cerved rating is not available.

A.2.2 Breakdown of on-balance-sheet exposures and off-balance-sheet exposures by internal rating class (book values)

	Internal rating grades					
Exposures	from AAA to BBB+	from BBB to BBB-	from BB+ to B	from B- to D	Not rated	Total
A. On-balance-sheet exposures	**10,246,616**	**8,151,868**	**6,621,717**	**3,954,672**	**16,506,133**	**45,481,006**
B. Derivatives	**13,552**	**40,589**	**28,907**	**9,544**	**812,011**	**904,603**
B.1 Financial Derivatives	13,552	40,589	28,907	9,544	812,011	904,603
B.2 Credit derivatives	-	-	-	-	-	-
C. Guarantees issued	**297,484**	**549,419**	**394,708**	**74,603**	**1,819,772**	**3,135,986**
D. Commitments to disburse funds	**375**	**479**	**2,171**	**-**	**128,423**	**131,448**
E. Other	**-**	**-**	**-**	**-**	**-**	**-**
Total	**10,558,027**	**8,742,355**	**7,047,503**	**4,038,819**	**19,266,339**	**49,653,043**

The breakdown by rating class given below refers to Cariparma Crédit Agricole Group internal models. The column “Without rating” mainly shows exposures to Banks, State bodies and Sovereign States, for which internal rating models are not available.

Excluding counterparties without rating, there is a concentration in the Investment Grade classes (from AAA to BBB-), equal to 63% of the total, while 29% falls within the BB+/BB class and 14% in the B-/D class.

A.3 Breakdown of secured loan exposures by type of collateral

A.3.2 Banking group - Secured loan exposures to Customers:

		Collateral (1)				Unsecured guarantees (2)									
						Credit					Other guarantees				
							Other derivative								
	Net value of exposure	Real Estate Mortgages	Real Estate Finance leases	Securities	Other assets	CLN	Governments and central banks	Other public entities	Banks	Other	Governments and central banks	Other public entities	Banks	Other	Total (1)+(2)
1. Secured on-balance-sheet exposures:	**30,138,291**	**67,865,528**	**1,069,442**	**264,557**	**1,424,130**	**-**	**-**	**-**	**-**	**-**	**11,419**	**94,162**	**2,823,532**	**9,176,733**	**82,729,503**
1.1 fully secured	26,257,204	67,464,355	492,703	219,473	910,282	-	-	-	-	-	8,979	92,230	1,576,607	8,670,899	79,435,528
- of which impaired	1,620,120	5,156,702	27,833	6,842	25,748	-	-	-	-	-	-	1,573	5,018	1,627,522	6,851,238
1.2 partially secured	3,881,087	401,173	576,739	45,084	513,848	-	-	-	-	-	2,440	1,932	1,246,925	505,834	3,293,975
- of which impaired	302,121	67,917	19,837	1,179	10,396	-	-	-	-	-	-	191	12	84,621	184,153
2. Secured off-balance-sheet exposures:	**620,937**	**219,579**	**-**	**37,488**	**127,021**	**-**	**-**	**-**	**-**	**-**	**-**	**302**	**13,166**	**644,957**	**1,042,513**
2.1 fully secured	526,547	218,689	-	27,232	105,202	-	-	-	-	-	-	302	7,721	629,584	988,730
- of which impaired	13,549	-	-	453	2,186	-	-	-	-	-	-	-	60	29,102	31,801
2.2 partially secured	94,390	890	-	10,256	21,819	-	-	-	-	-	-	-	5,445	15,373	53,783
- of which impaired	2,932	-	-	77	1,349	-	-	-	-	-	-	-	-	1,936	3,362

On-balance-sheet exposures, totally or partially secured, include secured loans and other financial assets, with the exclusion of derivative contracts and equity securities. Off-balance-sheet transactions include financial transactions (guarantees issued, commitments, derivatives) entailing the assumption of credit risk. The value of exposures is net of uncertain outcomes and of portfolio adjustments.

Collateral and personal guarantees are expressed at the fair value estimated as at the reporting date.

B. Breakdown and concentration of exposures

B.1 Banking group - on-balance-sheet and off-balance-sheet exposures to customers by sector (book value)

Exposures/ counterparts	Governments			Other public entities			Financial companies			Insurance undertakings			Non-financial companies			Other		
	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments
A. On-balance-sheet exposures																		
A.1 Bad debts	7	-	X	-	-	X	3,952	11,122	X	48,783	22	X	690,398	1,073,571	X	224,662	100,131	X
A.2 Substandard loans	1	-	X	1,895	117	X	1,715	1,547	X	-	-	X	623,095	212,597	X	141,071	74,316	X
A.3 Restructured loans	-	-	X	-	-	X	34,374	2,932	X	-	-	X	340,098	53,422	X	-	-	X
A.4 Past due positions	-	-	X	-	-	X	5,392	74	X	-	-	X	171,386	6,678	X	58,484	1,696	X
A.5 Other	4,836,942	X	-	327,034	X	135	2,839,954	X	4,564	83,378	X	-	17,123,497	X	140,725	13,713,446	X	113,939
Total A	**4,836,950**	**-**	**-**	**328,929**	**117**	**135**	**2,885,387**	**15,675**	**4,564**	**132,161**	**22**	**-**	**18,948,474**	**1,346,268**	**140,725**	**14,137,663**	**176,143**	**113,939**
B. Off-balance-sheet exposures																		
B.1 Bad debts	-	-	X	-	-	X	29	25	X	-	-	X	7,359	1,044	X	51	3	X
B.2 Substandard loans	-	-	X	-	-	X	9	9	X	-	-	X	10,717	4,334	X	115	117	X
B.3 Impaired Assets	-	-	X	-	-	X	79	-	X	-	-	X	25,808	2,746	X	62	1	X
B.4 Other	16,553	X	-	12,678	X	-	30,627	X	4	21,327	X	9	1,729,917	X	624	73,040	X	17
Total B	**16,553**	**-**	**-**	**12,678**	**-**	**-**	**30,744**	**34**	**4**	**21,327**	**-**	**9**	**1,773,801**	**8,124**	**624**	**73,268**	**121**	**17**
Total (A+B) 31.12.2013	**4,853,503**	**-**	**-**	**341,607**	**117**	**135**	**2,916,131**	**15,709**	**4,568**	**153,488**	**22**	**9**	**20,722,275**	**1,354,392**	**141,349**	**14,210,931**	**176,264**	**113,956**
Total (A+B) 31.12.2012	**3,894,397**	**7**	**-**	**271,371**	**1**	**1,096**	**1,533,828**	**11,286**	**1,885**	**97,815**	**22**	**18**	**21,532,506**	**1,056,111**	**94,320**	**13,975,065**	**147,644**	**39,086**

On-balance-sheet exposures include loans as well as financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Off-balance-sheet exposures include all financial transactions.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.

B.2 Banking group - breakdown by geographical area of on-balance-sheet and off-balance-sheet exposures to customers (book value)

Exposures/ Geographical areas	North-Western Italy		North-Eastern Italy		Central Italy		Southern Italy and Isles	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures								
A.1 Bad debts	384,621	457,577	431,005	496,416	97,657	126,612	52,830	91,510
A.2 Substandard loans	289,920	100,675	336,185	117,992	82,813	33,982	57,820	35,485
A.3 Restructured loans	67,646	16,437	214,479	28,600	76,657	8,817	15,690	2,500
A.4 Past due positions	105,833	3,717	92,125	3,231	16,888	713	20,389	786
A.5 Other	14,589,055	103,760	13,570,727	103,326	8,709,942	35,138	1,809,531	15,951
Total A	**15,437,075**	**682,166**	**14,644,521**	**749,565**	**8,983,957**	**205,262**	**1,956,260**	**146,232**
B. Off-balance-sheet exposures								
B.1 Bad debts	1,901	69	4,161	966	1,337	37	40	-
B.2 Substandard loans	3,838	1,564	6,417	2,382	321	273	265	241
B.3 Impaired Assets	2,747	147	22,954	2,584	233	16	15	-
B.4 Other	620,819	173	934,811	233	252,816	199	60,223	41
Total	**629,305**	**1,953**	**968,343**	**6,165**	**254,707**	**525**	**60,543**	**282**
Total (A+B) 31.12.2013	**16,066,380**	**684,119**	**15,612,864**	**755,730**	**9,238,664**	**205,787**	**2,016,803**	**146,514**
Total (A+B) 31.12.2012	**14,531,389**	**507,837**	**16,397,150**	**582,294**	**7,529,358**	**136,573**	**1,984,242**	**112,201**

B.3 Banking group - breakdown by geographical area of on-balance-sheet and off-balance-sheet exposures to banks (book value)

Exposures/ Geographical areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	764	1,576	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other	325,173	-	3,022,329	-	30,195	-	6,843	-	4,505	-
Total A	**325,173**	**-**	**3,023,093**	**1,576**	**30,195**	**-**	**6,843**	**-**	**4,505**	**-**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Impaired Assets	-	-	-	-	-	-	-	-	-	-
B.4 Other	318,857	-	918,571	-	6,769	-	17,038	-	2,984	-
Total	**318,857**	**-**	**918,571**	**-**	**6,769**	**-**	**17,038**	**-**	**2,984**	**-**
Total (31.12.2013)	**644,030**	**-**	**3,941,664**	**1,576**	**36,964**	**-**	**23,881**	**-**	**7,489**	**-**
Total (31.12.2012)	**1,202,485**	**-**	**4,550,329**	**1,455**	**17,111**	**-**	**12,181**	**-**	**19,629**	**-**

B.4 Large risks

As at 31 December 2013, positions showing large risk features as defined in Circular No. 263 of 27 December 2006 (as updated) were:
- of a total nominal amount of Euro 13,320,245 thousand;
- of a total weighted amount of Euro 2,725,891 thousand;
- a total number of 4.

C. Securitization and asset disposals

C.1.7 Banking Group - Activities as Servicer - collection of securitized loans and repayment of securities issued by the special-purpose vehicle

		Securitized assets (end of period figure)		Credit collections in the financial year		% Share of refunded securities (end of period figure)					
						senior		mezzanine		junior	
Servicer	Specialpurpose vehicle	Impaired	Performing	Impaired	Performing	Impaired assets	Performing assets	Impaired assets	Performing assets	Impaired assets	Performing assets
Cariparma	MondoMutui Cariparma S.r.l. - cartolarizzazione 1	39,503	2,657,558	53,720	195,761	-	-	-	-	-	-
Cariparma	MondoMutui Cariparma S.r.l. - cartolarizzazione 2	11,585	2,441,189	253	160,565	-	-	-	-	-	-

C.1.8 Banking group - Subsidiary Special-Purpose Entities

As at 31 December 2013, the Parent Company Cariparma was carrying out two so-called “internal” securitization transactions transferring receivables deriving from home mortgage loans contracts secured by first mortgage.

As at 31 December 2013, the residual debt of securitized loans amounted to Euro 5,150 million.

Following the loans securitization, the Parent company has subscribed all the securities issued by the special-purpose entity.

The “senior” tranche securities have been accepted for trading on the Luxembourg Stock Exchange (nominal value of Euro 4,482 million).

The «junior” tranche, which has no rating, amounted to a nominal value of Euro 843 million.

C.2 Asset disposals

C.2.1 Financial assets disposed 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	31.12.2013	31.12.2012
A. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**1,014,287**	**-**	**-**	**-**	**-**	**-**	**26,602**	**-**	**-**	**-**	**-**	**-**	**1,040,889**	**1,150,647**
1. Debt securities	-	-	-	-	-	-	1,014,287	-	-	-	-	-	26,602	-	-	-	-	-	1,040,889	1,150,647
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**-**	**-**
Total 31.12.2013	**-**	**-**	**-**	**-**	**-**	**-**	**1,014,287**	**-**	**-**	**-**	**-**	**-**	**26,602**	**-**	**-**	**-**	**-**	**-**	**1,040,889**	**-**
of which impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total 31.12.2012	**-**	**-**	**-**	**-**	**-**	**-**	**993,637**	**-**	**-**	**-**	**-**	**-**	**157,010**	**-**	**-**	**-**	**-**	**-**	**-**	**1,150,647**
of which impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Key:

A = financial assets disposed and fully recognized (book value)

B = financial assets disposed and partially recognized (book value)

C = financial assets disposed and partially recognized (full value)

Financial assets disposed of and not derecognized mainly consisted of securities relating to repurchase agreements.

C.2.2 Financial liabilities in respect of financial assets disposed but not derecognized

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	**-**	**-**	**6,450**	**-**	**27,123**	**-**	**33,573**
a) in respect of assets fully recognized	-	-	6,450	-	27,123	-	33,573
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	**-**	**-**	**1,001,049**	**-**	**-**	**-**	**1,001,049**
a) in respect of assets fully recognized	-	-	1,001,049	-	-	-	1,001,049
b) in respect of assets partially recognized	-	-	-	-	-	-	-
3. Securities issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) in respect of assets fully recognized	-	-	-	-	-	-	-
b) in respect of assets partially recognized	-	-	-	-	-	-	-
Total 31.12.2013	**-**	**-**	**1,007,499**	**-**	**27,123**	**-**	**1,034,622**
Total 31.12.2012	**-**	**-**	**1,017,136**	**-**	**156,789**	**-**	**1,173,925**

Financial liabilities in respect of financial assets disposed but not derecognized (reported in the Loans to Banks column) referred to repurchase agreements for funding purposes with securities recognized in assets.

C.3 Covered bond transactions

In order to increase its liquidity reserves, in the period the Cariparma Crédit Agricole Group completed the design of its first program for the issue of Covered Bonds. These bonds are secured, i.e. "covered" both by the issuing bank and by a pool of high-quality loans, whose "separate" administration is assigned to a special-purpose vehicle (Cariparma OBG srl - the Special Purpose Vehicle selected to participate in the Program, in which Cariparma holds a 60% stake), which acts as the "depositary of loans used as collaterals". The program, which has been designed to increase eligible assets with the European Central Bank and, in the period, did not entail issues on the market, requires effective organizational control and significant capital soundness. It is also emphasized that the above program has no effect on the regulatory risk profile of the disposing Banks (and of the Group) and does not generate the obligation for the Banks to derecognize the assets used as collaterals.

In general, the transaction, in accordance with the relevant regulations, consisted in the following activities.

The Banks of the Cariparma Crédit Agricole Group (Cariparma, Banca Popolare FriulAdria and Carispezia) transferred a "Pool" of mortgage loans to Cariparma OBG. The assets transferred to the Special-Purpose Vehicle are separated from the SPV's assets and are to be used to the benefit of the holders of the covered bonds issued and of other parties in favour of whom the guarantee has been given. The Banks granted a subordinated loan to Cariparma OBG, to be used to pay the purchase price of the assets by the same Special-Purpose Vehicle.

Therefore, Cariparma issued the Covered Bonds that were then repurchased; the Special-Purpose Vehicle issued a collateral in favour of the holders of the covered bonds.

As a consequence, the repayment of the Covered Bonds that were issued within this transaction is secured by an unconditional and irrevocable collateral issued by Cariparma OBG exclusively to the benefit of the Covered Bond subscribers (Cariparma) and of unrelated counterparties.

The disposal Portfolio

The loans that, each time, are transferred to the Special-Purpose Vehicle must have some common features.

Accounts receivable based on mortgage loans contracts were selected, which, as at 18 May 2013, had, by way of an example and not limited to, the following common features:

Accounts receivable based on Mortgage loans contracts that are either: (A) Home mortgage loans (i) having a risk-weighting factor not higher than 35% and for which the residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 80% of the value of the mortgaged property; or (B) commercial mortgage loans (i) having a risk-weighting factor not higher than 50% and for which the residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 60% of the value of the mortgaged property; - which have been granted or purchased by the Cariparma Crédit Agricole Group; - which are performing with no instalments past due for over 30 days from the due date; - which do not include clauses restricting the Group Banks' right to sell the loans resulting from the relevant contract or providing for the borrower's consent to the transfer and the Group Banks have obtained such consent; - for which any pre-amortization time provided for by the contract has fully expired and at least one instalment has matured and has been paid; - which have been granted to a natural person, a legal person or to more than one natural or legal person, who have jointly taken out the loan; - which provide for the borrower to pay floating-rate interest (determined each time by the Group Banks) or fixed-rate interest.

Upon the first disposal, made by signing, on 20 May 2013, a specific loan sale master agreement, the Banks in the Cariparma Crédit Agricole Group transferred an initial portfolio to Cariparma OBG S.r.l. for a total principal amount of approximately Euro 3.2 billion (the "Initial Portfolio", of which Euro 1.9 billion transferred by Cariparma, Euro 1.0 billion by Banca Popolare FriulAdria and Euro 0.3 billion by Carispezia).

Based on the selection criteria in force as at 18 May 2013, the Initial Portfolio consists of receivables from 35,441 mortgage loans.

D. Banking Group - Credit risk measurement models

Section 2 - Market risks

2.1 Interest rate risk and price risk - Supervisory Trading Book

QUALITATIVE DISCLOSURES

General aspects

The Cariparma Crédit Agricole Group (consistently with the 2011-2014 Strategic Plan and in line with past operations) does not engage in significant proprietary trading in financial and capital markets.

Therefore, trading is essentially instrumental and made on behalf of Customers based on the concept of intermediation, which allows the Cariparma Group to take only residual financial risk positions.

The Cariparma Crédit Agricole Group trading book is historically composed of securities (mainly bonds issued by Banks) and of over-the-counter derivatives (matched trading); these positions derive from placing and trading activities carried out to satisfy Customers' requirements.

Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk profiles of the Group's trading book, centrally managing financial operations as well as risk measurement and control activities.

The control of market risk implemented on the trading book ensures that a risk level consistent with the Group's objectives is continuously maintained. The set organizational controls and the residual riskiness make the use of financial management VaR metrics or the use of validated internal models unnecessary; therefore, the equity absorption is reported with the standard procedures.

Management and measurement of market risks

Organisational aspects

The market risk in the Group's trading book is managed as part of each bank's risk policies.

This document defines the internal regulatory system for the management of market risk with reference to operations in financial instruments, currencies and commodities, in terms of:
- The principles, objectives, methodologies and tools used for the measurement, control and management of market risk;
- Guidelines and rules on which the market risk management processes are based.

The Market Risk Policy is one of the components of the overall risk governance model adopted by the Group, consistently with Crédit Agricole guidelines.

Within the process for market risk management, primary responsibility is assigned to corporate bodies/department, according to their respective areas, and they must be completely aware of the Bank's level of exposure:
- the Board of Directors is tasked with strategic overseeing and is therefore responsible for defining market risk governance policies and management processes.
- Cariparma's Co-General Manager, delegating the relevant powers to the Market Area, is the officer responsible for market risk management, and, therefore, defines and steers the Group's mechanism for the management of market risk, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee.
- the Risk Management and Permanent Controls Department is responsible for control and, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee, verifies the corporate risk management process and supervises compliance of the treatment of market risk with the legislation in force and with the Group risk strategy.

The limit structure

The limit structure reflects the level of risk deemed acceptable with reference to the individual business areas and is a mechanism designed to control that operational practices, at the various organisational levels, are performed in compliance with management guidelines and strategies, as defined by the Top Management.

Consistently with Crédit Agricole Group guidelines, the limits system is composed of global limits and operational limits.

The global limits system must be able to ensure controlled development of the business. The limits are set so as to contain losses within a level deemed acceptable for the Crédit Agricole Group as a whole.

Global limits on market risk are defined on the basis of the maximum mark-to-market variation vs. the initial value and are set by the Crédit Agricole Group Risk Committee (CRG).

Operational limits are validated by the Boards of Directors of the Group's Banks and must not exceed the global limits set for the Cariparma Crédit Agricole Group.

Operational limits are defined on the basis of the nominal value of the open position (that is after clearing of identical purchase and sale positions).

Therefore, operational limits are, consistently with global limits, adaptations of the latter by type of asset, product, portfolio, and risk factors.

The Board of Directors retains the power to set further restrictions on activities (for example, in terms of instruments that can be held, foreign currency risks, etc.), the structure of operational decision-making powers and any sub-limits (for example, by individual entity in the Group and/or portfolio).

Control System

Risk monitoring is a task assigned to the Risk Management and Permanent Controls Department, which is responsible for verifying:

- compliance with the operational limits set on the trading books of the individual Banks;
- adequacy and proper operation of the finance process;
- compliance with approved risk management rules and criteria;
- proper operations of activities and controls for protection from risks;

Reporting on compliance with the set limits is included in monthly Risk, which is fed by automated daily reporting based on an internal procedure. It is sent to the Group's Top Management Bodies, to the Departments engaged in market risk management (Market Area), to the Audit Department and to Crédit Agricole (Direction Risques Groupe).

A summary of this report is the basis for quarterly risk reporting to the Group's Executive and Control collective Bodies (ALM and Financial Risks Committee, Internal Control Committee, Board of Auditors, Board of Directors).

If certain events occur (the limits are exceeded, there are significant changes in the markets, significant losses, etc. …) the Group activates the alert procedure, reporting the event and a remedial action plan, as soon as possible, to the Top Management Bodies and to the Direction Risques Groupe of Crédit Agricole S.A. In the period, no alert procedures were activated.

The Risk Management and Permanent Controls Department also validates the approaches adopted for the pricing models for Over The Counter (OTC) derivatives hedging interest rate, exchange rate and commodity risks, if such derivatives are not traded on regulated markets. These instruments, which are bilaterally traded with market counterparties, are measured with specific pricing models that are fed with input parameters (such as interest rate, exchange rate and volatility curves) observed on the market and subject to monitoring processes.

In order to better assess the counterparty risk on market transactions, a policy was approved which provides for the adjustment of the method to measure management add-ons to the guidelines issued by Crédit Agricole SA.

The graph below shows that, in the period, Market Risk was constantly and appreciably kept under the set limit:

QUANTITATIVE DISCLOSURES

1. Supervisory Trading Book: breakdown by residual maturity (repricing date) of on-balance-sheet financial assets and 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	more than 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	**-**	**121,870**	**49,328**	**8,310**	**102**	**-**	**-**	**-**
3.1 With underlying security	-	8	-	-	8	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	8	-	-	8	-	-	-
+ long positions	-	4	-	-	4	-	-	-
+ short positions	-	4	-	-	4	-	-	-
3.2 Without underlying security	-	121,862	49,328	8,310	94	-	-	-
- Options	-	132	164	244	12	-	-	-
+ long positions	-	66	82	122	6	-	-	-
+ short positions	-	66	82	122	6	-	-	-
- Other derivatives	-	121,730	49,164	8,066	82	-	-	-
+ long positions	-	60,018	24,582	4,053	41	-	-	-
+ short positions	-	61,712	24,582	4,013	41	-	-	-

Currency 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	more than 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 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**2,985**	**22,310**	**4,798**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	2,985	22,310	4,798	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	2,985	22,310	4,798	-	-	-	-
+ long positions	-	1,426	11,155	2,399	-	-	-	-
+ short positions	-	1,559	11,155	2,399	-	-	-	-

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	more than 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	**-**	**25,979**	**11,404**	**9,776**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	25,979	11,404	9,776	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	25,979	11,404	9,776	-	-	-	-
+ long positions	-	12,955	5,702	4,888	-	-	-	-
+ short positions	-	13,024	5,702	4,888	-	-	-	-

Currency CANADIAN 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	more than 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	**-**	**23,439**	**-**	**-**	**58**	**-**	**-**	**-**
3.1 With underlying security	-	58	-	-	58	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	58	-	-	58	-	-	-
+ long positions	-	29	-	-	29	-	-	-
+ short positions	-	29	-	-	29	-	-	-
3.2 Without underlying security	-	23,381	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	23,381	-	-	-	-	-	-
+ long positions	-	11,486	-	-	-	-	-	-
+ short positions	-	11,895	-	-	-	-	-	-

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	more than 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	**-**	**1,274**	**200**	**34**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	1,274	200	34	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	1,274	200	34	-	-	-	-
+ long positions	-	641	100	17	-	-	-	-
+ short positions	-	633	100	17	-	-	-	-

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**104**	**1,050**	**1,848**	**12**	**1**	**6**	**-**
1.1 Debt securities	-	104	1,050	1,848	12	1	6	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	104	1,050	1,848	12	1	6	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**376,470**	**4,700,835**	**1,086,119**	**796,730**	**4,380,616**	**1,065,691**	**170,658**	**1**
3.1 With underlying security	-	42,462	32,985	1,341	4,450	32	54	1
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	42,462	32,985	1,341	4,450	32	54	1
+ long positions	-	21,059	16,648	842	2,116	5	27	-
+ short positions	-	21,403	16,337	499	2,334	27	27	1
3.2 Without underlying security	376,470	4,658,373	1,053,134	795,389	4,376,166	1,065,659	170,604	-
- Options	348	2,074	3,834	11,443	1,870,572	131,251	20,622	-
+ long positions	322	1,037	1,917	5,717	935,169	65,615	10,295	-
+ short positions	26	1,037	1,917	5,726	935,403	65,636	10,327	-
- Other derivatives	376,122	4,656,299	1,049,300	783,946	2,505,594	934,408	149,982	-
+ long positions	188,061	2,353,648	500,350	391,957	1,252,797	467,204	74,991	-
+ short positions	188,061	2,302,651	548,950	391,989	1,252,797	467,204	74,991	-

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	more than 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	**-**	**14,695**	**6,834**	**6,498**	**166**	**-**	**-**	**-**
3.1 With underlying security	-	173	-	-	166	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	173	-	-	166	-	-	-
+ long positions	-	87	-	-	83	-	-	-
+ short positions	-	86	-	-	83	-	-	-
3.2 Without underlying security	-	14,522	6,834	6,498	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	14,522	6,834	6,498	-	-	-	-
+ long positions	-	7,264	3,417	3,249	-	-	-	-
+ short positions	-	7,258	3,417	3,249	-	-	-	-

2.2 Interest rate risk and price risk - Banking book

QUALITATIVE DISCLOSURES

General aspects

Asset Liability Management activities refer to all on-balance-sheet and off-balance-sheet transactions (Banking Book) and focus on fixed-rate positions, excluding from this perimeter the positions in the supervisory Trading Book. Fluctuations in interest rates impact the Group's profits by reducing net interest income and also affect capital by causing changes in the net present value of future cash flows.

The Banking Book price risk is generated by financial assets held for purposes other than trading.

Organisational aspects

Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk profiles of the Group's Banking Book, centrally managing financial operations, as well as the activities for risk measurement and control.

The Governance model adopted by the Cariparma Crédit Agricole Group vests the ALM and Financial Risks Committee with the task of setting the strategic and direction lines for the management, of validating the methods for measuring the exposure to interest rate risk, of examining the reporting produced by the Financial Management Department and by the Risk Management and Permanent Controls Department, as well as to resolve any measures to be implemented. Respect of the decision-making powers delegated by the single Banks in the Group is ensured by the fact that Top Officers sit on the Committee and report to the respective Boards of Directors.

The Financial Management Department is given powers and responsibilities by the CFO for its management role and, specifically, for the management of interest rate risk for the entire Cariparma Crédit Agricole Group, in compliance with the guidelines issued by the Controlling Company Crédit Agricole SA and by the ALM and Financial Risks Committee, and is subject to second-level controls made by the Risk Management and Permanent Control Department.

In compliance with the regulatory provisions and with the guidelines issued by the Crédit Agricole Group, the assessment of interest risk and price risk of the Banking Book is, as a rule, reviewed annually within the Risk Strategy; the latter is validated by the ALM and Financial Risks Committee and approved by the Group Risks Committee of Crédit Agricole S.A. and by the Boards of Directors of the Group Banks.

The Risk Management and Permanent Controls Department is responsible for control and, therefore, it verifies the corporate risk management process and supervises compliance of the treatment of market risk with the legislation in force and with the Group risk strategy.

Risk policy and management

The processes for the management of interest rate and price risks are governed by the respective risk policies.

These documents define the internal regulatory system for the management of risks with reference to operations in financial instruments, in terms of:
- The principles, objectives, methodologies and tools used for the measurement, control and management of risks;
- Guidelines and rules on which the risk management and stress testing processes are based.

The policy for the management of interest rate risk is designed to maximize the profitability of the single entities in the Group, in compliance with the limits and with the guidelines set by the Boards of Directors and by the Group Risks Committee of Crédit Agricole S.A. The main financial instruments for the management of interest risk hedges are Interest Rate Swaps and Interest-rate CAP options, which, for their very nature, are contracts referring to "pure" interest rate risk.

The policy for the management of the Banking Book is designed to invest available liquidity and to hold liquidity reserves in a Basel 3 (LCR) perspective.

Control System

Independent control on the system for the management of interest rate risk is performed by Cariparma's Risk Management and Permanent Controls Department, for the Group and for the single Banks, by verifying the compliance of such system with the CASA internal model. Specifically, within the scope of its tasks, the Risk Management and Permanent Controls Department:

- controls the risk measurement and stress testing models, consistently with the guidelines issued by the Supervisory Body and with the procedures set by Crédit Agricole S.A.;
- assesses, within the validation and update process, the results of quantitative and qualitative analysis of the models, expressing its opinion in this regard;
- independently verifies the outcomes of stress tests on the Banking Book;
- informs the Board of Directors and Crédit Agricole S.A. (within the control process) where the limits set for risk management have been breached since the last communication and recommends remedial actions to be implemented, after obtaining the opinion of the Financial Management Department.

The Risk Management and Permanent Controls Department is responsible for control of compliance with the set limits (global, operational and alert thresholds); therefore, it prepares and send to the corporate Bodies its Financial Risk Report, covering the control outcomes, any breaches of limits and activates, where required, the appropriate alert procedures. On a quarterly basis, it submits a summary of the above Report to the ALM and Financial Risks Committee, as well as to the Internal Control Committee. A summary of the above Report is the basis for quarterly reporting on risks to the Boards of Directors of the Group Banks.

Risk measurement: methodological aspects

For measuring interest rate risk, the Group has adopted an interest-rate gap model, according to which, at each future maturity date, the cumulative gap generated by sensitive fixed-rate assets and liabilities existing at the relevant date is measured. To calculate the fixed-rate gap, on-balance-sheet exposures to interest rate risk must be identified, as well as the stable component of demand items, the effects of the "optionality" underlying some Banking Book positions must be estimated (e.g. early repayment of mortgage loans), as well as the maturity of some balance sheet items that have no certain contractual maturity, in accordance with the proprietary models of the Group and of Crédit Agricole S.A.

Also in 2013, as provided for by CASA regulations, the modeling was reviewed. The analysis made on the stable component of Retail on-demand liabilities showed a decrease in the persistence (duration) of the same in the gap profile, with symmetrical effects on the hedging asset.

In line with the instructions issued by Crédit Agricole S.A., a set of limits for the gaps was defined, which represents the maximum acceptable level of interest rate risk for the Group. These limits are calculated with reference to a series of risk indicators that measure the impact of a change in interest rates on equity, net banking income. The ALM and Financial Risks Committee approved the new limits proposed, which were then submitted to the Group Risk Committee of Crédit Agricole S.A. and to the Boards of Directors of the Banks

The Risk Strategy was approved in the second half of 2013 and confirmed the new limit structure, reviewing them as to their quantitative component in line with the Group's management profile. Consistently with the Crédit Agricole Group guidelines, the limits system consists of global limits that are, then, adapted to each single entity in the Group. As regards global limits on interest rate risk, the Risk Strategy has reduced the global limit, in terms of Net Present Value (NPV) and the gap global limits, subdivided into different time ranges.

As regards price risk for the proprietary portfolio, global limits have been set, based on the type of instruments that can be held (Italian, German and French Government securities), which are expressed with reference to the maximum nominal value, expecting full hedge of interest rate risk. Operational limits have the same structure and are then adapted to each single Bank. Operational limits are submitted for approval to the Boards of Directors of the Group's Banks and must not exceed the global limits set for the Group. In 2013, the Group adopted the changes made by Crédit Agricole SA to the stress methods to be used on the Group proprietary portfolio, setting global limits on the stress impacts.

Fair value hedging

Hedging interest rate risk has the objective of immunizing the Banking Book from the movements of the interest rate curve. Specifically, subject to hedging are fixed-rate debenture loans and fixed-rate securities recognized as assets (micro-hedge), mortgage loans with CAP grated to Customers (macro-hedge) and fixed-rate gaps, which are subject to macro-hedge. The hedges were made only by purchasing Interest Rate Swaps and Interest Rate Options.

In compliance with the IASs, the effectiveness of the hedges was assessed by the Financial Management Department, which carries out the relevant tests on a monthly basis; within the procedures, formal documentation for every hedging transaction is kept. The reduction of the stable duration of demand items through the upgrading of the Macro-hedging core deposit model adopted by the Group entailed the unwinding of hedges with longer durations.

Cash flow hedging

As at the reporting date, there was no cash flow hedge.

QUANTITATIVE DISCLOSURES

1. Banking Book: breakdown of financial assets and liabilities by residual maturity (repricing date)

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**29,857**	**279,701**	**7,492**	**14,040**	**14,870**	**526**	**1**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	25,850	166,759	640	-	1,211	-	-	-
1.3 Loans to customers	4,007	112,942	6,852	14,040	13,659	526	1	-
- current accounts	2,815	4	3	7	2	-	1	-
- other loans	1,192	112,938	6,849	14,033	13,657	526	-	-
- with early redemption option	118	31,403	2,155	261	2	-	-	-
- other	1,074	81,535	4,694	13,772	13,655	526	-	-
2. On-balance-sheet liabilities	**178,055**	**159,904**	**3,718**	**3,744**	**1,035**	**510**	**-**	**-**
2.1 Due to customers	177,969	65,398	506	504	-	-	-	-
- current accounts	175,234	65,398	506	504	-	-	-	-
- other loans	2,735	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	2,735	-	-	-	-	-	-	-
2.2 Due to banks	86	94,506	3,212	3,240	1,035	510	-	-
- current accounts	1	-	-	-	-	-	-	-
- other payables	85	94,506	3,212	3,240	1,035	510	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**976**	**174,876**	**272**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	87,790	272	-	-	-	-	-
+ short positions	976	87,086	-	-	-	-	-	-

Currency	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**	**more than 5 years to 10 years**	**more than 10 years**	**unspecified maturity**
1. On-balance-sheet assets	**11,133**	**1,796**	**1**	**1**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	11,124	1	-	-	-	-	-	-
1.3 Loans to customers	9	1,795	1	1	-	-	-	-
- current accounts	-	1	1	1	-	-	-	-
- other loans	9	1,794	-	-	-	-	-	-
- with early redemption option	9	1,126	-	-	-	-	-	-
- other	-	668	-	-	-	-	-	-
2. On-balance-sheet liabilities	**12,033**	**180**	**-**	**355**	**-**	**-**	**-**	**-**
2.1 Due to customers	12,033	180	-	355	-	-	-	-
- current accounts	11,715	180	-	355	-	-	-	-
- other loans	318	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	318	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**44**	**-**	**44**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	-	44	-	-	-	-	-
+ short positions	44	-	-	-	-	-	-	-

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**3,882**	**26,000**	**18,231**	**763**	**2,046**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	3,777	-	-	-	-	-	-	-
1.3 Loans to customers	105	26,000	18,231	763	2,046	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	105	26,000	18,231	763	2,046	-	-	-
- with early redemption option	-	1,555	-	-	-	-	-	-
- other	105	24,445	18,231	763	2,046	-	-	-
2. On-balance-sheet liabilities	**8,601**	**41,861**	**-**	**20**	**-**	**-**	**-**	**-**
2.1 Due to customers	8,601	-	-	20	-	-	-	-
- current accounts	8,596	-	-	20	-	-	-	-
- other loans	5	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	5	-	-	-	-	-	-	-
2.2 Due to banks	-	41,861	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	-	41,861	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**375**	**55,230**	**375**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	27,615	375	-	-	-	-	-
+ short positions	375	27,615	-	-	-	-	-	-

Currency	CANADIAN 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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**5,733**	**185**	**-**	**1**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	5,405	-	-	-	-	-	-	-
1.3 Loans to customers	328	185	-	1	-	-	-	-
- current accounts	328	-	-	1	-	-	-	-
- other loans	-	185	-	-	-	-	-	-
- with early redemption option	-	185	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**4,481**	**886**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	4,481	-	-	-	-	-	-	-
- current accounts	4,479	-	-	-	-	-	-	-
- other loans	2	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	2	-	-	-	-	-	-	-
2.2 Due to banks	-	886	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	-	886	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**1,249**	**1,202**	**21**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,096	-	-	-	-	-	-	-
1.3 Loans to customers	153	1,202	21	-	-	-	-	-
- current accounts	117	-	-	-	-	-	-	-
- other loans	36	1,202	21	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	36	1,202	21	-	-	-	-	-
2. On-balance-sheet liabilities	**925**	**1,244**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	867	-	-	-	-	-	-	-
- current accounts	867	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	58	1,244	-	-	-	-	-	-
- current accounts	58	-	-	-	-	-	-	-
- other payables	-	1,244	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**1,590**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	795	-	-	-	-	-	-
+ short positions	-	795	-	-	-	-	-	-

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**7,278,049**	**22,523,595**	**2,583,391**	**1,038,542**	**3,793,684**	**3,362,215**	**3,606,396**	**-**
1.1 Debt securities	-	1,800,348	214,087	31,105	1,419,511	2,280,036	47,093	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	1,800,348	214,087	31,105	1,419,511	2,280,036	47,093	-
1.2 Loans to banks	191,067	2,031,959	3,453	11,183	7,725	-	-	-
1.3 Loans to customers	7,086,982	18,691,288	2,365,851	996,254	2,366,448	1,082,179	3,559,303	-
- current accounts	1,082,485	1,006,318	44,351	88,059	145,368	41,609	1,822,846	-
- other loans	6,004,497	17,684,970	2,321,500	908,195	2,221,080	1,040,570	1,736,457	-
- with early redemption option	18,230	437,010	93,648	88,539	178,769	12,482	1,036	-
- other	5,986,267	17,247,960	2,227,852	819,656	2,042,311	1,028,088	1,735,421	-
2. On-balance-sheet liabilities	**22,527,133**	**8,656,213**	**2,004,717**	**2,228,192**	**6,521,779**	**196,896**	**-**	**-**
2.1 Due to customers	22,007,992	1,028,144	2,614	2,864	995	-	-	-
- current accounts	18,464,917	900,025	-	-	-	-	-	-
- other loans	3,543,075	128,119	2,614	2,864	995	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	3,543,075	128,119	2,614	2,864	995	-	-	-
2.2 Due to banks	500,383	5,181,130	125,693	2	199,203	6,525	-	-
- current accounts	25,689	-	-	-	-	-	-	-
- other payables	474,694	5,181,130	125,693	2	199,203	6,525	-	-
2.3 Debt securities	18,758	2,446,939	1,876,410	2,225,326	6,321,581	190,371	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	18,758	2,446,939	1,876,410	2,225,326	6,321,581	190,371	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**441,373**	**20,054,761**	**1,020,766**	**2,428,644**	**9,828,436**	**5,753,547**	**409,216**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	441,373	20,054,761	1,020,766	2,428,644	9,828,436	5,753,547	409,216	-
- Options	15	288,594	10,156	44,364	161,969	123,135	97,989	-
+ long positions	8	143,916	3,140	6,349	97,677	61,780	50,240	-
+ short positions	7	144,678	7,016	38,015	64,292	61,355	47,749	-
- Other derivatives	441,358	19,766,167	1,010,610	2,384,280	9,666,467	5,630,412	311,227	-
+ long positions	1,278	5,135,134	947,850	2,321,146	7,615,152	3,319,700	265,000	-
+ short positions	440,080	14,631,033	62,760	63,134	2,051,315	2,310,712	46,227	-
4. Other off-balance-sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**9,015**	**8,865**	**-**	**135**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	7,224	7,564	-	-	-	-	-	-
1.3 Loans to customers	1,791	1,301	-	135	-	-	-	-
- current accounts	1,662	-	-	-	-	-	-	-
- other loans	129	1,301	-	135	-	-	-	-
- with early redemption option	129	1,278	-	-	-	-	-	-
- other	-	23	-	135	-	-	-	-
2. On-balance-sheet liabilities	**11,078**	**8,386**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	11,078	-	-	-	-	-	-	-
- current accounts	10,788	-	-	-	-	-	-	-
- other loans	290	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	290	-	-	-	-	-	-	-
2.2 Due to banks	-	8,386	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	-	8,386	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**17,588**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	8,794	-	-	-	-	-	-
+ short positions	-	8,794	-	-	-	-	-	-

2.3 Exchange Rate Risk

The Group is not engaged in proprietary trading on the currency market and does not hold assets or liabilities which are not hedged against this risk. Consequently, there are no exposures apart from residual positions in respect of activities carried out to meet customer requirements in both the spot and forward markets.

These residual positions are nonetheless monitored daily.

The Risk Strategy approved in 2013 has confirmed the operational limits system on exchange rate risk, adopting sub-limits for each Group Bank.

QUANTITATIVE DISCLOSURES

1. Breakdown of assets, liabilities and derivatives by currency

Items	Value					
	Us Dollar	Uk Pound Sterling	Japan Yen	Canadian Dollar	Swiss Frank	Other Currencies
A. Financial Assets	**346,486**	**12,932**	**2,473**	**5,922**	**50,921**	**19,825**
A.1 Debt securities	-	1	-	-	-	-
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	194,459	11,124	1,096	5,406	3,777	16,597
A.4 Loans to customers	152,027	1,807	1,377	516	47,144	3,228
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**1,793**	**1,111**	**96**	**165**	**835**	**623**
C. Financial Liabilities	**346,965**	**12,569**	**2,169**	**5,367**	**50,482**	**17,555**
C.1 Due to banks	102,589	-	1,301	886	41,862	6,477
C.2 Due to customers	244,376	12,569	868	4,481	8,620	11,078
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**4,387**	**374**	**14**	**371**	**253**	**68**
E. Financial derivatives	**1,650**	**132**	**7**	**409**	**68**	**5**
- Options	-	-	-	-	-	-
+ long positions	277	-	-	-	-	-
+ short positions	277	-	-	-	-	-
- Other derivatives	1,650	132	7	409	68	5
+ long positions	88,894	14,980	758	11,486	23,545	13,927
+ short positions	90,544	15,112	751	11,895	23,613	13,922
Total assets	**437,450**	**29,023**	**3,327**	**17,573**	**75,301**	**34,375**
Total liabilities	**442,173**	**28,055**	**2,934**	**17,633**	**74,348**	**31,545**
Difference (+/-)	**4,723**	**968**	**393**	**60**	**953**	**2,830**

2.4 Derivatives

QUALITATIVE DISCLOSURES

A. Financial Derivatives

A.1. Supervisory trading book: closing and average notional amounts

Underlying assets/Type of derivative	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**11,081,260**	**-**	**11,658,966**	**-**
a) Options	6,009,341	-	5,740,382	-
b) Swaps	5,071,919	-	5,918,584	-
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	**400,701**	**-**	**367,491**	**-**
a) Options	111,844	-	26,836	-
b) Swaps	-	-	-	-
c) Forward contracts	288,857	-	340,655	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**395**	**-**	**7,362**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**11,482,356**	**-**	**12,033,819**	**-**
Average amounts	**11,940,507**	**-**	**12,523,928**	**-**

A.2 Banking book: closing and average notional amounts

A.2.1 Hedging

Underlying assets/Type of derivative	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**20,044,896**	**-**	**18,494,523**	**-**
a) Options	439,636	-	138,293	-
b) Swaps	19,605,260	-	17,998,950	-
c) Forward contracts	-	-	357,280	-
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	**20,044,896**	**-**	**18,494,523**	**-**
Average amounts	**19,624,865**	**-**	**16,506,276**	**-**

A.2.2 Other derivatives

Underlying assets/Type of derivative	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**657,759**	**-**	**386,342**	**-**
a) Options	657,759	-	386,342	-
b) 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	**657,759**	**-**	**386,342**	**-**
Average amounts	**521,458**	**-**	**424,337**	**-**

A.3 Financial derivatives: positive gross fair value - breakdown by product

Underlying assets/Type of derivative	Positive fair value			
	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	**204,354**	**-**	**308,184**	**-**
a) Options	24,404	-	26,883	-
b) Interest rate swap	177,842	-	277,515	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	2,097	-	3,691	-
f) Futures	-	-	-	-
g) Other	11	-	95	-
B. Banking book - hedging	**692,941**	**-**	**1,151,735**	**-**
a) Options	19,632	-	5,320	-
b) Interest rate swap	673,309	-	1,146,415	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - Other derivatives	**7,309**	**-**	**-**	**-**
a) Options	7,309	-	-	-
b) Interest rate swap	-	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**904,604**	**-**	**1,459,919**	**-**

A.4 Derivati finanziari: fair value negativo lordo - ripartizione per prodotti

Underlying assets/Type of derivative	Negative fair value			
	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	**204,356**	**-**	**297,379**	**-**
a) Options	22,636	-	11,286	-
b) Interest rate swaps	179,643	-	282,362	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	2,066	-	3,637	-
f) Futures	-	-	-	-
g) Other	11	-	94	-
B. Banking book - hedging	**345,373**	**-**	**319,350**	**-**
a) Options	-	-	-	-
b) Interest rate swaps	345,373	-	315,292	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	4,058	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - Other derivatives	**9,452**	**-**	**14,753**	**-**
a) Options	9,452	-	14,753	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**559,181**	**-**	**631,482**	**-**

A.5 Otc financial derivatives - supervisory trading book: notional value, positive and negative gross fair values by counterparty - contract not included in compen sation 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							
- notional amount	-	4,163	6,024,178	486,396	-	4,016,838	549,686
- positive fair value	-	93	87,324	10,954	-	102,639	665
- negative fair value	-	6	181,804	572	-	13,263	6,062
- future exposure	-	19	44,876	2,248	-	12,150	87
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rates and gold							
- notional amount	-	-	200,160	198	-	187,078	13,266
- positive fair value	-	-	640	1	-	1,964	59
- negative fair value	-	-	2,019	-	-	603	16
- future exposure	-	-	1,748	2	-	1,618	133
4) Other assets							
- notional amount	-	-	196	-	-	198	-
- positive fair value	-	-	1	-	-	10	-
- negative fair value	-	-	10	-	-	1	-
- future exposure	-	-	20	-	-	20	-

A.7 Over-the-counter financial derivatives - banking book: notional values, positive and negative gross fair value by counterparty - contracts not included in 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							
- notional amount	-	-	20,352,359	10,449	-	-	339,847
- positive fair value	-	-	700,163	88	-	-	-
- negative fair value	-	-	344,535	838	-	-	9,452
- future exposure	-	-	144,611	57	-	-	771
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rates 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

Items	up to 1 year	More than 1 year to 5 years	More than 5 years	Total
A. Supervisory trading book	**2,573,158**	**5,434,240**	**3,474,959**	**11,482,357**
A.1 Financial derivatives on debt securities and interest rates	2,174,707	5,431,596	3,474,959	11,081,262
A.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial derivatives on exchange rates and gold	398,056	2,644	-	400,700
A.4 Financial derivatives on other values	395	-	-	395
B. Banking book	**4,033,004**	**10,288,376**	**6,381,276**	**20,702,656**
B.1 Financial derivatives on debt securities and interest rates	4,033,004	10,288,376	6,381,276	20,702,656
B.2 Financial derivatives on equity securities and equity indices	-	-	-	-
B.3. Financial derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
Total (31.12.2013)	**6,606,162**	**15,722,616**	**9,856,235**	**32,185,013**
Total (31.12.2012)	**5,236,460**	**15,222,569**	**10,455,655**	**30,914,684**

Section 3- Liquidity risk

QUALITATIVE DISCLOSURES

General aspects, management and measurement of liquidity risk

General and organisational aspects

Liquidity risk concerns the possibility that the Group may not be able to meet its payment commitments, both expected and unexpected, without prejudicing its daily operations or its financial position. This risks is managed based on the following components:
- management of short-term liquidity: its objective is to ensure that outgoing liquidity flows can be handled with incoming liquidity flows, in the perspective of supporting continuously routine banking operations;
- management of structural liquidity: its objective is to maintain the balance between total liabilities and medium-/long-term assets, in order to ensure adequate liquidity levels in a medium-/long-term perspective.

The liquidity risk model, approved by Cariparma Board of Directors, is based on the principle of separation of liquidity management processes from liquidity risk controlling processes, in compliance with the regulatory requirements and with the guidelines issued by CASA. This model provides for the governance and management of liquidity risk to be centrally performed by the Parent Company Cariparma, which is also responsible for refinancing all the entities in the Group. this framework is defined as the “Liquidity System”.

The model sets the responsibilities of the corporate Bodies and Departments involved, specifically:
- The Board of Directors, the body in charge of strategic steering, is responsible for defining governance policies, the organizational structure and management processes. It approves measurement methods, risk tolerance thresholds and the limits system, the assumptions at the basis of stress tests, the Plan d’Urgence and the Contingency Funding Plan.
- The Financial Management Department is given powers and responsibilities by the CFO for its management role and, specifically, for the preparation of the reporting to the Bank of Italy, as well as of internal reporting on the Group’s liquidity situation (statement of liquidity), and for proposing action plans to be implemented based on the developments in liquidity risk. The Financial Management Department operates in compliance with the directions of the ALM and Financial Risks Committee, in which the General Managers of the Subsidiaries take part.
- The Risk Management and Permanent Controls Department is responsible of the permanent controls mechanism, controls compliance with global and operational limits, as well as with alert thresholds, prepares the reporting to corporate Bodies and activates, where required, the alert procedures. Jointly with the Financial Management Department, it is also responsible for monitoring the ratios provided for in the Contingency Funding Plan.

Within the process for the upgrading to the new Basel III regulatory requirements, in 2013 the Cariparma Crédit Agricole Group joined the New Deal Project of Crédit Agricole SA for the purpose of centralized calculation of the ratios as provided for by the new regulation (LCR and NFSR).

Risk Management and Control: Methodological Aspects

The model adopted for liquidity risk management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.

The main objective of the short-term liquidity management process is to ensure that the Group is able to meet on-balance-sheet payment commitments, expected and unexpected, in such a way as not to prejudice normal business operations.

A basic condition for achieving this objective is to permanently maintain a sufficient balance between incoming and outgoing liquidity flows.

To measure short-term exposure to liquidity risk, the maturity mismatch approach has been used, in accordance with the guidelines set down by Crédit Agricole SA and with supervisory instructions.

The system for monitoring the Group's liquidity risk considers the following factors:
- maintaining immediate liquidity, represented by the net balance of Customer sources, surplus equity and loans to Customers. This activity is carried out by identifying on-balance-sheet inflows and outflows expected during the different residual maturity bands that make up the "maturity ladder";
- the continuation of the business activity based on planned rates (monitoring the performance of liquidity from loans to customers/ customer sources).

An essential aspect of liquidity management is the definition of an interbank short-term refinancing limit (LCT - Limite Court Terme), which is fine-tuned using the method set by the Liquidity System aimed at ensuring surplus liquidity over a one-year horizon in a market under stress conditions.

The System for Liquidity management and monitoring sets restrictions to the structure of short-term refinancing, which impose "non-concentration" on shorter maturities, with the effect of fostering longer terms for inter-bank funding.

Stress scenarios on which the limit structure is based are defined on realistic assumptions but, at the same time, are appropriately conservative in relation to the severity and duration of the simulated shock.

Short-term liquidity risk management and control policies are aimed at ensuring the surmounting of any crisis that leads to serious reduction in the Group's normal financing sources; in this regard, three stress scenarios have been identified:
- Systemic crisis: a situation that leads to partial closure of the short-term and medium-/long-term refinancing market, with continuing business operations. Loan renewal rate is 35% on the short-term and 31.25% on the long-term and with a reduction in liquidity reserves. The Group must be able to continue operations for a one-year time horizon.
- Idiosyncratic crisis: a situation that leads to a bank run, partial closure of the short-term market and total closure of the medium-/long-term market with continuing business operations.. Specifically, use of reserves within a short time, with slight write-downs is assumed, reduced ability to take out loans (down by 25%) and a decrease in Retail deposits (10% withdrawal). The Group must be able to continue operations for a one-month time horizon.
- global crisis: a situation having the combined features of both a systemic crisis and an idiosyncratic crisis, in terms of substantial bank run, total closure of the markets, use of reserves even though with write-downs. The Group must be able to continue business operations in a serious crisis for a two-week time horizon.

Two other alert thresholds are envisaged, a resilience threshold in case of idiosyncratic crisis (the treasury position must be positive over at least a three-month time horizon) and a resilience threshold in case of global crisis (the treasury position must be positive over at least a one-month time horizon.)

A fundamental aspect of medium-/long-term liquidity management is the definition of the Position en Ressources Stables (PRS) ratio. This ratio is designed to ensure the equilibrium in Group's financial structure and is calculated as the difference between stable funding (funding on the medium-/long-term market, funding from business with Customers and equity) and long-term assets (non-current assets, loans to Customers, Customers' securities and investment securities). A positive PRS shows the Bank's ability to support its assets in a crisis.

On a monthly basis, specific resilience indicators are calculated for each of the assumed scenarios. These indicators are compared to the specific limits, as set by CASA and approved by the Group Risks Committee when the Risk Strategy is presented, and then approved by Cariparma Board of Directors.

In December 2013, the Liquidity Reserves portfolio consisted of two internal securitization transactions, a Covered Bond and by the AFS security portfolio.

In marketing the Bank's products, liquidity risk is taken into account through the internal transfer rate system. Based on the products' financial features and on the prevailing market conditions, the system allows the internal return rate to be determined, which, in turn, is the basis for lending and direct funding products.

Risk control

The Risk Management and Permanent Controls Department is responsible for controlling compliance with the set limits; therefore it prepares and issues its own Financial Risk Report, which includes information on the control outcomes and on any breaches of the limits or alert thresholds. On a quarterly basis, it submits a summary of the above Report to the ALM and Financial Risks Committee, as well as to the Internal Control Committee and to the Boards of Directors of the Group Banks.

As required by the regulation issued by the Bank of Italy, by the Contingency Funding Plan and by the Liquidity Policy, the Risk Management and Permanent Controls Department estimates back-up liquidity, in order to determine and monitor, with sufficient reliability, in adverse scenarios, the maximum amount that can be drained from the various funding sources. Based in these estimates, an indicator was designed and is produced on a monthly basis. The stress assumptions underlying estimated back-up liquidity start from the global stress scenario defined by Crédit Agricole, on top of which the lengthening of the time horizon of the stress scenario (1 and 6 months) is assumed, as well as the concomitant exit from the Group's Customers portfolio of the two main corporate funding sources.

The Risk Management and Permanent Controls Department calculates, independently and on a daily basis, the short-term liquidity ratios (LCT) and monitors on a monthly basis the stress scenario and alert indicators as generated by the CASA Group tools, ensuring that they are properly fed through a defined plan for permanent controls. Jointly with the Financial Management Department, it is also responsible for monitoring the ratios provided for in the Contingency Funding Plan.

A process is in place for formalizing and reporting a remedial plan to the Top Management and to Crédit Agricole in the event of any global or operating limits being exceeded, of significant losses, alert thresholds being reached in terms of risks or performance, significant changes in ratios, potentially negative and unexpected variations in financial markets, insufficiencies or malfunctions of any systems for the management or measurement of risks and of any other event or situation deemed relevant in monitoring liquidity risk.

DISCLOSURE

The disclosure required pursuant to supervisory regulations at Title IV, Chapter 1 of Bank of Italy Circular No. 263 of 27 December 2006, Pillar 3 of Basel 2 Regulatory Framework is published on the Company's website www.gruppo cariparma.it/bilanci-cariparma.

This disclosure consists only of tables 3 and 4 relating to the composition of Regulatory Capital and Capital Adequacy, as the Cariparma Crédit Agricole Group is controlled by a banking parent company based in the EU and the conditions pursuant to Section II, point 1 of the above chapter of the regulations are therefore met.

QUANTITATIVE DISCLOSURES

1. Breakdown of financial assets and liabilities by residual contract maturity

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 maturity
On-balance-sheet assets	**58,436**	**171,143**	**10,728**	**56,741**	**43,681**	**7,610**	**1,768**	**1,259**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	58,436	171,143	10,728	56,741	43,681	7,610	1,768	1,259	-	-
- banks	25,850	166,588	-	-	173	641	-	1,255	-	-
- customers	32,586	4,555	10,728	56,741	43,508	6,969	1,768	4	-	-
On-balance-sheet liabilities	**181,395**	**69,385**	**6,237**	**50,609**	**33,806**	**3,724**	**1,938**	**-**	**-**	**-**
B.1 Deposits and current accounts	175,235	68,848	3,991	49,905	32,936	3,049	506	-	-	-
- banks	1	3,483	3,991	49,905	32,798	2,542	-	-	-	-
- customers	175,234	65,365	-	-	138	507	506	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	6,160	537	2,246	704	870	675	1,432	-	-	-
Off-balance-sheet transactions	**998**	**193,099**	**12,770**	**32,833**	**58,044**	**49,602**	**8,311**	**100**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	18,927	12,770	32,833	57,340	49,330	8,311	100	-	-
- long positions	-	8,382	6,398	16,656	28,653	24,665	4,176	50	-	-
- short positions	-	10,545	6,372	16,177	28,687	24,665	4,135	50	-	-
C.2 Financial derivatives without exchange of principal	22	-	-	-	-	-	-	-	-	-
- long positions	11	-	-	-	-	-	-	-	-	-
- short positions	11	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	976	174,172	-	-	704	272	-	-	-	-
- long positions	-	87,086	-	-	704	272	-	-	-	-
- short positions	976	87,086	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency **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 maturity
On-balance-sheet assets	**11,133**	**1**	**218**	**595**	**1,002**	**2**	**2**	**1**	**-**	**-**
A.1 Government securities	-	-	-	-	-	1	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	11,133	1	218	595	1,002	1	2	1	-	-
- banks	11,124	1	-	-	-	-	-	-	-	-
- customers	9	-	218	595	1,002	1	2	1	-	-
On-balance-sheet liabilities	**12,033**	**-**	**-**	**-**	**181**	**-**	**371**	**-**	**-**	**-**
B.1 Deposits and current accounts	11,715	-	-	-	181	-	371	-	-	-
- banks	-	-	-	-	-	-	-	-	-	-
- customers	11,715	-	-	-	181	-	371	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	318	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**44**	**1,546**	**-**	**960**	**480**	**22,354**	**4,798**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,546	-	960	480	22,310	4,798	-	-	-
- long positions	-	706	-	480	240	11,155	2,399	-	-	-
- short positions	-	840	-	480	240	11,155	2,399	-	-	-
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	44	-	-	-	-	44	-	-	-	-
- long positions	-	-	-	-	-	44	-	-	-	-
- short positions	44	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency **SWISS FRANK**

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 maturity
On-balance-sheet assets	**6,347**	**621**	**7,685**	**4,013**	**11,029**	**6,939**	**1,028**	**5,378**	**8,339**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	6,347	621	7,685	4,013	11,029	6,939	1,028	5,378	8,339	-
- banks	3,777	-	-	-	-	-	-	-	-	-
- customers	2,570	621	7,685	4,013	11,029	6,939	1,028	5,378	8,339	-
On-balance-sheet liabilities	**8,601**	**28,186**	**8,054**	**2,363**	**3,260**	**-**	**20**	**-**	**-**	**-**
B.1 Deposits and current accounts	8,596	28,186	8,054	2,363	3,260	-	20	-	-	-
- banks	-	28,186	8,054	2,363	3,260	-	-	-	-	-
- customers	8,596	-	-	-	-	-	20	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	5	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**375**	**56,355**	**994**	**4,450**	**19,410**	**11,779**	**9,776**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,125	994	4,450	19,410	11,404	9,776	-	-	-
- long positions	-	531	497	2,225	9,703	5,702	4,888	-	-	-
- short positions	-	594	497	2,225	9,707	5,702	4,888	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	55,230	-	-	-	-	-	-	-	-
- long positions	-	27,615	-	-	-	-	-	-	-	-
- short positions	-	27,615	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	375	-	-	-	-	375	-	-	-	-
- long positions	-	-	-	-	-	375	-	-	-	-
- short positions	375	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	CANADIAN 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 maturity
On-balance-sheet assets	**5,736**	**16**	**-**	**132**	**40**	**-**	**1**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	5,736	16	-	132	40	-	1	-	-	-
- banks	5,405	-	-	-	-	-	-	-	-	-
- customers	331	16	-	132	40	-	1	-	-	-
On-balance-sheet liabilities	**4,481**	**886**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	4,479	886	-	-	-	-	-	-	-	-
- banks	-	886	-	-	-	-	-	-	-	-
- customers	4,479	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	2	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**741**	**-**	**-**	**22,698**	**-**	**-**	**54**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	741	-	-	22,698	-	-	54	-	-
- long positions	-	166	-	-	11,349	-	-	27	-	-
- short positions	-	575	-	-	11,349	-	-	27	-	-
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	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency **JAPAN YEN**

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 maturity
On-balance-sheet assets	**1,250**	**100**	**308**	**588**	**218**	**21**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	1,250	100	308	588	218	21	-	-	-	-
- banks	1,096	-	-	-	-	-	-	-	-	-
- customers	154	100	308	588	218	21	-	-	-	-
On-balance-sheet liabilities	**925**	**1,244**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	925	1,244	-	-	-	-	-	-	-	-
- banks	58	1,244	-	-	-	-	-	-	-	-
- customers	867	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**2,011**	**-**	**92**	**760**	**200**	**34**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	421	-	92	760	200	34	-	-	-
- long positions	-	214	-	46	380	100	17	-	-	-
- short positions	-	207	-	46	380	100	17	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	1,590	-	-	-	-	-	-	-	-
- long positions	-	795	-	-	-	-	-	-	-	-
- short positions	-	795	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	EURO									
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 maturity
On-balance-sheet assets	**3,893,232**	**114,235**	**200,570**	**547,566**	**1,668,846**	**1,461,871**	**2,790,597**	**15,331,562**	**18,634,316**	**315,416**
A.1 Government securities	-	-	-	-	71,924	63,765	122,565	1,995,301	2,324,725	7
A.2 Other debt securities	-	-	1	18	3,040	1,789	12,568	908,898	5	49,545
A.3 Units in collective investment undertakings	25	-	-	-	-	-	-	-	-	-
A.4 Loans	3,893,207	114,235	200,569	547,548	1,593,882	1,396,317	2,655,464	12,427,363	16,309,586	265,864
- banks	194,809	951	476	2,935	153,836	3,482	7,548	1,215,481	400,000	265,864
- customers	3,698,398	113,284	200,093	544,613	1,440,046	1,392,835	2,647,916	11,211,882	15,909,586	-
On-balance-sheet liabilities	**22,621,086**	**585,382**	**2,148,101**	**1,186,636**	**3,168,186**	**2,095,468**	**2,424,350**	**7,561,041**	**521,118**	**120,000**
B.1 Deposits and current accounts	22,389,048	500,073	400,241	481,224	1,878,740	393	3,674	198,925	6,513	-
- banks	474,285	-	-	480,339	1,871,410	-	-	198,925	6,513	-
- customers	21,914,763	500,073	400,241	885	7,330	393	3,674	-	-	-
B.2 Debt securities	136,759	85,309	147,205	399,960	1,257,733	2,068,349	2,308,921	6,637,270	185,879	120,000
B.3 Other liabilities	95,279	-	1,600,655	305,452	31,713	26,726	111,755	724,846	328,726	-
Off-balance-sheet transactions	**410,230**	**69,875**	**27,255**	**55,668**	**269,511**	**237,849**	**311,948**	**169,768**	**132**	**120,000**
C.1 Financial Derivatives with exchange of principal	-	64,996	15,441	44,141	110,919	123,464	30,477	5,068	132	-
- long positions	-	33,728	7,706	21,869	55,337	61,895	15,435	2,458	55	-
- short positions	-	31,268	7,735	22,272	55,582	61,569	15,042	2,610	77	-
C.2 Financial derivatives without exchange of principal	410,230	4,879	11,814	11,527	158,592	114,385	281,471	164,700	-	120,000
- long positions	205,940	3,434	7,168	9,151	91,315	75,570	192,399	22,350	-	120,000
- short positions	204,290	1,445	4,646	2,376	67,277	38,815	89,072	142,350	-	-
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	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

As at 31 December 2013, the Parent Company Cariparma was carrying out two so-called “internal” securitization transactions transferring receivables deriving from home mortgage loans contracts secured by first mortgage.

As at 31 December 2013, the residual debt of securitized loans amounted to Euro 5,150 million.

Following the loans transfer, the Parent Company fully subscribed the securities (Senior and Junior), having the following characteristics:

Securitization 1:

- Senior security with a nominal value of €2,429 million, maturity 31 Jan. 2058, indexed EUR 6M+0.35;
- Junior security with a nominal value of: Euro 390 million, maturity 31 Jan. 2058, indexed EUR 6M+variable portion;

Securitization 2:

- Senior security with a nominal value of Euro 2,052 million, maturity 31 Jan. 2060, indexed EUR 6M+0.75;
- Junior security with a nominal value of: Euro 453 million, maturity 31 Jan. 2060, indexed EUR 6M+variable portion;

To ensure liquidity for the SPV for coupon payment, two Interest Rate Swap transactions were entered into with the same SPV for a notional value of €2,429 million and maturity 31 Jan. 2058 and with a nominal value of €2,052 million and maturity 30 April 2060, respectively; amortization of the derivative reflects the amortization of the Senior securities.

Currency	OTHER CURRENCIES									
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 maturity
On-balance-sheet assets	**9,167**	**7,563**	**220**	**229**	**868**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	9,167	7,563	220	229	868	-	-	-	-	-
- banks	7,224	7,563	-	-	-	-	-	-	-	-
- customers	1,943	-	220	229	868	-	-	-	-	-
On-balance-sheet liabilities	**11,078**	**8,061**	**327**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	10,788	8,061	327	-	-	-	-	-	-	-
- banks	-	8,061	327	-	-	-	-	-	-	-
- customers	10,788	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	290	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**18,111**	**1,444**	**4,894**	**7,832**	**6,834**	**6,498**	**172**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	525	1,444	4,894	7,832	6,834	6,498	172	-	-
- long positions	-	283	722	2,447	3,899	3,417	3,249	86	-	-
- short positions	-	242	722	2,447	3,933	3,417	3,249	86	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	2,438	-	-	-	-	-	-	-	-
- long positions	-	1,219	-	-	-	-	-	-	-	-
- short positions	-	1,219	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	15,148	-	-	-	-	-	-	-	-
- long positions	-	7,574	-	-	-	-	-	-	-	-
- short positions	-	7,574	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

1.3.2. Disclosure on committed assets recognized

Technical forms	Committed		Non-committed		Total 31.12.2013	Total 31.12.2012
	book value	Fair value	book value	Fair value		
1. Cash and cash equivalents	-	X	334,127	X	334,127	285,966
2. Debt securities	1,497,450	1,497,299	4,297,769	4,334,578	5,795,219	5,218,582
3. Equity securities	-	-	218,319	218,319	218,319	130,432
4. Loans	8,133,498	X	30,649,518	X	38,783,016	37,936,712
5. Other financial assets	-	X	923,889	X	923,889	1,480,510
6. Non-financial assets	-	X	4,106,955	X	4,106,955	4,263,427
Total (31.12.2013)	**9,630,948**	**1,497,299**	**40,530,577**	**4,552,897**	**50,161,525**	**X**
Total (31.12.2012)	**7,001,012**	**1,326,948**	**42,314,617**	**3,104,664**	**X**	**49,315,629**

1.3.3. Disclosure on committed assets not recognized

Technical forms	Committed	Non-committed	Total 31.12.2013	Total 31.12.2012
1. Financial assets	7,256,615	3,942,132	11,198,747	8,580,723
- Securities	7,256,615	3,942,132	11,198,747	8,580,723
- Other	-	-	-	-
2. Non-financial assets	-	-	-	-
Total (31.12.2013)	**7,256,615**	**3,942,132**	**11,198,747**	**X**
Total (31.12.2012)	**7,230,179**	**1,350,544**	**X**	**8,580,723**

Section 4 - Operational risks

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of operational risks

The Cariparma Crédit Agricole Group used the definition of operational risk given in “Basel 2 - International Convergence of Capital Measurement and Capital Standards” prepared by the Basel Committee on Banking Supervision.
Operational risk is defined as the risk of losses 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, sanctions or penalties resulting from measures adopted by the supervisory authority, as well as private settlements.
To consolidate and enhance control of operational risks, the Group has set clear objectives:

- to achieve full compliance with the requirements set by the Supervisory regulations for internal control systems (15th update of Bank of Italy’s Circular No. 263/2006);
- constant full compliance with the regulatory requirements for the use of the Traditional Standardised Approach (TSA) for the calculation of the Regulatory Capital as provided for by Basel 2, except CALIT, which uses the base approach;
- constant improvement in the monitoring of risks and losses, in order to allow a management-oriented approach, especially in terms of risk mitigation and prevention initiatives;
- fine-tuning of the permanent controls systems and extension of the coverage of the same controls within the company perimeter;
- constant improvement in the mechanism for compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of Regulatory Capital.

Macro-organisational aspects

Governance of Group operational risks is the responsibility of Cariparma’s Risk Management and Permanent Controls Department that implements the guidelines issued by the Risk Management Department of the Controlling Company Crédit Agricole S.A., and reports on a solid line to the latter.
Therefore, the risk management units of the other banks in the Italian Group report on a solid line to Cariparma Risk Management and Permanent Control Department, while they report on a dotted line to the respective Senior Management.

In complying with supervisory regulations, the Group formalized the roles and responsibilities of the corporate bodies and functions involved in the management of operational risks.
The governance model provides for
- close connections with the activities for permanent controls;
- synergies with the Compliance Central Department and with the Audit Department.

Risk management

The Group has adopted a model that is consistent with the guidelines issued by Crédit Agricole and governed by the central department, which works with the well-established and complementary contributions, in its operating, management and mitigation activities, of specialized roles, departments and mechanisms:
- ORM (Operational Risk Manager, Italian acronym: MRO);
- Person in Charge of IT System Security (Italian acronym: RSSI);
- BCM (Business Continuity Manager, in charge of the Continuity of Operations Plan);
- Area Operating Units;
- Fraud Prevention Unit (Italian acronym: NAF)
- mechanisms and tools, functional to the proper control of risks and to the management of mitigation/improvement measures, including:
- the Supervisory Committee of CA s.a.(Comité Suivi Métier);
- the Internal Control Committee;
- the Operational Risk Committee;
- the Interdepartmental Working Group for the Provision of Outsourced Essential Services (Italian acronym: PSEE);
- the Interdepartmental Working Group for the Continuity of Operations Plan (Italian acronym PCO);
- CA S.A. Parent Company Supervisory Committee in IT Security and on PCO (CSSCA, Supervisory Committee on Security and Continuity of Operations);
- the remote controls system for the Distribution Network, with the summary early warning indicators;

The upgrading of the process for the management and control of operational risk to the guidelines issued by Crédit Agricole S.A. and the adoption of the same general methods used by Group had the purpose of meeting the requirements for the adoption of Advanced Measurement Approaches(AMA) to determine the capital requirements for Operational Risks.
The process of operational risk management is divided into the following macro-phases:
- detection, identification and classification of risks and losses and their recognition in the accounts where necessary;
- identification of mitigation actions and preparation of the action plan;
- verification of the adequacy of the control plan;
- development of the system for remote controls;
- information and reporting (monthly reporting on Subsidiaries was created recently).

In the above phases, the following processes are also applied:
- Loss Data Collection (recording, classification and processing of loss data);
- Scenario analysis (prospective measurement of exposure to high-impact low-frequency operational risks, relating to specific contexts);
- Risk Self Assessment (self-assessment of the exposure to operational risks relating to the specific operating Departments and the relevant processes, made directly by the Department Head);
- direct involvement of corporate departments in collective assessment units (PSEE, improvements).

Each of these processes entails processing information using methods that are predefined, repeatable and formalized in the Company's regulations, as well as with the support of specific application tools.

Risk mitigation

The Group has implemented a policy for operational risk mitigation through:
- specific self-assessment (the so-called "Self Risk Assessment") aimed at defining an annual Action Plan containing all the initiatives that the Persons responsible for the various corporate processes have identified as required in order to mitigate existing operational risks;
- implementation and increasing coverage of the permanent controls plan, both at the Distribution Network and at Central Departments, in order to control the most critical processes;
- a fraud prevention unit, whose Manager coordinates company units in the interception, management and prevention of fraud.
- implementation of the mechanism for control and monitoring on outsourced essential services (PSEE), specifically with a new regulatory structure and a general review on existing contracts;
- implementation of the mechanism for control and monitoring on:
- security, both physical and IT;
- continuity of operations (PCO).

Transfer of Risk

Based on specific assessments, the Group transfers operational risk through the following dedicated initiatives:
- activation of insurance policies to offset the impact of unexpected losses:
- coordination with CA S.A., aimed at ensuring full consistency between the transfer strategy and the Group objectives.

Other activities implemented

- Proactive participation in the most important corporate projects, especially those with high organizational impact, in order to provide its contribution from the very early stages up to consistent and complete preparation of the mechanisms for the governance of the risks associated to each initiative.
- Implementation of initiatives aimed at compliance with the new Supervisory regulation on the Internal Controls System (ICS) (15th update of Bank of Italy Circular No. 263/2006), both in terms of identification and measurement of the actions to be planned ("gap analysis"), and in terms of upgrading of the regulatory structure, with reference to the relevant perimeter.

Risk management coordination and shared solutions

This is the specific task of the Group Operational Risks Committee, composed of the main Corporate Departments, which is responsible for:
- approving guidelines and action plans on operational risks (other than Compliance);
- Reporting on LDC (Loss Data Collection) data.
- Monitoring control activities and outcomes, as well as:
  - periodically validating operational risk mapping;
  - periodically validating the identification of risk scenarios being measured during the Scenario Analysis Process.
- governing continuity of operations for the Cariparma Crédit Agricole Group. The relevant responsibilities include:
  - assessing the situation based on the periodic reporting made by Person in Charge of the Continuity of Operations Plan (Italian acronym: RPCO);
  - validating the scope of critical processes to be submitted to business continuity measures and relating particularly significant changes;
  - validating the strategies for continuity of operations, in compliance with the applicable supervisory regulations.
- monitoring and, if necessary, taking action on Information Systems Security for the Cariparma Crédit Agricole Group, assessing the situation based on the periodic reporting made by the Person in Charge of IT Systems Security (Italian acronym: RSSI);
- monitoring and, if necessary, taking action on outsources essential services (PSEE) for the Cariparma Crédit Agricole Group;
- managing risk transfer, with specific reference to insurance coverage.

IT systems security

In 2012, the Group continued to implement the activities provided for in the "Three-year Action Plan" which was defined in accordance with the measurements made by the Head of IT Systems Security, who reports on a dotted-line basis to the Risk Management and Permanent Controls Department.
The actions implemented in 2013 have consolidated the management of these matters and significantly increased security both for Customers as well as within the Bank. On a prospective basis, the plan integrates the developments in the security policies of the Parent Company Crédit Agricole and the instructions issued by the Supervisory Authorities, also considering the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006.

Continuity of Operations Plan (Italian acronym: PCO)

In 2013, the Group updated and checked the Continuity of Operations Plan to take into account the changes in the general situation and in the Group's organisational, technology and software infrastructure, through:
- carrying out a number of testing and certification sessions, all with favourable results;
- adopting CA s.a. new approach on Business Continuity Management;
- managing the activities relating to the Group Information System, by activating the "Disaster Recovery" model;
- specific projects (specifically, analysis of the Continuity of Operations Plans on "PSEE – continuity of supplies and providers", "back-office outsourcing");
- updating of Business impact analysis ((BIA);
- analyzing the actions to be implemented following the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006.

In 2013, specific Interdepartmental Working Groups on PCO, especially aimed at analyzing and managing problem situations actually occurred.

Purchasing cycle – Essential services (PSEE - Provision of Outsourced Essential Services)

In 2013, organizational and regulatory control was enhanced with regard to the most important portions of the purchasing cycle management on outsourced services that are defined as "essential", pursuant to Bank of Italy -CONSOB joint regulation and to the 15th update to the Bank of Italy Circular No. 263/2006.

Specifically, the management and monitoring process was subject to specific analysis, focusing on:
- review of the official list of outsourced essential services, verification of ongoing compliance with the features required to be defined as essential;
- regulatory implementation (in terms of regulatory references, the most important was the publication within the corporate regulations of the Group "Policy for outsourcing essential services (PSEE)");
- implementation of the reference operating tools (e.g. "guidance paper" summarizing the key features of each outsourcing action);
- implementation of the action for general monitoring and responsibilization of the Departments in charge of the outsourced services;
- monitoring of the outcomes of the campaign for the measurement of Continuity of Operations Plans (PCO);
- strengthening of the permanent controls plan;
- analyzing the actions to be implemented following the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006.

In 2013, the activities of the specific Interdepartmental Working Groups for the Provision of Outsourced Essential Services (Italian acronym: PSEE) doubled, mainly aimed at:
- analyzing and managing problem situations actually occurred;
- carrying out and/or sharing the main activities for the review of the mechanism with the relevant Corporate Departments.

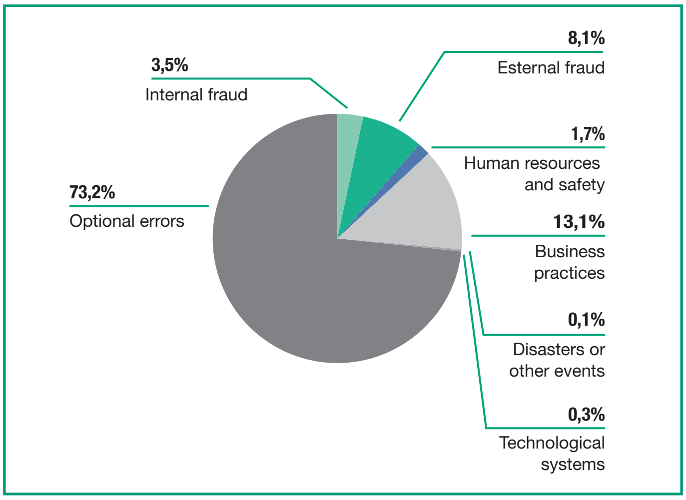
Loss data

Operational losses, which the model considers as quantitative data, are collected, managed and analyzed, to different levels of granularity and detail, using an event classification scheme complying with the one set by Basel II Framework, by the Supervisory Authority and by Crédit Agricole S.A.. The basic structure is as follows:
- internal frauds: events due to deliberate acts committed by at least one party internal to the Bank and causing losses to the Bank;
- external frauds: events due to deliberate acts committed exclusively by parties that cannot be defined as internal to the Bank, generally for the purpose of personal gain;
- relations with staff and workplace safety: events 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;
- business practices: events linked to the supply of products and provision of services to Customers carried out in an improper or negligent manner (fiduciary requirements and adequate information on investments), as well as defects in the nature or features of products/models/contracts. These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector;
- disasters or other events: events due to natural causes or human actions, which lead to damage to company resources (tangible or intangible 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 changes and retroactive changes in legislation and tax.
- technological systems and services: losses arising from the malfunctions, logical or structural defects in technological and other support systems;
- execution, delivery and management of processes: events arising from unintentional errors in the management of operational and support assets or caused by counterparties other than Customers and Suppliers/Providers.

For Loss Data Collection and for the management of consolidated loss data reporting, the Cariparma Crédit Agricole Group has adopted an IT application that has been specifically designed and fine-tuned for the adoption of advanced approaches, as well as specific tools and models developed directly by Crédit Agricole S.A.

QUANTITATIVE DISCLOSURES

With reference to sources of operational risk, the distribution of net losses (gross losses net of other recoveries excluding insurance-related ones) by event type recognized in 2013 is given below based on the above classification scheme. So-called “boundary losses” are excluded.



Activities of the Validation Unit

In 2013 the Validation Unit certified overall adequacy of the systems for credit risk measurement and management. Overall, the verifications carried out did not detect the need for action on blocking events and the most significant issues were removed or were being fully upgraded. The performances of the models subject to validation were found very good, despite the increase in default rates due to the difficult economic situation. Positive aspects were found also in the controls system, which, even though continuously evolving, ensures that the ratings assigned to the individual counterparties are based on verified and double-checked by the relevant Departments. In organizational terms, the Validation Unit appreciated the developments in the structure of the Risk Management and Permanent Controls Department, namely the setting up of a specific unit exclusively engaged in the control and monitoring of regulatory capital requirements for the entire Group, which was fully operational at the reporting date.

Validation activities also covered the verifications that the risk measurement system is a focus point within the corporate strategy and management. On this, it is reported that the Group started to implement a virtuous practice that is ensuring increasing use, both centrally and peripherally, of the overall set of tools for credit risk management.

As regards operational risks, the Validation Unit monitored the actions required within the 2012 validation and verified proper operation of the core processes of collection of operating loss data and feeding of the system for the calculation of the capital requirement for operational risks, based on scenarios that have been set and validated by the relevant corporate Departments on different scopes.

Similar activities were carried out also on the main second-pillar risks, with particular reference to interest rate risk, concentration risk and strategic risk; the analysis did not show elements requiring actions to be taken.

The validation process was successfully completed at the end of the year and this substantiates an evolution process of the Group’s structures and tools, which has been found also by the Validation Unit, both in terms of single analyses and in terms of general summary reporting on the scopes of models, information systems and control systems, as well as their use in corporate processes.

Stress test methods

Management stess test (the entire loan portfolio)

The values of the cost of credit risk and capital risk associated to the Group's overall Ordinary Customers are subject to stress testing using a method that applies to the entire risk Customers portfolio in a standard perspective. The stress testing procedure estimates the impacts on the income statement (cost of credit risk) and on capital in case the macroeconomic scenario assumed for the stress test occurs. The stress was applied to portfolio data updated as at September 2013.

The stress test was performed based on procedural and methodological guidelines for the projection of the cost of credit and of RWAs for 2014 as a function of a set of exogenous variables (macroeconomic scenarios and indicators), as well as endogenous ones (legislation status transition matrices, coverage ratios of defaulted loans). The conjunction between exogenous and endogenous aspects is the application of a multiple regression model of the performance ratios, which, in a statistical perspective, were found to be the most suitable ones to simulate possible future developments in the decay rate on the Banking System, an element that is considered for subsequent fine-tuning of the evolution of the Group's portfolio. The main objective of this macroeconomic model is to estimate the quarterly variation of the decay rate, which is the ratio of the amount of loans that have been adjusted as bad loans in the relevant quarter to the amount of loans to all the parties entered in the Central Risk Register and not adjusted to bad loans at the end of the previous quarter. The quarterly variation of the decay rate is estimated by regressing the time series of a set of macroeconomic factors included in the scenarios set by the Parent Company Crédit Agricole SA. and by the Internal Study Offices, which, in turn, collect historical data and forecasts from accredited Sources (Bank of Italy, Bloomberg, Prometeia, ISTAT (the Italian National Institute of Statistics, etc.). The performance indicators setting the stress scenario include the GDP, the unemployment rate, the developments in bank loans to ordinary Customers, inflation and the main financial and economic indexes.

The decay rate is estimated to stress, in heuristic terms, the overall matrix of migration between loan statuses (performing, past-due , restructured, substandard loans, bad loans) based on which a risk loan can be classified. These matrices, set based on the key axes representing the Group various Customer types, allow the consequent impact on the income statement to be estimated, by applying an average or expected coverage ratio for each loan status class. At the same time, the ratios of RWAs to Defaulted Exposures by loan status class and the estimate of developments in Exposures for the same loan status class lead to a parallel estimate of RWAs and, ultimately, of the regulatory capital.

The exercise carried out considers and distinguishes, in estimating impacts on the income statement and on capital, the risk effect (loan quality impairment) from the volume effect (increase in gross exposures).

Regulatory stress test (AIRB portfolio)

The perimeter of application of the stress test exercise was limited to the the set of Retail counterparties for which there is a parallel calculation, in preparation for the AIRB reporting; the use of this reporting, as at the end of 2013, was authorized by the Supervisory Authorities within a credit risk (Pillar I) scope. Specifically, the basis used was the set of the portions reported in the regulatory portfolios IRB 73,74,75,76 and 78 as at 30 September 2013.

The stress testing method developed provides for the use of statistical models that allow the PD performance to be explained based on appropriate macroeconomic variables, which have been selected in accordance with the segment specificity. Therefore, PD is estimated using the links between the Bank's risk measures (PD) and the Italian macroeconomic scenario.

The time series required to estimate PD have been taken form DDE Bloomberg ® and from the public Database of the Bank of Italy. The estimates used for the forecasts have been provided by the Italian economy quarterly model published by Prometeia ain October 2013.

The applied scenarios were three: two experiential ones (Base and Stress) and an historical one (Worst Case); the latter was calculated based on the worst variations of all variables in the time series considered (Dec-99 / June-13). The scenarios generated the portfolio PD values relating to December 2014.

Exposure data were reconstructed consistently with budget data, taking account also of the increases in PD, and, thus, of the defaults, expected for Stress and Worst Case scenarios.

The stress test exercise ended with the reconstruction of the estimated Exposure, RWA and Expected Loss as at 31 December 2014, on the different structures of the regulatory Retail segment, considering separately increases in RWA generated by the risk effect (increase in PD) and by the volume effect (increase in volumes on the single rating classes).

Part F Information on consolidated equity

Section 1 – Shareholders' equity

A. QUALITATIVE DISCLOSURES

The capital management policy of the Cariparma Credit Agricole Group is aimed at maintaining the level of resources needed at any time to cope with the risks undertaken.

B. QUANTITATIVE DISCLOSURES

B.1 Consolidated shareholders' equity: Breakdown by type of enterprise

As at the end of 2013, the consolidated equity breaks down as follows:

Items	Banking group	Insurance undertakings	Other companies	Elisions and adjustments from consolitadion	Total
Share capital	**1,165,076**	**-**	**122**	**(234,438)**	**930,760**
Share premium reserve	3,249,540	-	-	(412,173)	2,837,367
Reserves	903,150	-	(65)	13,398	916,483
Advances on dividends	-	-	-	-	-
Equity instruments	-	-	-	-	-
(Treasury Shares)	-	-	-	-	-
Valuation reserves	(32,585)	-	-	(11,090)	(43,675)
- Financial assets available for sale	(9,165)	-	-	(11,090)	(20,255)
- 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	(23,420)	-	-	-	(23,420)
- Shares of valuation reserves pertaining to subsidiaries accounted for with equity method	-	-	-	-	-
- special revaluation laws					-
7. Net profit (loss) for the period	-	-	-	-	-
Total	166,375	-	(21)	(9,185)	157,169
Equity	**5,451,556**	**-**	**36**	**(653,488)**	**4,798,104**

B.2 Valuation reserves for available-for-sale-financial assets: composition

Items	Banking group		Insurance undertakings		Other companies		Elisions and adjustments from onsolidation		31.12.2013	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	49,984	-72,126	-	-	-	-	-40	-	49,944	-72,126
2. Equity securities	13,350	-373	-	-	-	-	-11,134	84	2,216	-289
3. Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-
Total	**63,334**	**-72,499**	**-**	**-**	**-**	**-**	**-11,174**	**84**	**52,160**	**-72,415**
Total 31.12.2012	**48,254**	**-174,312**	**-**	**-**	**-**	**-**	**-11,174**	**84**	**37,080**	**-174,228**

B.3 Valuation reserves for available-for-sale financial assets: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1. Opening balance	**-141,091**	**3,943**	**-**	**-**
2. Increases	**141,907**	**568**	**-**	**-**
2.1 Fair value gains	129,592	229	-	-
2.2 Reversal to income statement of negative reserves:	12,315	339	-	-
- for impairment	-	335	-	-
- for realization	12,315	4	-	-
2.3. Other changes	-	-	-	-
3. Decreases	**22,998**	**2,584**	**-**	**-**
3.1 Fair value losses	275	2,573	-	-
3.2 Impairment losses	-	-	-	-
3.3 Reversal to Income Statement of positive reserves: for realization	22,723	11	-	-
3.4. Other changes	-	-	-	-
4. Final inventories	**-22,182**	**1,927**	**-**	**-**

Section 2 – Regulatory Capital and capital ratios

2.1 Scope of application of the legislation

The 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 (as updated) “New regulations for the prudential supervision of Banks” and Circular No. 155 of 18 December 1992 (as updated) “Instructions for the preparation of reports on Regulatory Capital and capital ratios”.

As at 31 December 2013, the scope of consolidation for supervisory purposes included the Parent Company Cassa di Risparmio di Parma e Piacenza S.p.A., Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia S.p.A. and the company Crédit Agricole Leasing S.r.l. and the company Cariparma OBG S.r.l.

2.2 Bank Regulatory Capital

A. QUALITATIVE DISCLOSURES

1. Tier 1 capital

As at 31 December 2013, Tier 1 capital consisted of high quality components (share capital, reserves, share premium reserve and retained earnings for the period, non-innovative equity instruments) pertaining to the shareholders of the Parent Company and minority shareholders, appropriately adjusted for intangible assets (including goodwill) and negative prudential filters.

It is reported that deduction from Tier-1 Capital was made equal to 50% of the value of equity investments in banking and financial companies: Bank of Italy, CA Agro-alimentare S.p.A. and MondoMutui Cariparma S.r.l.

The table below provides information on the features of non-innovative equity instruments included in Tier 1 Capital:

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value	Amount eligible for inclusion in Tier 1 capital
Subordinated loan	29.06.2011	31.12.2100	perpetual, with call from 28.06.2016	Euribor 3 months + 729 b.p.	euro	120,000	115,225	120,000

Core Tier1 consists of Tier1 capital, excluding non-innovative equity instruments, in accordance with the concept set forth in EBA recommendations, Regulation 2011/1 of 8 December 2011.

2. Tier 2 Capital

Tier 2 Capital includes, among the positive elements, the Valuation Reserves, subordinate liabilities and among the negative elements, the negative prudential filters.

The remaining 50% of the elements deducted in the calculation of Tier 1 Capital referring to the equity interests in the Bank of Italy, «CA Agro-Alimentare S.p.A. and MondoMutui Cariparma S.r.l., is deducted from Tier 2 Capital.

The Group has loans and subordinated deposits that can be calculated in Tier 2 Capital for a total of Euro 852 million.

In accordance with the supervisory provisions issued by the Bank of Italy with regulation of 18 May 2010 by the title “Tier 1 capital - prudential filters”, the Cariparma Crédit Agricole Group has opted, as envisaged in the above-mentioned regulation, to entirely neutralize both capital losses and capital gains resulting from debt securities held in the “Available-for-sale financial assets” (AFS) portfolio, issued by central governments of EU Member States.

This option was chosen to prevent an unjustified volatility of the Regulatory Capital, which could be determined by sudden changes in the securities quotations that are not linked to durable changes in the issuers’ creditworthiness. This also enables a partial alignment to the principles already followed by the Controlling Company, Crédit Agricole S.A.

The Bank of Italy has been informed of this choice, as well as of the commitment by all the companies in the Group to apply this approach uniformly, continuously in time and on all securities of this type, starting from 30 June 2010

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value	Amount eligible for inclusion in Tier 2 capital
Subordinated loan	14.12.2007	14.12.2017	5 equal instalments from december 2013	Euribor 3 months + 10 b.p.	euro	30,000	22,159	22,350
Subordinated deposit	17.12.2008	17.12.2018	5 equal instalments from 17.12.2014	Euribor 3 months + 334 b.p.	euro	250,000	250,352	250,000
Subordinated deposit	30.03.2011	30.03.2021	5 equal instalments from 30.03.2017	Euribor 3 months + 220 b.p.	euro	400,000	400,027	400,000
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	Up to 30.06.2012 5%; after 50% Euribor 6 months + 100 b.p.	euro	77,250	75,845	46,350
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	5% fixed	euro	222,750	227,138	133,650

3. Tier 3 Capital

To date, no Tier 3 instruments have been issued.

B. QUANTITATIVE DISCLOSURES

	31.12.2013	31.12.2012
A. Tier 1 capital prior to the application of prudential filters	**2,918,140**	**2,854,015**
B. Tier 1 prudential filters:	17,445	1
B1 - positive IAS/IFRS prudential filters (+)	-	1
B2 - negative IAS/IFRS prudential filters (-)	17,445	-
C. Tier 1 Capital including deductible elements (A+B)	2,900,695	2,854,016
D. Elements to be deducted from Tier 1 capital	349,843	42,264
E. Total Tier 1 capital (Tier 1) (C-D)	**2,550,852**	**2,811,752**
F. Tier 2 capital prior to the application of prudential filters	**930,362**	**906,006**
G. Tier 2 prudential filters:	5,562	6,409
G1- positive IAS/IFRS prudential filters (+)	-	-
G2- negative IAS/IFRS prudential filters (-)	5,562	6,409
H. Tier 2 capital including deductible elements (F+G)	**924,800**	**899,597**
I. Elements to be deducted from Tier 2 capital	349,843	42,264
L. Total Tier 2 capital (TIER 2) (H-I)	**574,957**	**857,333**
M. Elements to be deducted from Tier 1 and Tier 2 capital	-	-
N. Regulatory capital (E + L - M)	**3,125,809**	**3,669,085**
O. Tier 3 capital	-	-
P. Regulatory capital including Tier 3 (N + O)	**3,125,809**	**3,669,085**

The YOY increase in the elements to be deducted from capital, both Tier 1 and Tier 2, was essentially due to the application of the IRB approach to calculate the requirements for credit risk and counterparty risk (specifically, to the obligation to deduct the positive difference of expected losses from the writedowns of loans) as well as to the increase in the new shares in the Bank of Italy.

2.3 Capital Adequacy

A. QUALITATIVE DISCLOSURES

Compliance with minimum mandatory capital requirements is determined by calculating the ratio of regulatory capital, as calculated above, to total risk-weighted assets calculated in accordance with the provisions of Bank of Italy Circular No. 263 of 27 December 2006 (as updated) "New regulations for the prudential supervision of banks" and Circular no. 155 of 18 December 1991 (as updated) "Instructions for the preparation of reports on supervisory capital and capital ratios". The resulting Tier Total Ratio at 31 December 2013 was in compliance with the thresholds specified in the Supervisory Regulations.

This result was also due to a specific corporate policy that favours, where possible, distribution of earnings to shareholders, also to acknowledge the key role of minority shareholders in keeping a strong bond with the communities of operations, however in full compliance with the regulatory limits and with the Bank of Italy's recommendations.

B. QUANTITATIVE DISCLOSURES

Items	Non-weighted amounts		Weighted amounts/requirements	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
A. Risk assets				
A.1 Credit and counterparty risk	**51,886,303**	**50,491,325**	**20,651,938**	**27,077,144**
1. Standardized approach	32,682,604	50,491,325	16,440,060	27,077,144
2. IRB approach	19,203,699	-	4,211,878	-
2.1 Foundation	-	-	-	-
2.2 Advanced	19,203,699	-	4,211,878	-
3. Securitizations	-	-	-	-
B. Capital requirements				
B.1 Credit and counterparty risk	**-**	**-**	**1,652,155**	**2,166,171**
B.2 Market risks			**1,002**	**3,457**
1. Standardized method	-	-	1,002	3,457
2. Internal models	-	-	-	-
3. Concentration risk	-	-	-	-
B.3 Operational risk			**211,610**	**215,021**
1. Basic indicator approach	-	-	3,435	3,410
2. Standardized approach	-	-	208,175	211,611
3. Advanced measurement approach	-	-	-	-
B.4 Other prudential requirements	**-**	**-**	**-**	**-**
B.5 Other measurement elements	**-**	**-**	**-**	**-**
B.6 Total prudential requirements			**1,864,767**	**2,384,649**
C. Exposures and capital adequacy ratios				
C.1 Risk-weighted assets	-	-	23,309,590	29,808,112
C.2 Tier 1 capital/risk-weighted assets (Tier 1 capital ratio)	-	-	10.9%	9.4%
C.3 Supervisory capital including TIER 3/risk-weighted assets (Total capital ratio)	-	-	13.4%	12.3%

As at 31 December 2013, the Core Tier1 Ratio (Core Tier1/risk-weighted assets) was 10.4% vs. 9.0% as at 31 December 2012.

Part G Business combinations

In 2013, the price of the intra-group business combinations that were carried out in 2012 was defined; these combinations consisted in the transfer of business units between Companies in the Cariparma Crédit Agricole Group (transactions under common control). Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the financial statements of the companies involved on the basis of continuity of proprietary interest, without recognizing any effects.

Part H Transactions with related parties

The specific regulation issued on 12 December 2011 by the Bank of Italy concerning risk assets and conflicts of interest with related parties is part of the legislation framework on related parties (Article 2391-bis of the Italian Civil Code, Article 53 of the Consolidated Law on Banking and CONSOB Regulation No. 17221/10) and is designed "to protect against the risk that close relations that certain parties have with the bank's decision-makers might compromise the objectivity and impartiality of lending decisions and other transactions involving the same parties, leading to possible distortions in resource allocation, the bank's exposure to inadequately measured or managed risks and potential harm for depositors and shareholders".
This regulation came into force on 31 December 2012 and, consequently, the first supervisory reporting was made on 31 March 2013, as required by the Supervisory Authority.
The Cariparma Crédit Agricole Group had already adopted a Regulation on transactions with related parties implementing the original CONSOB regulation of 2010; on 11 December 2012, in accordance with the regulation issued by the Bank of Italy, Cariparma approved the Document "Regulation for Risk Assets and Conflicts of Interests with Parties related the Cariparma Crédit Agricole Group", in order to give the Group a specific internal regulation that amounts to the new body of law on these issues and in order to harmonize the various regulations in force.
In addition to identifying the related parties of the Cariparma Crédit Agricole Group, this document provides for the introduction of prudential limits for risk assets towards related parties, sets the procedures to process and approve transactions with related parties, defines specific rules with regard to transactions with related parties made by the Group companies and sets procedures and timeframe for the provision of the disclosure and appropriate documentation relating to the transactions to be resolved to (i) independent directors, as well as, where necessary, (ii) to the control bodies.
With regard to controls, the required control activities are carried out by different corporate roles, in different capacities and in the different phases of the process, in order to ensure constant compliance with the prudential limits and resolution-making procedures as provided for by the legislation, also pursuing the objective to appropriately prevent and manage potential conflicts of interests associated to transactions with related parties.

Related parties

Relates parties of the Cariparma Crédit Agricole Group are the following:
a) corporate officers, meaning the members of the Board of Directors, of the Board of Auditors and of the General Management of the Group Companies;
b) shareholders, meaning the natural or legal persons that control or exercise significant influence on the Company;
c) parties, other than shareholders, who have the right and power, on its own, to appoint one or more members of the management body or of the body engaged in strategic steering functions, also based on agreements of any type or clauses in the Articles of Association concerning or providing for the exercise of such rights and powers;
d) companies or businesses, including entities other than companies, on which one of the Group Companies has the right and power to exercise control or significant influence;
e) key staff, who, in the Cariparma perimeter, consists of the following:
- The Head of Cariparma Finance Central Department in his capacity as Senior Manager responsible for the preparation of the Corporate Accounting Documents;
- the Head of the Lending Governance Central Department;
- the Head of the Organization and Systems Central Department;
- the Head of the Central Compliance Department;

- the Head of the Audit Department;
- the Head of the Risk Management and Permanent Controls Department;

Connected parties

Parties that are connected to a related party are the following:
- companies or businesses, including entities other than companies, which are controlled by a related party;
- the persons or entities controlling a related party as set forth in points b and c of the relevant definition, or the persons or entities that are directly or indirectly subject to joint control with the same related party;
- close family members of a related party and the companies or businesses controlled by them.

Associated Parties

Associated parties of the Cariparma Crédit Agricole Banking Group are defined as the set consisting of a related party and all parties connected to the same. For individual application, the single Banks belonging to the Group refer to the same perimeter of connected parties as set by the Parent Company Cariparma.
In the light of the above-mentioned Regulation, Senior Managers with strategic responsibilities include persons having direct and indirect power and responsibility over the planning, management and control of the Bank's operations, including Directors, both executive and non-executive, and the members of control bodies.
The remuneration of Directors and Auditors is established with specific resolutions passed by the Shareholders' General Meeting.

1. Information on remuneration of Senior Managers with strategic responsibilities

In the light of the above-mentioned Regulation, managers with strategic responsibilities are persons having direct and indirect power and responsibility for the management and control of the Bank's operations, including Directors, both executive and non-executive, and the members of control bodies.

The remuneration of Directors and Auditors is established with specific resolutions passed by the Shareholders' General Meeting.

	31.12.2013
Short-term employee benefits	14,579
Benefits subsequent to severance from employment	312
Other long-term benefits	-
Employee severance benefits	-
Share-based payments (Stock options)	-

2. Information on transactions with related parties

Transactions with related parties are the transfer of resources, services or bonds between the Company (or companies directly and/or indirectly controlled) and one or more of the related parties, independently of whether payment was agreed or not. Transactions carried out with related parties have followed the specific procedures provided for by the above Regulation. During the year, no atypical or unusual transactions were carried out whose size or features might have jeopardized the protection of corporate assets and the interests of minority shareholders.

Transactions with 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	-	-	-	2,842,855	-	3,326,162	7,620
Entity exercising significant influence on company	-	-	-	-	706	-	-
Subsidiaries	-	-	539	-	11,388	-	209
Directors and key management personnel	-	-	1,667	-	7,024	-	-
Other related parties	22,171	48,782	2,989,774	16,172	771,682	1,302,580	46,441
Total	**22,171**	**48,782**	**2,991,980**	**2,859,027**	**790,800**	**4,628,742**	**54,270**

Part I Share-based Payment Agreement

QUALITATIVE DISCLOSURES

The Bank has no agreements for payments based on its shares in place.

On 9 November 2011, the Board of Directors of the Controlling Company Crédit Agricole S.A. approved a plan for the free allocation of shares to all Employees of the Crédit Agricole S.A. Group, in order to share with them both the capital and success of the Group.

The beneficiaries are all employees of the Group in the over 50 Countries where the Group operates, who will each receive 60 Crédit Agricole S.A. shares, independently of their sector of activity, their citizenship or their role in the company.

The shares were assigned to the Employees in November 2013 and will be tied for three years, at the end of which time each employee may freely dispose of them.

From 2011 to 2013, higher expenses equal to the fair value of the shares assigned to the Group Employees were recognized, calculated as at the date of approval of the plan and recognizing, as offsetting item, an identical increase in equity.

QUANTITATIVE DISCLOSURES

For 2013, higher expenses generated an impact on the Cariparma Crédit Agricole Group's Income Statement of Euro 685 thousand referring to the shares assigned to the 8,838 employees receiving the shares, with an equal increase in equity that took the specific reserve toEuro 1,681 thousand.

Part L Segment reporting

Operations and Income by business segment

Data relating to operations and income by business segment are reported in compliance with IFRS 8 Operating Segments using the "management reporting approach".

Segment reporting was prepared using the multiple ITR (internal transfer rate) method, integrating the cost of liquidity in compliance with the Bank of Italy's provisions.

The Cariparma Crédit Agricole Group operates through an organization structure that includes: Retail and Private Banking channels for individual consumers, households and small businesses; Enterprise and Corporate channels designed for large-size companies. Segment reporting includes data relating to operations and income of Crédit Agricole Leasing. Therefore, given the features of the Cariparma Crédit Agricole Group, the Other channel is of a residual nature and specifically includes the operations of Mondo Mutui, Sliders and anything that cannot be included in the other channels, such as activities pertaining to central departments, for instance the management of proprietary securities portfolio, capital market and governance.

Income from the Retail and Private Banking channels came to Euro 1,481.1 million, decreasing by -6.1% YOY, mainly due to the net interest income component which was impacted by the decrease in progressive annual lending volumes. The contribution of the Corporate and Enterprises channels to total revenues came to Euro 236.9 million, decreasing vs. 2012 by -5.2%, mainly due to the decrease in interest income. The performance of the Other channel was impacted by the derecognition of the Bank of Italy shares held.

As regards expenses, the Retail and Private Banking channels posted a -5.0% decrease, with a reduction both in operating expenses and in the cost of risk. The Corporate and Enterprise channels also posted a decrease in expenses of -5.5%, which was mainly due to the decrease in impairment adjustments of loans and, to a lesser extent, in administrative expenses. The performance of the Other channel was in line with the previous period and was affected by both the recognition, made in 2012, of the provision for the Solidarity Fund amounting to approximately Euro 120 million, and by the prudential increase of provisions on loans (collective provisioning), in order to forestall any impacts resulting from the Asset Quality Review.

It is also reported that the gains relating to the sale of the equity investment in Crédit Agricole Vita to Crédit Agricole Assurance were recognized in the item «Profit/Loss from equity investments» for 2012, whose impact was included in the «Other» channel.

Assets by segment (point volumes) mainly consisted of loans to Customers, property, plant and equipment and intangible assets that can be directly allocated to the operating segments. As at 31 December 2013, assets of the Retail and Private Banking channels amounted to €24.9 billion and were essentially in line with 31 December 2012. The Corporate and Enterprise channels came to Euro 13.8 billion, posting a marked YOY increase of +12.6% .

Liabilities by segment (point volumes) consisted of direct funding from Customers that can be directly allocated to the operating segments. Within this aggregate, funding from the Retail and Private Banking channels came to Euro 32.5 billion, increasing by +1.4% vs. 31 December 2012; funding from the Corporate and Enterprise channels came to Euro 5.4 billion, posting a marked YOY increase of +3.6%.

In accordance with IFRS 8, it is reported that the Group's business operations are essentially carried out in the Italian national territory, they are not subject to periodic performance reporting to the management distinguishing by foreign geographical area. The Group has not achieved revenues resulting from transactions with single external customers for amounts exceeding 10% of the income recognized in the financial statements.

Segment reporting as at 31 December 2013

	Retail and Private	Corporate and Companies	Other	Total
External operating revenues				
Net interest income	781,604	141,936	-14,953	908,587
Net commission income	504,699	86,482	-3,442	587,739
Gain (loss) on financial activities	8,508	3,813	549	12,870
Dividends	0	0	1,694	1,694
Other net operating revenues	186,322	3,824	199,990	390,136
Total operating revenues	**1,481,133**	**236,055**	**183,838**	**1,901,026**
Impairment adjustments of loans	-151,938	-204,011	-124,268	-480,217
Impairment adjustments of AFS financial assets and other financial transactions	0	0	-2,084	-2,084
Staff expenses, administrative expenses and depraction/amortization	-953,490	-71,213	-168,757	-1,193,460
Provisions for risks	1,997	-2,971	-26,691	-27,665
Total expenses	**-1,103,431**	**-278,195**	**-321,800**	**-1,703,426**
Gain (loss) from equity investments	0	0	-1,170	-1,170
Goodwill value adjustments	0	0	0	0
Gain (loss) on disposal of investments	0	0	232	232
Result by segment	**377,702**	**-42,140**	**-138,900**	**196,662**
Unallocates operating expenses	0	0	0	0
Operating profit	0	0	0	0
Share of profit of associates pertaining to Group	0	0	0	0
Profit before tax	**377,702**	**-42,140**	**-138,900**	**196,662**
Taxes	-172,197	18,731	113,972	-39,494
Profit for the period	**205,505**	**-23,409**	**-24,928**	**157,168**
Informations at 31.12.2013				
Assets and liabilities				
Assets by segment (customers + intangible)	25,062,218	13,778,631	461,150	39,301,999
Equity investments in associates	0	0	23,513	23,513
Unallocated assets	21,879	51,051	10,768,524	10,841,454
Total Assets	**25,084,097**	**13,829,682**	**11,253,187**	**50,166,966**
Liabilities by segment	31,949,053	4,027,608	617,042	36,593,703
Unallocated liabilities	575,835	1,343,616	7,050,775	8,970,226
Total Liabilities	**32,524,888**	**5,371,224**	**7,667,817**	**45,563,929**

Segment reporting as at 31 December 2012

	Retail and Private	Corporate and Companies	Other	Total
External operating revenues				
Net interest income	821,133	157,762	-12,953	965,942
Net commission income	524,352	85,242	-13,529	596,065
Gain (loss) on financial activities	11,565	5,978	1,188	18,731
Dividends	-	-	2,259	2,259
Other net operating revenues	220,568	945	78,596	300,109
Total operating revenues	**1,577,618**	**249,927**	**55,561**	**1,883,106**
Impairment adjustments of loans	-169,982	-215,221	11,890	-373,313
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-3,707	-3,707
Staff expenses, administrative expenses and depraction/amortization	-985,757	-73,388	-304,975	-1,364,120
Provisions for risks	-5,202	-5,692	-25,092	-35,986
Total expenses	**-1,160,941**	**-294,301**	**-321,884**	**-1,777,126**
Gain (loss) from equity investments	-	-	56,897	56,897
Goodwill value adjustments	-	-	-10	-10
Gain (loss) on disposal of investments	-	-	372	372
Result by segment	**416,677**	**-44,374**	**-209,064**	**163,239**
Unallocates operating expenses	-	-	-	-
Operating profit	-	-	-	-
Share of profit of associates pertaining to Group	-	-	-	-
Profit before tax	**416,677**	**-44,374**	**-209,064**	**163,239**
Taxes	-217,145	18,080	197,503	-1,562
Profit for the period	**199,532**	**-26,294**	**-11,561**	**161,677**
Informations at 31.12.2012				
Assets and liabilities				
Assets by segment (customers + intangible)	25,205,014	12,232,686	908,684	38,346,384
Equity investments in associates	-	-	20,433	20,433
Unallocated assets	17,388	40,571	10,897,235	10,955,194
Total Assets	**25,222,402**	**12,273,257**	**11,826,352**	**49,322,011**
Liabilities by segment	31,507,686	3,887,433	824,869	36,219,988
Unallocated liabilities	576,762	1,345,778	6,796,385	8,718,925
Total Liabilities	**32,084,448**	**5,233,211**	**7,621,254**	**44,938,913**

Reporting of fees paid for auditing and other services pursuant to the Italian Civil Code, Article 2427 paragraph 16-BIS

Fees for the activities of:	31.12.2013
Statutory audit of annual accounts	806
Other audit services	86
Services other than audit of the accounts	152
Total	**1,044**

Annual Report and Financial Statements

Financial highlights and ratios

Income statement (°) (thousands of euro)	31.12.2013	31.12.2012	Changes Amount	%
Net interest income	700,367	730,884	-30,517	-4.2
Net commission income	475,583	458,415	17,168	3.7
Dividends	24,559	37,971	-13,412	-35.3
Net gain (loss) on financial activities	130,197	28,263	101,934	
Other operating revenues (expenses)	-13,577	46,851	-60,428	
Net operating revenues	1,317,130	1,302,384	14,746	1.1
Operating expenses	-711,299	-845,184	-133,885	-15.8
Net Operating profit	605,831	457,200	148,631	32.5
Net provisions for liabilities and contingencies	-38,284	-32,027	6,257	19.5
Net impairment adjustments of loans	-417,910	-304,601	113,309	37.2
Net profit	126,236	58,862	67,374	

Balance sheet (°) (thousands of euro)	31.12.2013	31.12.2012	Changes Amount	%
Loans to customers	27,965,449	26,494,166	1,471,283	5.6
Net financial assets/liabilities held for trading	3,995,029	3,103,909	891,120	28.7
Net loans to banks	1,262,969	1,272,613	-9,644	-0.8
Equity investments	1,462,539	1,466,495	-3,956	-0.3
Property, plant and equipment and intangible assets	36,910,941	34,986,945	1,923,996	5.5
Total net assets	28,409,009	28,116,781	292,228	1.0
Funding from customers	43,240,663	43,894,968	-654,305	-1.5
Indirect funding from customers	14,486,733	13,451,887	1,034,846	7.7
of which: asset management	2,167,758	430,169	1,737,589	
Net due to banks	2,106	3,739	-1,633	-43.7
Shareholders' equity	4,486,996	4,306,652	180,344	4.2

Operating structure	31.12.2013	31.12.2012	Changes Amount	%
Number of employees	6,365	6,453	-88	-1.4
Average number of employees (§)	6,101	6,255	-154	-2.5
Number of branches	592	606	-14	-2.3

(°) Income statement and balance sheet figures have been taken from the reclassified financial statements shown on pages 248 and 257.

(§) The average number has been calculated as the weighted average of employees and atypical workers, where the weight is the number of months worked in the year; part-time staff is conventionally weighted at 50%.

Structure ratios (°)	31.12.2013	31.12.2012
Loans to customers / Total net assets	75.8%	75.7%
Direct customer deposits / Total net assets	77.0%	80.4%
Asset management / Total indirect funding	33.5%	30.6%
Loans to customers / Direct customer deposits	98.4%	94.2%
Total assets / Shareholders' Equity	9.1	9.3

Profitability ratios (°)	31.12.2013	31.12.2012
Net interest income / Net operating revenues	53.2%	56.1%
Net commissions income / Net operating revenues	36.1%	35.2%
Cost / income	54.0%	64.9%
Net income / Average equity (ROE)[(a)]	2.9%	1.4%
Net profit / Total assets (ROA)	0.3%	0.1%
Net profit / Risk-weighted assets	0.7%	0.3%

Risk ratios (°)	31.12.2013	31.12.2012
Gross bad debts/ Gross loans to customers	4.8%	3.8%
Net bad debts / Net loans to customers	2.2%	1.7%
Net impairment adjustments of loans / Net loans to customers	1.5%	1.1%
Cost of risk[(b)]/ Operating profit	75.3%	73.6%
Net bad debts / Total regulatory capital	16.9%	11.1%
Net impaired loans / Net loans to customers	5.7%	4.5%
Total writedowns on impaired loans / Gross impaired loans	39.9%	40.2%

Productivity ratios (°) (economic)	31.12.2013	31.12.2012
Operating expenses / No. of employees (average)	116.6	135.1
Operating revenues / No. of employees (average)	215.9	208.2

Productivity ratios (°) (capital)	31.12.2013	31.12.2012
Loans to customers / No. of employees (average)	4,583.7	4,235.7
Direct customer deposits / No. of employees (average)	4,656.5	4,495.1

Capital ratios (§)	31.12.2013	31.12.2012
Core Tier 1 [(c)] / Risk-weighted assets (Core Tier 1 ratio)	16.9%	14.2%
Tier 1 capital / Risk-weighted assets (Tier 1 ratio)	17.6%	14.7%
Total regulatory capital / Risk-weighted assets (Total capital ratio)	21.0%	18.4%
Risk-weighted assets (thousands of euro)	17,367,713	22,354,188

(°) Income statement and balance sheet figures have been taken from the reclassified financial statements shown on pages 248 and 257.

(a) Ratio of net profit to equity weighted average

(b) Total risk cost includes the provision for contingencies and liabilities, as well as net adjustments of loans.

(c) Core Tier 1 is Tier 1 capital net of innovative equity instruments.

(§) In calculating total capital requirements, the 25% reduction provided for by supervisory regulations was not taken into account. Should this 25% reduction have been considered, the capital requirements would have been calculated on risk-weighted assets amounting to €13,025,781 thousand and, consequently, would have been 22.5%, 23.4% and 28.1%, respectively.

Management Report

» PERFORMANCE

Income Statement reclassification

In order to present performance more effectively, a summary income statement has been prepared with appropriate reclassifications so as to report the various items on the basis of consistent operational standards.
The reclassifications concerned the following:

- the recovery of the time value component on loans, reported under net interest income, rather than net impairment adjustments of loans, since this arises directly from applying the amortized cost method when there are no changes in expected future cash flows;
- net gains (losses) on trading activities and the net gains (losses) on hedging activities have been reallocated to gains or losses on financial activities;
- gains and losses on the sale or repurchase of available-for-sale financial assets and financial liabilities have been re-allocated to gains or losses on financial activities;
- The recovery of expenses, taxes and duties has been posted as a direct reduction of administrative expenses, rather than being reported under other operating revenues/expenses;
- commissions for fast loan application processing have been taken to commission income rather than being recognized under other operating revenues/expenses;
- net impairment adjustments/writebacks of financial assets available for sale have been reported under other operating revenues/expenses;
- net impairment adjustments of other financial transactions, mainly relating to guarantees issued and commitments, were recognized within net adjustments on loans.

The figures presented below are expressed in thousands of Euros.

Reclassified income statement

			Changes	
	31.12.2013	**31.12.2012**	**Amount**	**%**
Net interest income	700,368	730,884	-30,516	-4.2
Net commission income	475,583	458,415	17,168	3.7
Dividends	24,559	37,971	-13,412	-35.3
Gain (loss) on financial activities	130,196	28,263	101,933	
Other operating revenues (expenses)	-13,576	46,851	-60,427	
Net operating revenues	**1,317,130**	**1,302,384**	**14,746**	**1.1**
Staff expenses	-441,949	-550,381	-108,432	-19.7
Administrative expenses	-195,955	-216,401	-20,446	-9.4
Depreciation and amortization	-73,395	-78,402	-5,007	-6.4
Operating expenses	**-711,299**	**-845,184**	**-133,885**	**-15.8**
Operating profit	**605,831**	**457,200**	**148,631**	**32.5**
Value adjustments of goodwill	-	-	-	
Net provisions for liabilities and contingencies	-38,284	-32,027	6,257	19.5
Net adjustments of loans	-417,911	-304,601	113,310	37.2
Gain (loss) from financial assets held to maturity and other investments	-13,682	-63,704	-50,022	-78.5
Profit before tax on continuing operations	**135,954**	**56,868**	**79,086**	
Income tax for the period on continuing operations	-9,718	1,994	-11,712	
Profit (loss) for the period	**126,236**	**58,862**	**67,374**	

As at 31 December 2013, Cariparma profit for the period came to €126.2, driven by ordinary operating income that was stable. The profit for the period posted a marked increase from €58.9 million in 2012, which was a year in which several non-recurring events occurred.

Reconciliation between the official and reclassified income statements

	31.12.2013	31.12.2012
Net interest	**700,368**	**730,884**
30. Net interest margin	668,843	712,520
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	31,525	18,364
Net commissions income = item 60	**475,583**	**458,415**
60. Net commissions	436,704	447,701
190. Other operating revenues/expenses: past due commission	38,879	10,714
Dividends = item 70	**24,559**	**37,971**
Net gain (loss) on financial activities	**130,196**	**28,263**
80. Net gain (loss) on trading activities	9,443	13,819
90. Net gain (loss) on hedging activities	6,036	9,312
100. Gain (loss) on the disposal or repurchase of: b) financial assets available for sale	112,223	3,844
100. Gain (loss) on the disposal or repurchase of: d) financial liabilities	2,494	1,288
Other operating revenues (expenses)	**-13,576**	**46,851**
190. Other operating revenues (expenses)	213,881	249,158
less: recovery of expenses	-186,986	-190,189
less: past due commission	-38,879	-10,714
130. Net impairment adjustments of: b) financial assets available for sale	-1,592	-1,404
Net operating revenues	**1,317,130**	**1,302,384**
Staff expenses = 150 a)	**-441,949**	**-550,381**
Administrative expenses	**-195,955**	**-216,401**
150. Administrative expenses: b) other administrative expenses	-382,941	-406,590
190. Other operating revenues/expenses: recovery of expenses	186,986	190,189
Depreciation and amortization	**-73,395**	**-78,402**
170. Net adjustments of property, plant and equipment	-20,590	-21,521
180. Net adjustments of intangible assets	-52,805	-56,881
Operating expenses	**-711,299**	**-845,184**
Net operating profit	**605,831**	**457,200**
Goodwill value adjustments = item 230	**-**	**-**
Net provisions for liabilities and contingencies = Item 160	**-38,284**	**-32,027**
Net impairment adjustments of loans	**-417,911**	**-304,601**
100. Gain/loss on the disposal of: a) loans	-9	-1,076
130. Net impairment adjustments of: a) loans	-384,708	-283,414
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	-31,525	-18,364
130. Net impairment adjustments of: d) other financial transactions	-1,669	-1,747
Gain (loss) from financial assets held to maturity and other investments	**-13,682**	**-63,704**
210. Gain (loss) from equity investments	-13,900	-64,066
240. Gain (loss) on disposal of investments	218	362
Profit before tax on continuing operations	**135,954**	**56,868**
Income tax on continuing operations = item 260	**-9,718**	**1,994**
Net profit (loss) for the period	**126,236**	**58,862**

Net operating revenues

Cariparma net operating revenues amounted to €1,317.1 million, increasing by €14.7 million (up by +1.1%) YOY. This increase was due to the development in commission income and to the performance of trading activities, which also benefited from the reported capital gains resulting from the derecognition of the Bank of Italy shares held. These effects were partially offset by non-applicability of some important non-recurring effects recognized in 2012.

Net interest income

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
Business with customers	706,038	773,853	-67,815	-8.8
Business with banks	4,232	14,824	-10,592	-71.5
Securities issued	-291,218	-304,913	-13,695	-4.5
Differences on hedging derivatives	160,897	136,582	24,315	17.8
Financial assets held for trading	5	7	-2	-28.6
Financial assets available for sale	120,525	110,218	10,307	9.4
Other net interest	-111	313	-424	
Net interest income	**700,368**	**730,884**	**-30,516**	**-4.2**

Net Interest income came to €700.4 million, decreasing by €30.5 million, (i.e. down by -4.2%) year-on-year. The slowdown in this aggregate was mainly due to lower contribution of the Customer component (down by -€67.8 million), which, despite effective control on funding cost, was impacted by lower development in loans.

Interest income from outstanding securities came to -€291.2 million, down by €13.7 million YOY, thanks to the effective pricing policy implemented.

The balance on interest income from available-for-sale financial assets came to €120.5 million vs. €110.2 million in the previous year; this increase was mainly due to the actions implemented on the owned securities portfolio. The decrease in interest income from business with Banks was due to the decrease in loan volumes, resulting from lower business with the other Group companies.

Dividend income

Dividend income from equity investments came to €24.6 million, decreasing by €13.4 million (down by -35.3%) vs. the previous year figure. These dividends referred to Banca Popolare FriulAdria for €14.5 million (€30.1 million in 2012), to Cassa di Risparmio della Spezia for €8.6 million (€5.6 million in 2012), and to the equity investment in the Bank of Italy for €1.4 million.

Net commission income

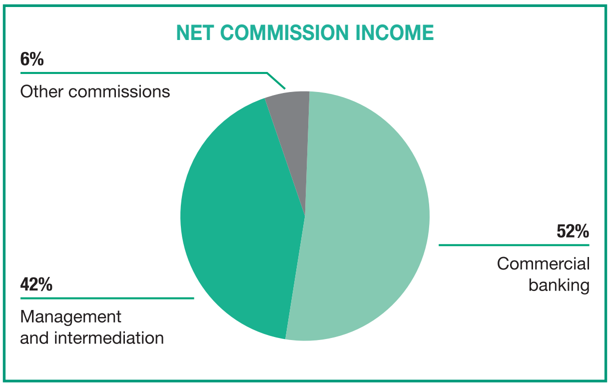
Items	31.12.2013	31.12.2012	Changes	
			Amount	%
- guarantees issued	7,879	8,914	-1,035	-11.6
- collection and payment services	31,518	33,445	-1,927	-5.8
- current accounts	179,299	175,680	3,619	2.1
- debit and credit card services	29,480	25,081	4,399	17.5
Commercial banking business	**248,176**	**243,120**	**5,056**	**2.1**
- securities intermediation and placement	84,424	87,038	-2,614	-3.0
- foreign exchange	2,667	3,320	-653	-19.7
- asset management	4,712	5,110	-398	-7.8
- distribution of insurance products	106,380	92,668	13,712	14.8
- other intermediation/management commissions	3,424	4,151	-727	-17.5
Management, intermediation and advisory services	**201,607**	**192,287**	**9,320**	**4.8**
Other net commissions	**25,800**	**23,008**	**2,792**	**12.1**
Total net commissions income	**475,583**	**458,415**	**17,168**	**3.7**

Net commission income came to €475.6million, increasing by €17.2 million (up by +3.7%) vs. the previous year, due to the recovery of both the traditional banking business and management, intermediation and advisory services.

Specifically, the increase in traditional banking business of +€5.1 million (up by +2.1%) resulted from commission income from current accounts for €3.6 million (up by +2.1%) and from payment systems for €4.4 million (up by +17.5%).

Commission income from management, intermediation and advisory services also recovered, increasing by €9.3 million (up by +4.8%); this business showed a considerable increase in commission income from insurance products of €13.7 million (up by +14.8%). This business line benefits from higher flows of recurring commission income. Commission income from securities intermediation and placement slightly decreased by €2.6 million (down by -3.0%), being impacted, despite higher commercial efforts on volumes, by the Customers' preference for low-risk products.

However, in 2013, net commission income was essentially stable, posting a significant increase in the fourth quarter. This performance was mainly driven by the development in revenues from distribution of insurance products within management, intermediation e advisory services, as well as in revenues from payment systems.



Profit (loss) on trading activities

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
Interest rates	10,808	13,833	-3,025	-21.9
Equities	-	35	-35	
Foreign exchange	1,124	1,228	-104	-8.5
Commodities	5	11	-6	-54.5
Total net gain (loss) on financial assets held for trading	**11,937**	**15,107**	**-3,170**	**-21.0**
Total gain (loss) on hedging activities	**6,036**	**9,312**	**-3,276**	**-35.2**
Gain (loss) on disposal of financial assets available for sale	**112,223**	**3,844**	**108,379**	
Net gain (loss) on financial activities	**130,196**	**28,263**	**101,933**	

Profit (loss) on trading activities came to €130.2 million, posting a strong YOY increase of €101.9 million. This was entirely due to gains from the disposal of available-for-sale financial assets amounting to €112.2 million, benefiting from the recognition of the gains resulting from the derecognition of the Bank of Italy shares held for €88.9 million (for more exhaustive reporting, reference is made to the Note to the Financial Statements, Part A, Section 4, "Other Aspects"). The recognition in the Income Statement was based on an analysis of IAS 39, as well as on the opinions given by leading and authoritative legal and professional firms.

This aggregate posted also an increase due to higher operations on the owned security portfolio. Gains on hedging assets came to €6.0 million, decreasing by €3.3 million (down by -35.2%) and gains on financial assets held for trading came to €11.9 million, decreasing by €3.2 million (down by -21%), mainly due to interest rate hedging.

Other operating income (expenses)

"Other operating income/expenses" showed a balance of -€13.6 million, thus significantly decreasing YOY by €60.4 million, mainly due to non-applicability to the reporting period of some important non-recurring effects that were recognized in 2012.

Operating expenses

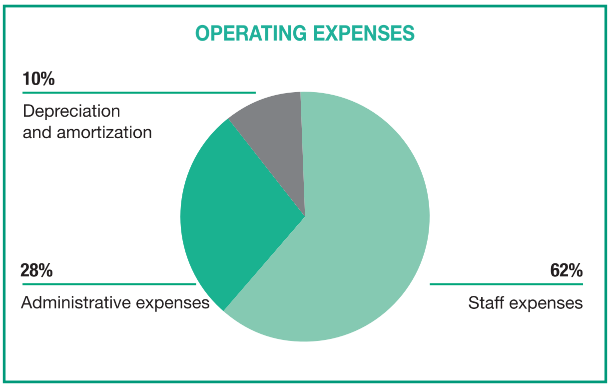
Items	31.12.2013	31.12.2012	Changes	
			Amount	%
- wages and salaries	-315,828	-329,439	-13,611	-4.1
- social security contributions	-82,343	-87,832	-5,489	-6.2
- other staff expenses	-43,778	-133,110	-89,332	-67.1
Staff expenses	**-441,949**	**-550,381**	**-108,432**	**-19.7**
- general operating expenses	-80,755	-87,301	-6,546	-7.5
- IT services	-50,501	-50,103	398	0.8
- direct and indirect taxes	-78,011	-65,551	12,460	19.0
- facilities management	-47,821	-54,134	-6,313	-11.7
- legal and other professional services	-16,289	-22,206	-5,917	-26.6
- advertising and promotion costs	-6,620	-8,096	-1,476	-18.2
- indirect staff expenses	-6,543	-9,307	-2,764	-29.7
- other expenses	-96,401	-109,892	-13,491	-12.3
- recovery of expenses and charges	186,986	190,189	-3,203	-1.7
Administrative expenses	**-195,955**	**-216,401**	**-20,446**	**-9.4**
- intangible assets	-52,805	-56,881	-4,076	-7.2
- property, plant and equipment	-20,590	-21,521	-931	-4.3
Depreciation and amortization	**-73,395**	**-78,402**	**-5,007**	**-6.4**
Operating expenses	**-711,299**	**-845,184**	**-133,885**	**-15.8**

Operating expenses for 2013 came to €711.3 million, decreasing YOY by €44.8 million (down by -5.9%), net of €89 million worth of provisions for the voluntary redundancy scheme allocated in 2012.

Specifically

- **Staff expenses**, coming to Euro 441.9 million, decreased YOY (net of €89 million worth of provisions for the Solidarity Fund allocated in 2012) by €19.4 million (down by -4.2%) due to the decrease in the average number of resources (down by -154 YOY).
- **Administration expenses** came to €196.0 million, decreasing by €20.4 million (down by -9.4%) vs. 2012. The expense items that posted the most significant decrease were general operating expenses (down by -€6.5 million) and the expenses for property management (down by -€6.3 million). The latter benefited from the rationalization of some activities/structures and from the renegotiation of some important lease contracts. Expenses for legal and professional advisory services also decreased (down by -€5.9 million). Indirect taxes and duties performed against the trend (up by +12.5 million), being mainly impacted by the new revenue stamp duty on financial products.
- **Depreciation and amortization** came to €73.4 million, decreasing by 6.4% vs. the previous year, despite the implementation of a considerable investment plan (for approximately €70 million).

The cost/income ratio came to approximately 54%, decreasing by -10.9 percentage points from the figure of December 2012.



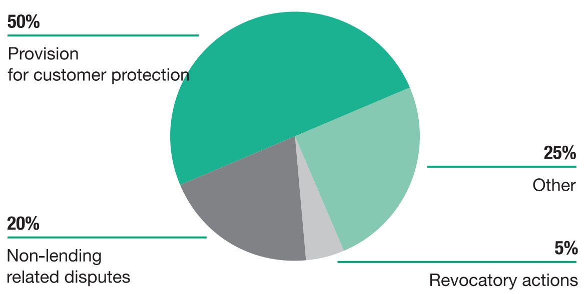
Operating profit (loss)

The operating profit came to €605.8 million showing a positive trend vs. 2012, thanks to the essentially stable performance of income from ordinary operations and the significant actions to rationalize operating expenses.

Provisions and other components

Net provisions for contingencies and liabilities came to €38.2 million, increasing from €32 million of 2012. The provisions allocated mainly referred to repayments to Customers on financial products for €19.2 million, posting a strong YOY increase. «Other provisions» also increased, coming to €9.6 million (up by +64.5%). On the other hand, provisions for non-lending disputes posted a marked decrease vs. 2012 (down by -52.7%).

NET PROVIVIONS FOR CONTINGENCIES AND LIABILITIES



Net impairment adjustments of loans

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
- bad debts	-151.431	-139.405	12.026	8,6
- substandard loans	-107.766	-125.425	-17.659	-14,1
- restructured loans	-33.423	-13.419	20.004	
- past-due / overlimit loans	-2.887	-3.585	-698	-19,5
- performing loans	-120.735	-21.020	99.715	
Net impairment adjustments of loans	**-416.242**	**-302.854**	**113.388**	**37,4**
Net adjustments of guarantees and commitments	-1.669	-1.747	-78	-4,5
Net adjustments of loans	**-417.911**	**-304.601**	**113.310**	**37,2**

Net impairment adjustments of loans came to €417.9 million, increasing YOY by €113.3 million (up by +37.2%).

As to the other components, the best performance referred to substandard loans, which decreased by €107.8 million (down by -14.1%). On the other hand, adjustments of restructured loans almost doubled vs. 2012, coming to €33.4 million. As volumes developed, adjustments of bad loans also increased (up by +8.6%). However, the lending policy implemented in 2013 by the Group allowed a high coverage ratio to be consolidated (40% on impaired loans; 56% on bad loans).

In 2013, the cost of credit was affected by the use of more conservative measurement parameters than those that were deemed expressing measurement best practices in the past based on the same reference accounting standards. The higher adjustments that were taken to the Income Statement, specifically within the collective writedown of the performing portfolio (up by +€99.7 million vs. 2012), have already taken account of the new guidelines that can be obtained from the draft implementing International Technical Standards published by EBA in October 2013 and concerning the recognition of forbearance, non-performing and forborne exposures.

Gains (loss) from financial assets held to maturity and other investments

The recognized values of the equity investments held by Cariparma were tested for impairment,

This test showed, for the equity investment in FriulAdria, a decrease in the present value of future cash flows, which was found lower than the book value of the subsidiary: consequently, Cariparma wrote down by €13,9 million the value of the equity investment.

Profit before tax on continuing operations

Profit before tax on continuing operations came to €136.0 million, increasing YOY thanks to the effective management of operating expenses, as well as to income from the performance of ordinary operations, which was stable.

Income taxes on continuing operations

Current and deferred taxes totalled €9.7 million, increasing by approximately €11.7 million vs. the previous year. The figure for the period includes the recognition for IRAP (Italian Regional Tax on Productive Activities) purposes of net adjustments of loans. As regards the increase in the corporate income tax (IRES) rate by 8.5%, imposed on lenders and financial companies exclusively for the fiscal year 2013, there was no additional tax to be paid, since the taxable income for the higher rate must be calculated excluding increases in loan writedown that can be deducted in following years from the taxable base for the rate increase, and the same taxable base must be determined taking account of significant abatements for the deduction of amortization portions relating to goodwill recognized for tax purposes.

Compared with 2012, in the reporting period, taxes were also affected by some non-recurring components: with a positive effect, by the realignment of the tax value of goodwill relating to the subsidiaries FriulAdria and Carispezia, pursuant to Decree Law 201/2011 and, with a residual effect, by the intangible assets with a finite useful life resulting from transfers from the Intesa SanPaolo Group, which generated a tax benefit of €32.5 million and €3.2 million, respectively. On the other hand, a negative effect was generated since, in 2012, pursuant to the then applicable tax legislation, a refund was obtained of the higher corporate income tax paid in previous periods (from 2007 to 2011), due to non-deductibility of the Italian regional tax on productive activities (IRAP) referring to the taxable portion of expenses for employees and equivalent staff, net of the relevant IRAP deductions, thus generating a positive effect on the 2012 Income Statement of approximately €20 million; in the same period, the effects of the realignment of the tax value of goodwill and of the partial tax value of finite-useful life intangible assets resulting from a transfer from the Intesa SanPaolo Group generated a tax benefit of approximately €53.9 million. Moreover, in the reporting period, a provision was allocated for taxes payable on the higher value of Bank of Italy shares (pursuant to Law No. 147/2013).

Net of these non-recurring components, in percentage terms, the tax load decreased vs. the previous year, specifically due to lower taxable values, such as lower writedowns on equity investments, which are not deductible from taxes, as well as due to Italian Regional Tax on Productive Activities (IRAP). Indeed, with a gross income slightly decreasing, the amount due for this tax decreased vs. the previous year and caused the weight of the Regional Tax on Productive Activities to decrease from 80.6% to 13% of the gross profit.

Net profit (loss) and comprehensive income

Net profit

Net profit came to €126.2 million, increasing vs. 2012 by €67 million.

Comprehensive income

Voci		31.12.2013	31.12.2012
10.	**Net profit (loss) for the period**	**126,236**	**58,862**
	Other income after tax		
20.	Property, plant and equipment	-	-
30.	Intangible assets	-	-
40.	Actuarial gains (losses) on defined-benefit plans	3,108	-13,323
50.	Disposal groups	-	-
60.	Share of Valuation Reserves on equity investments accounted for using the equity method	-	-
	Other income after tax with reversal to income statement		
70.	Hedging of foreign investments	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	Financial assets available for sale	105,474	217,910
110.	Disposal groups	-	-
120.	Share of Valuation Reserves on equity investments accounted for using the equity method	-	-
130.	Total other income components after tax	108,582	204,587
140.	**Comprensive income (Voce 10+130)**	**234,818**	**263,449**

The balance of the comprehensive income component relating to available-for-sale financial assets came to €105.4 million vs. €217.9 million in the previous period and reflects the change in the Reserve for AFS Securities measurement vs. the previous year.

This decrease was due to the slowdown in the positive trend of reduction in country risk assigned to Italy in 2013, vs. the strong YOY improvement in 2012.

Also, the arbitrage transactions on Italian Government securities (BTP), i.e. the sale and replacement with other securities, which were made in 2013, reduced the portfolio duration, realigning the carrying value to the market value and reducing the sensitivity of the same portfolio.

» 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 changes concern:

- presentation of financial Assets/Liabilities held for trading on a net basis;
- presentation of loans to banks and amounts due to banks on a net basis;
- recognition of the value of hedge Derivatives and of the Adjustment of macro-hedged financial assets/liabilities in the «Other» item of Assets/»Other» item of Liabilities.
- grouping of Intangible Assets and Property, Plant and Equipment into a single aggregate;
- recognition of the item "Cash and cash equivalents" in the "Other Assets" residual item";
- grouping in the "Funding from Customers" item of the «Due to customers» and "Outstanding securities" items;
- grouping of specific-purpose provisions (i.e. employee severance benefits and provisions for contingencies and liabilities) into a single aggregate.

Reclassified Balance Sheet

Assets	31.12.2013	31.12.2012	Changes Amount	%
Financial assets available for sale	3,995,029	3,103,909	891,120	28.7
Loans to customers	27,965,449	26,494,166	1,471,283	5.6
Equity investments	1,262,969	1,272,613	-9,644	-0.8
Property, plant and equipment and intangible assets	1,462,539	1,466,495	-3,956	-0.3
Tax assets	996,548	842,487	154,061	18.3
Other assets	1,228,407	1,807,275	-578,868	-32.0
Total net assets	**36,910,941**	**34,986,945**	**1,923,996**	**5.5**

Liabilities and equity	31.12.2013	31.12.2012	Changes Amount	%
Net financial assets/liabilities held for trading	2,106	3,739	-1,633	-43.7
Net due to banks	2,167,758	430,169	1,737,589	
Funding from customers	28,409,009	28,116,781	292,228	1.0
Tax liabilities	294,119	215,006	79,113	36.8
Other liabilities	1,264,633	1,611,353	-346,720	-21.5
Specific-purpose provisions	286,320	303,245	-16,925	-5.6
Share capital	876,762	876,762	-	-
Reserves (net of treasury shares)	3,515,491	3,511,103	4,388	0.1
Valuation reserves	-31,493	-140,075	-108,582	-77.5
Net profit (loss) for the period	126,236	58,862	67,374	
Total net liabilities and equity	**36,910,941**	**34,986,945**	**1,923,996**	**5.5**

Reconciliation of the official and reclassified balance sheets

Assets	31.12.2013	31.12.2012
Financial assets available for sale	**3,995,029**	**3,103,909**
40. Financial assets available for sale	3,995,029	3,103,909
Loans to customers	**27,965,449**	**26,494,166**
70. Loans to customers	27,965,449	26,494,166
Equity investments	**1,262,969**	**1,272,613**
100. Equity investments	1,262,969	1,272,613
Property, plant and equipment and intangible assets	**1,462,539**	**1,466,495**
110. Property, plant and equipment	286,276	282,229
120. Intangible assets	1,176,263	1,184,266
Tax assets	**996,548**	**842,487**
130. Tax assets	996,548	842,487
Other assets	**1,228,407**	**1,807,275**
10. Cash and cash equivalents	231,188	194,828
80. Hedging derivatives	571,225	938,120
90. Value adjustment of financial assets subject to macro hedging (+/-)	-277	3,092
150. Other Assets	426,271	671,235
Total net assets	**36,910,941**	**34,986,945**

Liabilities and equity	31.12.2013	31.12.2012
Net financial assets/liabilities held for trading	**2,106**	**3,739**
40. Financial liabilities held for trading	198,777	287,965
20. Financial assets held for trading	-196,671	-284,226
Net due to banks	**2,167,758**	**430,169**
10. Due to banks	6,042,948	5,167,909
60. Loans to banks	-3,875,190	-4,737,740
Funding from customers	**28,409,009**	**28,116,781**
20. Due to customers	17,800,759	16,915,913
30. Securities issued	10,608,250	11,200,868
Tax liabilities	**294,119**	**215,006**
80. Tax liabilities	294,119	215,006
Other liabilities	**1,264,633**	**1,611,353**
100. Other liabilities	733,851	865,964
60. Hedging derivatives	255,285	241,114
70. Adjustment of financial liabilities hedged generically (+/-)	275,497	504,275
Specific-purpose provisions	**286,320**	**303,245**
110. Employee severance benefits	118,015	132,001
120. Provisions for liabilities and contingencies	168,305	171,244
Share capital	**876,762**	**876,762**
180. Share capital	876,762	876,762
Reserves (net of treasury shares)	**3,515,491**	**3,511,103**
160. Reserves	779,487	775,099
170. Share premium reserve	2,736,004	2,736,004
Valuation reserves	**-31,493**	**-140,075**
130. Valuation reserves	-31,493	-140,075
Net profit (loss) for the period	**126,236**	**58,862**
200. Net profit (loss) for the period	126,236	58,862
Total net liabilities and equity	**36,910,941**	**34,986,945**

Operations with customers

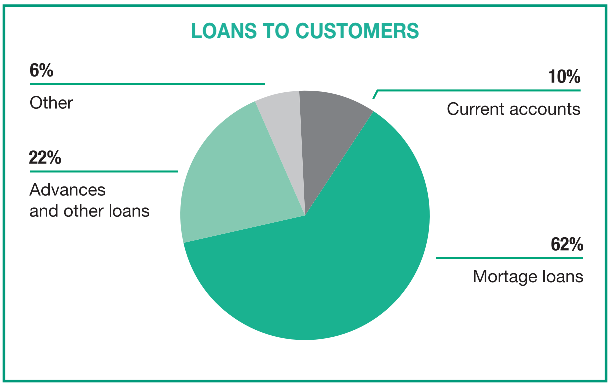
Loans to Customers

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
- Current accounts	2,879,827	3,265,887	-386,060	-11.8
- Mortgage loans	17,451,175	17,492,748	-41,573	-0.2
- Advances and other loans	6,043,196	4,538,386	1,504,810	33.2
- Agreements repurchase	1,586,250	1,192,106	394,144	33.1
Loans	**27,960,448**	**26,489,127**	**1,471,321**	**5.6**
Loans represented by securities	5,001	5,039	-38	-0.8
Loans to customers	**27,965,449**	**26,494,166**	**1,471,283**	**5.6**

Loans to customers came to €27,965 million, up by 5.6% vs. 31 December 2012.

This increase was mainly driven by the good performance of advances and other loans, which came to €6.043 million posting a 33.2% increase YOY. Mortgage loans came to €17,451 million, essentially in line with the previous period, down by -0.2%, with over €2 billion worth of new loans.

Following the changes for the year, the composition of the loan portfolio was as follows: 62% mortgage loans, 22% advances and other loans, 10% current accounts and 6% other.



Credit quality

Items	31.12.2013			31.12.2012		
	Gross exposure	Total writedowns	Net exposure	Gross exposure	Total writedowns	Net exposure
- Bad debts	1,406,705	789,706	616,999	1,038,216	579,172	459,044
- Substandard loans	701,752	211,386	490,366	603,667	199,080	404,587
- Restructured loans	397,699	53,211	344,488	147,538	18,702	128,836
- Past-due / overlimit loans	139,522	5,125	134,397	204,717	5,078	199,639
Impaired loans	**2,645,678**	**1,059,428**	**1,586,250**	**1,994,138**	**802,032**	**1,192,106**
Performing loans	**26,586,679**	**207,480**	**26,379,199**	**25,392,034**	**89,974**	**25,302,060**
Total	**29,232,357**	**1,266,908**	**27,965,449**	**27,386,172**	**892,006**	**26,494,166**

Items	31.12.2013			31.12.2012		
	Gross exposure	Total writedowns	Net exposure	Gross exposure	Total writedowns	Net exposure
- Bad debts	4.8%	2.2%	56.1%	3.8%	1.7%	55.8%
- Substandard loans	2.4%	1.8%	30.1%	2.2%	1.5%	33.0%
- Restructured loans	1.4%	1.2%	13.4%	0.5%	0.5%	12.7%
- Past-due / overlimit loans	0.5%	0.5%	3.7%	0.7%	0.8%	2.5%
Impaired loans	**9.1%**	**5.7%**	**40.0%**	**7.3%**	**4.5%**	**40.2%**
Performing loans	**90.9%**	**94.3%**	**0.8%**	**92.7%**	**95.5%**	**0.4%**
Total	**100.0%**	**100.0%**	**4.3%**	**100.0%**	**100.0%**	**3.3%**

In an economic situation still showing no clear signs of recovery, the banking system operates in the sector featuring the highest complexity. In this scenario, Cariparma implemented several new lending policies, which caused the good quality of its loans to be confirmed. Net of writedowns, impaired loans came to €1,586 million, increasing from €1,192 million of the previous year, with a coverage ratio remaining high and stable YOY (40.0% vs. 40.2% in the previous period).

Net bad loans came to €617 million, continued to have a limited weight on total net loans (2,2%), with a coverage ratio of 56.1%, improving vs. 2012. Substandard positions came to €490 million, accounting for 1.8% of total loans with a coverage ratio of 30,1%.

Past due/overlimit loans amounted to €134 million, had a coverage ratio of 3.7%, whereas restructured loans came to €344 million with a coverage ratio of 13.4%.

As regards performing loans, cumulative adjustments amounted to €207 million, posting a significant increase vs. 2012, with a coverage ratio of 0.8%, markedly higher than in 2012 (0.4%). The collective writedown has already taken account of the new guidelines as they can be obtained from the draft implementing International Technical Standards published by EBA in October 2013 and concerning the recognition of forbearance, non-performing and forborne exposures, which has led to higher adjustments of performing loans.

Funding from customers

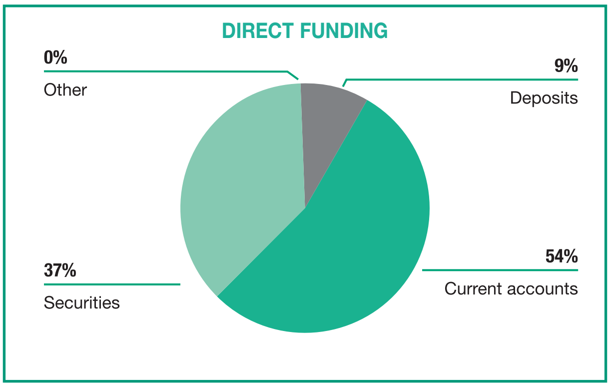
- Deposits	31.12.2013	31.12.2012	Changes Amount	%
- Other items	2,442,628	2,420,071	22,557	0.9
- Repurchase agreements	15,238,914	14,293,614	945,300	6.6
- Due to customers	87,667	67,824	19,843	29.3
- Securities issued	31,550	134,404	-102,854	-76.5
Total direct funding	**17,800,759**	**16,915,913**	**884,846**	**5.2**
Indirect funding	**10,608,250**	**11,200,868**	**-592,618**	**-5.3**
Total funding	**28,409,009**	**28,116,781**	**292,228**	**1.0**
Raccolta indiretta	**43,240,663**	**43,894,968**	**-654,305**	**-1.5**
Massa amministrata	**71,649,672**	**72,011,749**	**-362,077**	**-0.5**

Total funding, which is the aggregate of total funds intermediated on behalf of Customers, came to €71,650 million, essentially in line with the previous year.

Direct funding came to €28,409 million, increasing by 1% YOY. This increase was driven by the development in funds on current accounts, which increased by €945 million (up by +6.6%) vs. 2012.

On the other hand, bond funding decreased (down by -5.3%), substantiating the Customers' preference for more liquid products and shorter maturities, even though with over €1.7 billion worth of placed products.

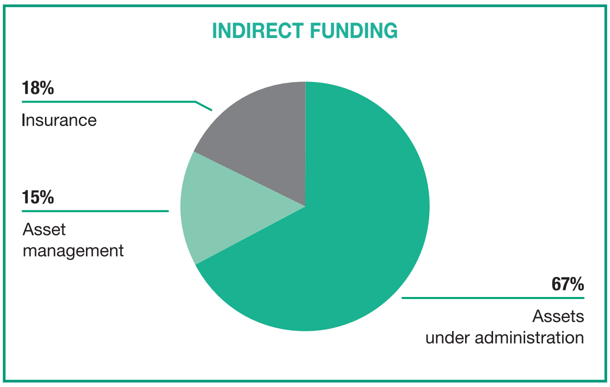
In December 2013, the balanced increase in funding and lending allowed Cariparma to consolidate its liquidity level, with a liquidity ratio (loans/funding) coming to 99%.



Indirect funding

Items	31.12.2013	31.12.2012	Variazioni Assolute	%
- Asset management products	6,504,946	5,926,449	578,497	9.8
- Insurance products	7,981,787	7,525,438	456,349	6.1
Total assets under management	**14,486,733**	**13,451,887**	**1,034,846**	**7.7**
Assets under administration	**28,753,930**	**30,443,081**	**-1,689,151**	**-5.5**
Indirect funding	**43,240,663**	**43,894,968**	**-654,305**	**-1.5**

At market values, indirect funding accounted for 60% of total funding and amounted to €43,240 million, down by €654 million (-1.5%) vs. the previous year. This decrease was fully due to Assets under Administration, which decreased by €1,689 million (down by -5.5%), coming to €28,754 million. Asset Management posted a marked increase (up by +7.7%), coming to €14,487 million, thanks to the considerable commercial effort made, which led to over €2.5 billion worth of place products.



Other investments

Available-for-sale Financial assets

Items	31.12.2013	31.12.2012	Changes Amount	%
- Bonds and other debt securities	3,822,177	3,017,866	804,311	26.7
- Equity securities and units of collective investment undertakings.	2,128	2,450	-322	-13.1
Securities available for sale	**3,824,305**	**3,020,316**	**803,989**	**26.6**
- Equity investments	170,724	83,593	87,131	
Shareholdings available for sale	**170,724**	**83,593**	**87,131**	
Financial assets available for sale	**3,995,029**	**3,103,909**	**891,120**	**28.7**

Available-for-sale financial assets almost totally consisted of bonds and other debt securities available for sale in the short-term, as well as, for more limited amounts, of equity investments. Available-for-sale-financial assets came to a total of €3,995 million, up by€891 million YOY. This increase was mostly due to the growth in Italian Government securities held and, to a lesser extent, to the positive effects of the recognition of the Bank of Italy new shares after the derecognition of the stakes in the Bank of Italy previously held.

The table below reports the composition of Government securities held by Cariparma: Government Securities are included in the Financial Assets held for Trading portfolio and in the available-for-sale Financial Assets portfolio, and are mostly Italian Government securities.

	31.12.2013		
	Nominal Value	Book value	Valution reserves
FVTPL			
Italian government bond	4	4	-
AFS			
Italian government bond	3,437,000	3,753,223	-15,757
French government bond	15,000	20,173	-256
Total	**3,452,004**	**3,773,400**	**-16,013**

Equity investments

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
- Equity investments in controlled companies	1,250,467	1,260,111	-9,644	-0.8
- Equity investments in joint venture	-	-	-	-
- Equity investments subject to significante influence	12,502	12,502	-	-
- Other equity investments *	-	-	-	-
Total	**1,262,969**	**1,272,613**	**-9,644**	**-0.8**

Equity investments came to €1,263 million, down by €10 million vs. the 2012 figure.
Controlling equity investments, amounting to €1,250 million, decreased by approximately €10 million subsequent to the following transactions:

- impairment writedown of the equity investments in Banca Popolare FriulAdria and Crédit Agricole Leasing Italia;
- CALIT share capital increase (approximately €4 million);

Cariparma OBG, the special-purpose vehicle selected for the Covered Bond transaction, was recognized as a subsidiary, since the controlling equity investment was acquired in 2013, for a book value of €6 thousand.
Equity investments in associates did not change vs. the 2012 figure.

Property, plant and equipment and intangible assets

This aggregate includes goodwill and intangible assets recognized subsequent to the acquisition from the Intesa SanPaolo Group of 181 branches in 2007 and of other 81 branches in 2011.

Specific-purpose provisions

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
Employee severance benefits	**118,015**	**132,001**	**-13,986**	**-10.6**
Provisions for liabilities and contingencies	**168,305**	**171,244**	**-2,939**	**-1.7**
- retirement and similar liabilities	19,963	20,304	-341	-1.7
- other provisions	148,342	150,940	-2,598	-1.7
Total specific-purpose provisions	**286,320**	**303,245**	**-16,925**	**-5.6**

Specific-purpose provisions totalled €286 million, decreasing by €16.9 million vs. the previous year, i.e. down by -5.6%. This decrease mainly referred to provisions for Employee severance benefits, which came to €118 million. Provisions for contingencies and liabilities also decreased, which referred to legal disputes, staff expenses and operational risks, and came to €168 million.

Equity and Regulatory Capital

Equity

Items	31.12.2013	31.12.2012	Changes	
			Amount	%
Share capital	876,762	876,762	-	-
Share premium reserve	2,736,004	2,736,004	-	-
Income reserves	777,126	773,246	3,880	0.5
Other reserves	2,361	1,853	508	27.4
Valuation reserves of financial assets available for sale	-13,122	-118,596	-105,474	-88.9
Valuation reserves of actuarial gains (losses) pertaining to defined-benefit pension plans	-18,371	-21,479	-3,108	-14.5
Net profit (loss) for the period	126,236	58,862	67,374	114.5
Total equity	**4,486,996**	**4,306,652**	**180,344**	**4.2**

Regulatory Capital

Tier 1 Capital	31.12.2013	31.12.2012
Tier 2 Capital	3,050,112	3,289,454
Deductible elements	603,227	834,032
Supervisory capital	-	-
Credit Risk	**3,653,339**	**4,123,486**
Market risk	1,231,319	1,626,316
Operational risk	245	1,284
Other measurement elements	157,853	160,735
Capital requirements	-347,354	-447,084
Excess capital with respect to minimum requirements	**1,042,063**	**1,341,251**
Risk-weighted assets	**2,611,276**	**2,782,235**
Capital ratios %	**17,367,713**	**22,354,188**
Core Tier 1[(a)] / Risk-weighted assets (Core Tier 1 ratio)		
Tier 1 Capital / Total risk-weighted assets	16.9%	14.2%
Total capital / Total risk-weighted assets	17.6%	14.7%
Patrimonio totale / Totale attività di rischio ponderate	21.0%	18.4%

(a) Core Tier 1 is Tier 1 capital net of innovative equity instruments.

In 2013, for the calculation of the capital requirement for credit risk, the Cariparma Crédit Agricole Group was authorized by the Regulator to use, for Cariparma and Banca Popolare FriulAdria, internal rating systems with an advanced approach (Advanced Internal Rating Based – AIRB - approach), for Retail Exposures (the so-called Retail Portfolio). Specifically, for the above perimeter, the following were validated for the AIRB approach:

- the models to estimate “Probability of Default” (PD),
- the model to estimate the loss rate in case of default “Loss Given Default” (LGD).

This generated significant effects on capital ratios as at 31 December 2013, which, even with a considerable distribution of earnings to shareholders (based on a corporate policy aimed at acknowledging and rewarding the key role of minority shareholders), were significantly high and markedly improving vs. the 2012 figures: the Core Tier 1 ratio came to 16.9%.

The developments in the capital ratios resulted from the combined effect of the application of the A-IRB approaches on RWAs and Regulatory Capital, specifically:

- risk-weighted assets (€17,367 million) improved significantly (down by -€4,987 million) vs. the same figure for 2012 (€22,354 million),
- conversely, the Regulatory Capital decreased due to the application of the deduction of the excess difference between the value of ‘expected losses’ and the value of ‘total adjustments’.

Moreover, the calculation of risk-weighted assets and capital ratios did not take account of the 25% reduction provided for under the relevant regulations for banks belonging to a group. Should this 25% reduction have been considered, as done in 2012, risk-weighted assets would amount to €13,026 million and, consequently, the ratios would have been 22.5%, 23.4% and 28.1%, respectively.

Risk-weighted assets were determined considering total prudential requirements multiplied by the reciprocal of the minimum capital adequacy ratio, equal to 8%.

Other information

Research and Development

No research and development activities were performed in the year.

Risks and uncertainties

The Note to the Financial Statements includes a detailed exam of the risks and uncertainties to which the Bank is exposed and, at the same time, reports the mitigation techniques implemented for such risks and uncertainties; this substantiates that the Bank's Management is fully aware of the importance of a thorough analysis of risks and uncertainties to which the Bank's capital, financial position and performance are exposed, as well as of the importance of effective management of the same risks and uncertainties to take them to acceptable levels, in order to pursue development and sustainable growth that are essential for profitable continuity of operations.

Disclosure on transactions with relates parties

The qualitative and quantitative analysis of transactions made in the year with parties that meet the definition as related party pursuant to the "Regulation for Risk Assets and Conflicts of Interest towards Related Parties for the Companies in the Cariparma Crédit Agricole Group", which was adopted by the Group in December 2013, is reported in Part H of the Note to the Financial Statements, to which reference is made. Part H also includes the analysis of any atypical and/or unusual transactions in accordance with the definition given in CONSOB Regulation 11971/99.

Italian National Tax Consolidation Regime

In 2013, the option for the tax consolidation regime between the Group Companies as provided for by Article 117 and following ones of Italian Presidential Decree was exercised, in order to obtain the advantages, also economic ones, both actual and potential, generated by adopting this regime".

Basel 2/ Advanced IRB Approach

In 2013, the Cariparma Crédit Agricole Group was authorized to use internal rating systems, with an «advanced» approach (Internal Rating Based – Advanced), to quantify the credit risk capital requirements for Cariparma and Banca Popolare FriulAdria regarding the following asset class Retail loan exposures (the so-called “Retail Portfolio”).

Specifically, for the above perimeter, the following were validated for the IRB approach:

- the models to estimate “Probability of Default” (PD),
- the model to estimate the loss rate in case of default “Loss Given Default” (LGD).

The Cariparma Crédit Agricole Group has scheduled the start of the procedure to extend the use of advanced approaches (the roll-out plan) also to the subsidiary Cassa di Risparmio della Spezia.

As regards the “Exposures to Companies” (i.e. Corporate Customers), consistently with the strategic guidelines issued by the Parent Company Crédit Agricole S.A., the Cariparma Crédit Agricole Group is currently examining the actions required to have the use of advanced approaches authorized also for this exposure class.

The choice of the IRB Permanent Partial Use (PPU) for all exposures referring to the subsidiary Crédit Agricole Leasing (hereinafter referred to as CALIT) was made considering the low materiality of the sizes of its portfolio, as well as the specificity of CALIT core business within the Cariparma Crédit Agricole Group.

The risk measurement system is fully integrated in decision-making processes and in the management of corporate operations: the rating system has long been playing an essential role in loan granting, in risk management, in the internal allocation of capital and in the Bank governance, also contributing to ensure risk prevention and mitigation. In order to ensure that lending and risk measurement processes are essentially harmonized, the internal models are used by all entities in the Cariparma Crédit Agricole Group (i.e Cariparma S.p.A., FriulAdria S.p.A., Carispezia S.p.A., Crédit Agricole Leasing Italia S.r.l.).

Rating systems are used in the main phases of the lending value chain. With specific reference to the processes for loan granting and monitoring, the management use of the rating system consists of:

- (lending policies) the set lending policies govern the procedures through which the Banks and the Companies in the Cariparma Crédit Agricole Group lend and manage credit risk;
- (loan granting) the measurement of creditworthiness upon the first loan granting and upon review/change in loans granted, as well as for giving decision-making powers on loan granting;
- (loan monitoring) the use of PD based on performance analysis, combined with other variables to monitor performance, in order to detect and remedy non-performing positions before they are classified as defaulting;
- (collective writedown) the Bank’s approach for collective/writedown impairment provisioning for performing loans uses Basel II metrics to calculate the provision (PD and LGD), as well as to identify sensitive loans subject to impairment;
- (Bank’s reporting) the use of risk measurements produced by the model in the Bank’s reporting.

Lending value chain and experience requirement

1 Lending Policies

- *Integrated Rating Systems (PD) to identify policies for development towards creditworthy counterparties*

2 Granting and Renewing Loans

- *Rating Systems linked to the decision-making powers systems*

3 Management and Monitoring

- *Performance Monitoring Systems based on «performance» PD and on a set of additional indicators*

4 Other Processes

- **Loan reporting.** Periodic preparation of Reports on Credit Risk performance, using the Basel 2 risk parameters (PD, LGD)
- **Accounting and Financial Reporting.** Use of the Basel 2 risk parameters for collective writedowns

This full integration in loan management processes allows:
- the creation and development of internal models supporting the measurement of creditworthiness, which measure, at a statistically objective standard, the probability of default of counterparties (Retail).

In 2013, lending, control and organizational processes were systematized by:

- strengthening internal controls, with specific reference to first-level controls (consolidation of Data Quality controls) and to second-level ones (Validation and Control of Regulatory Requirements);

- systematizing, with an organic framework, all reference regulations (i.e. use of rating in loan granting processes, use of rating in monitoring metrics, collective/writedown/ impairment provisioning logics with statistical parameters).

By quantifying mandatory capital requirements with internal systems, the management of regulatory capital could be optimized, allowing a "weighted" analysis of the loan portfolio and "aware" development considering the risks taken), as well as allowing better planning of loans and of credit in the medium-/long-term.

Finally, more effective assessment of risks allows better disclosure and, consequently, better transparency in communications, which is crucial to meet the requirements of the various stakeholders of the Bank.

Proposal to the General Shareholders' Meeting

The annual report and financial statements for the year started on 1 January and ended on 31 December 2013, which is hereby submitted for Approval by the Ordinary Shareholders' Meeting, consist of 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 note and annexes, as well as the accompanying management report.

The proposed allocation of net profit in the amount of Euro 126,235,803 is as follows:

5% to the legal reserve	6,311,790
to the charity fund	1,000,000
to shareholders in the amount of €0.095 to each of the 876,761,620 ordinary shares	83,292,354
to extraordinary reserve	35,631,659

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	876,761,620
Share premium reserve	2,736,003,683
Ordinary reserve	125,779,029
Extraordinary reserve	693,158,052
Valuation Reserves	-31,492,549
Reserve pursuant to Legislative Decree 124/83	314,374
Other Reserves	2,178,718
Total Capital and reserves	4,402,702,927

Certification of the Separate Financial Statements pursuant to Article 154-bis of Legislative Decree 58/1998

The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Débourdeaux, Senior Manager in charge of the preparation of the company 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 1998:

- the adequacy in relation to the company's characteristics and
- the actual application

of the administrative and accounting procedures for the formation of the Financial Statement during the course of the 2013 financial year.

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

3. The undersigned certify also that:

3.1 the report and financial statements as at 31 December 2013:

a) have 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 dated 19 July 2002;

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

c) furnishes a true and correct representation of the capital, 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, 25 March 2014

Giampiero Maioli
Chief Executive Officer

Pierre Débourdeaux
Senior Manager in charge of the preparation
of the Company accounting statements

Report of the Indipendent Auditors

EY
Building a better working world

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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(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, 2013, comprising the balance sheet, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of 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. Our audit was performed in accordance with auditing standards 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 and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated March 29, 2013.

3. In our opinion, the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. at December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; 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. for the year then ended.

4. The management of Cassa di Risparmio di Parma e Piacenza S.p.A. is responsible for the preparation of the Management Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Management Report and the specific section on Corporate Governance and the Company's Ownership Structure, regarding the information included therein in compliance with art. 123-bis paragraph 2, letter b) of Legislative Decree n. 58/1998, as required by the 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 (the Italian Stock Exchange Regulatory Agency). In our opinion the Management Report and the information reported therein in compliance with article 123-bis paragraph 2, letter b) of the Legislative Decree n. 58/1998 in the specific section of the report are consistent with the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of December 31, 2013.

Milan, March 28, 2014

Reconta Ernst & Young S.p.A.
signed by: Guido Celona, Partner

Financial Statements

» BALANCE SHEET

Assets		31.12.2013	31.12.2012
10.	Cash and cash equivalents	231,187,658	194,827,573
20.	Financial assets held for trading	196,670,669	284,226,442
30.	Financial assets carried at fair value	-	-
40.	Financial assets available for sale	3,995,029,001	3,103,909,472
50.	Financial assets held to maturity	-	-
60.	Loans to banks	3,875,190,152	4,737,740,340
70.	Loans to customers	27,965,449,390	26,494,165,632
80.	Hedging derivatives	571,225,188	938,120,435
90.	Value adjustment of financial assets subject to macro hedging (+/-)	-277,271	3,092,430
100.	Equity investments	1,262,969,280	1,272,613,280
110.	Property, plant and equipment	286,275,688	282,229,172
120.	Intangible assets	1,176,262,706	1,184,265,804
	of which: goodwill	922,339,723	922,339,723
130.	Tax assets	996,547,914	842,487,272
	(a) current	292,870,875	233,099,408
	(b) deferred	703,677,039	609,387,864
	b1) of which: Law 214/2011	617,209,360	481,935,195
140.	Non-current assets or groups of assets being divested	-	-
150.	Other Assets	426,270,967	671,231,911
TOTAL ASSETS		**40,982,801,342**	**40,008,909,763**

Liabilities and shareholders' equity		31.12.2013	31.12.2012
10.	Due to banks	6,042,948,004	5,167,909,480
20.	Due to customers	17,800,758,905	16,915,912,571
30.	Securities issued	10,608,250,178	11,200,868,468
40.	Financial liabilities held for trading	198,776,635	287,965,101
50.	Financial liabilities carried at fair value	-	-
60.	Hedging derivatives	255,284,820	241,114,258
70.	Value Adjustment of financial liabilities to macro Hedging	275,497,360	504,274,915
80.	Tax liabilities	294,119,458	215,005,816
	a) current	250,651,429	173,367,583
	b) deferred	43,468,029	41,638,233
90.	Liabilities in respect of assets being divested	-	-
100.	Other liabilities	733,850,233	865,963,746
110.	Employee severance benefits	118,015,462	132,000,751
120.	Provisions for liabilities and contingencies	168,305,006	171,244,102
	a) retirement and similar liabilities	19,962,747	20,304,118
	b) other provisions	148,342,259	150,939,984
130.	Valuation reserves	-31,492,549	-140,075,454
	of which: relating to assets being disposed	-	-
140.	Redeemable shares	-	-
150.	Equity instruments	-	-
160.	Reserves	779,486,724	775,098,975
165.	Down-payments on dividends (-)	-	-
170.	Share premium reserve	2,736,003,683	2,736,003,683
180.	Share capital	876,761,620	876,761,620
190.	Treasury shares (-)	-	-
200.	Net profit (Loss) fot the period (+/-)	126,235,803	58,861,731
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**40,982,801,342**	**40,008,909,763**

» INCOME STATEMENT

Items		31.12.2013	31.12.2012
10.	Interest income and similar revenues	1,084,544,252	1,180,711,953
20.	Interest expense and similar charges	(415,700,850)	(468,191,833)
30.	**Net interest income**	**668,843,402**	**712,520,120**
40.	Commission income	457,783,814	469,102,840
50.	Commission expense	(21,080,125)	(21,402,260)
60.	**Net commission income**	**436,703,689**	**447,700,580**
70.	Dividends and similar revenues	24,558,910	37,971,278
80.	Net gain (loss) on trading activities	9,442,804	13,819,275
90.	Net gain (loss) on hedging activities	6,036,532	9,311,806
100.	Gain (loss) on disposal or repurchase of:	114,707,476	4,056,083
	a) loans	(9,386)	(1,076,187)
	b) financial assets available for sale	112,222,992	3,843,823
	c) financial assets held to maturity	-	-
	d) financial liabilities	2,493,870	1,288,447
110.	Net gain (loss) on financial assets and liabilities carried at fair value	-	-
120.	**Gross income**	**1,260,292,813**	**1,225,379,142**
130.	Net impairment adjustments of:	(387,969,380)	(286,564,548)
	a) loans	(384,708,206)	(283,413,628)
	b) financial assets available for sale	(1,591,875)	(1,403,528)
	c) financial assets held to maturity	-	-
	d) other financial transactions	(1,669,299)	(1,747,392)
140.	**Profit (loss) from financial operations**	**872,323,433**	**938,814,594**
150.	Administrative expenses:	(824,889,754)	(956,971,139)
	a) staff expenses	(441,948,747)	(550,380,824)
	b) other administrative expenses	(382,941,007)	(406,590,315)
160.	Net provisions for liabilities and contingencies	(38,283,813)	(32,026,746)
170.	Net adjustments/writebacks of property, plant and equipment	(20,589,533)	(21,520,921)
180.	Net adjustments/writebacks of intangible assets	(52,804,992)	(56,881,354)
190.	Other operating revenues (expenses)	213,880,121	249,157,498
200.	**Operating expenses**	**(722,687,971)**	**(818,242,662)**
210.	Gain (loss) on equity investments	(13,900,000)	(64,066,463)
220.	Gains (losses) from property, plant and equipment and intangible assets measured at fair value	-	-
230.	Value adjustments of goodwill	-	-
240.	Gain (loss) on disposal of investments	217,949	362,415
250.	**Gain (loss) before tax on continuing operations**	**135,953,411**	**56,867,884**
260.	Income tax for the period on continuing operations	(9,717,608)	1,993,847
270.	**Profit (loss) after tax on continuing operations**	**126,235,803**	**58,861,731**
280.	**Profit (loss) after tax of groups of assets/liabilities under disposal**	**-**	**-**
290.	**NET PROFIT (LOSS) FOR THE PERIOD**	**126,235,803**	**58,861,731**

» STATEMENT OF COMPREHENSIVE INCOME

Items		31.12.2013	31.12.2012
10.	**Profit (loss) for the period**	**126,235,803**	**58,861,731**
	Other income after tax		
20.	Property, plant and equipment	-	-
30.	Intangible assets	-	-
40.	Piani a benefici definiti	3,108,330	-13,323,110
50.	Disposal groups	-	-
60.	Share of Valutation Reserves on equity investments accounted for using the equity method	-	-
	Other income after tax with reversal to income statemet		
70.	Copertura di investimenti esteri	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	Financial assets available for sale	105,474,575	217,909,428
110.	Disposal groups	-	-
120.	Share of Valutation Reserves on equity investments accounted for using the equity method	-	-
130.	**Total other income components after tax**	**108,582,905**	**204,586,318**
140.	**Comprensive income (Voce 10+130)**	**234,818,708**	**263,448,049**

» STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2013

	Share capital: ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Net profit (loss) for the period	Equity
			income	other			
Equity at 31.12.2012	**876,761,620**	**2,736,003,683**	**773,246,541**	**1,852,434**	**-140,075,454**	**58,861,731**	**4,306,650,555**
Allocation of net profit for previous period							
Reserves	-	-	3,879,272	-	-	-3,879,272	-
Dividends and ather allocation	-	-	-	-	-	-54,982,459	-54,982,459
Changes for the period							
Change in reserves	-	-	-	-	-	-	-
Equity transactions							
New issues	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary distribution of dividends	-	-	-	-	-	-	-
Changes in equity instruments	-	-	-	-	-	-	-
Derivatives on treasury shares	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	508,477	-	-	508,477
Comprehensive income	-	-	-	-	108,582,905	126,235,803	234,818,708
Equity at 31.12.2013	**876,761,620**	**2,736,003,683**	**777,125,813**	**2,360,911**	**-31,492,549**	**126,235,803**	**4,486,995,281**

» STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2012

	Share capital: ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Net profit (loss) for the period	Equity
			income	other			
Equity at 31.12.2011	**876,761,620**	**2,736,003,683**	**679,902,777**	**1,225,521**	**-344,661,772**	**204,621,158**	**4,153,852,987**
Allocation of net profit for previous period							
Reserves	-	-	93,525,956	-	-	-93,525,956	-
Dividends and ather allocation	-	-	-	-	-	-111,095,202	-111,095,202
Changes for the period							
Change in reserves	-	-	-182,192	-	-	-	-182,192
Equity transactions							
New issues	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary distribution of dividends	-	-	-	-	-	-	-
Changes in equity instruments	-	-	-	-	-	-	-
Derivatives on treasury shares	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	626,913	-	-	626,913
Comprehensive income	-	-	-	-	204,586,318	58,861,731	263,448,049
Equity at 31.12.2012	**876,761,620**	**2,736,003,683**	**773,246,541**	**1,852,434**	**-140,075,454**	**58,861,731**	**4,306,650,555**

» STATEMENT OF CASH FLOWS

Items		31.12.2013	31.12.2012
A.	**OPERATING ACTIVITIES**		
1.	**Operations**	**807,339,887**	**773,842,543**
-	net profit (loss) for the period (+/-)	126,235,803	58,861,731
-	gains (losses) on financial assets held for trading and on financial assets/liabilities carried at fair value (-/+)	-11,266,494	-13,470,494
-	gains (losses) on hedging activities (-/+)	2,594,318	-8,100,435
-	net impairment adjustments (+/-)	399,469,045	348,555,333
-	net adjustments of property, plant and equipment and intangible assets (+/-)	73,394,525	78,402,275
-	net provisions for liabilities and contingencies and other costs/revenues (+/-)	38,283,813	32,026,746
-	unpaid taxes and duties (+)	9,717,608	-1,993,847
-	net adjustements/writebacks of discontinuing operations net of tax effects (-/+)	-	-
-	other adjustments (+/-)	168,911,269	279,561,234
2.	**Liquidity generated/absorbed by financial assets**	**-1,390,747,603**	**-231,056,279**
-	financial assets held for trading	98,822,267	418,041
-	financial assets carried at fair value	-	-
-	financial assets available for sale	-886,100,483	-78,137,593
-	loans to banks: on demand	-87,441,395	93,251,342
-	loans to banks: other loans	949,991,583	640,351,987
-	loans to customers	-1,875,196,431	-702,319,115
-	other assets	409,176,856	-184,620,941
3.	**Liquidity generated/absorbed by financial liabilities**	**723,788,632**	**-1,231,434,776**
-	due to banks: on demand	2,164,854,566	265,334,795
-	due to banks: other payables	-1,289,816,042	-1,640,004,697
-	due to customers	884,846,334	-316,909,287
-	securities issued	-522,597,490	535,806,995
-	financial liabilities held for trading	-89,188,466	19,993,494
-	financial liabilities carried at fair value	-	-
-	other liabilities	-424,310,270	-95,656,076
Net liquidity generated/absorbed by operating activities		**140,380,916**	**-688,648,512**
B.	**INVESTMENT ACTIVITIES**		
1.	**Liquidity generated by**	**24,907,395**	**218,418,667**
-	sale of equity investments	-	174,691,605
-	dividends from equity investments	24,558,910	37,971,278
-	sale of financial assets held to maturity	-	-
-	sales of property, plant and equipment	348,485	888,901
-	sale of intangible assets	-	-
-	disposal of business units	-	4,866,883
2.	**Liquidity absorbed by**	**-73,945,767**	**-71,323,066**
-	purchase of equity investments	-4,256,000	-1,150,000
-	purchases of financial assets held to maturity	-	-
-	purchases of property, plant and equipment	-24,880,969	-16,987,940
-	purchases of intangible assets	-44,808,798	-47,356,305
-	acquisition of assets through transfer transactions	-	-5,828,821
Net liquidity generated/absorbed by investing activities		**-49,038,372**	**147,095,601**
C.	**FUNDING**		
-	issues/purchases of treasury shares	-	-
-	issues/purchases of capital instruments	-	-
-	dividend distribution and other	-54,982,459	-111,095,202
Net liquidity generated/absorbed by funding		**-54,982,459**	**-111,095,202**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD		**36,360,085**	**-652,648,113**

RECONCILIATION

Financial Statement items	31.12.2013	31.12.2012
Cash and cash equivalents at beginning of period	194,827,573	847,475,686
Total net liquidity generated/absorbed during the period	36,360,085	-652,648,113
Cash and cash equivalents: effect of exchange rates changes	-	-
Cash and cash equivalents at end of period	**231,187,658**	**194,827,573**

KEY: (+) generated (–) absorbed

Note to the Financial Statements

Part A Accounting Policies

» A.1 GENERAL INFORMATION

Section 1 – Statement of compliance with the international accounting standards

The Annual Report and Financial Statements of Cassa di Risparmio di Parma e Piacenza S.p.A. have been prepared, pursuant to Italian Legislative Decree No. 38 of 28 February 2005, in accordance with the International Accounting Standards issued by the International Accounting Standards Board (IASB) and related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission, in compliance with EC Regulation No. 1606 of 19 July 2002.

Therefore, the IAS/IFRS in force at 31 December 2013 (including the SIC and IFRIC interpretations) have been applied as endorsed by the European Commission and detailed in the specific schedule attached to this Financial Report.

The Financial Statements and tables in the Explanatory Note have been prepared in accordance with the provisions set down in Circular No. 262 “Bank Financial Statements: layouts and preparation” of 22 December 2005, issued by the Bank of Italy exercising the powers provided for in Article 9 of Italian Legislative Decree No. 38/2005, and, specifically, the updates made in the second revision have been adopted.

International Accounting Standards endorsed by the European Union and applicable as from 2013

Standards, amendments or interpretations	Date of publication	Date of first application
Amendments to IAS 1 - Presentation of items of Other Comprehensive Income	06 June 2012 (EU No. 475/2012)	1 January 2013
Amendments to IAS 19 (2011) – Employee Benefits.	6 June 2012 (EU No. 475/2012)	1 January 2013
Adoption of IFRS 13 - Fair Value Measurement	29 December 2012 (EU No. 1255/2012)	1 January 2013
Amendment to IFRS 7 – Financial instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	29 December 2012 (EU No. 1256/2012)	1 January 2013
Amendments to IFRS 1 - First-time adoption International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	29 December 2012 (EU No. 1255/2012)	1 January 2013
Adoption of IFRIC 20 - Stripping costs in the Production Phase of a Surface Mine	29 December 2012 (EU No. 1255/2012)	1 January 2013
Amendments to IAS 12 - Income Taxes – Deferred tax: Recovery of Underlying Assets	29 December 2012 (EU No. 1255/2012)	1 January 2013
Amendment to IAS 32 – Financial instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	29 December 2012 (EU No. 1256/2012)	1 January 2013 (*)
Amendments to IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34, IFRIC 2	28 March 2013 (EU No. 301/2013)	1 January 2013

(*) The option for the early adoption of this standards with application as from 1 January 2013 rather than 1 January 2014.

The application of these new provisions did not generate impacts on the profit (loss) and net financial position for the period.
Given that:

- the amendment to IAS 1 provides for gains and losses that are directly recognized in equity to be classified based on whether they will be recycle or not. The implementation of this amendment amounts to a simple disclosure.
- The amendment to IAS 19 mainly provides for the obligation to report actuarial differences relating to defined-benefit plans, as gains

and losses directly recognized in equity. This approach, which was an option in the previous version of IAS19, was already applied by the Group.

- The amendment to IFRS 7, which aims at the reconciliation between IFRS offsetting rules - as defined in IAS 32- and the US offsetting rules based on the US GAAP, provides for the effects of offsetting agreements on financial assets and liabilities to be reported. Applying this amendment amounts to including an additional table in the Note to the Financial Statements ("Offsetting of Financial Assets and Financial Liabilities») as at 31 December 2013.
- The application of IFRS 13 does not extend the scope of fair value measurement, but provides guidance on how the fair value of financial instruments and non-financial assets and liabilities must be measured, as already required or allowed by other accounting standards. In this way, a single standard provides all the rules for fair value measurement, which were previously set down by different standards and, at time, with inconsistencies between them. Given that many IFRS 13 concepts are consistent with the present practice, the new standard does not generate impacts on the Bank's measurements.
  On the other hand, wider fair value disclosure is required, which extends to assets and liabilities, also non-financial, that are measured at fair value on a non-recurring basis. These requirements have been endorsed in the Bank of Italy Circular No. 262 as updated.

International Accounting Standards endorsed by the European Union and applicable after 31 December 2013

Standards, amendments or interpretations	Date of publication	Date of first application
Adoption of IFRS 10 - Consolidated Financial Statements	29 December 2012 (EU No. 1254/2012)	1 January 2014
Adoption of IFRS 11 - Joint Arrangements	29 December 2012 (EU No. 1254/2012)	1 January 2014
Adoption of IFRS 12 - Disclosures on Interests in Other Entities	29 December 2012 (EU No. 1254/2012)	1 January 2014
Adoption of IAS 27 - Separate Financial Statements (2011)	29 December 2012 (EU No. 1254/2012)	1 January 2014
Adoption of IAS 28 - Investments in Associates and Joint Ventures (2011)	29 December 2012 (EU No. 1254/2012)	1 January 2014
Amendments to IFRS 10, IFRS 11, IFRS 12	05 April 2013 (EU No. 313/2013)	1 January 2014
Amendments to IFRS 10, IFRS 12 on relations with investment entities	21 November 2013 (EU No. 1174/2013)	1 January 2014

The exhaustive assessments made do not lead to expect that the application of these new provisions have significant impacts on the Company's profit (loss) and corporate procedures.

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 note to the financial statements, accompanied by the Directors' Report on operations, on the performance achieved and on the financial and cash position of the Bank.

In accordance with 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 amounts in the Financial Statements are expressed in Euro units, whereas those in the Note and in the Management Report are expressed in thousands of Euro, unless not 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 notes, as well as with the general assumptions contained in the "Framework for the Preparation and Presentation of Financial Statements" by the IASB.

No exceptions were made in applying the IASs/IFRSs.

As to the business continuity assumption underlying the Financial Statements, it is believed that the Bank will continue to operate in the foreseeable future. Accordingly, the Report and Financial Statements as at 31 December 2013 were prepared on a going-concern basis.

In the light of the disclosures required by IFRS 7 concerning the risks to which the Bank is exposed, appropriate information has been provided in the management report on operations and the note to the financial statements, specifically Section E.

The Explanatory Note also supplies information on tests carried out to ascertain whether there is any impairment in equity investments, securities available for sale and intangible assets (including goodwill).

The financial statements and the Note also contain comparative figures for the year ended as at 31 December 2012, as well as the figures for the year being reported.

Use of estimates and assumptions in preparing the annual report and financial statements

In preparing the annual report and financial statements, the Bank used estimates and assumptions that could have an impact on the amounts recognized in the balance sheet and income statement, as well as the disclosures concerning the assets and liabilities recognized in the financial statements. Subjective assessments were made and available information was used in arriving at these estimates.

By their very nature, the estimates and assumptions used may vary from year to year. The present amounts recognized in the financial statements may therefore differ, perhaps significantly, in future periods due to changes in the subjective assessments used. The main areas in which subjective assessments by management are required are as follows:

- quantifying impairment losses for loans and receivables and, in general, 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;
- assessing the adequacy of the value of 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 applied to the main aggregates reported in the financial statements provide detailed information on the major assumptions made and subjective assessments used in preparing the financial statements.

Contents of the financial statements

BALANCE SHEET AND INCOME STATEMENT

The Balance Sheet and Income Statement contain items, sub-items and further information (the “of which” for items and sub-items) and comply with the templates supplied by the Bank of Italy with Circular No. 262 of 22 December 2005, as updated and specified.

In order to facilitate understanding of the figures, the statements are given in full including also the items with no amounts for the reporting year, nor for the previous year. In the Income Statement, revenues are set forth without a sign, while expense figures are set forth in parenthesis.

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income consist of items showing the changes in the value of the assets recognized in the year offsetting the valuation reserves, net of the related tax effect.

As for the Balance Sheet and the Income Statement, in the statements, in accordance with the Bank of Italy’s definition, the items with no amounts for the reporting year, nor for the previous one, have been stated also.

Negative amounts are set forth in parenthesis.

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 the above Bank of Italy Circular no. 262/2005. The statement shows the composition and movements of the shareholders’ equity items during the reporting year and in the previous one, broken down into share capital (ordinary shares and savings shares), capital reserves, income reserves, comprehensive income and net profit or loss. The value of treasury shares is deducted from equity.

No equity instruments other than ordinary shares have been issued.

STATEMENT OF CASH FLOWS

The statement of cash flows for the period under review and the previous period were prepared using the indirect method, by which cash flows from operating activities are represented by the profit or loss for the year, adjusted for the effects of non-monetary transactions.

Cash flows are broken down into flows generated by operating, investing and funding activities.

In the Statement, cash flows generated during the year are shown without sign, while those absorbed are shown with a negative sign.

Contents of the Note to the Financial Statements

The Note to the Financial Statements contains the information required by Circular No. 262/2005 issued by the Bank of Italy, as updated and specified, as well as further information required by the International Accounting Standards.

As for the Balance Sheet and the Income Statement, in the statements, in accordance with the Bank of Italy's definition, the items with no amounts for the reporting year, or for the previous one, have been stated also.

In the tables relating to the Income statement items, revenues are set forth without a sign, whereas expense figures are set forth in parenthesis.

Section 3 – Events occurred after the reporting date

From the end of 2013 to the approval of this report, no event that could significantly change Cariparma structures occurred.

Asset Quality Review – AQR

On 16 May 2013, the EBA recommended to National Competent Supervisory Authorities to carry out an asset quality review on European significant Banks, to verify the classifications and measurements of loans made by the same Banks, in order to restore confidence that was impacted by worries on asset quality resulting from the macroeconomic situation in Europe.

On 23 October 2013, the ECB communicated that, together with the National Competent Supervisory Authorities, it will carry out a comprehensive assessment of the Banking System, pursuant to the Single Supervisory Mechanism Regulation (Regulation (EU) No. 1024/2013 of the Council of 15 October 2013), which came into force on 3 November 2013.

This exercise will have twelve-month duration and will concern the leading European Banks, including the Crédit Agricole Group and, consequently, the Cariparma Crédit Agricole Group. The asset quality review aims at enhancing transparency of Bank exposures (in view of the creation of the Single Supervisory Mechanism) and includes (i) the assessment of the adequacy of provisioning for loan exposures as made by the Banks, (ii) assessment of the adequacy of collateral valuation for loan exposures and (iii) the analysis of the measurement of complex financial instruments and high-risk assets in the Banks' balance sheets.

For the Cariparma Crédit Agricole Group, a Work Group has been set up (which also includes the Central Finance Department, the Risk Management and Permanent Controls Department, the Lending Governance Central Department and the Organization and Systems Department); the Work Group, which operates in close cooperation with the relevant structures of the Crédit Agricole Group, is fully engaged in the preparation for the review that will be carried out by the Regulators.

Section 4 – Other aspects

Classification and accounting treatment of Bank of Italy shares

Cariparma holds 6,094 of Bank of Italy shares, which were recognized in the AFS portfolio for an amount of Euro 63.4 million in the 2012 financial statements.
Italian Law Decree No. 133 of 30 November 2013, converted with amendments into Law No. 5 of 29 January 2014, implemented several new rules governing the Bank of Italy equity capital.
These new rules have been adopted in the new Statute of the Bank of Italy, which was approved by the Extraordinary Meeting held on 23 December 2013 and endorsed with Presidential Decree of 27 December 2013.
These regulatory developments have led to a radical alteration in the features of the securities representing the equity investments in the Bank of Italy, by structurally changing the equity and administrative rights associated to these securities and, thus, changing their very nature, as well as their risk-yield profile, as confirmed also by professional opinions published by trade associations.
Specifically, the newly-issued Bank of Italy shares are deemed to be essentially different from the replaced ones. Consequently, in compliance with the provisions of IAS 39 concerning the derecognition of financial instruments, the difference between the present value of the new shares, calculated for the single equity investments based on the total value of Euro 7.5 billion as assessed by an expert committee tasked with this measurement by the Bank of Italy itself, and the relevant book value has been recognized in the Income Statement.

Based on the available complete information framework, which also considers authoritative opinions given by leading law and advisory firms, the new securities are deemed not to have the features provided for by the IASs/IFRSs in order for the same securities to be recognized in the HFT portfolio and, therefore, they must be recognized as available-for-sale financial assets (AFS portfolio), both in the consolidated and separate financial statements.
It is reported that, since the topic is currently being examined by several Italian and international authorities with regard to the application of IASs/IFRSs to this transaction, an interpretation of the accounting standards that differs from the adopted approach might emerge.

Intra-group business combinations

In 2013, the price of the intra-group business combinations that were carried out in 2012 was defined; these combinations consisted in the transfer of business units between Companies in the Cariparma Crédit Agricole Group (transactions under common control). Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the financial statements of the companies involved on the basis of continuity of proprietary interest, without recognizing any effects.

As at 31 December 2012, the effects on equity were the following:

Equity for the period (as from financial statements 31.12.2012)	4,306,602
CHANGES OF ASSETS	**53**
Tax assets-deferred [item 130. b)]	-22
Other assets [item 150.]	75
CHANGES OF LIABILITIES	**3**
Tax liabilities [item 80. a)]	3
Shareholders Equity (at 31.12.2012 restated)	**4,306,652**

It is also reported that the restatement of comparative data produced no effect on the profit for the year as at 31 December 2012.

Italian National Tax Consolidation Regime

Since 2013 Cariparma S.p.A. and some Italian Companies in its Group (Banca Popolare FriulAdria, Cassa di Risparmio della Spezia and CALIT) have adopted the "Italian national tax consolidation regime", which is governed by Articles 117-129 of the Italian Consolidated Act on Income Taxes (TUIR) and was introduced in the Italian tax legislation with Legislative Decree No. 344/2003.

This regime provides for the consolidated companies to transfer their taxable income (or their tax loss) to the Controlling Company Cariparma S.p.A., which calculates a single taxable income or a single tax loss for the Group, as the algebraic sum of the income and/ or losses of the single Companies, and recognizes a single tax account receivable from or payable to the Italian Inland revenue Service.

Auditing

The consolidated financial statements were audited by Reconta Ernst & Young S.p.A, in accordance with the resolution passed by the General Shareholder Meeting on 21 April 2012, whereby this firm was appointed for the period 2012-2020.

» A.2 SECTION RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS

1. Financial assets held for trading

Classification

This category consists of debt and equity securities and the positive value of derivatives contracts held for trading. Derivatives contracts include derivatives embedded in complex financial instruments that have been recognized separately because:

- their financial and risk characteristics are not strictly correlated with the characteristics of the underlying contract;
- embedded instruments, also if separated, satisfy the definition of derivative;
- hybrid instruments to which they belong are not measured at fair value with the relating changes recognized in the Income Statement.

Recognition

Debt and equity securities are initially recognized at the settlement date, while derivative contracts are recognized at the date they are signed. Financial assets held for trading are initially recognized at fair value, excluding transaction expenses and income that can be directly attributed to the instrument itself.
Any derivatives embedded in complex host contracts that are not strictly connected with the embedded derivatives and having the characteristics to meet the definition of derivative, are separated from the host contract and recognized at fair value.

Measurement

Financial assets held for trading are measured at fair value following initial recognition. Any differences arising from the application of this measurement criterion are taken to the income statement.
IFRS 13 defines the fair value price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants, on the main market or on the most advantageous one, at the measurement date under current market conditions.
To measure the fair value of financial instruments that are listed on an active market, market prices are used. In the absence of an active market, fair value is determined using estimation methods and measurement models that take account of all the risk factors correlated to the instruments and that are based on information available on the market, such as: the measurement of the price of listed instruments with similar features, calculations of discounted cash flows, option pricing models, values reported for recent comparable transactions, etc.
Equity securities, derivatives on equity securities and UCITS units, whose fair value cannot be reliably measured according to the above guidelines, are recognized at cost.

Derecognition

Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the asset continues to be recognized, even if legal title has been transferred.
Where it is not possible to ascertain whether substantially all the risks and rewards 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.

2. Financial assets available for sale

Classification

This category includes financial assets that are not otherwise classified as “loans and receivables”, “financial assets held for trading” or “financial assets held to maturity”.

In addition to bonds that are held for trading and are not classified as «Assets Held to Maturity or as “Loans and Receivables”, this item includes also equity investments that are not held for trading and do not amount to subsidiaries, associates or joint ventures, including private equity and investments in private equity funds, as well the shares of subscribed syndicated loans, which have been held for sale since inception.

Recognition

Available-for-sale financial assets are initially recognized at the settlement date for debt and equity securities and at the disbursement date in the case of loans. Financial assets are initially recognized at fair value, including transaction expenses or income that can be directly attributed to the instrument itself.

If, in the cases allowed by the accounting standards, recognition occurs as a result of reclassification of these assets from “Assets held to maturity”, they would be recognized at their fair value as at the time 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 the effective rate of return, whereas the gains and losses resulting from changes in the fair value are recognized in a specific equity reserve until the asset is derecognized or an impairment is recognized. Upon disposal or derecognition of an impairment loss, the accumulated gains or losses are recognized in the Income statement.

Fair value is determined using the criteria already reported for “Financial Assets held for trading”.

Equity instruments included in this category, for which the fair value cannot be reliably determined are recognized at cost.

“Financial assets available for sale” undergo impairment 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.

For equity securities, a fair value decrease by over 30% below the initial book value or for a period over 6 months is considered evidence of impairment. Further impairment is reclassified from equity to gains (losses) for the period, until the asset is derecognized.

Where the reasons for impairment should cease to exist subsequent to an event occurred after the recognition of the impairment loss, writebacks are recognized in the income statement for loans or debt securities. The amount of the writeback shall not in any event exceed the loss originally recognized in the income statement.

For equity instruments this writeback is recognized in equity

Loan restructuring transactions entailing the partial or complete conversion into equity instruments classified in the category of financial assets available for sale

For equity instruments received within loan restructuring transactions carried out by debtors, the received equity instruments are initially recognized at fair value; the difference between the loan book value and the fair value of the equity instruments is taken to the income statement among adjustments.

Moreover, where the restructuring with total or partial equity conversion relates to impaired loan exposures, since the conversion does not modify their quality, the equity instruments received are also considered as issued by an "impaired" issuer; this entails that their subsequent fair value reductions are considered impairment evidence and, therefore, are recognized in the income statement until the issuer is restored to a performing status.

Derecognition

Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the asset continues to be recognized, even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards 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 if the contractual rights to receive the related cash flows are retained with the concomitant 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 securities with fixed or determinable payments and fixed maturity that the Company has the intention and the ability to hold to maturity. If, following a change in such intention or ability, it is no longer appropriate to continue to classify an investment as «held to maturity», it is reclassified under "Financial Assets available for sale".

Recognition

Financial assets are initially recognized at the settlement date.

Financial assets classified in this category are initially recognized at fair value, including any costs and revenues directly attributable to them. If recognition in this category occurs as a result of reclassification from "Asset available for sale", the fair value of the asset at the date of reclassification is taken as the new amortized cost of the asset.

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 asset is derecognized or has incurred an impairment loss, as well as through the amortization of the difference between the book value and the amount repayable upon maturity.

Financial assets held to maturity are subject to impairment testing to determine whether there is objective evidence of impairment.

If such evidence exists, the amount of this loss is measured as the difference between the book value of the asset and the current value of expected future cash flows, discounted using the original effective interest rate.

The amount of the loss is recognized in the income statement.

If the reasons for the impairment should be removed subsequent to the recognition of the impairment loss, a writeback is taken to the income statement. 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 prior adjustments.

Derecognition

Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the asset continues to be recognized, even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards 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 if the contractual rights to receive the related cash flows are retained with the concomitant 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 usually coincides with the disbursement date 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 recognition, 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 the rate that exactly discounts the estimated future cash flows generated by the loan in respect of principal and interest to the amount disbursed including costs and revenues attributable to the loan. This accounting treatment, using a financial logic, allows the cost/revenue economic impact to be distributed over the expected remaining life of the loan.

The depreciated cost method is not used for short-term receivables (lower than 12 months) as the effect of discounting back would be negligible. Short-term loans are valued at historic cost. The same approach is adopted for loans without a specified maturity or subject to revocation.

Loans are tested to determine whether events subsequent to recognition have given rise to objective evidence of possible impairment. Loans subject to testing include loans classified as bad loans, substandard loans, restructured loans or loans past due, in accordance with the Bank of Italy's present rules and consistently with the IASs/IFRSs.

Impaired positions are measured individually and the amount of the writedown of each loan is equal to the difference between the book value of the loan at the time of measurement (amortized cost) and the present value of expected future cash flows, calculated by applying the original effective interest rate.

Expected cash flows take account of expected recovery times, the assumable realizable value of any security, as well as the costs likely to be incurred to recover the claim.

The original effective interest rate of each loan remains unchanged over time unless the position undergoes a restructuring that involves a change in the contractual interest rate, including when it becomes, in effect, an interest-free loan.

The writedown is recognized in the Income Statement.

The original value of the loan is written back in subsequent financial years to the extent that the reasons for the writedown cease to obtain, provided that this assessment is objectively connected with an event that occurred subsequent to the writedown. Writebacks are recognized in the income statement and the value of the loan after the writeback shall not in any event exceed the amortized cost that it would have had in the absence of the prior writedown.

Writebacks connected with the passage of time are posted among writebacks.

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. As shown in part E of the Note to the Financial Statements, this is performed by category of loans with uniform credit risk profiles, while the related loss percentages are based on the probability of default (PD) and Loss Given Default (LGD) observable as at the date of measurement, which allow an estimation of any latent impairment loss.

Collective impairment losses are taken to the income statement.

In Part E of the Note to the Financial Statements, the procedures for risk management and control are exhaustively described covering all risk-related aspects.

Derecognition

Transferred loans and receivables are derecognized only if their disposal has substantially transferred all the risks and rewards associated with the ownership of the asset in question. Conversely, when a prevalent share of the risks and rewards associated with the ownership of the loans and receivable is retained, they continue to be recognized, even though legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, loans and receivables are derecognized where no form of control over the instrument has been retained. Conversely, if the company retains even a portion of control, the loan or receivable continues to be recognized to the extent of the continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in the related cash flows.

Finally, loans and receivables 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 measured at fair value

The Bank has not exercised the fair value option. In other words, it has not opted to measure financial assets at fair value, taking any change in such value to the income statement, with the exception of financial assets for which IAS 39 provides for fair value measurement owing to their specific functional purpose. Therefore, only financial assets classified in the trading book, subject to fair value hedging and fair value hedging derivatives are measured at fair value and the results of this measurement are recognized 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 as endorsed by the European Commission;
- these are used to hedge risks of an investment in a foreign operation denominated in a foreign currency.

Measurement

Hedging derivatives are measured at fair value. Specifically:

- in case of fair value hedging, changes in the 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 that may arise, representing the partial ineffectiveness of the hedge, represents the net financial effect;
- in case of hedging of currency investments, changes in the fair value of the derivative is recognized in equity, for the hedging effective portion of hedging, and are recognized in the Income Statement only when, with reference to the hedged investment, hedging is not effective;

The derivative instrument is considered a hedge where there is formal documentation of the relationship between the hedged item and the hedging instrument and where it is effective at inception and throughout its life.

The effectiveness of the hedge depends on the degree to which changes in the fair value of the hedged instrument or the relative expected cash flows are offset by changes in that of the hedging instrument. Accordingly, actual effectiveness is gauged by comparing the above changes, taking into account the objective of the Company at the inception of the hedge.

A hedge is judged effective when changes in the fair value (or the cash flows) of the hedging instrument almost entirely – i.e. within an interval of between 80% and 125% - offset changes in the value of the hedged item 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 demonstrate the expected effectiveness of the hedge;
- retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how actual results deviate from the perfect hedge;

any ineffective hedge produced by economic circumstances that are expected to return to normal as confirmed by prospective tests are not taken into account.

If the tests do not confirm the effectiveness of the hedge, hedge accounting, as described above, is discontinued and the hedge derivative contract is reclassified under trading instruments, while the hedged financial instrument is again measured using the criteria applicable to its original category.

In the case of macro-hedging, IAS 39 allows fair value hedging of the exposure to interest rate risk of designated amount of financial assets or liabilities such that a group of derivative contracts can be used to reduce changes in the fair value of the items hedged against fluctuations in market interest rates.

Amounts determined as a gap between financial assets and liabilities cannot be macro-hedged. Macro-hedging is deemed to be highly effective if, along with the fair value hedge, both at inception and during the hedge, changes in the fair value of the hedged amount are offset by the changes in the fair value of the hedging derivative, within a range of between 80% and 125%.

7. Equity investments

Recognition, classification and measurement

This item includes shares held in associates and joint ventures.

Joint ventures are companies in which the voting rights and the control of its business activities are shared equally, directly or indirectly, between the Parent Company and another party. Joint ventures also include equity investments in which, despite the lack of equal voting rights, control over the business activities and the strategic policies of the equity investment is shared with other parties under contractual agreements.

Associates are companies in which the Bank exercises a significant influence, holding, 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 management policies, despite holding less than 20% of the voting rights, owing to specific legal ties, such as being party to a shareholders' agreement.

Significant influence is not ascribed to interests of more than 20%, in which the Company holds only equity rights to a portion of the return on the investments, and does not have a say in management policies and can exercise governance rights only to the extent necessary to protect its equity investments.

Where there is evidence that the value of an equity investment may be impaired, its recoverable value is determined, taking into account the present value of future cash flows that the shareholding could generate, including its value upon disposal.

If the recoverable value is lower than the book value, the difference is recognized in the income statement.

If the reasons for the impairment should be removed subsequent to the recognition of the impairment loss, a writeback is taken to the income statement.

8. Property, plant and equipment

Classification

"Property, plant and equipment" includes land, buildings used in operations, investment property, technical plants, furniture, furnishings and equipment of any type.

This item includes assets that are used in providing goods and services, to be rented to third parties, and intended to be used for more than one year.

Recognition

"Property, plant and equipment" is initially recognized at cost, which includes, in addition to the purchase cost, all costs directly attributable to the transaction and placing the asset in service.

Extraordinary maintenance expenses that increase the future economic benefits generated by such assets are recognized as an increase in the value of the assets, while ordinary maintenance costs are recognized in the Income Statement.

Measurement

Property, plant and equipment, including investment property, is measured at cost less depreciation and impairment.

Tangible assets are systematically depreciated over their useful life on a straight-line basis, using the following rates of depreciation for the main categories of assets as follows:

Description	Duration amortization
Land	No depreciation
Operating property	33 years (1)
Other investment property - other	
- other	33 years (1)
- property of artistic value	No depreciation
Furniture, fittings, alarm system and vehicles	From 4 to 10 anni
Computers and electronic equipment	From 3 to 10 anni
Works of art	No depreciation

(1) It is specified that, in some cases and for specific property units, their useful life, appropriately calculated, can have different durations.

Buildings are depreciated at a rate based on a useful life considered to appropriately represent the deterioration of the assets over time due to use, taking into account any extraordinary maintenance costs, which increase the value of the asset, and ordinary maintenance costs, which maintain the value of the assets for longer periods of time. Tests are however periodically performed to measure the assets' remaining useful life.

The following assets are not depreciated:

- land, whether acquired separately or incorporated in the value of the building, since it has an indefinite useful life. Where its value is incorporated in the value of the building, under the components approach, the land is considered separable from the building. The division between the value of the land and the value of the building is based on appraisals by independent experts, for buildings entirely owned by, and, therefore, fully available to the company, including the land;
- prestige property;
- works of art, since their useful life cannot be estimated and their value normally increases over time.

If there is evidence of impairment of the asset, the asset's carrying value is compared with its recoverable value. Any writedowns are recognized in the income statement.

If the reasons for the impairment should no longer exist, a writeback is recognized. The book value following the writeback shall not exceed the value the asset would have had, net of depreciation, in the absence of the prior writedowns.

Derecognition

Property, plant and equipment items are derecognized when disposed of or when the asset is permanently withdrawn from use and no future benefits are expected from its disposal.

9. Intangible Assets

Classification

Intangible assets are recognized as such if they are identifiable and are based on legal or contractual rights (for example, software). The following are also recognized as intangible assets:

- software acquired from external sources or with licence for use;
- in-house developed software;
- residual goodwill recognized as the difference between purchase cost and the fair value of the assets and liabilities acquired and potential assets and liabilities recognized upon acquisition;
- intangibles representing business with Customers are recognized subsequent to the application of IFRS 3.

Recognition and measurement

Intangible assets acquired separately and generated in-house are initially capitalized at cost, whereas those acquired through business combination transactions are recognized at fair value as at the acquisition date.

After initial recognition, intangible assets are recognized net of the accumulated amortization and of any accrued impairment losses.

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

Intangible assets with finite useful life are amortized over their useful life and are tested for impairment every time signals are recorded of a possible impairment. 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 modalities with which the future economic benefits linked to the assets occur, are recognized 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.

Generally, software useful life is estimated as being five years. In compliance with IAS 38 par. 104, some large projects have been specifically identified and their useful life has been measured as being ten years.

Intangible assets with indefinite useful life, including goodwill are not amortized, but are tested for impairment annually, both at individual level and at level of cash-generating unit.

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

This recoverable value is the higher of the fair value of the cash-generating unit, net of any selling costs, and its value in use. Any subsequent writedown is recognized in the income statement.

Derecognition

Intangible assets are derecognized upon disposal or when no future economic benefits are expected to be generated by the asset.

Profits or losses resulting from the derecognition of intangible assets 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 derecognition is made.

10. Non-current assets and groups of assets being divested

"Non-current assets and groups of assets being divested held for sale" and "Liabilities in respect of assets being divested" include non-current assets or groups of assets/liabilities which are in the process of being divested, and for which a sale is considered highly probable. Such assets/liabilities are measured at the lower value between book value and their fair value net of disposal costs.

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

11. Current and Deferred Taxes

The effects of current taxes and deferred tax assets and liabilities are recognized at the applicable tax rates.

Income taxes are recognized in the Income Statement, except for those referring to items directly recognized in equity.

Provisions for income tax are calculated on the basis of a prudential forecast of the current tax liability and deferred tax assets and liabilities. Specifically, deferred tax assets and liabilities are calculated on the basis of temporary timing differences – without time restrictions – between the value attributed to an asset or a liability pursuant to the Italian Civil Code and the corresponding values used for tax purposes.

Deferred tax assets are calculated using the balance-sheet liability method.

Deferred tax assets, with regard to deductible timing differences or future tax benefits that can be gained by carrying forward tax losses, are recognized to the extent their recovery is deemed likely.

Deferred tax liabilities are recognized for all taxable temporary differences, except for the reserves on which taxation is suspended, since the amount of available reserves already subject to taxation makes it likely that no taxable operations will be carried out.

Deferred tax assets and liabilities are recognized with open balances without offsets; the former are entered under "Tax assets", the latter under "Tax liabilities".

Deferred tax assets and liabilities are systematically measured to reflect any changes in tax regulations or rates, as well as in any other situation applicable to the company. The effects are recognized in the Income Statement, except when these regard changes in the temporary differences in items for which accounting policies require recognition directly in equity, in which case the change in the deferred tax liability or asset is taken directly to equity.

12. Provisions for contingencies and liabilities

Retirement and similar liabilities

The company pension plans, created pursuant to corporate agreements, qualify as "defined-benefit plans".

The liability in respect of these plans and relative current service cost are determined on an actuarial basis by applying the projected unit credit method. Under this method, future outlays are projected based on analyses of time series and the demographic curve and the discounting of these cash flows using a market interest rate, as set forth in the relevant tables in the Note to the Financial Statements.

Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

Other provisions

Other provisions for liabilities and contingencies include accruals for legal or constructive obligations associated with employment relationships and disputes, including tax disputes, resulting from a past event for which an outflow of economic resources to settle the obligation is probable and for which a reliable estimate can be made of the amount.

Where the time factor is significant, provisions are discounted using current market rates.

The accrual is recognized in the Income Statement and includes the increase in the provision due to the passage of time.

This item also includes long-term employee benefits, the charges for which are determined using the same actuarial criteria described for retirement benefits. Actuarial gains and losses are immediately recognized in full in the Income Statement.

13. Debt and outstanding securities

Classification

"Amounts due to banks", "amounts due to customers" and "securities issued" include all forms of interbank and customer funding, repurchase agreements and funding through certificates of deposit and outstanding bond issues and other instruments, less any amounts repurchased.

Recognition

These financial liabilities are initially recognized upon the signing of the contract, which usually corresponds with receipt of the funds raised or the issue of debt securities.

The financial liabilities are initially recognized at fair value, which usually is equal to the amount collected or the issue price plus any additional expenses/income that can be directly attributed to the single funding or issue transaction. Internal administrative expenses are excluded.

Measurement

Following initial recognition, the financial liabilities are measured at amortized cost using the effective interest rate method.

This excludes short-term liabilities, which are recognized in the amount received since the time factor is negligible.

Derecognition

Financial liabilities are derecognised when they expire or are extinguished. Liabilities are also derecognized when previously issued securities are repurchased. The difference between the book value of the liability and the amount paid to repurchase it is recognized in the Income Statement.

The subsequent placement of repurchased securities on the market is treated as a new issue and is recognized at the new placement price.

14. Financial liabilities held for trading

This item includes the negative value of derivative contracts held for trading, as well as the negative value of derivatives embedded in complex contracts that are not strictly connected with such contracts. It also includes liabilities originating from technical overdrafts generated by securities trading.
All trading liabilities are measured at fair value, and the result of such measurement is taken to the Income Statement.

15. Financial Liabilities carried at fair value

No Company in the Cariparma Crédit Agricole Group has exercised the fair value option. In other words, no Group Company has opted to measure financial liabilities at fair value, taking the result of such measurement to the income statement, with the exception of financial liabilities for which IAS 39 provides for fair value measurement owing to their specific functional purpose. Therefore, only financial liabilities held in the trading book, those subject to fair value hedging and hedging derivative contracts are measured at fair value with recognition of the measurement result 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 on the date of the transaction.

Subsequent measurement

At each annual and interim Balance Sheet date, foreign currency items are measured as follows:
- monetary items are translated at the exchange rate prevailing at the balance-sheet date;
- non-monetary items measured at historic cost are translated at the exchange rate prevailing the transaction date;
- non-monetary items measured at fair value are translated using the exchange rate prevailing at the reporting date.

Exchange rate differences resulting from the settlement of monetary items or from the translation of monetary items at exchange rates other than the initial translation rate, or the translation of previous Financial Statements, are recognized in the income statement for the period in which they emerge.

When gains or losses relating to a non-monetary item are recognized in equity, the exchange rate difference for the item is also recognized in equity. Conversely, when a profit or a loss is recognized in the income statement, the corresponding exchange rate difference is also recognized in the income statement.

17. Other information

Leases

Leases have been recognized based on the provisions of IAS 17.
In particular the definition of a contract agreement as a lease transaction (or including a lease transaction) 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. Leases are considered finance leases if they transfers all risks and rewards of ownership; otherwise, leases are classified as operating leases.
Financial lease contracts for which the Cariparma Credit Agricole 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, while interests receivable (financial components of lease fees) are recognized in the income statement, and the fee part representing capital refunding reduces the receivable value.

Classification of leases

The initial value of the loan also includes the so-called “initial direct costs”; more in detail, the accounting standard:
- 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.
Cariparma has also entered into operating lease contracts as Lessee, concerning cars and other operating assets. The payments associated with these operating lease contracts have been recognized in the income statement on a straight-line basis over the duration of the contract.
Cariparma has no finance lease contracts currently active.

Insurance Assets and Liabilities

The financial statements of Cariparma do not include assets or liabilities bearing insurance risks.

Treasury shares

Treasury shares are deducted from Shareholders' Equity. Similarly, the original costs of these shares and any gains or losses resulting from their subsequent sale are recognized as changes in 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. These costs, classified among "Other Assets" as required by the above circular letter No. 262/2005 issued by the Bank of Italy, are amortized over a period that does not exceed the residual duration of the lease.

Employee severance benefits

Until 31 December 2006 the employee severance benefits of Italian companies were considered a defined-benefit plan. The regulation of these benefits 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 portions accrued before 1 January 2007 (and not settled yet as at the Balance-sheet date), whereas after such 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. Under this method, future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

The expenses for the plan are recognized under staff expenses, include interests accrued, while employees' severance benefits accrued in the year, following the complementary pension plan reform introduced with the 2007 Financial Act, are entirely allocated to the " defined-benefit plan".

Actuarial gains and losses, including revaluation of the portions accrued in the previous years, based on the reference ISTAT (Italian National Institute of Statistics) index, are taken to a specific equity reserve, starting from 2010.

Based on the employees' choice, the amounts are allocated to supplementary pension schemes or to the Treasury fund managed by INPS (Italian Social Security Institute). The portions allocated to the defined-contribution plan are calculated based on the contributions due for each year without using any 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 expenses that can be directly attributed 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 amortization. These guarantees are recognized under "Other Liabilities", pursuant to the above-mentioned Bank of Italy Circular letter No. 262/2005.

Share-based payments

Share-based remuneration plans for staff are recognized in the Income Statement, with a corresponding increase in equity, based on the fair value of the financial instruments allocated as at the grant date, subdividing the relevant expenses over the time period covered by the plan.

The fair value of any options is calculated using a model that takes into account information such as the exercise price and term of the option, the current price of the shares and their expected volatility, expected dividends and the risk-free interest rate, as well as the plan-specific features. The measurement model separately measures the options and the probability that the conditions for granting the options will be achieved.

Any reduction in the number of financial instruments granted is recognized as a cancellation of a portion of such instruments.

Revenue recognition

Revenues are recognised when realized or when it is probable that future benefits will be received and these future benefits can be reliably determined. Specifically:

- interest revenues are recognized on an accrual basis, using the contractual interest rate or the effective interest rate where the amortized cost method is applied;
- default interest, if any, is recognized in the income statement only upon collection;
- dividends are recognized in the income statement when their distribution is authorized;
- commissions for revenues from services are recognized, in accordance with the terms of the contract, in the period in which the service is rendered;
- revenues from intermediation of financial instruments held for trading, calculated as the difference between the transaction price and the instrument fair value, are recognized in the Income Statement when the transaction is recognized, if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded.

If these values cannot be easily detected or the instrument is not highly liquid, the financial instrument is recognized at a value equal to the transaction price, less the business profit; the difference with the fair value is recognized in the Income Statement over the transaction duration with progressive reduction, in the measurement model, of the correction factor relating to the instrument's low liquidity.

Fair value measurement

With the adoption of IFRS 13, the definition of fair value has been changed compared with that given by IAS 39, in a more market-based approach.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid

to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price) on the main (or more advantageous) market, irrespective of whether this price can be directly observed or estimated using a valuation technique.

Fair value applies to each financial asset or liability. As an exception, it can be estimated at a portfolio level, if the strategy for the management and monitoring of risk allow it and appropriate documentation is provided. However, certain fair value parameters are calculated on a net basis, when a group of financial assets and financial liabilities is managed based on its net exposure to market or credit risks. This is the case for calculation of Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA).

Cariparma includes counterparty credit valuation adjustments (CVA) on active derivatives in the fair value.

CVA calculation is based on an estimate of expected losses starting from Probability of Default and Loss Given Default. The used method is based on market parameters when the counterparty has a Credit Default Swap (CDS), which is directly listed or indirectly observable, or on historical default parameters for other counterparties.

CVA is used to determine the expected loss on the counterparty from the point of view of the Cariparma Credit Agricole Group, while DVA is used to calculate expected losses on the Cariparma Credit Agricole Group from the counterparty's point of view.

Financial Instruments

Fair value is determined using prices from financial markets in the case of financial instruments listed in active markets, or using internal measurement models for other financial instruments.

A market is considered active if quoted prices, representing effective and regular market transactions occurring during an appropriate reference period, are readily and regularly available from sources such as securities markets, dealers, stockbrokers, industry companies, pricing services or regulatory agencies. Collective investment schemes (EFT), spot exchange transactions, futures,

options and shares listed on a regulated market and bonds for which at least two executable prices can be detected on a quotation service with a bid-asking spread that is less than an interval deemed consistent,

are all considered as listed in an active market meeting the above requirements. Otherwise all securities and derivatives that do not belong to the above 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 reference period.

In the case of financial instruments for which the bid-ask spread is immaterial, or for financial assets and liabilities capable of offsetting market risk, a "mid price" is used, i.e. the average market price (on the last day of the reference period) instead of the bid or ask price.

Where there is no active, liquid market, the fair value of financial instruments is defined mainly by using standard measurement techniques designed to establish what the transaction price would have been on the measurement date in an arm's length trade carried out for normal market reasons. In incorporating all the factors that operators would consider in setting the price, development of the valuation models takes into account the time value of money at the risk-free rate, the volatility of the financial instrument, as well as, where applicable, exchange rates, commodity prices and stock prices.

With finance products for which the fair value determined with measurement techniques cannot guarantee a sufficient degree of reliability, the value is prudentially calculated as the fair value at the reference date communicated by the parties with which the transactions were signed.

The measurement method chosen for a financial instrument is applied consistently over time and may only be altered if significant changes in market conditions or the subjective condition of the issuer of the financial instrument occur.

Measurement models have been defined for bonds and derivative contracts, which are globally accepted and which refer to market parameters (periodically communicated by the Parent Company Crédit Agricole), 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 future cash flows estimated on the basis of the forward rates with the application of index-linking parameters.

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

Shares are measured considering the direct transactions, that is, significant transactions on the security registered in a sufficiently short timeframe with respect to the time of measurement and in constant market conditions, the comparable transactions by companies operating in the same sector and supplying the same type of products and services as the associated company being evaluated provides, application of the average of significant stock exchange multiples of companies of a comparable financial size to the financial aggregates of the investee and, finally, financial, income and equity measurement methods.

For available-for-sale loan assets and for loan assets and liabilities recognized at cost or at amortized cost, the fair value for recognition purposes or reported in the Note to the Financial Statements is determined using the following method:

- medium- and long-term assets and liabilities are primarily measured by discounting future cash flows, taking account of the loan riskiness of the relevant portfolio;
- a good approximation of the fair value of demand or short-term assets and liabilities is represented by the initial book value, net of collective or individual writedowns ;
- the initial book value of floating-rate and short-term fixed-rate securities is deemed a reasonable approximation of the fair value, due to the fact that it reflects both the change in rates and the measurement of the credit risk associated with the issuer. An analogous approach is applied for the fair value measurement of medium-/long-term fixed-rate securities and structured securities that are hedged for interest rate risk, for which the book value determined for hedge accounting purposes already takes into account interest rate risk measurement. For the latter, in determining the fair value reported in the note to the financial statements, changes in their credit spread were not taken into account, given that they are immaterial.

Non-financial assets

With regard to property, for which the fair value is calculated only for the purposes of disclosure in the notes to the financial statements, reference is made to a value primarily based on appraisals by independent experts, considering transactions at current prices in an active market for similar properties in the same geographical area and under the same conditions for leases and other contracts.

Method for calculating amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization, calculated using the effective interest method, of any difference between the initial amount and the amount at maturity, and minus any impairment loss.

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability.

To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

Subsequent to initial recognition, the amortized cost method makes it possible to allocate revenues and costs pertaining to the instruments over their expected lifetime. The calculation of amortized cost differs depending on whether the financial asset or liability being measured is fixed–rate or floating-rate, and – in the case of a floating rate instrument – whether the variability of the rate is known ahead of time. For fixed-rate instruments, or instruments with fixed rate over specified time periods, future cash flows are measured using the known interest rate (single or variable) over the life of the loan. For floating rate financial assets and liabilities whose variability is not known ahead of time (e.g. because it is linked to an index), cash flows are determined using the last known rate. Each time the rate is changed, the amortization schedule is recalculated, as is the effective rate of return over the entire useful life of the instruments, i.e. through maturity. Any adjustments are recognized as expense or income in the Income Statement.

Amortized cost is calculated for loans and receivables, financial assets held to maturity financial assets available for sale, debt and securities issued.

Financial assets and liabilities traded on an arm’s length basis are initially recognized at fair value, which normally corresponds to the amount received or paid, including, for instruments measured at amortized cost, directly attributable transaction costs and commissions.

Transaction costs are incremental internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument that cannot be charged to the customer. These commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for retrocession, failure to use a credit line, early repayment, underwriting, facility and arrangement.

In addition, not considered in the amortized cost calculation are the costs that the Group would sustain independently of the transaction (for example, administrative costs, recording and communication expenses), nor those that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as commissions for services collected for the completion of Structured Finance operations, which would however have been collected independently of the subsequent financing of the transaction (such as, for example, arrangement commissions).

With specific reference to loans, costs attributable to the financial instrument include commission paid to distribution channels, fees paid for advice/assistance to the organization and/or participation in syndicated loans, expenses borne for loans acquired by subrogation and, finally, up-front commissions relating to loans granted at a higher-than-market rates; while the revenues considered in the calculation of amortized cost are up-front commissions relating to loans granted at lower-than-market rates, commissions for participation in syndicated transactions and brokerage fees linked to commissions paid by intermediation companies.

As to securities not classified as held for trading, transaction costs include commissions on contracts with stockbrokers operating in Italian markets, commissions paid to intermediaries operating in foreign stock and bond markets based on a prepared schedule of commissions. The amortized cost does not include stamp duties, as these are deemed immaterial.

With regard to securities issued, amortized cost is calculated taking into account commission for placing debenture loans paid to third parties, legal expenses, fees paid to stock exchanges and fees paid to auditors for work done on each individual issue, while the amortized cost excludes commissions paid to rating agencies, legal and advice/revision expenses for the annual update of prospectuses, expenses for the use of indexes and commissions that arise during the life of the debenture loan issued.

Following initial measurement, they are measured at amortized cost, reporting effective interest rates that are higher or lower than the nominal rates. Finally, structured assets or liabilities not measured at fair value and recognized in the income statement are also measured at amortized cost, with the embedded derivative recognized separately from the host financial instrument.

Hedged financial assets and liabilities, for which changes in fair value with respect to the hedged risk are recognized in the income statement, are not measured at amortized cost. However, the financial instrument is once again measured at amortized cost where the hedge terminates. From that moment, previously recognized changes in fair value are amortized, calculating the new effective interest rate that takes account of the value of the loan adjusted for the fair value of the hedged item, up to the originally scheduled expiry of the hedge. Moreover, as stated previously in the section on measuring loans and receivables, debt and securities issued, the amortized cost method does not apply to short-term financial assets and liabilities since the impact of discounting is negligible, nor to loans without a specified maturity or loans subject to revocation.

Methods for determining impairment losses

Financial assets

At every balance-sheet date, financial assets not classified as “Financial Assets held for trading” undergo impairment testing to determine whether there is objective evidence that the book value of the assets is not fully recoverable.

Impairment exists where there is objective evidence of a reduction in future cash flows compared with the original estimates following the occurrence of specific events. The loss must be capable of being reliably measured and must be correlated with actual, not merely expected, events.

Impairment is measured individually for financial assets that show specific evidence of impairment, and collectively for financial assets for which individual measurement is not required or for which individual measurement has not produced a writedown.

Loans to customers and loans to banks subject to individual assessment include those classified as bad debts, substandard loans, restructured loans or loans past due in accordance with the Bank of Italy’s definitions, and consistent with IAS/IFRS.

Impaired positions are measured individually and the amount of the writedown of each loan is equal to the difference between the book value of the loan at the time of measurement (amortized cost) and the present value of expected future cash flows, calculated by applying the original effective interest rate.

Expected cash flows take account of expected recovery times, the assumable realizable value of any security, as well as the costs likely to be incurred to recover the claim. Cash flows from loans for which recovery is expected in the short-term are not discounted, since the impact of the time factor is deemed immaterial.

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. To this end performing loans are subdivided into categories with uniform credit risk profile, 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 losses.

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 impairment loss measurement also takes into account the risk associated with the counterparty’s country of residence.

Moreover, for shares, objective evidence of impairment is deemed found in the presence of one of the following signals: a rating downgrading by over 2 classes, a market capitalization significantly lower than the Shareholders’ Equity, start of implementation of a debt restructuring plan, a significant negative change in the book value of Equity

Please, see the relevant section of the Note for information on measurement methods used to calculate fair value.

Other non-financial assets

Property, plant and equipment and intangible assets with definite useful life undergo impairment testing if there is evidence that the book value of the asset can no longer 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 written down to the recoverable value.

The recoverable value is determined with reference to the fair value of the property, plant and equipment asset or intangible asset net of divestment expenses or to the use value, if it can be determined and is higher than the fair value.

The fair value of property is mainly determined on the basis of appraisals by independent experts. The appraisal is updated whenever there is a change in the property market trend that could affect the validity of the previous estimates and, in any case, every three years. Impairment losses are recognized only when the fair value, net of sale costs, or the value in use of the asset is lower than its book value for three consecutive years.

For other Property, plant and equipment items and intangible assets (other than goodwill), the Group determines the value in use as the present value of the estimated future cash flows using a discount rate before-taxes reflecting market data (the current cost of money and asset-specific risks).

Method for preparing segment reporting

IFRS 8 requires the Bank to present segment reporting.

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

- Retail/Private Banking;
- Corporate/Enterprises
- Other/different ones.

For segment reporting purposes, management figures, suitably reconciled with Financial Statement figures, have been used.

The methods used for the impairment testing of goodwill are reported in point 13.3 - Assets.

» A.3 DISCLOSURE OF TRANSFERS OF FINANCIAL ASSETS BETWEEN PORTFOLIOS

In 2013 no inter-portfolio transfers were made.

» A.4 FAIR VALUE REPORTING

QUALITATIVE DISCLOSURES

Classification of financial instruments as non-financial assets/liabilities

Reporting on fair value hierarchy as required by IFRS 13 applies to financial instruments and to non-financial assets/liabilities that are measured at fair value (irrespective of whether they are measured on a recurring or non-recurring basis).

The standard classifies fair value into three levels in accordance with the observability of the inputs used to measure fair value:

- Level 1: Fair value whose inputs are quoted prices (unadjusted) on active markets.

Financial instruments directly listed on active markets belong to level 1.
Specifically, these are stocks and bonds listed on active markets, investment schemes quoted on active markets (EFT) and derivatives traded on regulated markets.
A market is deemed active when quoted prices are easily and regularly available from the Stock Exchange, a stockbroker, an intermediary, a price quotation service or a regulatory agency and when these prices represent real transactions regularly carried out on the market in normal competition conditions.

- Level 2: Fair value measured based on directly or indirectly observable market parameters, in addition to those of level 1.

These data can be observed, either directly or indirectly, (for instance, the interest rate curve can be determined based on interest rates that can be directly observed on the market at a reference date).
The following are level-2 financial instruments:
- shares and bonds listed on a market that is considered inactive or not listed on an active one, but whose fair value is determined using a universally-acknowledged measurement model based on market data that are either directly or indirectly observable;
- financial instruments whose fair value is determined using measurement models based on observable market data.

• Level 3: Fair value to determine which a significant part of the parameters used is unobservable.

The fair value of some complex financial instruments that are not traded on an active market is determined using measurement techniques that are based on assumptions and not on observable market data.
These are mainly complex financial instruments, such as interest rate instruments, equity derivatives and restructured loans, where the measurement of correlation or volatility parameters cannot be directly compared to market data.

A.4.1 Level-2 and Level-3 Fair Value: measurement techniques and inputs used

Level 2: this level includes all financial instruments for which there is no active market, but whose fair value measurement is based on observable market data. Therefore, universally-acknowledged measurement models have been defined, which refer to market parameters. Specifically, fixed-rate bonds referring to to financial assets or liabilities are measured using the discounted cash flow method as provided for by the security contractual scheme; variable-rate bonds are measured by discounting future cash flows estimated on the basis of the forward rates with the application of index-linking parameters.
Derivative contracts are assessed using specific calculation algorithms, according to the type of the different categories of transactions.
Level 3: this level includes all financial instruments for which there is no active market and whose measurement is not based on observable market data, or for which the measurement used is that communicated by qualified marker players.

A.4.2 Processes and sensitivity of measurement

The Financial Management Department is responsible for verifying the fair value categorization of the financial instruments recognized. The choice between fair value classes is not optional, since they must be applied in a hierarchical order: absolute priority is given to available prices quoted on active markets for assets and liabilities to be measured (Level 1) or for assets and liabilities measured using techniques based on inputs that are observable on the market (Level 2), while lower priority is given to assets and liabilities whose fair value is calculated using techniques based on inputs that are unobservable on the market and, therefore, are more discretionary (Level 3).
Moreover, IFRS 13 requires, for recurring Level 3 measurements, a narrative description of the sensitivity of the fair value measurements to changes in unobservable inputs, if a change in those inputs might result in a significantly different fair value measurement, either higher or lower.
In this regard, it is reported that the case under examination does not apply to some L3 financial instruments classified as Held for Trading and AFS.
Unobservable inputs that can affect the measurement of financial instruments classified as Level 3 mainly consist in estimates and assumptions underlying the models used to measure investments in equity securities and OTC derivatives. For these investments no quantitative sensitivity analysis of the fair value based on the change in unobservable inputs was carried out, since either the fair value was obtained from third-party sources without any adjustments or resulted from a model whose inputs are specific for the entity being measured (for example the company equity values) and for which alternative values cannot be reasonably assumed.
For financial instruments measured at Level 3 fair value, the main unobservable input that affects their measurement is the recovery rate of exposures indirectly held toward Icelandic Banks. In quantitative terms, an increase/decrease by a percentage point in the Recovery Rate would cause a fair value increase or decrease, respectively, of approximately Euro 1.6 million.

A.4.3 Fair value hierarchy

For the assets and liabilities recognized, the Financial Management Department assesses whether transfers have occurred between the hierarchy levels by reviewing categorization at every reporting date.

The Financial Management Department makes transfers from Level 1 to Level 2 only for financial instruments that are listed in a regulated but inactive market and that can be measured using standard internal pricing models of the Group.
The Financial Management Department makes transfers to Level 3 only for financial instruments that are not listed in a regulated market and that cannot be measured using standard internal pricing models of the Group.

A.4.4 Other Information

The cases provided for by IFRS 13 at paragraphs 51, 93 item (i) and 96 did not apply to the Group.

QUANTITATIVE DISCLOSURES

A.4.5 Fair value hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: categorization by fair value level

Financial assets/liabilities carries at fair value	31.12.2013			31.12.2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial liabilities held for trading	16	166,880	29,775	85	226,873	57,268
2. Financial liabilities carried at fair value	-	-	-	-	-	-
3. Financial assets available for sale	3,773,722	-	221,307	2,969,701	-	134,208
4. Hedging derivatives	-	571,225	-	-	938,120	-
5. Property, plant and equipment	-	-	-	-	-	-
6.Intangible assets	-	-	-	-	-	-
Total	**3,773,738**	**738,105**	**251,082**	**2,969,786**	**1,164,993**	**191,476**
1. Financial liabilities held for trading	-	169,051	29,726	11	230,209	57,745
2. Financial liabilities carried at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	161,211	94,074	-	241,114	-
Total	**-**	**330,262**	**123,800**	**11**	**471,323**	**57,745**

As at the reporting date, the portfolios measured at fair value of Cariparma, that is to say, the portfolio of financial assets held for trading, the portfolio of available-for-sale financial assets (AFS) and hedging derivatives consisted, for 79.2%, of financial assets that qualify for categorization as Level 1 (L1), with a weight that higher by 10% vs. the previous year.

This category mostly consists of Italian and French Government securities (€3,774 million).

Financial assets categorized as Level 2 (L2) are mostly OTC derivatives held for trading (€167 million) and for hedging purposes (Euro 571 million).

The portfolio of AFS financial assets that have been measured at fair value and categorized as Level 3 (L3) includes unlisted equity securities that have been measured based on internal measurement models, mainly based on the issuer's equity (€221 million).

Assets held for trading measured at fair value and categorized as Level 3 (L3) consist of complex OTC derivatives, which are measured based on the indications provided by qualified counterparties in the market (€30 million).

A.4.5.2 Changes for the period in assets measured at fair value on a recurring basis (Level 3)

	Held for trading	Carried at fair value	Available for sale	Hedging	Property, plant and equipment	Intangible assets
1. Opening balance	**57,268**	**-**	**134,208**	**-**	**-**	**-**
2. Increases	**70**	**-**	**244,106**	**-**	**-**	**-**
2.1 Purchases	4	-	2,614	-	-	-
2.2 Profits recognized in:						
2.2.1 Income Statement	10	-	240	-	-	-
- of which: Capital gaings	-	-	240	-	-	-
2.2.2 Shareholders' equity	X	X	-	-	-	-
2.3 Transfers from other categories	56	-	-	-	-	-
2.4 Other increases	-	-	241,252	-	-	-
3. Decreases	**27,563**	**-**	**157,007**	**-**	**-**	**-**
3.1 Sales	-	-	2,640	-	-	-
3.2 Redemptions	23,064	-	-	-	-	-
3.3 Losses recognized in:						
3.3.1 Income Statement	4,499	-	1,247	-	-	-
- of which Capital losses	4,498	-	-	-	-	-
3.3.2 Shareholders' equity	X	X	770	-	-	-
3.4 Transfers to other categories	-	-	152,350	-	-	-
3.5 Other decreases	-	-	-	-	-	-
4. Final inventories	**29,775**	**-**	**221,307**	**-**	**-**	**-**

The “Other increases” item includes the recognition of the equity investment in the Bank of Italy after the updating of its equity capital for Euro 152.4 million, while the “Other decreases” item includes the derecognition of the equity interest before the valuation updating for Euro 152.4 million

A.4.5.3 Changes for the period in liabilities measured at fair value on a recurring basis (Level 3)

	Held for trading	Carried at fair value	Hedging
1. Opening balance	**57,745**	**-**	**-**
2. Increases	**-**	**-**	**94,074**
2.1 Issues	-	-	94,074
2.2 Profits recognized in:			
2.2.1 Income Statement	-	-	-
- of which: Capital gaings	-	-	-
2.2.2 Shareholders' equity	X	X	-
2.3 Transfers from other categories	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**28,019**	**-**	**-**
3.1 Redemptions	23,518	-	-
3.2 Repurchases	-	-	-
3.3 Losses recognized in:			
3.3.1 Income Statement	4,501	-	-
- of which Capital losses	4,501	-	-
3.3.2 Shareholders' equity	X	X	-
3.4 Transfers to other categories	-	-	-
3.5 Other decreases	-	-	-
4. Final inventories	**29,726**	**-**	**94,074**

A.4.5.4 Assets and liabilities that are not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31.12.2013				31.12.2012			
	BV	Level 1	Level 2	Level 3	BV	Level 1	Level 2	Level 3
1. Financial assets held to maturity	-	-	-	-	-	-	-	-
2. Loans to banks	3,875,190	-	3,875,190	-	4,737,740	-	4,737,498	-
3. Loand to customers	27,965,449	-	-	29,206,798	26,494,166	-	-	26,949,603
5. Investment property	7,298	-	-	19,284	7,432	-	-	19,605
6. Non-current assets or groups of assets being divested	-	-	-	-	-	-	-	-
Total	**31,847,937**	**-**	**3,875,190**	**29,226,082**	**31,239,338**	**-**	**4,737,498**	**26,969,208**
1. Due to banks	6,042,948	-	6,042,948	-	5,167,909	-	5,167,909	-
2. Due to customers	17,800,759	-	17,800,759	-	16,915,913	-	16,915,913	-
3. Sicuruties issued	10,608,250	-	8,875,428	1,770,846	11,200,868	-	9,697,997	1,560,511
4. Liabilities associated to assets being divested	-	-	-	-	-	-	-	-
Total	**34,451,957**	**-**	**32,719,135**	**1,770,846**	**33,284,690**	**-**	**31,781,819**	**1,560,511**

Key:

BV= book value

A.5 - DISCLOSURE ON "DAY ONE PROFIT/LOSS"

Paragraph 28 of IFRS 7 governs the specific situation where, in case of purchase of a financial instrument that is measured at fair value but not listed on an active market, the transaction price, which generally amounts to the fair value best estimate upon initial recognition, is different from the fair value determined based on the measurement techniques used by the entity.

In this case, a measurement profit/loss is realized upon acquisition, which shall be adequately disclosed by financial instrument class.

It is reported that this case does not apply to Cariparma financial statements.

Part B Information on the balance sheet

ASSETS

Section 1 – Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: composition

	31.12.2013	31.12.2012
a) Cash	231,188	194,828
b) Demand deposits with Central Banks	-	-
Total	**231,188**	**194,828**

Section 2 – Financial assets held for trading – Item 20

2.1 Financial assets held for trading: Composition by type

Items/Amounts	31.12.2013			31.12.2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A On-Balance-Sheet Assets						
1. Debt securities	16	1	92	19	63	39
1.1 Structured Securities	-	1	-	-	-	-
1.2 Other debt securities	16	-	92	19	63	39
2. Equity securities	-	-	-	-	-	-
3. Units in collective investment undertakings	-	-	-	-	-	27
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	**16**	**1**	**92**	**19**	**63**	**66**
B Derivatives						
1. Financial Derivatives	-	166,879	29,683	66	226,810	57,202
1.1 trading	-	166,879	29,683	66	226,810	57,202
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	**-**	**166,879**	**29,683**	**66**	**226,810**	**57,202**
Total (A+B)	**16**	**166,880**	**29,775**	**85**	**226,873**	**57,268**

2.2 Financial assets held for trading: Composition by debtor/issuer

Items/Amounts	31.12.2013	31.12.2012
A. On-balance-sheet assets		
1. Debt securities	**109**	**121**
a) Governments and central banks	4	4
b) Other public entities	-	-
c) Banks	91	101
d) Other issuers	14	16
2. Equity securities	**-**	**-**
a) Banks	-	-
b) Other issuers:	-	-
- insurance companies	-	-
- financial companies	-	-
- non-financial companies	-	-
- other	-	-
3. Units in collective investment undertakings	**-**	**27**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total A	**109**	**148**
B. Derivatives		
a) Banks	-	-
- fair value	89,677	99,123
b) Customers	-	-
- fair value	106,885	184,955
Total B	**196,562**	**284,078**
Total (A+B)	**196,671**	**284,226**

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

	Debt securities	Equity securities	Units in collective investment under takings	Loans	Total
A. Opening balance	**120**	**-**	**27**	**-**	**147**
B. Increases	**662,774**	**1,310**	**373**	**-**	**664,457**
B1. Purchases	661,425	1,305	368	-	663,098
B2. Fair Value gains	-	-	-	-	-
B3. Other changes	1,349	5	5	-	1,359
C. Decreases	**662,785**	**1,310**	**400**	**-**	**664,495**
C1 Sales	662,632	1,310	400	-	664,342
C2. Redemptions	-	-	-	-	-
C3. Fair Value losses	1	-	-	-	1
C4 Transfers to other portfolios	-	-	-	-	-
C5. Other changes	152	-	-	-	152
D. Closing balance	**109**	**-**	**-**	**-**	**109**

Rows B3. and C5., where present, include profits and losses from trading, accrued income on the differences between issue prices and nominal values and on coupon interests.

Any initial technical overdrafts are reported in row C5. and final ones in row B3.

Section 4 - Financial assets available for sale – Item 40

4.1 Financial assets available for sale: composition by type

Items/Amounts	31.12.2013			31.12.2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**3,773,396**	**-**	**48,782**	**2,969,041**	**-**	**48,826**
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	3,773,396	-	48,782	2,969,041	-	48,826
2. Equity securities	**326**	**-**	**172,525**	**660**	**-**	**85,382**
2.1 Carried at Fair Value	326	-	172,525	660	-	18,662
2.2 Carried at cost	-	-	-	-	-	66,720
3. Units in collective investment undertakings	**-**	**-**	**-**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**3,773,722**	**-**	**221,307**	**2,969,701**	**-**	**134,208**

The main equity securities measured at cost are: Cattleya S.r.l. (book value Euro 2,500,000, whose fair value is equal to the cost, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed); CA Fiduciaria S.p.A. (book value Euro 300,000, whose fair value is equal to the cost, since it is a newly-incorporated company), SILCA S.n.c. (book value Euro 2,059,972, whose fair value is equal to the historical cost, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the entity's specific operations).

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

Items/Amounts	31.12.2013	31.12.2012
1. Debt securities	**3,822,178**	**3,017,867**
a) Governments and central banks	3,773,396	2,969,041
b) Other public entities	-	-
c) Banks	-	-
d) Other issuers:	48,782	48,826
2. Equity securities	**172,851**	**86,042**
a) Banks	152,350	63,447
b) Other issuers	20,501	22,595
- insurance companies	-	-
- financial companies	547	507
- non-financial companies	19,954	22,088
- other	-	-
3. Units in collective investment undertakings	**-**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total	**3,995,029**	**3,103,909**

4.3 Micro-hedged financial assets available-for-sale (hedged specifically)

As at the end of 2013, there were €3,680 million worth of securities subject to micro-hedge for interest rate risk.

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	**3,017,866**	**86,043**	**-**	**-**	**3,103,909**
B. Increases	**2,093,736**	**244,559**	**-**	**-**	**2,338,295**
B1. Purchases	1,779,834	2,854	-	-	1,782,688
B2. Fair value gains	71,703	108	-	-	71,811
B3. Writebacks	-	345	-	-	345
- recognized through income statement	-	X	-	-	-
- recognized through equity	-	345	-	-	345
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	242,199	241,252	-	-	483,451
C. Decreases	**1,289,424**	**157,751**	**-**	**-**	**1,447,175**
C1 Sales	1,118,263	2,847	-	-	1,121,110
C2. Redemptions	29,892	-	-	-	29,892
C3. Fair Value losses	4,627	899	-	-	5,526
C4. Writedowns for impairment	-	1,592	-	-	1,592
- recognized through income statement	-	1,592	-	-	1,592
- recognized through equity	-	-	-	-	-
C5 Transfers to other portfolios	-	-	-	-	-
C6. Other changes	136,642	152,413	-	-	289,055
D. Closing balance	**3,822,178**	**172,851**	**-**	**-**	**3,995,029**

Rows B5. and C6. include profits and losses from realization, accrued income on the differences between issue prices and nominal values and on coupon interests.

Section 6 – Loans to Banks – Item 60

6.1 Loans to banks: composition by type

Type of transaction/values	31.12.2013				31.12.2012			
		FV				FV		
	BV	Level 1	Level 2	Level 3	BV	Level 1	Level 2	Level 3
A. Claims on central banks	**265,891**	**-**	**265,891**	**-**	**691,848**	**-**	**691,848**	**-**
1. Fixed-term deposits	-	X	X	X	-	X	X	X
2. Reverse requirement	265,891	X	X	X	691,848	X	X	X
3. Repurchase agreements	-	X	X	X	-	X	X	X
4. Other	-	X	X	X	-	X	X	X
B. Loans to banks	**3,609,299**	**-**	**3,609,299**	**-**	**4,045,892**	**-**	**4,045,892**	**-**
1. Financing	2,700,323	-	2,700,323	-	2,795,834	-	2,795,834	-
1.1 Current accounts and demand deposits	293,553	X	X	X	206,111	X	X	X
1.2.Fixed-term deposits	2,349,419	X	X	X	2,526,250	X	X	X
1.3 Other financing:	57,351	X	X	X	63,473	X	X	X
1.3.1 Repurchase agreements	-	X	X	X	26,796	X	X	X
1.3.2 Finance lease	-	X	X	X	-	X	X	X
1.3.3 Other	57,351	X	X	X	36,677	X	X	X
2. Debt securities	908,976	-	908,976	-	1,250,058	-	1,250,058	-
2.1 Structured Securities	-	X	X	X	-	X	X	X
2.2 Other debt securities	908,976	X	X	X	1,250,058	X	X	X
Total	**3,875,190**	**-**	**3,875,190**	**-**	**4,737,740**	**-**	**4,737,740**	**-**

Key:
FV = fair value
BV = book value

6.2 Loans to banks subject to micro-hedge

As at the end of 2013, there were no loans to banks subject to micro-hedge, i.e. specifically hedged.

6.3 Finance leases

As at the end of 2013 there were no loans to banks resulting from finance lease transactions.

Section 7 – Loans to Banks – Item 70

7.1 Loans to customers: composition by type

Type of transactions/ Amounts	31.12.2013						31.12.2012					
	Book value			Fair value			Book value			Fair value		
		Impaired						Impaired				
	Performing	Purchased	Other	L1	L2	L3	Performing	Purchased	Other	L1	L2	L3
Funding	**26,374,198**	**"**	**Other**	**-**	**-**	**29,201,797**	**25,297,021**	**-**	**1,192,106**	**-**	**-**	**26,944,564**
1. Current accounts	2,879,827	-	323,146	X	X	X	3,265,887	-	232,575	X	X	X
2. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
3. Mortgage loans	17,451,175	-	963,341	X	X	X	17,492,748	-	795,305	X	X	X
4. Credit cards, personal loans and loans repaid by automatic deductions from wages	436,268	-	26,094	X	X	X	518,705	-	24,450	X	X	X
5. Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
7. Other transactions	5,606,928	-	273,669	X	X	X	4,019,681	-	139,776	X	X	X
Debt securities	**5,001**	**-**	**-**	**-**	**-**	**5,001**	**5,039**	**-**	**-**	**-**	**-**	**5,039**
8. Structured securities	-	-	-	X	X	X	-	-	-	X	X	X
9. Other debt securities	5,001	-	-	X	X	X	5,039	-	-	X	X	X
Total	**26,379,199**	**-**	**1,586,250**	**-**	**-**	**29,206,798**	**25,302,061**	**-**	**1,192,105**	**-**	**-**	**26,949,603**

7.2 Loans to customers: composition by debtor/issuer

Type of transactions/Amounts	31.12.2013			31.12.2012		
		Impaired			Impaired	
	Performing	Purchased	Other	Performing	Purchased	Other
1. Debt securities:	**5,001**	**-**	**-**	**5,039**	**-**	**-**
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other issuers	5,001	-	-	5,039	-	-
- non-financial companies	5,001	-	-	5,039	-	-
- financial companies	-	-	-	-	-	-
- insurance undertakings	-	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans to:	**26,374,198**	**-**	**1,586,250**	**25,297,022**	**-**	**1,192,105**
a) Governments	8,022	-	1	5,093	-	7
b) Other public entities	111,920	-	2	124,254	-	1
c) Other	26,254,256	-	1,586,247	25,167,675	-	1,192,097
- non-financial companies	11,368,688	-	1,192,429	11,905,779	-	799,228
- financial companies	4,238,657	-	37,745	2,812,167	-	33,357
- insurance undertakings	67,075	-	1	15,784	-	1
- other	10,579,836	-	356,072	10,433,945	-	359,511
Total	**26,379,199**	**-**	**1,586,250**	**25,302,061**	**-**	**1,192,105**

7.3 Loans to customers subject to specific hedge/micro hedge

As at the end of 2013 there were no loans to Customers subject to micro-hedge, i.e. specifically hedged.

7.4 Finance leases

As at the end of 2013 there were 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

Type of transactions/Amounts	Fair Value 31.12.2013			Notional value 31.12.2013	Fair Value 31.12.2012			Notional value 31.12.2012
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial Derivatives	**-**	**571,225**	**-**	**10,962,618**	**-**	**938,120**	**-**	**11,956,341**
1) Fair value	-	571,225	-	10,962,618	-	938,120	-	11,956,341
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**571,225**	**-**	**10,962,618**	**-**	**938,120**	**-**	**11,956,341**

8.2 Hedging derivatives: composition by hedged portfolio 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	9,535	-	-	-	-	X	-	X	X
2. Loans and receivables	13,204	-	-	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	**22,739**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	548,486	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	-	-	-	X
Total liabilities	**548,486**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

The «Hedging Derivatives» item referring to financial liabilities consisted of Euro 253,926 thousand for hedging own bonds issued and Euro 294,560 thousand referring to macro-hedge of fixed-rate demand deposits.

Section 9 – Adjustment of financial liabilities hedged generically – Item 90

9.1 Adjustment of hedged assets: composition by hedged portfolio

Value adjustments of hedged assets	31.12.2013	31.12.2012
1. Positive adjustment	**-**	**3,092**
1.1 of specific portfolios:	-	3,092
a) loans	-	3,092
b) financial assets available for sale	-	-
1.2 total	-	-
2. Negative adjustment	**-277**	**-**
2.1 of specific portfolios:	-277	-
a) loans	-277	-
b) financial assets available for sale	-	-
2.2 total	-	-
Total	**-277**	**3,092**

9.2 Assets macro-hedged for interest rate risk

Type of transactions/Amounts	31.12.2013	31.12.2012
Financial assets	**316,513**	**69,505**

Section 10 – Equity investments - Item 100

10.1 Equity investments in subsidiaries, joint-ventures or companies subject to significant influence: information on investments

Name	Registered office	% holding	% of votes
A. Exclusively-controlled companies			
Sliders S.r.l.	Piacenza	100.00	
Credit Agricol Leasing Italia - Calit S.r.l.	Milano	85.00	
Banca Popolare Friuladria SpA	Pordenone	80.17	
Cassa di Risparmio della Spezia S.p.A.	La Spezia	80.00	
Cariparma OBG S.r.l.	Milano	60.00	
B. Joint ventures			
not present			
C. Companies subject to significant influence			
CA - Agroalimentare S.p.A.	Parma	26.32	
MondoMutui Cariparma S.r.l.	Milano	19.00	

10.2 Equity investments in subsidiaries, joint-ventures or companies subject to significant influence: accounting data

Name	Total Assets	Total Revenue	Profit (loss)	Equity	Book value	Fair value		
						L1	L2	L3
A. Exclusively-controlled companies	**13,481,028**	**672,121**	**9,629**	**903,837**	**1,250,467**			
Sliders S.r.l.	51	15,000	-49	36	-	X	X	X
Credit Agricol Leasing Italia - Calit S.r.l.	1,977,414	61,114	-20,929	49,628	68,993	X	X	X
Banca Popolare Friuladria SpA	8,615,234	429,573	18,948	672,378	903,408	X	X	X
Cassa di Risparmio della Spezia S.p.A.	2,888,318	166,432	11,659	181,785	278,060	X	X	X
Cariparma OBG S.r.l.	11	2	-	10	6	X	X	X
B. Joint ventures	**-**	**-**	**-**	**-**	**-**			
not present						X	X	X
C. Companies subject to significant influence	**92,032**	**566**	**-906**	**91,635**	**12,502**	**-**	**-**	**-**
CA - Agroalimentare S.p.A.	92,016	505	-906	91,623	12,500	-	-	-
MondoMutui Cariparma S.r.l.	16	61	-	12	2	-	-	-
Total	**13,573,060**	**672,687**	**8,723**	**995,472**	**1,262,969**	**-**	**-**	**-**

The data reported have been taken from the latest Annual Report approved by each company (31 December 2012).

The fair value of equity investments in companies subject to significant influence has not been set forth since none of these companies is listed.

10.3 Equity investments: changes for the period

	31.12.2013	31.12.2012
A. Opening balance	**1,272,613**	**1,510,221**
B. Increases	**4,256**	**11,090**
B.1 Purchases	-	11,090
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4. Other changes	4,256	-
C. Decreases	**13,900**	**248,698**
C.1 Sales	-	169,883
C.2 Writedowns	13,900	68,875
C.3. Other changes	-	9,940
D. Closing balance	**1,262,969**	**1,272,613**
E. Total Revaluation	**-**	**-**
F. Total writedowns	**-**	**-**

10.4 Commitments referring to equity investments in subsidiaries

At the end of 2013, there were commitments to the company Sliders S.r.l. for an amount of €15 thousand.

10.6 Commitments referring to equity investments in companies subject to significant influence

At the end of 2013, the remaining commitment to the company CA Agro-Alimentare amounted to Euro 12.5 million.

Section 11 – Property, plant and equipment - Item 110

11.1 Operating property, plant and equipment: composition of assets measured at cost

Assets/Amounts	31.12.2013	31.12.2012
1. Owned	**278,978**	**274,797**
a) land	72,340	72,352
b) buildings	166,000	163,162
c) furnishing	8,928	9,696
d) electronic equipment	4,529	3,616
e) other	27,181	25,971
2. Assets acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furnishing	-	-
d) electronic equipment	-	-
e) other	-	-
Total	**278,978**	**274,797**

11.2 Investment property, plant and equipment: composition of assets measured at cost

Assets/Amounts	31.12.2013				31.12.2012			
	Book value	Fair value			Book value	Fair value		
		L 1	L 2	L 3		L 1	L 2	L 3
1. Owned	**7,298**	**-**	**-**	**19,284**	**7,432**	**-**	**-**	**19,605**
a) land	2,972	-	-	10,655	2,884	-	-	10,742
b) buildings	4,326	-	-	8,629	4,548	-	-	8,863
2. Assets acquired under finance leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	**7,298**	**-**	**-**	**19,284**	**7,432**	**-**	**-**	**19,605**

11.5 Operating property, plant and equipment: changes for the period

	Land	Buildings	Furnishing	Electronic equipment	Other	Total
A. Opening gross balance	72,352	297,435	66,363	41,303	148,482	625,935
A.1 Total net writedowns	-	134,273	56,666	37,687	122,511	351,137
A.2 Opening net balance	72,352	163,162	9,697	3,616	25,971	274,798
B. Increases:	**-**	**9,532**	**2,358**	**2,939**	**9,920**	**24,749**
B.1 Purchases	-	-	2,358	2,939	9,920	15,217
B.2 Capitalized improvement costs	-	9,532	-	-	-	9,532
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	-	-	-	-	-	-
B.7. Other changes	-	-	-	-	-	-
C. Decreases:	**12**	**6,694**	**3,127**	**2,026**	**8,710**	**20,569**
C.1 Sales	12	41	-	-	396	449
C.2 Depreciation	-	6,582	3,112	2,008	8,120	19,822
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	-	71	15	18	194	298
D. Closing net balance	**72,364**	**166,000**	**8,928**	**4,529**	**27,181**	**278,978**
D.1 Total net writedowns	-	140,855	59,778	39,695	130,631	370,959
D.2 Closing gross balance	72,364	306,855	68,706	44,224	157,812	649,937
E. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**

11.6 Investment property, plant and equipment: changes for the period

	31.12.2013	
	Land	Buildings
A. Opening balance	**2,884**	**4,548**
B. Increases	**118**	**13**
B.1 Purchases	118	-
B.2 Capitalized improvement costs	-	13
B.3 Fair Value gains recognized in	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from operating assets	-	-
B.7. Other changes	-	-
C. Decreases	**30**	**235**
C.1 Sales	30	72
C.2 Depreciation	-	163
C.3 Fair Value losses	-	-
C.4 Writedowns for impairment	-	-
C.5 Negative exchange rate differences	-	-
C.6 Transfers to other assets portfolios	-	-
a) operating assets	-	-
b) discontinuing operations	-	-
C.7. Other changes	-	-
D. Closing balance	**2,972**	**4,326**
E. Carried at fair value	**10,655**	**8,629**

Section 12 – Intangible assets - Item 120

12.1 Intangible Assets: composition by type of asset

	31.12.2013		31.12.2012	
Assets/Amounts	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**922,340**	**X**	**922,340**
A.2 Other intangible assets	**253,923**	**-**	**261,926**	**-**
A.2.1 Assets carried at cost:	253,923	-	261,926	-
a) Intangible assets developed in-house	4,765	-	2,478	-
b) Other assets	249,158	-	259,448	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
Total	**253,923**	**922,340**	**261,926**	**922,340**

12.2 Intangible Assets: changes for the period

	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
		with finite life	with indefinite life	with finite life	with indefinite life	
A. Opening balance	**922,340**	**2,911**	**-**	**520,854**	**-**	**1,446,105**
A.1 Total net writedowns	-	433	-	261,406	-	261,839
A.2 Opening net balance	922,340	2,478	-	259,448	-	1,184,266
B. Increases	**-**	**2,850**	**-**	**41,958**	**-**	**44,808**
B.1 Purchases	-	2,850	-	41,958	-	44,808
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	**-**	**563**	**-**	**52,248**	**-**	**52,811**
C.1 Sales	-	-	-	-	-	-
C.2 Writedowns	-	563	-	52,232	-	52,795
- Depreciation and amortization	X	563	-	52,232	-	52,795
- 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	-	-	-	16	-	16
D. Closing net balance	**922,340**	**4,765**	**-**	**249,158**	**-**	**1,176,263**
D.1 Total net writedowns	-	996	-	313,637	-	314,633
E. Closing gross balance	**922,340**	**5,761**	**-**	**562,795**	**-**	**1,490,896**
F. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**

12.3 Other Information

Impairment test on intangible assets with finite useful life

Within the purchase transactions made in 2007 and 2011 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 business with Customers.

Their duration was defined based on the available time series for retail customer turnover, over a 15 year period.

At the end of 2013 it was verified that the value of each of the elements making up the intangible assets acquired, which were recognized within the scope of transactions made in 2007 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the component relating to loans to Customers, the present value was calculated taking into account the rate of early repayment of loans between March 2008 and December 2012, the cost of credit (the 2011-2013 average) and the long-term taxation level;
- 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 Commission Income, the present value of commission income was recalculated taking account of the expected level of commission income from “banking services”

The analysis had a positive result.
Therefore, the overall value of these intangible assets was found to be higher than the value recognized as at 31 December 2013 amounting to Euro 91,088 thousand.
At the end of 2013 it was verified that the value of each of the elements making up intangible assets, which were recognized within the scope of transactions made in 2011 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the component relating to demand deposits, volumes were essentially in line with the date of purchase and their measurement took into account the introduction of Multiple ITR System;
- with regard to Net Commission Income, the changes in Wealth Management commission income for Assets under Administration and Assets under Management for 2011, 2012, 2013 and 2014, as well as the relevant 15-year perspective forecasts were analyzed.

Therefore, the overall value of these intangible assets was found to be higher than the value recognized as at 31 December 2012 amounting to Euro 69,860 thousand.

Impairment test on goodwill

As required by IASs/IFRSs, Cariparma tested for impairment the goodwill emerged from the transactions for the acquisition of the 180 branches purchased in 2007 and the 81 branches purchased in 2011.
First the Cash Generating Unit (CGU) was identified, i.e. the minimum unit generating cash flows, to which goodwill (equal to €922,340 thousand) is to be allocated. Based on the customer segments used for reporting to the management, the CGU was identified as being the Retail+Private Banking channel of Cariparma (which includes the 180 branches acquired in 2007 and the 81 acquired in 2011).
The CGU value in use has been calculated consistently with the method adopted by the Crédit Agricole Group S.A. Group, i.e. using the Discounted Cash Flows method and compared with its absorbed assets.
Information on the method for calculating future cash flows and discount rate is provided in the Annual Report and Consolidated Financial Statements of the Cariparma Crédit Agricole 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 carried out varying the parameters as follows:

- risk-free rate: variation range between 1.92% (average rate of 10-year Bunds in December 2012) and 4.62%;
- beta: variation range between 1.05 (average Beta of a sample of medium-size listed Italian Banks, calculated over a three-year time horizon) and 1.20;
- risk premium: variation range between 3.50% (1900-2011 geometric mean, source “Equity Risk Premiums (ERP): Determinants, Estimation and Implications – The 2013 Edition”, Aswath Damodaran, March 2013) and 4.20%;

Also in these cases, the result of the sensitivity analysis was positive.

Lastly we determined the discounting rate or long-term growth rate “g” at which the use value becomes equal to the book value. This analysis showed that the book value is equal to the use value only with a marked increase in the discount rate Ke (12.9%), whereas even with a long-term growth rate equal to zero, the use value would remain higher than the book value.

A consistent method was used to verify any need to make adjustments to the value of the equity investments held in Carispezia, Banca Popolare FriulAdria and CALIT in the Separate Financial Statements. The capital absorbed by the RWAs of the two investee companies was calculated using a 8% parameter, the capital requirement set by the Supervisory Authority for banks belonging to an Italian Banking Group, effective from 1 January 2014.

This analysis showed the need to write-down the value of the equity investment in FriulAdria for impairment in the Income Statement by Euro 13.9 million.

On the other hand, the use value of the equity investment in Carispezia was found higher than the relevant cost.

For CALIT, since no amendments were made to the regulation on financial intermediaries (Bank of Italy’s Circular No. 216), the capital absorbed by the RWAs was calculated using a 4.5% parameter: the use value of this equity investment was found higher than the relevant cost. However, in view of possible amendments to the above regulation on financial intermediaries, the allocation of CALIT’s equity was measured also based on a 6% rate of RWAs, rather than a 4.5% one: in this case, the equity investment would need to be written down for impairment by approximately Euro 15.2 million. Of this amount, a provision of Euro 7.6 million was recognized in the Income Statement, since, a 50% probability was assumed for amendments in the regulation of financial intermediaries.

Section 13 - Tax Assets and Tax Liabilities – Assets Item 130 and Liabilities Item 80

13.1 Deferred tax assets: composition

		Reversal year				Undetermined	Total Financial	Reversal year		
	(*)	2014	2015	2016	Beyond	reversal	Statement	IRES	IRAP	Total
Deductible temporary differences										
Loan writedowns (eighteenths)	27.50	66,857	62,858	62,858	398,288	-	**590,861**	162,487	17,170	179,657
Writedowns on valutation of securities	33.07	-	-	-	86,649	-	**86,649**	23,828	4,834	28,662
Provisions to Risks and Charges Funds							**-**			-
- legal disputes and revocatory actions	27.50	31,297	754	916	-	-	**32,967**	9,066		9,066
- guarantees	27.50	-	-	-	5,433	-	**5,433**	1,494		1,494
- staff costs	27.50	20,027	24,910	16,287	11,444	7,145	**79,813**	21,949		21,949
- other	27.50	607	31	-	27,185	-	**27,823**	7,651		7,651
Recognition for tax purposes of goodwill from transfer	33.07	92,415	92,415	92,415	1,045,401	-	**1,322,646**	363,727	73,790	437,517
Other costs or provisions not yed deducted	from 27.50 to 33.07	7,417	1,681	1,574	22,598	25,057	**58,327**	16,040	1,641	17,681
Tax losses that can be carried forward		-	-	-	-	-	**-**			-
Total per year		**218,620**	**182,649**	**174,050**	**1,596,998**	**32,202**	**2,204,519**	**606,242**	**97,435**	**703,677**

(*) indicates the percentage used in calculating deferred tax liabilities and assets.

13.2 Deferred tax liabilities: composition

		Reversal year				Undetermined	Total Financial	Reversal year		
	(*)	2014	2015	2016	Beyond	reversal	Statement	IRES	IRAP	Total taxes
Taxable temporary differences										
Realized capital gains	From 27.50 to 33.07	1,621	939	939	20	-	**3,519**	968	-	968
Assets not recognized for tax purposes	From 27.50 to 33.07	1,031	5,654	7,269	56,677	59,928	**130,559**	35,274	6,812	42,086
Accelerated depreciation	From 27.50 to 33.07	1,203	40	199	-	51	**1,493**	411	3	414
Other revenues not yet taxed	From 27.50 to 33.07	-	-	-	-	-	**-**	-	-	-
Total		**3,855**	**6,633**	**8,407**	**56,697**	**59,979**	**135,571**	**36,653**	**6,815**	**43,468**

(*) indicates the percentage used in calculating deferred tax liabilities and assets.

13.3 Changes in deferred tax assets (recognized in the Income Statement)

	31.12.2013	31.12.2012
1. Opening balance	**537,224**	**424,265**
2. Increases	**186,945**	**161,299**
2.1 Deferred tax assets recognized during the period	182,649	160,921
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other(*)	182,649	160,921
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	4,296	378
3. Decreases	**54,492**	**48,341**
3.1 Deferred tax assets derecognized during the period	52,957	48,050
a) reversals	52,957	48,050
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	53
3.3 Other reductions	1,535	238
a) trasformazione in crediti d'imposta di cui alla L.214/2011	-	-
b) other	1,535	238
4. Closing balance	**669,677**	**537,223**

(*) This amount includes taxes for Euro 64,174 thousand relating to future deductibility of the amortization of the goodwill acquired with the subsidiaries FriulAdria and Carispezia, pursuant to Decree Law 201/2011.

Other increases and decreases as reported in points 2.3 and 3.3 represent increases and decreases caused by correct recognition of deferred tax assets following income tax return filing. The related balancing item is not represented by income statement items, but by current tax liabilities.

13.3.1 Changes in deferred tax assets pursuant to Law 214/2011 (recognized in the Income Statement)

	31.12.2013	31.12.2012
1. Opening balance	**480,114**	**387,462**
2. Increases	**170,927**	**117,756**
3. Decreases	**35,525**	**25,104**
3.1 Reversals	35,522	25,049
3.2 Changes in tax credits	-	-
a) resulting from losses of period	-	-
b) resulting from tax losses	-	-
3.3 Other reductions	3	55
4. Closing balance	**615,516**	**480,114**

Deferred tax assets pursuant to Law 214/2011 were also recognized in equity for an amount of €1,693 thousand. Therefore, total deferred tax assets transformable pursuant to Law 214/2011 came to €617,209 thousand.

13.4 Changes in deferred tax liabilities (recognized in the Income Statement)

	31.12.2013	31.12.2012
1. Opening balance	**31,458**	**51,767**
2. Increases	**612**	**652**
2.1 Deferred tax liabilities recognized during the year	377	541
a) in respect of previous years	-	-
b) due to change in accounting policies	377	-
c) other	-	541
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	235	111
3. Decreases	11,230	20,962
3.1 Deferred taxes derecognised in the financial year	10,761	20,953
a) reversals(*)	10,761	20,953
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	9
3.3 Other reductions	469	-
4. Closing balance	**20,840**	**31,457**

(*) Of which for the release of residual liability on the business combination made in 2011 amounting to Euro 6,111 thousand.

Other increases and decreases as reported in points 2.3 and 3.3 represent increases and decreases caused by correct recognition of deferred tax assets 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 equity)

	31.12.2013	31.12.2012
1. Opening balance	**72,186**	**169,823**
2. Increases	**3,464**	**2,316**
2.1 Deferred tax assets recognized during the period	855	2,316
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	855	2,316
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	2,609	-
3. Decreases	**41,650**	**99,952**
3.1 Deferred tax assets derecognized during the period	41,628	99,932
a) reversals(*)	41,628	99,932
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	20
3.3 Other reductions	22	-
4. Closing balance	**34,000**	**72,187**

(*) Cancelled 2012 taxes referred for Euro 41,266 to the measurement and sale of AFS securities.

13.6 Changes in deferred tax liabilities (recognized in equity)

	31.12.2013	31.12.2012
1. Opening balance	**10,180**	**2,303**
2. Increases	**18,772**	**8,271**
2.1 Deferred tax liabilities recognized during the year	17,762	8,271
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other(*)	17,762	8,271
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	1,010	-
3. Decreases	**6,324**	**393**
3.1 Deferred taxes derecognised in the financial year	6,324	393
a) reversals(**)	6,324	393
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	-	-
4. Closing balance	**22,628**	**10,181**

(*) The increase in taxes referred, for €17,761 thousand to the measurement of AFS securities.

(**) The decrease in taxes referred, for €5,939 thousand to the sale of AFS securities.

Section 15 – Other assets - Item 150

15.1 Other assets: composition

	31.12.2013	31.12.2012
Sundry debits in process	54,424	83,209
Stamp duty and other assets	4	4
Items being processing	74,666	201,346
Accrued income not allocates to other items	4,182	10,729
Prepaid expenses not allocated to other items	52,545	44,983
Protested bills and checks	2,927	2,474
Leasehold improvements	10,335	8,007
Tax advances paid on behalf of third parties	65,497	70,791
Sundry items	161,691	249,692
Total	**426,271**	**671,235**

LIABILITIES

Section 1 - Due to Banks - Item 10

1.1 Due to Banks: composition by type

Type of transactions/Amounts	31.12.2013	31.12.2012
1. Due to central banks	**-**	**-**
2. Payables due to banks	**5,167,909**	**6,463,382**
2.1 Current accounts and demand deposits	885,184	619,868
2.2 Fixed-term deposits	2,632,527	4,466,321
2.3 Loans	1,648,930	1,376,315
2.3.1 Repurchase agreements	896,727	647,840
2.3.2 Other	752,203	728,475
2.4 Liabilities in respect of commitments to repurchase own equity instruments	-	-
2.5 Other payables	1,268	878
Total	**5,167,909**	**6,463,382**
Fair value - level 1	-	-
Fair value - level 2	6,042,948	5,167,909
Fair value - level 3	-	-
Fair value	**6,042,948**	**5,167,909**

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 instalments as from December 2014	Euribor 3 months + 334 b.p.	euro	250,000	250,380
Subordinated deposit	30.03.2011	30.03.2021	6 equal instalments as from March 2017	Euribor 3 months + 220 b.p.	euro	400,000	400,000

1.4 Due to Banks subject to micro-hedge (specifically hedged)

As at the end of 2013 there were no dues to banks subject to micro-hedge.

1.5 Liabilities in respect of finance leases

As at the end of 2013, there were no dues to banks resulting from finance lease transactions.

Section 2 – Due to Customers – Item 20

2.1 Due to Customers: composition by type

Type of transactions/Amounts	31.12.2013	31.12.2012
1. Current accounts and demand deposits	**16,705,988**	**16,040,354**
2. Fixed-term deposits	**975,554**	**673,331**
3. Loans	**38,680**	**139,352**
3.1 Repurchase agreements	31,550	134,404
3.2 Other	7,130	4,948
4. Liabilities in respect of commitments to repurchase own equity	**-**	**-**
5. Other payables	**80,537**	**62,876**
Total	**17,800,759**	**16,915,913**
Fair value - level 1	-	-
Fair value - level 2	17,800,759	16,915,913
Fair value - level 3	-	-
Total fair value	**17,800,759**	**16,915,913**

2.4 Due to customers covered by specific hedge (micro-hedged)

As at the end of 2013 there were no dues to Customers subject to micro-hedge.

2.5 Liabilities in respect of finance leases

As at the end of 2013 there were no dues to Customers resulting from finance lease transactions.

Section 3 - Securities Issued - Item 30

3.1 Outstanding securities: composition by type

Type of securities/values	31.12.2013				31.12.2012			
	Financial statement value	Fair value			Financial statement value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Bonds	8,934,977	-	8,852,976	120,025	9,734,415	-	9,672,052	120,000
1.1 Structured	124,417	-	126,176	-	139,229	-	141,738	-
1.2 other	8,810,560	-	8,726,800	120,025	9,595,186	-	9,530,314	120,000
2. Other securities	1,673,273	-	22,452	1,650,821	1,466,453	-	25,945	1,440,511
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	1,673,273	-	22,452	1,650,821	1,466,453	-	25,945	1,440,511
Total	**10,608,250**	**-**	**8,875,428**	**1,770,846**	**11,200,868**	**-**	**9,697,997**	**1,560,511**

The sub-item of other securities ”2.2 other” includes certificates of deposit and banker’s drafts issued by the Bank.

3.2 Breakdown of item 30 "outstanding securities": 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 30.06.2016	up to 30.06.2012 5%; after 50% Euribor 6 months + 1%	euro	77,250	75,845
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% aby 30.06.2016	5% fixed	euro	222,750	227,138
Subordinated loan	29.06.2011	31.12.2100	perpetual (call 5 anni)	Euribor 3 months + 729%	euro	120,000	115,225

3.3 Outstanding securities: securities subject to micro-hedge (specifically hedged)

As at the end of 2013, there were €7,779 million worth of securities subject to micro-hedge for interest rate risk.

Section 4 – Financial liabilities held for trading- Item 40

4.1 Financial liabilities held for trading: composition by type

	31.12.2013					31.12.2012				
		Fair value					Fair value			
Type of transactions/Amounts	NV	Level 1	Level 2	Level 3	FV*	NV	Level 1	Level 2	Level 3	FV*
A. On-balance-sheet liabilities										
1. Payables due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-		-	-	-	-	
3.1 Bonds	-	-	-	-		-	-	-	-	
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other	-	-	-	-		-	-	-	-	
3.2.1 structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial Derivatives		-	169,051	29,726			11	230,209	57,745	
1.1 Trading	X	-	163,275	29,726	X	X	11	220,710	57,745	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	5,776	-	X	X	-	9,499	-	X
2. Credit derivatives		-	-	-			-	-	-	
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**	**-**	**169,051**	**29,726**	**X**	**X**	**11**	**230,209**	**57,745**	**X**
Total (A+B)	**X**	**-**	**169,051**	**29,726**	**X**	**X**	**11**	**230,209**	**57,745**	**X**

Key:

FV = fair value calculated excluding changes in value resulting from alteration in the issuer's credit rating after the date of issue.*

NV = nominal value or notional value.

Section 6 – Hedging derivatives - Item 60

6.1 Hedging derivatives: composition by type of hedge and levels

	Fair value 31.12.2013			Notional amount 31.12.2013	Fair value 31.12.2012			Notional amount 31.12.2012
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A) Financial Derivatives	**-**	**161,211**	**94,074**	**4,524,700**	**-**	**241,114**	**-**	**2,213,696**
1) Fair value	-	161,211	94,074	4,524,700	-	241,114	-	2,213,696
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**161,211**	**94,074**	**4,524,700**	**-**	**241,114**	**-**	**2,213,696**

6.2 Hedging derivatives: composition by hedged portfolio and by type of hedge

	Fair value						Cash Flows		
	Specific								
Operazioni/ Tipo di copertura	Interest rate risk	Exchange rate risk	Credit risk	Price risk	Multiple risks	Generic	Specific	Generic	Investments in foreign operations
1. Financial assets available for sale	242,303	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	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	**242,303**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	12,982	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	-	-	-	X
Total liabilities	**12,982**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X		X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	X	-	-

The «Hedging Derivatives» item referring to financial liabilities consisted of Euro 2,395 thousand for hedging own bonds issued and Euro 10,587 thousand referring to macro-hedge of fixed-rate demand deposits.

Section 7 - Adjustment of financial liabilities subject to macro-hedge – Item 70

7.1 Adjustment of financial liabilities subject to hedge

Adjustment of hedged liabilities /Amounts	31.12.2013	31.12.2012
1. Positive adjustment of financial liabilities	275,497	504,275
2. Negative adjustment of financial liabilities	-	-
Total	**275,497**	**504,275**

The part of fixed-rate demand deposits that is considered stable by the internal model adopted by the Group is covered by generic hedge.

7.2 Liabilities hedged generically against interest rate risk: composition

Type of transaction/Values	31.12.2013	31.12.2012
Financial liabilities	4,499,200	4,588,100

Section 8 – Tax liabilities – Item 80

See section 13 in assets.

Section 10 – Other liabilities- Item 100

10.1 Other liabilities: composition

	31.12.2013	31.12.2012
Payables to suppliers	109,000	97,027
Amounts due to third parties	166,267	210,348
Credit transfers ordered and being processed	75,487	139,908
Amounts payable to tax authorities on behalf of third parties	54,557	63,244
Advances on loans	2,524	1,639
Adjustments for illiquid items	112,087	140,162
Staff costs	66,154	62,764
Uncapitalized accrued expenses	6,101	6,364
Deferred income not allocated to other items	51,478	42,797
Guarantees and commitments	5,433	3,764
Sundry items	84,763	97,947
Total	**733,851**	**865,964**

Section 11–Employees' Severance Benefits - item 110

11.1 Employee severance benefits: changes for the period

	31.12.2013	31.12.2012
A. Opening balance	**132,001**	**127,240**
B. Increases	**2,779**	**19,828**
B.1 Provisions for the period	2,698	2,087
B.2. Other changes	81	17,741
C. Decreases	**16,765**	**15,067**
C.1 Severance payments	9,984	15,067
C.2. Other changes	6,781	-
D. Closing balance	**118,015**	**132,001**
Total	**118,015**	**132,001**

11.2 Other Information

Description of the main actuarial assumptions

Pursuant to the Italian legislation (Article 2120 of the Italian Civil Code), at the date of termination of his/her employment at a company, each employee is entitled to a severance package called "Trattamento di Fine Rapporto" (Employee Severance Benefits or with the Italian acronym TFR) equal to the sum of the Severance Benefits accrued for each year of work for the company.
The amount of each annual portion is calculated dividing the ordinary pay by 13.5 (in percentage terms this portion is equal to 7.41% of the pay); to the resulting amount a deduction is made of 0.5%, which is paid directly to the Italian National Social Security Institute (INPS) as a pension contribution. Therefore, net portion accrued annually is equal to 6.91% of the ordinary pay.

As at 31 December of each year, the Provision for Employees' Severance Benefits is subject to revaluation applying a rate of 1.5% plus 75% of the increase in the consumer price index for blue-collar and white-collar households for the year. Effective from 1 January 2001, these revaluations have been taxed based on an annual rate of 11%.
Pursuant to the legislation, employees may ask for advances on the Severance Benefits accrued when the employment is still going on.
With regard to the provisioning for the annual portion of Employees Severance Benefits, no contributions have to be paid by the Employer and/or by the Employee, and no asset is provided for to cover the accrued liabilities.
With the entry into force of Italian 2007 Finance Act, concerning the Reform of Supplementary pension Schemes, the measurement of Employees Severance Benefits, in accordance with IAS 19, must take the impact of the new provisions into account.
Specifically, for Cariparma, which has a number of employees higher than 50, starting from 31 December 2006, the portions of Severance Benefits accrued are paid to external Supplementary Pension Schemes of the State Treasury Fund managed by the Italian National Social Security Institute (INPS).
In the light of these amendments, the Bank's obligation consists of the portions of Employees' Severance Benefits accrued before 1 January 2007 (and not yet paid out as at the reporting date), which increase annually only by the revaluation rate applied on the existing amounts.

Since IAS 19 requires that the Provision for Employees' Severance Benefits (classified as a defined-benefit plan) is subject to actuarial measurement, based on a set of financial and demographic assumptions, the plan is exposed to risks resulting from the changes over time in the actuarial assumptions applied to the measurements. The main assumptions are:

- the discount rate: specifically, Cariparma uses IBOOX AA rates for the plan different durations: an increase in these rates generates a decrease in the IAS 19 liability and vice versa.
- the inflation rate: which sets the annual revaluation level: an increase in inflation generates an increase in the IAS 19 liability and vice versa.
- the turnover rate: changes in turnover rate may generate negative or positive impacts on the IAS 19 liability. This impacts depends on the effects of the combination with the other assumptions applied (such as the inflation rate).

In the reporting year, this Bank was not subject to reductions and settlements, other than those resulting from terminations for retirement or for Voluntary Redundancy with the Solidarity Fund.

Changes for the period in defined-benefit net liabilities (assets) and in rights to refunds from the plan (IAS 19, paragraphs 140 and 141)

The statement of reconciliation for 2013 of the present value of the plan obligation for Cariparma is given below:

Actuarial value of the bond as at 1 Jan. 2013		**132,001**
a	Service cost	58
b	Interest cost	2,640
c.1	Actuarial Gains/losses from changes in financial assumptions	-5,137
c.2	Actuarial Gains/losses from changes in demographic assumptions	-
c.3	Actuarial Gains/losses as per experience	-1,563
d	Payments provided for by the Plan	-9,984
Actuarial value of the bond as at 31 Dec. 2013		**118,015**

Disclosure of the fair value of the plan assets (IAS 19, paragraphs 142 and 143)

This point does not apply because no assets covering Employees' Severance Benefits have been provided for.

Description of the main actuarial assumptions (IAS 19, paragraph 144)

As reported in point one of this paragraph, the main actuarial assumptions used for Employees' Severance Benefits are the rate of discount of cash flows (or discount rate), the annual probability of cancellation for causes other than the death of employees in service (or turnover rate) and the cost-of-living index for white-collar and blue collar households (or inflation rate).

For the actuarial measurement of Employees' Severance Benefits as at 31 December 2013, the assumptions used by the Cariparma Crédit Agricole Group:

- Discount rate: IBOXX AA rates relating to the flows' different durations, specifically 2.50% (IBOXX AA, duration 7-10 as at 31 December 2013);
- Turnover percentage: 3.25%
- Inflation rate: 2.00%.

Other assumptions generating residual impact are the demographic table (RG48), the probability that advances on Severance Benefits are asked (equal to 3.00% per year) and the amount of advances on Severance Benefits (equal to 60% of the total available for advances to the Employee).

Disclosure of amount, timing and uncertainty of future cash flows (IAS 19, paragraphs 145, 146 and 147)

The results of the sensitivity analyses for each one of the main assumptions reported in point 4 are given below:

2. Discount rate

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	+50 bp	-50 bp
118,015	113,094	123,258

3. Turnover percentage

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	+50 bp	-50 bp
118,015	117,843	118,086

4. Inflation rate

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	+50 bp	-50 bp
118,015	121,571	114,678

The stresses applied to carry out the sensitivity analyses have been taken from the annual reports and the weighted average duration of the Bank's obligation is approximately 9 years.

Multi-employer plans (IAS 19, paragraph 148)

This paragraph does not apply because Employees' Severance Benefits do not amount to a multi-employer plan.

Defined-benefit plans that share risks between entities under common control (IAS 19, paragraphs 149 and 150)

This does not apply because Employees' Severance Benefits do not amount to a plan that shares risks between entities under common control.

Section 12 – Provisions for contingencies and liabilities - Item 120

12.1 Provisions for liabilities and contingencies: composition

Items/Amounts	31.12.2013	31.12.2012
1 Company pension plans	19,963	20,304
2. Other provisions for liabilities and contingencies	148,342	150,940
2.1 legal disputes	34,384	42,023
2.2 staff expenses	79,034	91,347
2.3 Other	34,924	17,570
Total	**168,305**	**171,244**

12.2 Provisions for liabilities and contingencies: changes for the period

Items	Pension plans	Other Funds	Total
A. Opening balance	**20,304**	**150,940**	**171,244**
B. Increases	**2,176**	**55,128**	**57,304**
B.1 Provisions for the period	-	54,717	54,717
B.2 Changes due to passage of time	549	374	923
B.3 Changes due to changes in the discount rate	-	37	37
B.4. Other changes	1,627	-	1,627
C. Decreases	**2,517**	**57,726**	**60,243**
C.1 Use during the year	2,517	49,474	51,991
C.2 Changes due to changes in the discount rate	-	55	55
C.3. Other changes	-	8,197	8,197
D. Closing balance	**19,963**	**148,342**	**168,305**

12.3 Company defined-benefit pension plans

1. Description of the plans and relating risks

The section of the defined-benefit pension plan concerns exclusively staff that 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.

2. Changes for the period in defined-benefit net liabilities (assets) and in rights to re-funds from the plan

The statement of reconciliation for 2013 of the present value of the plan obligation for Cariparma is given below:

Actuarial value of the bond as at 1 Jan. 2013		20,304
a	Service cost	-
b	Interest cost	549
c.1	Actuarial Gains/losses from changes in financial assumptions	836
c.2	Actuarial Gains/losses from changes in demographic assumptions	-
c.3	Actuarial Gains/losses as per experience	791
d	Payments provided for by the Plan	-2,517
Actuarial value of the bond as at 31 Dec. 2013		**19,963**

The value of the mathematical reserve is equal to the amount that the Management should have as at the measurement date, based on the assumptions used, in order to meet all the commitments undertaken to the participants in the plan.

3. Disclosure of the fair value of plan assets

This point does not apply because no assets covering the plan have been provided for.

4. Description of the main actuarial assumptions

The following essential assumptions have been made with reference to the company defined benefits pension plan:

- annual probabilities of exclusion due to death of retired staff were calculated based on sim2006;
- for assignment to the surviving family in case of the pensioner's death, differentiated technical bases were used according to the age and gender of the member.
- the cost of living index for white-collar and blue-collar households, required for smoothing the annual pension instalments, was assumed at 2%;
- the annual increase in the plan benefits is governed by the relevant regulation.

To calculate the present value, the rate adopted was IBOXX AA (duration 7-10 years) of 2.09%.

5. Disclosure of amount, timing and uncertainty of future cash flows

The results of the sensitivity analyses for each one of the main assumptions reported in point 4 are given below:

Discount rate

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	+50 bp	-50 bp
19,963	19,272	20,704

Mortality rate

Actuarial value of the bond as at 31 Dec. 2013		
Central assumption	+20 bp	-20 bp
19,963	18,254	22,186

6. Multi-employer plans

This case does not apply to Cariparma.

7. Defined-benefit plans that share risks between entities under common control

This case does not apply to Cariparma.

12.4 Provisions for contingencies and liabilities - other provisions

Item 2.2 “Other provisions - staff expenses” of Table 12.1 also includes the amounts accrued in 2012 by the Bank, for the liabilities resulting from the Trade Union agreement that gave the possibility to interested employees, who are already eligible for pension or will become eligible in the next few years, to voluntarily terminate their employment receiving incentives.

Item 2.3 of Table 12.1 recognizes amounts accrued to protect, despite the lack any legal obligation to do so, customers who engaged in transactions involving derivatives that have suffered from the impact of the world financial crisis.

Item 2.3 also included provisions for Credit Protection policies determined by ISVAP (Italian Supervisory Authority for Private Insurance Undertakings and Insurance Undertakings of Public Interest) regulation No. 35 obliging insurance companies to reimburse Customers the portion of the advance single premium not used following early repayment of the loan linked to the policy itself. The provision is an estimate of the possible future payment to which the Bank may be liable to reimburse the insurance company for the portion of commissions received on premiums paid by customers.

The dispute with the Agenzia delle Entrate (the Italian Inland Revenue Service) is still pending relating to two notices of registration tax payment with which the Financial Administration has requalified, as sale of a company, the transactions for the transfer of branches made in 2007 by Intesa SanPaolo, and the subsequent sale of shareholdings by the transferor to institutional shareholders. The amount of the dispute involving all interested parties, other than Cariparma, with joint liability on various grounds amounts to around €43 million. In this dispute, a 1st instance Court decision was issued in favour of the Group, which was appealed against by the Italian Inland Revenue Service. Considering the above Court decision and in the light of specific opinions from leading Legal Firms, no provision has been made for the above dispute.

It is reported that, on 6 March 2014, Notices of Settlement, again regarding registration taxes and on the same grounds, were served referring to similar transactions carried out in 2011 again with the Intesa SanPaolo Group, for a total amount payable of approximately €15 million. The above remarks cannot but be extended to these charges.

In 2013 Cariparma was served a notice of assessment with which the Italian Inland Revenue Service has challenged the deduction of losses suffered within the sale of loans on a non-recourse basis to a securitization Company, which is unrelated to the Group, made in 2005, concerning Euro 5.5 million worth of taxes, plus sanctions and interest. In the light of specific opinions from leading Legal Firms, as well as of the most recent documents on practices issued by the Italian Inland Revenue Service on this matter, the Bank has decided to make no provision.

Section 14 – Equity - items 130, 150, 160, 170, 180, 190 and 200

14.1 “Share capital” and “Treasury shares”: composition

The share capital, fully paid-in, consists of 876,761,620 ordinary shares. No treasury shares were held..

14.2 Share capital - Number of shares: changes for the period

Items/Types	Ordinary	Other
A. Shares at start of the year	**876,761,620**	**-**
- fully paid	876,761,620	-
- partially paid	-	-
A.1 Treasury shares (-)	-	-
A.2 Shares in circulation: opening balance	876,761,620	-
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: final inventories	**876,761,620**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares at the end of the year	876,761,620	-
- fully paid	876,761,620	-
- partially paid	-	-

14.3 Share Capital: other information

The nominal unit value of the 876,761,620 ordinary shares is €1.

14.4 Income Reserves - Other information

Items	Amounts
Legal reserve	119,467
Statutory	657,526
Reserve under Art. 13 of Legislative Decree 124/93(*)	314
Reserve under common control	-
Merger reserve under Art. 23 of Legislative Decree 153/99	-
Extraordinary Reserve	-
Reserve for business combinations under common control.	-182
Reserve for acquisition of branches	-
Reserve from first time adoption of IAS/IFRS	-
Other reserves	-
Total income reserves	**777,125**
Reserve from share-based payments(**)	2,361
Total	**779,486**

(*) Reserve set up pursuant to Art.13 of Legislative Decree 124/93 to take advantage of tax relief on the portions of the severance pay provisions to be used for complementary pension schemes.

(**) Reserve recognizing the increase in equity resulting from payments based on shares of the Controlling Company Crédit Agricole SA. made to employees and directors.

OTHER INFORMATION

1. Guarantees issued and commitments

Operations	31.12.2013	31.12.2012
1) Financial guarantees issued	729,116	812,231
a) Banks	252,822	251,859
b) Customers	476,294	560,372
2) Commercial guarantees issued	697,321	706,581
a) Banks	69,522	25,797
b) Customers	627,799	680,784
3) Irrevocable commitments to disburse funds	256,591	322,334
a) Banks	83,663	101,796
i) certain use	83,663	101,796
ii) uncertain use	-	-
b) Customers	172,928	220,538
i) certain use	17,284	17,907
ii) uncertain use	155,644	202,631
4) Commitments underlying credit derivatives: Protection sales	-	-
5) Assets pledged as guarantee for third-party debts	-	-
6) Other commitments	-	27,100
Total	**1,683,028**	**1,868,246**

2. Assets pledged as collateral for own liabilities and commitments

Portfolios	31.12.2013	31.12.2012
1. Financial assets held for trading	-	-
2. Financial assets carried at fair value	-	-
3. Financial assets available for sale	1,361,413	1,001,859
4. Financial assets held to maturity	-	-
5. Loans to banks	115,709	279,482
6. Loans to customers	1,778,439	-
7. Property, plant and equipment	-	-

As at 31 December 2013, €5,545 million in senior securities resulting from the internal securitization, which have not been recognized as assets in the Balance Sheet.

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	1<> 5 years	> 5 years	Unspecified maturity	Total
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant - Hardware	-	-	-	-	-
Electronic plat - other	-	-	-	-	-
Other - vehicles (including automobilies)	2,328	3,320	-	-	5,648
Other - office machinery	37	-	-	-	37
Other - telephones (fixed and mobile)	-	-	-	-	-
Other - other	-	-	-	-	-
Software	-	-	-	-	-
Total	**2,365**	**3,320**	**-**	**-**	**5,685**

OPERATING LEASES - LESSEE - IAS 17 ART. 35 – LETTER C

Expenses for 2013	Minimum payments	Potential lease installments	Subletting payments	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant - Hardware	-	-	-	-
Electronic plat - other	-	-	-	-
Other - vehicles (including automobilies)	2,452	-	-	2,452
Other - office machinery	223	-	-	223
Other - telephones (fixed and mobile)	-	-	-	-
Other - other	-	-	-	-
Software	-	-	-	-
Total	**2,675**	**-**	**-**	**2,675**

OPERATING LEASES - LESSEE - IAS 17 ART. 35 – LETTER D

Description of agreements	Criteria for redetermining lease fees	Renewal or purchase option clauses	Indexing clauses
Other - vehicles (including cars)	Fee determined based on brand, model, engine size and accessories of each vehicle and including additional services	The Customer shall have the right to request an extension of the agreement, with prior acceptance by the renting Company, at a fee that the renting Company may review	-
Other - office machinery	Photocopiers: fixed monthly fee for each machine	Photocopiers: purchase option at the end of the lease	-

4. Management and intermediation services

Type of services	Amount
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	**736,078**
a) individual	736,078
b) collective	-
3. Custody and administration of securities	
a) third-party securities on deposit held as part of depository bank services (excluding asset management)	-
1. securities issued by the bank drawing up the Financial Statement	-
2. other securities	-
b) third-party securities on deposit (excluding asset management): other	43,987,595
1. securities issued by the bank drawing up the Financial Statement	10,824,762
2. other securities	33,162,833
c) third-party securities deposited with third parties	42,192,329
c) securities owned by bank deposited with third parties	4,558,818
4. Other transactions	**-**

5. Financial assets subject to offsetting, or subject to master netting arrangements or similar agreements

Technical forms	Gross amount of financial assets (a)	Gross amount of financial liabilities offset (b)	Net amount of financial assets recognized (c=a-b)	Related amounts not subject to offsetting		Net amount (f=c-d-e) 31.12.2013	Net amount 31.12.2012
				Financial instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	767,787	-	767,825	263,831	253,000	250,994	413,300
2. Pronti contro termine	-	-	-	-	-	-	26,796
3. Prestito titoli	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total (31.12.2013)	767,787	-	767,825	263,831	253,000	**250,994**	**X**
Total (31.12.2012)	1,248,994	-	1,248,994	246,598	562,300	**X**	**440,096**

6. Financial liabilities subject to offsetting, or subject to master netting arrangements or similar agreements

Technical forms	Gross amount of financial liabilities (a)	Gross amount of financial assets offset (b)	Net amount of financial liabilities recognized (c=a-b)	Related amounts not subject to offsetting		Net amount (f=c-d-e) 31.12.2013	Net amount 31.12.2012
				Financial instruments (d)	Cash deposits as collateral (e)		
1. Derivatives	454,062	-	454,062	263,831	95,600	94,631	167,381
2. Pronti contro termine	1,124,477	-	1,124,477	-	1,001,049	123,428	1,022,118
3. Prestito titoli	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total (31.12.2013)	1,578,539	-	1,578,539	263,831	1,096,649	**218,059**	**X**
Total (31.12.2012)	1,560,210	-	1,560,210	246,598	124,113	**X**	**1,189,499**

Part C Information on the income statement

Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar revenues: composition

Items	Debt securities	Loans	Other transactions	31.12.2013	31.12.2012
1. Financial assets held for trading	5	-	-	5	7
2. Financial assets available for sale	120,525	-	-	120,525	110,217
3. Financial assets held to maturity	-	-	-	-	-
4. Loans to banks	13,861	28,267	-	42,128	72,941
5. Loans to customers	92	760,623	-	760,715	860,148
6. Financial assets carried at fair value	-	-	-	-	-
7. Hedging derivatives	X	X	160,897	160,897	136,582
8. Other Assets	X	X	274	274	817
Total	**134,483**	**788,890**	**161,171**	**1,084,544**	**1,180,712**

1.2 Interest income and similar revenues: differences on hedging transactions

Items/Amounts	31.12.2013	31.12.2012
A. Positive differences on hedging transactions	386,085	356,865
B. Negative differences on hedging transactions	(225,188)	(220,283)
C. Balance (A-B)	**160,897**	**136,582**

1.3 Interest income and similar revenues: other information

1.3.1 Interest income on foreign-currency financial assets

As at the end of 2013, interest income on foreign-currency financial assets came to Euro 4,696 thousand.

1.3.2 Interest income on finance lease transactions

In 2013, no interest income was recognized resulting from finance lease transactions.

1.4 Interest expenses and similar charges: composition

Items/Technical forms	Debts	Securities	Other transactions	31.12.2013	31.12.2012
1. Due to central banks	-	X	-	-	-
2. Due to banks	(36,825)	X	-	(36,825)	(52,580)
3. Due to customers	(86,381)	X	-	(86,381)	(104,852)
4. Securities issued	X	(291,219)	-	(291,219)	(304,914)
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities carried at fair value	-	-	-	-	-
7. Other liabilities and provisions	X	X	(1,276)	(1,276)	(5,846)
8. Hedging derivatives	X	X	-	-	-
Total	**(123,206)**	**(291,219)**	**(1,276)**	**(415,701)**	**(468,192)**

1.6 Interest expenses and similar charges: other information

1.6.1 Interest expense on foreign-currency liabilities

As at the end 2013, interest expense on foreign-currency financial assets came to Euro 1,281 thousand.

1.6.2 Interest expenses resulting from finance lease transactions

In 2013, no interest expenses were recognized resulting from finance lease transactions.

Section 2 - Commissions – Items 40 and 50

2.1 Commissions income: composition

Type of services / Amounts	31.12.2013	31.12.2012
a) guarantees issued	10,874	11,043
b) credit derivatives	-	-
c) management, intermediation and advisory services:	207,716	198,950
1. trading in financial instruments	-	-
2. foreign exchange	2,667	3,320
3. portfolio management	6,163	6,143
3.1. individual	6,163	6,143
3.2. collective	-	-
4. security custody and administration	4,658	5,101
5. depository services	-	-
6. securities placement	72,656	76,427
7. order collection	12,400	12,041
8. advisory services	50	90
8.1. in respect of investments	-	-
8.2. in respect of financial structure	50	90
9. distribution of third-party services	109,122	95,828
9.1. asset management	-	-
9.1.1. individual	-	-
9.1.2. collective	-	-
9.2 insurance products	106,380	92,668
9.3 other	2,742	3,160
d) collection and payment service	34,596	36,857
e) servicing activities for securitizations	-	-
f) services for factoring transactions	-	-
g) tax collection services	-	-
h) management of multilateral exchange systems	-	-
i) keeping and managing current accounts	140,420	164,965
j) other services	64,178	57,288
Total	**457,784**	**469,103**

Sub-item “j) other services” includes commissions on debit and credit cards and e-money services amounting to €34,202 thousand, commissions for loans granted amounting to €11,735 thousand, and other residual items.

2.2 Commissions income: products and services distribution channels

	31.12.2013	31.12.2012
a) own branches:	**187,940**	**178,396**
1. portfolio management	6,163	6,142
2. securities placement	72,656	76,427
3. third-party services and products	109,121	95,827
b) off-premises distribution:	**-**	**-**
1. portfolio management	-	-
2. securities placement	-	-
3. third-party services and products	-	-
c) other distribution channels:	**-**	**-**
1. portfolio management	-	-
2. securities placement	-	-
3. third-party services and products	-	-

2.3 Commissions expenses: composition

Services/Amounts	31.12.2013	31.12.2012
a) guarantees received	(2,995)	(2,129)
b) credit derivatives	-	-
c) management and intermediation services:	(6,110)	(6,666)
1. trading in financial instruments	(1,830)	(1,795)
2. foreign exchange	-	-
3. portfolio management	(1,452)	(1,032)
3.1 own portfolio	-	-
3.2 third-party portfolio	(1,452)	(1,032)
4. securities custody and administration	(1,138)	(1,088)
5. placement of financial instruments	(1,690)	(2,751)
6. off-premises distribution of securities, products and services	-	-
d) collection and payment services	(3,077)	(3,413)
e) other services	(8,898)	(9,194)
Total	**(21,080)**	**(21,402)**

Sub-item “e) other services” includes commission on debit and credit cards and e-money services amounting to €4,722 thousand and other residual items.

Section 2 – Dividends and similar income- Item 70

3.1 Dividends and similar income: composition

	31.12.2013		31.12.2012	
Items	Dividends	Income from units in collective investment undertakings	Dividends	Income from units in collective investment undertakings
A. Financial assets held for trading	5	-	1	-
B. Financial assets available for sale	1,485	-	1,382	-
C. Financial assets carried at fair value	-	-	-	-
D. Equity investments	23,069	X	36,588	X
Total	**24,559**	**-**	**37,971**	**-**

The main dividends for the year referred to the subsidiaries Banca Popolare FriulAdria (€14,514 thousand) and Cassa di Risparmio della Spezia (€8,556 thousand), as well as to the equity investment in the Bank of Italy classified as AFS (€1,423 thousand).

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	**-**	**1,775**	**(1)**	**(315)**	**1,459**
1.1 Debt securities	-	1,358	(1)	(152)	1,205
1.2 Equity securities	-	-	-	-	-
1.3 Units in collective investment	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	417	-	(163)	254
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial Assets and Liabilities: exchange rate differences	**X**	**X**	**X**	**X**	**809**
4. Derivatives	**136,201**	**147,730**	**(128,222)**	**(148,594)**	**7,175**
4.1 Financial Derivatives:	136,201	147,730	(128,222)	(148,594)	7,175
- on debt securities and interest rates	136,096	147,583	(128,116)	(148,453)	7,110
- on equity securities and equity indices	-	-	-	-	-
- on foreign currencies and gold	X	X	X	X	60
- other	105	147	(106)	(141)	5
4.2 Credit derivatives	-	-	-	-	-
Total	**136,201**	**149,505**	**(128,223)**	**(148,909)**	**9,443**

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

5.1 Net gain (loss) on hedging activities: composition

Income components/Values		31.12.2013	31.12.2012
A.	**Gain on:**		
A.1	Fair value hedges	297,260	303,363
A.2	Hedged financial assets (fair value)	2,027	106,028
A.3	Hedged financial liabilities (fair value)	304,940	7,229
A.4	Cash flow hedges	-	-
A.5	Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)		**604,227**	**416,620**
B.	**Loss on:**		
B.1	Fair value hedges	(493,868)	(110,285)
B.2	Hedged financial assets (fair value)	(104,260)	(1,862)
B.3	Hedged financial liabilities (fair value)	(63)	(295,161)
B.4	Cash flow hedges	-	-
B.5	Assets and liabilities in foreign currencies	-	-
Total expense on hedging activities (B)		**(598,191)**	**(407,308)**
C.	**Net gain (loss) on hedging activities (A-B)**	**6,036**	**9,312**

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

6.1 Gain (Loss) on disposal or repurchase: composition

Items/Income components	31.12.2013			31.12.2012		
	Gains	Losses	Net gain	Gains	Losses	Net gain
Financial assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to customers	-	(9)	(9)	1,527	(2,603)	(1,076)
3. Financial assets available for sale	116,416	(4,193)	112,223	3,844	-	3,844
3.1 Debt securities	27,197	(4,193)	23,004	3,636	-	3,636
3.2 Equity securities	89,219	-	89,219	208	-	208
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets	**116,416**	**(4,202)**	**112,214**	**5,371**	**(2,603)**	**2,768**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	5,204	(2,710)	2,494	4,751	(3,463)	1,288
Total liabilities	**5,204**	**(2,710)**	**2,494**	**4,751**	**(3,463)**	**1,288**

The gain recognized in item 3.2 «Equity securities» was mainly due to the recognition of the capital gains resulting from the derecognition of the Bank of Italy shares held for €88.9 million. The recognition in the Income Statement was based on an analysis of IAS 39, as well as on the opinions given by leading and authoritative legal and professional firms.

Section 8 - Net impairment adjustments/writebacks - Item 130

8.1 Net impairment adjustments of loans: composition

Transactions/Income components	Writedowns			Writebacks				31.12.2013	31.12.2012
	Specific			Specific		Portfolio			
	Writeoffs	Other	Portfolio	A	B	A	B		
A. Loans to banks	-	-	-	-	-	-	-	-	-
- loans	-	-	-	-	-	-	-	-	-
- debt securities	-	-	-	-	-	-	-	-	-
B. Loans to customers	**(2,400)**	**(318,451)**	**(129,775)**	**31,524**	**25,353**	**-**	**9,041**	**(384,708)**	**(283,414)**
Impaired loans purchased	-	-	-	-	-	-	-	-	-
- loans	-	-	X	-	-	-	X	-	-
- debt securities	-	-	X	-	-	-	X	-	-
Other loans	**(2,400)**	**(318,451)**	**(129,775)**	**31,524**	**25,353**	**-**	**9,041**	**(384,708)**	**(283,414)**
- loans	(2,400)	(318,451)	(129,775)	31,524	25,353	-	9,041	(384,708)	(283,414)
- debt securities	-	-	-	-	-	-	-	-	-
C. Total	**(2,400)**	**(318,451)**	**(129,775)**	**31,524**	**25,353**	**-**	**9,041**	**(384,708)**	**(283,414)**

Key:

A= from interest

B= other writebacks

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

Transactions/Income components	Writedowns		Writebacks		31.12.2013	31.12.2012
	Specific		Specific			
	Writeoffs	Other	A	B		
A Debt securities	-	-	-	-	-	-
B. Equity securities	-	(1,592)	X	X	(1,592)	(162)
C Units in collective investment undertakings	-	-	X	-	-	(1,242)
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**-**	**(1,592)**	**-**	**-**	**(1,592)**	**(1,404)**

Key:

A= from interest

B= other writebacks

8.4 Net impairment adjustments of other financial instruments: composition

Transactions/Income components	Writedowns			Writedowns				31.12.2013	31.12.2012
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Guarantees issued	-	(2,169)	-	-	157	-	343	(1,669)	(1,747)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	**-**	**(2,169)**	**-**	**-**	**157**	**-**	**343**	**(1,669)**	**(1,747)**

Key:

A= from interest

B= other writebacks

Section 9 - Administrative expenses – Item 150

9.1 Staff expenses: composition

Items	31.12.2013	31.12.2012
1) Employees	(439,493)	(547,808)
a) wages and salaries	(315,829)	(329,439)
b) social security contributions	(82,343)	(87,833)
c) severance benefits	(43)	(55)
d) pensions	-	-
e) allocation to employee severance benefit provision	(2,698)	(2,087)
f) allocation to provision for retirement and similar liabilities:	(548)	(330)
- defined contribution	-	-
- defined benefit	(548)	(330)
g) payments to external pension funds:	(28,614)	(28,536)
- defined contribution	(28,614)	(28,536)
- defined benefit	-	-
h) costs in respect of agreements to make payments	-	-
i) other employee benefits	(9,418)	(99,528)
2) Other personnel	(1,197)	(949)
3) Directors and auditors	(1,048)	(1,148)
4) Retired personnel	-	-
5) Recovery of the cost for employees seconded to other companies	4,649	4,213
6) Reimbursements for third-party employees seconded to the company	(4,860)	(4,689)
Total	**(441,949)**	**(550,381)**

9.2 Average number of employees by category

	31.12.2013
Employees:	
a) senior management	78
b) junior management	2,598
c) other employees	3,357
Other personnel	68

9.3 Defined-benefit company pension plans: total expenses

Items	31.12.2013	31.12.2012
Provision for the year	-	-
Changes due to passage of time	(548)	(329)

9.4 Other employee benefits

This item represents expenses for the Solidarity Fund, for non-occupational insurance policies, voluntary retirement incentives, special bonus with assignment of free shares, and other fringe benefits, as well as payments to the bank employees' cultural and recreational club.

9.5 Other administrative expenses: composition

Items	31.12.2013	31.12.2012
Direct and indirect taxes	(78,011)	(65,551)
Data processing	(34,763)	(31,428)
Facility rental and management	(47,175)	(52,674)
Professional consulting services	(12,450)	(18,394)
Telephone, postal charges and couriers	(8,753)	(11,633)
Telephone and data transmission	(8,186)	(8,148)
Legal expenses	(3,839)	(3,812)
Property maintenance	(2,974)	(3,935)
Furnishing and plant maintenance	(11,326)	(12,939)
Marketing, development and entertainment	(6,620)	(8,096)
Transportation	(14,518)	(15,849)
Lighting, heating and air conditioning	(13,025)	(12,730)
Office supplies, printed material, print subscriptions, photocopying, etc	(4,530)	(4,198)
Staff training expenses and reimbursements	(6,594)	(9,349)
Security	(2,848)	(3,717)
Information and title searches	(4,238)	(4,077)
Insurance	(86,604)	(100,312)
Cleaning	(4,741)	(5,313)
Leasing of other property, plant and equipment	(5,092)	(5,444)
Management of archives and document handling	(554)	(529)
Reimbursement of costs to Group companies	(20,080)	(22,728)
Sundry expenses	(6,020)	(5,734)
Total	**(382,941)**	**(406,590)**

Section 10 – Net provisions for liabilities and contingencies - Item 160

10.1 Net provisions for contingencies and liabilities: composition

The provision of €38,284 thousand was composed of €1,747 thousand for bankruptcy revocatory action, €7,648 for non-lending-related legal disputes, €19,242 thousand for provisions for Customers' investment protection and €9,647 thousand for other provisions.

Section 11 – Net adjustments/writebacks 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 adjustments (a + b - c)
A. Property, plant and equipment:	-	-	-	-
A.1 owned	(20,590)	-	-	(20,590)
- Operating assets	(20,409)	-	-	(20,409)
- Investment property	(181)	-	-	(181)
A.2 acquired under finance leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
Total	**(20,590)**	**-**	**-**	**(20,590)**

Section 12 - Net adjustments/writebacks of intangible assets – Item 180

12.1 Net adjustments of intangible assets: composition

Items	Amortization (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Intangible assets	-	-	-	
A.1 Owned	(52,805)	-	-	(52,805)
- Generated internally by the Bank	(563)	-	-	(563)
- Other	(52,242)	-	-	(52,242)
A.2 acquired under finance leases	-	-	-	-
Total	**(52,805)**	**-**	**-**	**(52,805)**

Section 13 – Other operating revenues and expenses- Item 190

13.1 Other operating expenses: composition

Items	31.12.2013	31.12.2012
Expenses related to finance leases	-	-
Currency adjustments	-	-
Integration and reorganizing charges	-	-
Amortization of expenditure for leasehold improvements	(4,401)	(6,018)
Other charges	(16,901)	(13,042)
Total	**(21,302)**	**(19,060)**

13.2 Other operating revenues: composition

Items	31.12.2013	31.12.2012
Rental income and recovery of expenses on real estate	306	328
Income on lease contracts	-	-
Recovery of rents payable	-	-
Recovery of taxes and duties	69,022	56,882
Recovery of insurance costs	83,712	98,662
Recovery of other expenses	4,004	3,866
Recovery service	30,248	30,778
Other income	47,891	77,702
Total	**235,183**	**268,218**

Section 14 - Gain (loss) on equity investments - Item 210

14.1 Gain (loss) on equity investments: composition

Items	31.12.2013	31.12.2012
A. Gains	-	4,809
1. Revaluations	-	-
2. Gains on disposal	-	4,809
3. Writebacks	-	-
4. Other income	-	-
B. Losses	(13,900)	(68,875)
1. Writedowns	-	-
2. Impairments	(13,900)	(68,875)
3. Losses on disposal	-	-
4. Other charges	-	-
Net profit	**(13,900)**	**(64,066)**

Impairment adjustments resulted from the writedown made in the period on the equity investment in Banca Popolare Friuladria.

Section 17 - Gain (loss) on disposal of investments – Item 240

17.1 Gain (loss) on disposal of investments: composition

Income components/Sectors	31.12.2013	31.12.2012
A. Land and buildings	217	508
- Gains on disposal	217	508
- Losses on disposal	-	-
B. Other assets	1	(146)
- Gains on disposal	1	5
- Losses on disposal	-	(151)
Net gain	**218**	**362**

Section 18 - Income taxes for the period on continuing operations – Item 260

18.1 Income tax for the period on continuing operations: composition

	Income components/Amount	31.12.2013	31.12.2012
1.	Current taxes (-) (*)	(149,854)	(151,328)
2.	Changes in current taxes from previous periods (+/-)	-	-
3.	Reduction of current taxes for the period (+)	60	20,123
3.bis	Reduction of current taxes for the period for tax receivables pursuant to Law No. 214/2011 (+)	-	-
4.	Change in deferred tax assets (+/-) (**)	129,692	112,818
5.	Change in deferred tax liabilities (+/-) (***)	10,384	20,381
6.	**Imposte di competenza dell'esercizio (-) (-1+/-2+3+/-4+/-5)**	**(9,718)**	**1,994**

(*) This amount includes the substitute tax for Euro 31,354 thousand, including interest, due for the discharge of the tax liability in respect of goodwill acquired with the subsidiaries FriulAdria and Carispezia, pursuant to Decree Law 201/2011, the substitute tax amounting to Euro 2,956 thousand for the residual discharge of tax liability in respect of the finite-life intangible assets of the branches acquired in 2011, and the tax provision made subsequent to the recognition of the higher value of the Bank of Italy shares pursuant to Law No. 147/2013.

(**) The amount includes ordinary taxes amounting to €85,803 thousand, which will be saved in future subsequent to the discharge of the tax liability in respect of goodwill referring to the subsidiaries FriulAdria and Carispezia pursuant to Decree Law No. 201/2011.

(***) The amount includes the release of taxes amounting to Euro 6,111 thousand, due to the discharge of tax liability in respect of intangible assets with a limited life referring to the branches acquired in 2011.

18.2 Reconciliation of theoretical tax liability and actual tax liability recognized

Items	31.12.2013
Net profit before tax from continuing operations	135,954
Profit after tax of groups of assets/liabilities under disposal (before tax)	-
Theoretical taxable income	**135,954**

	31.12.2013
Income tax - Theoretical tax liability	(37,387)
- effect of revenues that do not form taxable income	23,958
- additional rate for corporate income tax (IRES) 8.5%(*)	-
Income tax - actual tax expenses	**(13,429)**
- tax on realignment gain under Decree Law D.L. 185/2008 and L. 244/2007	**(2,956)**
- effect of relignment-associated future taxes recovery pursuant to L.D. 185/2008 and Law 244/2007	**6,111**
- tax on realignment gain under Decree Law D.L. 201/2011	**(31,354)**
- effect of requested IRES refund for IRAP deduction pursuant to Law Decree 201/2011	**63,876**
- effect of deduction and tax receivables	**60**
Tax provisions for recognition of the higher value of Bank of Italy shares as recognized under Law 147/2013	**(10,668)**
IRAP - Theoretical tax expenses	(7,585)
- effect of revenues/expenses that do not form taxable income	(62,727)
- effect of other changes	48,954
IRAP - Actual tax expenses	**(21,358)**
Otherv taxes	
Actual tax expenses for the period	**(9,718)**
Of which: actual tax expenses from continuing operations	(9,718)
Actual tax liabilities on the groups of assets being disposed	-

(*) Article 2, paragraph 2, of Italian Legislative Decree No. 133 of 30 November 2013, provides for a supplemental income tax rate to be applied to the fiscal year 2013 for lenders, financial and insurance companies. This supplement is not due on any increases in taxable income relating to losses and net write-downs of loans.

Section 21 – Earnings per Share

21.1 Average number of ordinary shares of diluted capital

The Bank's capital consists of 876,761,620 shares with a nominal value of €1 each.

Part D Comprehensive income

Analytical statement of comprehensive income

Items		Gross amount	Income tax	Net amount
10.	**Net profit (loss) for the period**	**X**	**X**	**126,236**
	Other income components			
20	Property,plant and equipment	-	-	-
30.	Intangible assets	-	-	-
40.	Actuarial gains (losses) on defined-benefit plans	5,073	(1,965)	3,108
50.	Discontinuing operations	-	-	-
60.	Share of valutation reserve on equity investments accounted for by equity method	-	-	-
	Other income components with reversal to income statement			
70.	Hedging for foreign investments:	-	-	-
	a) changes fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
80.	Exchange rate differences:	-	-	-
	a) variazioni di valore	-	-	-
	b) rigiro a conto economico	-	-	-
	c) altre variazioni	-	-	-
90.	Cash flow hedges:	-	-	-
	a) variazioni di fair value	-	-	-
	b) rigiro a conto economico	-	-	-
	c) altre variazioni	-	-	-
100.	Financial assets available for sale:	157,785	(52,310)	105,475
	a) changes fair value	160,531	(53,300)	107,231
	b) reversal to income statement	(2,746)	990	(1,756)
	- writedowns for impairment	153	34	187
	- profit/loss for realization	(2,899)	956	(1,943)
	c) other changes	-	-	-
110.	Discontinuing operations:	-	-	-
	a) changes fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
120.	Share of valutation reserve on equity investments accounted for by equity method:	-	-	-
	a) changes fair value	-	-	-
	b) reversal to income statement	-	-	-
	- writedowns for impairment	-	-	-
	- profit/loss for realization	-	-	-
	c) other changes	-	-	-
130.	**Total of other income components**	**162,858**	**(54,275)**	**108,583**
140	**Comprehensive income (10+110)**			**234,819**

Part E Risks and related Hedging Policies

The Cariparma Crédit Agricole Group attaches great relevance to risk measurement, management and control, as an essential condition to ensure sustainable growth, in such a complex economic situation as the present one.

In Italy, Cariparma is the operating Parent Company of the Cariparma Crédit Agricole Group and is engaged in overall risk management and control, acting both as coordinator and in its capacity as commercial bank with its own Distribution Network. In designing the risk management system, Cariparma complies with both the Italian legislation (with specific reference to the provisions of the 15th update of the Bank of Italy's Circular No. 263/2006, issued last July), as well as with guidelines issued by the Parent Company CAsa, whose general model is the reference one for Cariparma CA.

The Group companies have their own risk management and control structures in compliance with the Group's guidelines, benefit from the functions directly performed by Cariparma, when centralized, and operate on reference perimeters.

Section 1 – Credit risk

QUALITATIVE DISCLOSURES

1 General aspects

2.1 Organisational aspects

Management, measurement and control systems

In compliance with the legislation and regulations in force, the Cariparma Crédit Agricole Group has implemented a risk control system, in organizational, regulatory and methodological terms, which all the Group Companies must comply with, in order for the Parent Company to perform, effectively and economically, its steering, management, technical-operational and strategic control functions.

The Group entities proactively cooperate to identify the risks which they are exposed to and to define the relevant criteria for their measurement, management and control.

The key principles to which the Group's risk analysis and management refer, in order to pursue an increasingly aware and efficient allocation of the economic and regulatory capital, are the following:

- rigorous control and effective management of all types of risk;
- implementation of logics for sustainable value creation in the process for setting the Group's risk appetite and capital allocation;
- fine-tuning of the Group's risk appetite based on the specific risk cases and/or specific operations within the Risk Strategy of the Cariparma Crédit Agricole Group.

The Cariparma Crédit Agricole Group reasserted its priorities, which are controlled growth,

- focused on Customer segments having low risk profiles, as well as on providing support to the Communities of operation,
- set so as to maintain the balance between funding and lending, as well as to control the cost of credit risk, in a still uncertain economic situation.

Specifically, in 2013 risks continued to be focused on as follows:

- strengthening the loan portfolio management and the process for the recovery of sensitive or impaired exposures;
- making the loan granting process more selective, especially based on risk by product sector.

The Risk Management and Permanent Controls Department is responsible for the preparation of the Group Risk Disclosure. The reports are submitted on a quarterly basis to the Boards of Directors of the single Banks. The reporting produced by this Department also includes loan coverage policies and is made to the Top Management, to inform on the performance of the main risk ratios in order for action plans to be better and promptly prepared as required to mitigate or prevent risk factors.

Specifically, in 2013 the Risk Management and Permanent Controls Department started to implement an interdepartmental project aimed at reengineering and automating the monthly "Credit Risk Tableau" (both at Group level and at the level of the single subsidiaries), which is also sent to the Parent Company Crédit Agricole SA. This document analyses the credit quality of the single entities in the Group, as well as the Risk Exposures developments, on the basis of the main regulation and management guiding principles: the regulatory segmentation of customers, product types, sales structure and customer segments and sub-segments. Credit Risk, in its main components being default risk and migration risk, is measured in terms of impacts on the Income Statement (cost of Credit Risk) and on the Balance Sheet (absorbed Regulatory Capital).

In addition to its specific reporting activities, the Risk Management and Permanent Controls Department participates in analyzing the portfolio risk developments. Specifically, it has the following tasks:
- to create, develop and produce analysis and monitoring tools, also in cooperation with the Management Departments in charge, for the management and mitigation of credit risk;
- to estimate and forecast future and perspective risk scenarios, which could impact on the credit quality of the Group's Customers portfolio, in terms of distribution channel, product sector and geographical area, with regard to regulatory (e.g.: ICAAP), management and budget objectives;
- to provide risk estimates and forecasts, for regulatory, management and budget purposes.

The credit quality analysis is made also thanks to tools (Key Risk Indicators) that the Risk Management and Permanent Controls Department develops for more effective monitoring of the perimeter (either geographical or sector) in which the monitoring and mitigation action is to be performed, as well as for more effective measurement of the risk.

Basel 2/ Advanced IRB Approach

In 2013, the Cariparma Crédit Agricole Group was authorized to use internal rating systems, with an «advanced» approach (Internal Rating Based – Advanced), to quantify the credit risk capital requirements for Cariparma and Banca Popolare FriulAdria regarding the following asset class:
- Retail loan exposures (the so-called "Retail Portfolio").

Specifically, for the above perimeter, the following were validated for the IRB approach:
- the models to estimate "Probability of Default" (PD),
- the model to estimate the loss rate in case of default "Loss Given Default" (LGD).

The Cariparma Crédit Agricole Group has scheduled the start of the procedure to extend the use of advanced approaches (the roll-out plan) also to the subsidiary Cassa di Risparmio della Spezia.
As regards the "Exposures to Companies" (i.e. Corporate Customers), consistently with the strategic guidelines issued by the Parent Company Crédit Agricole S.A., the Cariparma Crédit Agricole Group is currently examining the actions required to have the use of advanced approaches authorized also for this exposure class.
The choice of the IRB Permanent Partial Use (PPU) for all exposures referring to the subsidiary Crédit Agricole Leasing (hereinafter referred to as CALIT) was made considering the low materiality of the sizes of its portfolio, as well as the specificity of CALIT core business within the Cariparma Crédit Agricole Group.

The risk measurement system is fully integrated in decision-making processes and in the management of corporate operations: the rating system has long been playing an essential role in loan granting, in risk management, in the internal allocation of capital and in the Bank governance, also contributing to ensure risk prevention and mitigation. In order to ensure that lending and risk measurement processes are essentially harmonized, the internal models are used by all entities in the Cariparma Crédit Agricole Group (i.e Cariparma S.p.A., FriulAdria S.p.A., Carispezia S.p.A., Crédit Agricole Leasing Italia S.r.l.).

Rating systems are used in the main phases of the lending value chain. With specific reference to the processes for loan granting and monitoring, the management use of the rating system consists of:

- (lending policies) the set lending policies govern the procedures through which the Banks and the Companies in the Cariparma Crédit Agricole Group lend and manage credit risk;
- (loan granting) the measurement of creditworthiness upon the first loan granting and upon review/change in loans granted, as well as for giving decision-making powers on loan granting;
- (loan monitoring) the use of PD based on performance analysis, combined with other variables to monitor performance, in order to detect and remedy non-performing positions before they are classified as defaulting;
- (collective writedown) the Bank's approach for collective/writedown impairment provisioning for performing loans uses Basel II metrics to calculate the provision (PD and LGD), as well as to identify sensitive loans subject to impairment;

- (Bank's reporting) the use of risk measurements produced by the model in the Bank's reporting.

Lending value chain and experience requirement

1 Lending Policies

- *Integrated Rating Systems (PD) to identify policies for development towards creditworthy counterparties*

2 Granting and Renewing Loans

- *Rating Systems linked to the decision-making powers systems*

3 Management and Monitoring

- *Performance Monitoring Systems based on «performance» PD and on a set of additional indicators*

4 Other Processes

- **Loan reporting.** Periodic preparation of Reports on Credit Risk performance, using the Basel 2 risk parameters (PD, LGD)
- **Accounting and Financial Reporting.** Use of the Basel 2 risk parameters for collective writedowns

This full integration in loan management processes allows:
- the creation and development of internal models supporting the measurement of creditworthiness, which measure, at a statistically objective standard, the probability of default of counterparties (Retail).

In 2013, lending, control and organizational processes were systematized by:

- strengthening internal controls, with specific reference to first-level controls (consolidation of Data Quality controls) and to second-level ones (Validation and Control/Monitoring??? of Regulatory Requirements);
- systematizing, with an organic framework, all reference regulations (i.e. use of rating in loan granting processes, use of rating in monitoring metrics, collective/writedown/ impairment provisioning logics with statistical parameters).

By quantifying mandatory capital requirements with internal systems, the management of regulatory capital could be optimized, allowing a "weighted" analysis of the loan portfolio and "aware" development considering the risks taken), as well as allowing better planning of loans and of credit in the medium-/long-term.
Finally, more effective assessment of risks allows better disclosure and, consequently, better transparency in communications, which is crucial to meet the requirements of the various stakeholders of the Bank.

Process for the development, management and update of Models – Roles and Responsibilities

The process for the development, management and update of models, consistently with the guidelines issued by Crédit Agricole S.A., consists of the activities and procedures aimed at defining, either when creating or updating the same, the rating models to be applied to loan exposures, that is to say, statistical models designed to support loan measurement and to allow the Cariparma Crédit Agricole Group's capital requirements to be determined based on the risk of unexpected losses.
The models to measure risk parameters are designed to generate – both for reporting and management purposes – risks measurements that are:
- suitable for detecting the key elements at the basis of the measurement of creditworthiness of the parties to which the Group has or intends to take loan exposures;
- relatively stable over time, so as to reflect, in every Customer segment, the long-term riskiness (measured by the rate of default) of the Group's loan exposures, both present and potential;
- designed so as to prevent uncontrolled growth of risk in positive cycle phases and – conversely – indiscriminate restriction of lending in negative cycle phases (countercyclical feature).

The Unit responsible for model development, management and update is the Model Development Unit, which reports to the Lending Risks and Financial Risks Service that belongs to the Risk Management and Permanent Controls Department.
Specifically, the Model Development Unit is responsible for the development, for the entire Cariparma Crédit Agricole Group, of internal rating models and of the LGD model, ensuring compliance with the regulatory requirements set by the Bank of Italy (in terms of implementation of the Basel II New Capital Accord), with the guidelines issued by Crédit Agricole SA. as well as with the international best practices. Moreover, this Unit has the task of documenting the structure and operating procedures of the models adopted, in particular by the rating system, formalizing the features and the choices for methods adopted, as well as any changes in the model components and overall structure, giving the grounds for such changes.
Moreover, all internal models used by the Cariparma Crédit Agricole Group are submitted for approval to the “Comité Normes et Méthodes” of the Parent Company Crédit Agricole S.A, are subject to internal validation by the Cariparma Validation & Data Quality Unit, as well as to Internal Audit by the IGL (Inspection Générale Groupe) Department of Crédit Agricole S.A.

QUANTITATIVE DISCLOSURES

A Credit Quality

A.1 Impaired and performing positions: stocks, writedowns, changes and distribution

A.1.1 Breakdown of loan exposures by portfolio and credit quality: book values

Portfolio/quality	Bad debts	Substandard loans	Restructured positions	Past due positions	Not past due positions	Other Assets	Total
1. Financial assets held for trading	39	463	2,403	1,150	-	192,616	196,671
2. Financial assets available for sale	48,782	-	-	-	-	3,773,396	3,822,178
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	-	3,875,190	3,875,190
5. Loans to customers	616,999	490,366	344,488	134,397	1,527,969	24,851,230	27,965,449
6. Financial assets carried at fair value	-	-	-	-	-	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-	571,225	571,225
Total 31.12.2013	**665,820**	**490,829**	**346,891**	**135,547**	**1,527,969**	**33,263,657**	**36,430,713**
Total 31.12.2012	**507,868**	**413,208**	**129,293**	**199,881**	**1,526,802**	**32,695,040**	**35,472,092**

All financial assets are classified by credit quality with the exception of equity securities and units in collective investment schemes. Loans to Banks and loans to Customers include both loans and other technical forms (securities, etc.).

Financial assets held for trading classified as non-performing refer to securities maturing on 4 November 2010 and issued by Glitnir Banki hf, put into liquidation by order of the District Court of Reykjavik on 22 November 2010.

A.1.2 Breakdown of exposures 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	4,787	731	4,056	X	X	192,615	196,671
2. Financial assets available for sale	48,782	-	48,782	3,773,396	-	3,773,396	3,822,178
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	3,875,190	-	3,875,190	3,875,190
5. Loans to customers	2,645,677	1,059,427	1,586,250	26,586,679	207,480	26,379,199	27,965,449
6. Financial assets carried at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	571,225	571,225
Total 31.12.2013	**2,699,246**	**1,060,158**	**1,639,088**	**34,235,265**	**207,480**	**34,791,625**	**36,430,713**
Total 31.12.2012	**2,053,094**	**802,842**	**1,250,252**	**33,098,816**	**89,974**	**34,221,840**	**35,472,092**

All financial assets are classified by credit quality with the exception of equity securities and units in collective investment schemes. Loans to Banks and loans to Customers include both loans and other technical forms (securities, etc.).

Performing loans to customers: analysis of age of past-due loans

Performing loans to customers: analysis of age of past-due loa	Exposures subject to collective agreement renegotiation			Altre esposizioni in bonis		
	Gross exposure	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure
1. Non past-due exposures	**130,054**	**388**	**129,666**	**24,910,283**	**192,401**	**24,717,882**
2. Up to 90 days	15,105	136	14,969	1,208,706	11,660	1,197,046
3. From 91 to 180 days	1,551	14	1,537	141,007	1,267	139,740
4. From 181 to 1 years	582	6	576	120,712	1,079	119,633
5. More than 1 year	-	-	-	58,680	529	58,151
Total 31.12.2013	**147,292**	**544**	**146,748**	**26,439,388**	**206,936**	**26,232,452**

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	160	121	X	39
b) Substandard loans	-	-	X	-
c) Restructured positions	-	-	X	-
d) Past due positions	-	-	X	-
e) Other assets	3,875,243	X	-	3,875,243
Total A	**3,875,403**	**121**	**-**	**3,875,282**
B. OFF-BALANCE-SHEET EXPOSURES				
a) impaired	-	-	X	-
b) other	2,157,055	X	-	2,157,055
Total B	**2,157,055**	**-**	**-**	**2,157,055**
Total A+B	**6,032,458**	**121**	**-**	**6,032,337**

On-balance-sheet exposures summarize all financial assets with banks from items 20 “Financial assets held for trading”, 40 “Available-for-sale financial assets” and 60 “Loans to banks”, with the exception of derivative contracts, which, in this section, are considered off-balance-sheet. Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives, including hedging derivatives) entailing credit risk assumption.

A.1.4 On-balance-sheet exposure to banks: changes in gross impaired positions

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening gross exposure	**-**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**160**	**-**	**-**	**-**
B.1 from performing loans	160	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 to performing loans	-	-	-	-
C.2 writeoffs	-	-	-	-
C.3 collections	-	-	-	-
C.4 assignments	-	-	-	-
C.4 bis losses from disposals		-	-	-
C.5 transfers to other categories of impaired positions	-	-	-	-
C.6 other decreases	-	-	-	-
D. Closing gross exposure	**160**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.5 On-balance-sheet exposure to Banks: changes in total adjustments of loans

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Initial overall adjustments	-	-	-	-
- of which; exposures assigned but not recognized	-	-	-	-
B. Increases	**121**	**-**	**-**	**-**
B.1 writedowns	121	-	-	-
B.1 bit loss on the disposal	-	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 writebacks from valutations	-	-	-	-
C.2 writebacks from collections	-	-	-	-
C.2 bis gain on the disposal	-	-	-	-
C.3 writeoffs	-	-	-	-
C.4 transfers to other categories of impaired positions		-	-	-
C.5 other decreases	-	-	-	-
D. Total closing adjustments	**121**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.6 On-balance-sheet and off-balance-sheet exposure 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	1,455,486	789,706	X	665,780
b) Substandard loans	701,753	211,385	X	490,368
c) Restructured positions	397,699	53,211	X	344,488
d) Past due positions	139,522	5,125	X	134,397
f) Other assets	30,360,091	X	207,480	30,152,611
Total A	**33,054,551**	**1,059,427**	**207,480**	**31,787,644**
B. OFF-BALANCE-SHEET EXPOSURES				
a) Impaired	40,418	5,697	X	34,721
b) Other	1,384,310	X	467	1,383,843
Total B	**1,424,728**	**5,697**	**467**	**1,418,564**

Specifically, on-balance-sheet exposures summarize all financial assets with Customers from items 20 “Financial assets held for trading”, 40 “Available-for-sale financial assets” and 70 “Loans to Customers”, with the exception of derivative contracts, which, in this section, are considered off-balance-sheet. Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives, including hedging derivatives) entailing credit risk assumption.

A.1.7 On-balance-sheet exposure to customers: changes in gross impaired positions

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening gross exposure	**1,087,041**	**603,667**	**147,538**	**204,717**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**417,320**	**574,832**	**272,217**	**525,521**
B.1 from performing loans	10,141	313,640	210,626	504,236
B.2 transfers from other categories of impaired positions	396,258	201,832	13,996	3,550
B.3 other increases	10,921	59,360	47,595	17,735
C. Decreases	**48,875**	**476,746**	**22,056**	**590,716**
C.1 to performing loans	84	39,510	3,209	351,123
C.2 writeoffs	8,738	2,251	-	83
C.3 collections	40,053	29,167	17,382	31,156
C.4 assignments	-	-	-	-
C.5 transfers to other categories of impaired positions	-	405,818	1,465	208,354
C.6 other decreases	-	-	-	-
D. Closing gross exposure	**1,455,486**	**701,753**	**397,699**	**139,522**
D. Closing gross exposure	-	-	-	-

A.1.8 On-balance-sheet exposure to customers: changes in total adjustments of loans

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Initial overall adjustments	**579,172**	**199,080**	**18,702**	**5,078**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**247,972**	**130,158**	**35,322**	**5,699**
B.1 writedowns	159,873	124,856	33,759	4,362
B.1 bis loss on the disposal	-	-	-	-
B.2 transfers from other categories of impaired positions	88,046	3,719	578	223
B.3 other increases	53	1,583	985	1,114
C. Decreases	**37,438**	**117,853**	**813**	**5,652**
C.1 writebacks from valuations	24,027	21,360	321	1,164
C.2 writebacks from collections	4,673	4,905	15	312
C. 2 bis gain on the disposal	-	-	-	-
C.3 writeoffs	8,738	2,251	-	83
C.4 transfers to other categories of impaired positions	-	88,780	450	3,334
C.5 other decreases	-	557	27	759
D. Total closing adjustments	**789,706**	**211,385**	**53,211**	**5,125**
- of which: exposures assigned but not derecognized	-	-	-	-

A.2 Classification of exposures on the basis of external and internal rating grades

QUALITATIVE DISCLOSURES

The breakdown by rating class given below refers to Cariparma Crédit Agricole Group internal models.

QUANTITATIVE DISCLOSURES

A.2.1 Breakdown of on-balance-sheet exposures and off-balance-sheet exposures by external rating class

Exposures	External rating grades						Not rated	Total
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6		
A. On-balance-sheet exposures	**-**	**1,914,063**	**761,391**	**2,215,434**	**134,505**	**299,979**	**30,337,553**	**35,662,925**
B. Derivatives	**-**	**26,670**	**6,459**	**23,539**	**806**	**1,111**	**709,202**	**767,787**
B.1 Financial Derivatives	-	26,670	6,459	23,539	806	1,111	709,202	767,787
B.2 Credit derivatives	-	-	-	-	-	-	-	-
C. Guarantees issued	**-**	**445,253**	**125,940**	**175,158**	**13,286**	**71,599**	**595,200**	**1,426,436**
D. Commitments to disburse funds	**-**	**405**	**-**	**10,857**	**-**	**-**	**86,576**	**97,838**
E. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**2,386,391**	**893,790**	**2,424,988**	**148,597**	**372,689**	**31,728,531**	**37,954,986**

The above breakdown by rating class refers to measurements made by Cerved Group S.p.A. (ECAI - External Credit Assessment Institution - recognized by the Bank of Italy).

The "Without rating» column includes exposures with parties for which a Cerved rating is not available.

A.2.2 Breakdown of on-balance-sheet exposures and off-balance-sheet exposures by internal rating class

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	**7,658,807**	**6,220,688**	**5,085,828**	**3,102,676**	**13,594,926**	**35,662,925**
B. Derivatives	**12,250**	**37,545**	**26,931**	**8,221**	**682,840**	**767,787**
B.1 Financial Derivatives	12,250	37,545	26,931	8,221	682,840	767,787
B.2 Credit derivatives	-	-	-	-	-	-
C. Guarantees issued	**239,103**	**414,257**	**274,044**	**57,811**	**441,221**	**1,426,436**
D. Commitments to disburse funds	**375**	**479**	**533**	**-**	**96,451**	**97,838**
E. Other	**-**	**-**	**-**	**-**	**-**	**-**
Total	**7,910,535**	**6,672,969**	**5,387,336**	**3,168,708**	**14,815,438**	**37,954,986**

The breakdown by rating class given below refers to the Cariparma Crédit Agricole Group internal models.

The column "Without rating" mainly shows exposures to Banks, State bodies and Sovereign States, for which internal rating models are not available.

Excluding counterparties without rating, there is a concentration in the Investment Grade classes (from AAA to BBB-), equal to 63% of the total, while 23% falls within the BB+/BB class and 14% in the B-/D class.

A.3 Breakdown of secured exposures by type of collateraL

A.3.2 Secured loan exposures to Customers

	Net value of exposure	Collateral (1)				Unsecured guarantees (2)									Total (1)+(2)
						Credit					Other guarantees				
							Other derivative								
		Real Estate Mortgages	Real Estate Finance leases	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:	**22,010,967**	**50,095,947**	**-**	**162,302**	**802,882**	**-**	**-**	**-**	**-**	**-**	**2,440**	**5,369**	**2,810,618**	**6,181,249**	**60,060,807**
1.1 fully secured	19,736,628	49,779,837	-	136,980	614,736	-	-	-	-	-	-	5,320	1,564,775	5,780,770	57,882,418
- of which impaired	1,226,008	4,421,599	-	4,899	14,125	-	-	-	-	-	-	331	5,000	1,007,263	5,453,217
1.2 partially secured	2,274,339	316,110	-	25,322	188,146	-	-	-	-	-	2,440	49	1,245,843	400,479	2,178,389
- of which impaired	78,811	46,939	-	977	3,128	-	-	-	-	-	-	23	-	67,783	118,850
2. Secured off-balance-sheet exposures:	**470,956**	**164,712**	**-**	**25,248**	**87,295**	**-**	**-**	**-**	**-**	**-**	**-**	**300**	**6,825**	**447,996**	**732,376**
2.1 fully secured	393,507	163,968	-	16,719	69,713	-	-	-	-	-	-	300	2,155	434,761	687,616
- of which impaired	7,897	-	-	295	1,673	-	-	-	-	-	-	-	60	13,529	15,557
2.2 partially secured	77,449	744	-	8,529	17,582	-	-	-	-	-	-	-	4,670	13,235	44,760
- of which impaired	2,413	-	-	50	1,103	-	-	-	-	-	-	-	-	1,838	2,991

On-balance-sheet exposures, totally or partially secured, include secured loans and other financial assets, with the exclusion of derivative contracts and equity securities. Off-balance-sheet transactions include all financial transactions (guarantees issued, commitments, derivatives) entailing the assumption of credit risk. The value of exposures is net of uncertain outcomes and of portfolio adjustments.

Collaterals and personal guarantees are expressed at the fair value estimated as at the reporting date.

B Breakdown and concentration of exposures

B.1 On-balance-sheet and off-balance-sheet exposures to customers by sector (book value)

Exposures/ counterparts	Governments			Other public entities			Financial companies			Insurance undertakings			Non-financial companies			Other		
	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments
A. On-balance-sheet exposures																		
A.1 Bad debts			X			X	1,297	6,594	X	48,783	22	X	417,544	704,659	X	198,156	78,431	X
A.2 Substandard loans	1	-	X	2	2	X	1,451	1,393	X			X	378,957	148,927	X	109,957	61,063	X
A.3 Restructured loans			X			X	32,336	2,860	X			X	312,152	50,351	X			X
A.4 Past due positions			X	-	-	X	2,656	7	X			X	83,775	3,761	X	47,966	1,357	X
A.5 Other	3,781,427	X		111,920	X		4,238,657	X	3,871	67,075	X	-	11,373,701	X	107,599	10,579,831	X	96,010
Total A	**3,781,428**	**-**	**-**	**111,922**	**2**	**-**	**4,276,397**	**10,854**	**3,871**	**115,858**	**22**	**-**	**12,566,129**	**907,698**	**107,599**	**10,935,910**	**140,851**	**96,010**
B. Off-balance-sheet exposures																		
B.1 Bad debts			X			X	4		X			X	6,852	395	X	43	-	X
B.2 Substandard loans			X			X	1	1	X			X	2,538	2,449	X	106	108	X
B.3 Impaired Assets			X			X	79	-	X			X	25,047	2,743	X	51	1	X
B.4 Other	10,277	X		1,937	X		27,572	X	4	21,327	X	9	1,246,164	X	441	48,788	X	13
Total B	**10,277**	**-**	**-**	**1,937**	**-**	**-**	**27,656**	**1**	**4**	**21,327**	**-**	**9**	**1,280,601**	**5,587**	**441**	**48,988**	**109**	**13**
Total (A+B) 31.12.2013	**3,791,705**	**-**	**-**	**113,859**	**2**	**-**	**4,304,053**	**10,855**	**3,875**	**137,185**	**22**	**9**	**13,846,730**	**913,285**	**108,040**	**10,984,898**	**140,960**	**96,023**
Total (A+B) 31.12.2012	**3,002,172**	**8**		**128,411**	**1**		**2,908,070**	**8,896**	**1,604**	**91,863**	**22**	**18**	**14,198,439**	**679,831**	**63,112**	**10,854,357**	**116,436**	**26,050**

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts and equity securities.
Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.
Off-balance-sheet transactions include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives) entailing credit risk assumption.

B.2 Geographical distribution of on-balance-sheet and off-balance-sheet exposures to customers (book value)

Exposures/Geographical areas	North-Western Italy		North-Eastern Italy		Central Italy		Southern Italy and Isles	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures								
A.1 Bad debts	303,740	386,213	239,950	213,257	74,777	103,771	46,898	81,850
A.2 Substandard loans	215,319	84,911	168,499	65,929	54,571	26,314	51,637	33,984
A.3 Restructured loans	65,012	15,257	187,133	26,737	76,653	8,717	15,690	2,500
A.4 Past due positions	61,574	2,368	44,338	1,532	9,578	485	18,890	739
A.5 Other	14,065,614	88,515	7,238,324	72,944	7,056,692	29,922	1,676,266	15,230
Total A	**14,711,259**	**577,264**	**7,878,244**	**380,399**	**7,272,271**	**169,209**	**1,809,381**	**134,303**
B. Off-balance-sheet exposures								
B.1 Bad debts	1,857	15	3,683	381	1,320	-	40	-
B.2 Substandard loans	1,245	1,212	917	867	237	238	245	240
B.3 Impaired Assets	2,689	145	22,241	2,583	232	16	15	-
B.4 Other	490,218	146	593,790	147	216,324	144	53,325	29
Total B	**496,009**	**1,518**	**620,631**	**3,978**	**218,113**	**398**	**53,625**	**269**
Total (A+B) (31.12.2013)	**15,207,268**	**578,782**	**8,498,875**	**384,377**	**7,490,384**	**169,607**	**1,863,006**	**134,572**
Total (A+B) (31.12.2012)	**13,625,501**	**423,489**	**8,971,938**	**257,120**	**6,193,435**	**107,554**	**1,831,977**	**102,413**

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Off-balance-sheet transactions include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives) entailing credit risk assumption.

B.3 Breakdown by geographical area of on-balance-sheet and off-balance-sheet exposures to banks (book value)

Exposures/Geographical areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	39	121	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other	894,907	-	2,959,984	-	14,132	-	3,306	-	2,914	-
Total A	**894,907**	**-**	**2,960,023**	**121**	**14,132**	**-**	**3,306**	**-**	**2,914**	**-**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Impaired Assets	-	-	-	-	-	-	-	-	-	-
B.4 Other	305,487	-	732,191	-	5,651	-	10,848	-	2,741	-
Total B	**305,487**	**-**	**732,191**	**-**	**5,651**	**-**	**10,848**	**-**	**2,741**	**-**
Total (A+B) (31.12.2013)	**1,200,394**	**-**	**3,692,214**	**121**	**19,783**	**-**	**14,154**	**-**	**5,655**	**-**
Total (A+B) (31.12.2012)	**1,855,597**	**-**	**4,238,865**	**-**	**10,505**	**-**	**7,853**	**-**	**17,125**	**-**

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts and equity securities.
Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.
Off-balance-sheet transactions include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives) entailing credit risk assumption.

B.4 Large risks

As at 31 December 2013, positions showing large risk features as defined in Circular 263 of 27 December 2006 (15th update of 2 July 2013) are:
a1) of a total nominal amount of Euro 15,633,915 thousand;
a2) of a total weighted amount of Euro 262,142 thousand;
b) a total number of 15.

C. Securitization and asset disposals

C.1 Securitization

C.1.6 Equity interests in special-purpose vehicles

Name	Registered office	% interest
1. MondoMutui Cariparma S.r.l.	Milano	19.00
2. Cariparma OBG S.r.l.	Milano	60.00

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	31.12.2013	31.12.2012
A. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**1,012,205**	**-**	**-**	**-**	**-**	**-**	**115,709**	**-**	**-**	**-**	**-**	**-**	**1,127,914**	**1,011,814**
1. Debt securities	-	-	-	-	-	-	1,012,205	-	-				115,709						1,127,914	1,011,814
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	-	-	-	-	-	-	-	-	-										-	-
B. Derivatives	**-**	**-**	**-**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**-**	**-**
Total 31.12.2013	**-**	**-**	**-**	**-**	**-**	**-**	**1,012,205**	**-**	**-**	**-**	**-**	**-**	**115,709**	**-**	**-**	**-**	**-**	**-**	**1,127,914**	
of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2012	**-**	**-**	**-**	**-**	**-**	**-**	**731,884**	**-**	**-**	**-**	**-**	**-**	**279,930**	**-**	**-**	**-**	**-**	**-**	**-**	**1,011,814**
of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Key:

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 disposed but not derecognized

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	**-**	**-**	**4,427**	**-**	**27,123**	**-**	**31,550**
a) in respect of assets fully recognized	-	-	4,427	-	27,123	-	31,550
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	**-**	**-**	**1,002,096**	**-**	**90,831**	**-**	**1,092,927**
a) in respect of assets fully recognized	-	-	1,002,096	-	90,831	-	1,092,927
b) in respect of assets partially recognized	-	-	-	-	-	-	-
Total 31.12.2013	**-**	**-**	**1,006,523**	**-**	**117,954**	**-**	**1,124,477**
Total 31.12.2012	**-**	**-**	**724,465**	**-**	**279,870**	**-**	**1,004,335**

Financial liabilities have been reported, which have the assets disposed but not derecognized - and still partially or totally recognized in the Balance Sheet - as underlying asset. These are repurchase agreements concerning securities held in the “Available-for-sale financial assets” and “Loans to Banks” portfolios.

C.3 Covered bond transactions

In order to increase its liquidity reserves, in the period Cariparma completed the design of its first program for the issue of Covered Bonds. These bonds are secured, i.e. «covered» both by the issuing bank and by a pool of high-quality loans, whose “separate” administration is assigned to a special-purpose vehicle (Cariparma OBG srl - the Special Purpose Vehicle selected to participate in the Program, in which Cariparma holds a 60% stake), which acts as the “depositary of loans used as collaterals”. The program, which has been designed to increase eligible assets with the European Central Bank and, in the period, did not entail issues on the market, requires effective organizational control and significant capital soundness. It is also emphasized that the above program has no effect on the regulatory risk profile of the disposing Banks (and of the Group) and does not generate the obligation for the Banks to derecognize the assets used as collaterals.

Disclosure

Te Board of Directors of Cariparma S.p.A., at its meetings held on 24 July 2012 and 26 March 2013, resolved to start the design of a program for the issue of covered bonds for a maximum amount of Euro 8 billion.
The Italian legislation framework on Covered Bonds consists of Article 7-bis of Law No. 130 of 30 April 1999 ("Law 130"), of the Decree issued by the Italian Minister of the Economy and Finance No. 310 of 14 December 2006 (the "MEF Decree") and by the New Provisions for Prudential Supervision of Banks set down in the Bank of Italy's Circular No. 263 of 27 December 2006, as updated on 18 November 2011 (the "Instructions" and, jointly with Law 130 and with the MEF Decree, the "Legislation").
The issue of Covered Bonds has allowed the Cariparma Crédit Agricole Group to further diversify its stock of eligible assets with the European Central Bank.
In general, the transaction, in accordance with the relevant regulations, consisted in the following activities.
The Banks of the Cariparma Crédit Agricole Group (Cariparma, Banca Popolare FriulAdria and Carispezia) transferred a "Pool" of mortgage loans to Cariparma OBG. The assets transferred to the Special-Purpose Vehicle are separated from the SPV's assets and are to be used to the benefit of the holders of the covered bonds issued and of other parties in favour of whom the guarantee has been given. The Banks granted a subordinated loan to Cariparma OBG, to be used to pay the purchase price of the assets by the same Special-Purpose Vehicle.
Therefore, Cariparma issued the Covered Bonds that were then repurchased; the Special-Purpose Vehicle issued a collateral in favour of the holders of the covered bonds.
As a consequence, the repayment of the Covered Bonds that were issued within this transaction is secured by an unconditional and irrevocable collateral issued by Cariparma OBG exclusively to the benefit of the Covered Bond subscribers (Cariparma) and of unrelated counterparties.

The disposal Portfolio

The loans that, each time, are transferred to the Special-Purpose Vehicle must have some common features.
Accounts receivable based on mortgage loans contracts were selected, which, as at 18 May 2013, had, by way of an example and not limited to, the following common features:
Accounts receivable based on Mortgage loans contracts that are either: (A) Home mortgage loans (i) having a risk-weighting factor not higher than 35% and for which the residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 80% of the value of the mortgaged property; or (B) commercial mortgage loans (i) having a risk-weighting factor not higher than 50% and for which the residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 60% of the value of the mortgaged property; - which have been granted or purchased by the Cariparma Crédit Agricole Group; - which are performing with no instalments past due for over 30 days from the due date; - which do not include clauses restricting the Group Banks' right to sell the loans resulting from the relevant contract or providing for the borrower's consent to the transfer and the Group Banks have obtained such consent; - for which any pre-amortization time provided for by the contract has fully expired and at least one instalment has matured and has been paid; - which have been granted to a natural person, a legal person or to more than one natural or legal person, who have jointly taken out the loan; - which provide for the borrower to pay floating-rate interest (determined each time by the Group Banks) or fixed-rate interest.
Upon the first disposal, made by signing, on 20 May 2013, a specific loan sale master agreement, the Banks in the Cariparma Crédit Agricole Group transferred an initial portfolio to Cariparma OBG S.r.l. for a total principal amount of approximately Euro 3.2 billion (the "Initial Portfolio", of which Euro 1.9 billion transferred by Cariparma, Euro 1.0 billion by Banca Popolare FriulAdria and Euro 0.3 billion by Carispezia).
Based on the selection criteria in force as at 18 May 2013, the Initial Portfolio consists of receivables from 35,441 mortgage loans.

Current accounts

The Program provides for a complex structure of current accounts to manage the cash flows from the transaction. A number of accounts have been opened in the name of Cariparma OBG and specifically, but not limited to: Collection Accounts, Capital Account Portion, Reserve Fund Account, Guarantor Payments Account and Expenses Account.

Parties involved in the Program

With regard to the Program, the following parties have the roles set forth here below:

Transferor Banks: Cariparma, Cassa di Risparmio della Spezia S.p.A., Banca Popolare Friuladria S.p.A.;
Master Servicer: Cariparma (which, in this capacity, has been tasked by Cariparma OBG S.r.l., pursuant to the Servicing Master Agreement, with the collection and recovery of the receivables in the Initial Portfolio and in the portfolios that the Transferor Banks will transfer to Cariparma OBG S.r.l. pursuant to the Transfer Master Agreement);
Sub-Servicers and Services Providers: each Transferor Bank (which, in this capacity, shall undertake to carry out, as sub-servicer, the same services that Cariparma shall undertake to provide to Cariparma OBG S.r.l., in its capacity as Master Servicer, with reference only to the portion of Portfolio transferred by the same Transferor Bank to Cariparma OBG S.r.l ;
Principal Paying Agent: Cariparma (which, in this capacity, pursuant to the Cash Management and Agency Agreement, shall have the main task to determine and process the payments due, for principal and interest, to the holders of the Covered Bonds);
Calculation Agent: Crédit Agricole Corporate & Investment Bank, Milan Branch ("CACIB") (which, in this capacity, pursuant to the Cash Management and Agency Agreement, shall have the main task to prepare and sent - to all parties to the agreement - the so-called Payments Report, setting forth the available funds owned by Cariparma OBG S.r.l and the payments to be made, based on the payment priority order as set by the parties in the transaction, pursuant to the Intercreditor Agreement, from the available funds);
Account Bank: Cariparma (with which, in this capacity, pursuant to the Cash Management and Agency Agreement, the Italian current accounts shall be opened and kept in the name of Cariparma OBG S.r.l; on these accounts the liquidity shall be deposited to be used for the payments set as per the Program schedule).
Asset Monitor: Mazars S.p.A. (which, in this capacity, pursuant to the Asset Monitor Agreement, shall carry out the calculations and verifications on the Mandatory Tests and on the Amortisation Test to be performed pursuant to the Cover Pool Administration Agreement, verifying the accurateness of the calculations made by the Calculation Agent pursuant to the Cover Pool Administration Agreement. With separate assignment, it is presently established that the Asset Monitor, tasked by Cariparma, carries out further verifications, specifically on (i) compliance of the eligible assets making up the Pool with the requirements set by the Legislation and (ii) compliance with the limits set for the transfer and with the issuers' requirements as provided for in the Instructions).
Guarantor Quotaholders: Cariparma and Stichting Pavia (which, in this capacity, shall sign the Quotaholders Agreement to exercise the corporate rights associated to the equity investment held by each one of them in Cariparma OBG S.r.l).
Representative of the Covered Bondholders: Zenith Service S.p.A. (which, in this capacity, shall exercise, towards Cariparma and Cariparma OBG S.r.l., the rights of the counterparties involved in the transaction based on the Program Contracts).
Administrative Services Provider: Zenith Service S.p.A. (which, in this capacity, shall have the task to provide Cariparma OBG S.r.l. with administrative and corporate services relating to the activities to be carried out within the Program).
Arranger: CACIB.

Risks associated with the transaction

The Program for the Issue of Covered Bonds entails the financial risks specified below, for which several mitigation measures have been adopted: Credit Risk, Liquidity Risk, Refinancing Risk, Counterparty Risk, Operational Risks, Risk of Bankruptcy of the Issuer Bank, Legal Risks.
Based on the procedures, in compliance with the Supervisory Instructions, Cariparma Internal Audit Department shall perform, at least every 12 months, a verification of the controls carried out, also using the information received and the judgements expressed by the Asset Monitor.

Main features of the Program

The Program financial structure envisages that Cariparma may issue Covered Bonds in more than one subsequent series.
In 2013, only one issue was made of so-called retained Covered Bonds (repurchased by Cariparma) at floating-rate linked to the Euribor index, to be used in refinancing transactions with the European Central Bank.

SECTION 2 – MARKET RISKS

2.1 Interest rate risk and price risk – Supervisory Trading Book

QUALITATIVE DISCLOSURES

General aspects

Cariparma (consistently with the Strategic Plan and in line with past operations) does not engage in significant proprietary trading in financial and capital markets.

Therefore, trading is essentially instrumental and made on behalf of Customers based on the concept of intermediation, which allows the Cariparma Group to take only residual financial risk positions.

The Cariparma Crédit Agricole Group trading book is historically composed of securities (mainly bonds issued by Banks) and of over-the-counter derivatives (matched trading); these positions derive from placing and trading activities carried out to satisfy Customers' requirements.

Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk profiles of the Group's trading book, centrally managing financial operations as well as risk measurement and control activities.

The equity absorbed is reported using standard methods.

Management and measurement of market risks

Organisational aspects

The market risk in the Group's trading book is managed as part of each bank's risk policies.
This document defines the internal regulatory system for the management of market risk with reference to operations in financial instruments, currencies and commodities, in terms of:
- The principles, objectives, methodologies and tools used for the assessment, control and management of market risk;
- Guidelines and rules on which the market risk management processes are based.

The Market Risk Policy is one of the components of the overall risk governance model adopted by the Group, consistently with Crédit Agricole guidelines.

Within the market risk management, the main responsibility is assigned, according to the respective scopes, to:

- the Board of Directors is tasked with strategic overseeing and is therefore responsible for defining market risk governance policies and management processes.
- Cariparma's Co-General Manager, delegating the relevant powers to the Market Area, is the officer responsible for market risk management, and, therefore, defines and steers the Group's mechanism for the management of market risk, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee.
- the Risk Management and Permanent Controls Department is responsible for control and, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee, verifies the corporate risk management process and supervises compliance of the treatment of market risk with the legislation in force and with the Group risk strategy.

The limit structure

The ceiling structure reflects the level of risk deemed acceptable with reference to the individual business areas and constitutes a mechanism for checking that operational practices, at the various organisational levels, are performed in compliance with management guidelines and strategies as defined by senior management.
Consistently with Crédit Agricole Group guidelines, the limits system is composed of global limits and operational limits.
The global limits system must be able to ensure controlled development of the business. The limits are set so as to contain losses within a level deemed acceptable Crédit Agricole Group as a whole.

Global limits on market risk are defined on the basis of the maximum mark-to-market variation vs. the initial value and are set by the Crédit Agricole Group Risk Committee (CRG).
Operational limits are validated by Cariparma Board of Directors and must not exceed the global limits set for the Cariparma Crédit Agricole Group.
Operational limits are defined on the basis of the nominal value of the open position (that is after clearing of identical purchase and sale positions).
Therefore, operational limits are, consistently with global limits, adaptations of the latter by type of asset, product, portfolio, and risk factors.
The Board of Directors retains the power to set further restrictions on activities (for example, in terms of instruments that can be held, foreign currency risks, etc.), the structure of operational decision-making powers and any sub-limits (for example, by individual entity in the Group and/or portfolio).

Control System

Risk monitoring is a task assigned to the Risk Management and Permanent Controls Department, which is responsible for verifying:
- compliance with the operational limits set on the trading books of the individual Banks;
- adequacy and functionality of the finance process;
- compliance with approved risk management rules and criteria;
- proper operations of activities and controls for protection from risks.

QUANTITATIVE DISCLOSURES

1. Supervisory Trading Book: breakdown by residual maturity (repricing date) of on-balance-sheet financial assets and 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	more than 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	**-**	**77,772**	**29,842**	**5,414**	**103**	**-**	**-**	**-**
3.1 With underlying security	-	7	-	-	7	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	7	-	-	7	-	-	-
+ long positions	-	4	-	-	3	-	-	-
+ short positions	-	3	-	-	4	-	-	-
3.2 Without underlying security	-	77,765	29,842	5,414	96	-	-	-
- Options	-	46	68	210	14	-	-	-
+ long positions	-	23	34	105	7	-	-	-
+ short positions	-	23	34	105	7	-	-	-
- Other derivatives	-	77,719	29,774	5,204	82	-	-	-
+ long positions	-	39,178	14,887	2,595	41	-	-	-
+ short positions	-	38,541	14,887	2,609	41	-	-	-

Currency **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	more than 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	**-**	**2,493**	**12,714**	**4,798**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	2,493	12,714	4,798	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	2,493	12,714	4,798	-	-	-	-
+ long positions	-	1,169	6,357	2,399	-	-	-	-
+ short positions	-	1,324	6,357	2,399	-	-	-	-

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	more than 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	**-**	**19,427**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	19,427	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	19,427	-	-	-	-	-	-
+ long positions	-	9,693	-	-	-	-	-	-
+ short positions	-	9,734	-	-	-	-	-	-

Currency	Canadian 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**	**more than 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**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	2	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	2	-	-	-	-	-	-
+ long positions	-	1	-	-	-	-	-	-
+ short positions	-	1	-	-	-	-	-	-

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**	**more than 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	**-**	**1,115**	**200**	**34**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	1,115	200	34	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	1,115	200	34	-	-	-	-
+ long positions	-	561	100	17	-	-	-	-
+ short positions	-	554	100	17	-	-	-	-

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**39**	**52**	**12**	**1**	**3**	**-**
1.1 Debt securities	-	-	39	52	12	1	3	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	39	52	12	1	3	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**262,890**	**3,947,459**	**825,521**	**461,479**	**4,033,114**	**997,459**	**163,872**	**-**
3.1 With underlying security	-	27,640	20,473	715	3,537	17	54	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	27,640	20,473	715	3,537	17	54	-
+ long positions	-	13,477	10,398	471	1,869	-	27	-
+ short positions	-	14,163	10,075	244	1,668	17	27	-
3.2 Without underlying security	262,890	3,919,819	805,048	460,764	4,029,577	997,442	163,818	-
- Options	40	1,920	3,464	9,314	1,824,231	116,934	15,940	-
+ long positions	20	960	1,732	4,657	912,115	58,467	7,970	-
+ short positions	20	960	1,732	4,657	912,116	58,467	7,970	-
- Other derivatives	262,850	3,917,899	801,584	451,450	2,205,346	880,508	147,878	-
+ long positions	131,425	1,983,011	376,491	225,735	1,102,673	440,254	73,939	-
+ short positions	131,425	1,934,888	425,093	225,715	1,102,673	440,254	73,939	-

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	more than 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	**-**	**1,172**	**-**	**-**	**165**	**-**	**-**	**-**
3.1 With underlying security	-	173	-	-	165	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	173	-	-	165	-	-	-
+ long positions	-	87	-	-	83	-	-	-
+ short positions	-	86	-	-	82	-	-	-
3.2 Without underlying security	-	999	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	999	-	-	-	-	-	-
+ long positions	-	520	-	-	-	-	-	-
+ short positions	-	479	-	-	-	-	-	-

2.2 Interest rate risk and price risk – Banking book

QUALITATIVE DISCLOSURES

General aspects

Asset Liability Management activities refer to all on-balance-sheet and off-balance-sheet transactions (Banking Book) and focus on fixed-rate positions, excluding from this perimeter the positions in the supervisory Trading Book. Fluctuations in interest rates impact the Group's profits by reducing net interest income and also affect capital by causing changes in the net present value of future cash flows.

The Banking Book price risk is generated by financial assets held for purposes other than trading.

Organisational aspects

Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk profiles of the Group's Banking Book, centrally managing financial operations, as well as the activities for risk measurement and control.
The Governance model adopted by the Cariparma Crédit Agricole Group vests the ALM and Financial Risks Committee with the task of setting the strategic and direction lines for the management, of validating the methods for measuring the exposure to interest rate risk, of examining the reporting produced by the Financial Management Department and by the Risk Management and Permanent Controls Department, as well as to resolve any measures to be implemented. Respect of the decision-making powers delegated by the single Banks in the Group is ensured by the fact that Top Officers sit on the Committee and report to the respective Boards of Directors.
The Financial Management Department is given powers and responsibilities by the CFO for its management role and, specifically, for the management of interest rate risk for the entire Cariparma Crédit Agricole Group, in compliance with the guidelines issued by the Controlling Company Crédit Agricole SA and by the ALM and Financial Risks Committee, and is subject to second-level controls made by the Risk Management and Permanent Control Department.
In compliance with the regulatory provisions and with the guidelines issued by the Crédit Agricole Group, the assessment of interest risk and price risk of the Banking Book is, as a rule, reviewed annually within the Risk Strategy; the latter is validated by the ALM and Financial Risks Committee and approved by the Group Risks Committee of Crédit Agricole S.A. and by the Boards of Directors of the Group Banks.
The Risk Management and Permanent Controls Department is responsible for control and, therefore, it verifies the corporate risk management process and supervises compliance of the treatment of market risk with the legislation in force and with the Group risk strategy.

Risk policy and management

The processes for the management of interest rate and price risks are governed by the respective risk policies.

These documents define the internal regulatory system for the management of risks with reference to operations in financial instruments, in terms of:

- The principles, objectives, methodologies and tools used for the measurement, control and management of risks;
- Guidelines and rules on which the risk management and stress testing processes are based.

The management of interest rate risk is designed to maximize profitability of the single entities in the Group, in compliance with the limits and with the guidelines set by the Boards of Directors and by the Group Risks Committee of Crédit Agricole S.A. The main financial instruments for the management of interest risk hedges are Interest Rate Swaps, which, for their very nature, are contracts referring to "pure" interest rate risk.

The policy for the management of the Banking Book is designed to invest available liquidity and to hold liquidity reserves in a Basel 3 (LCR) perspective.

Control System

Independent control on the system for the management of interest rate risk is performed by Cariparma's Risk Management and Permanent Controls Department, for the Group and for the single Banks, by verifying the compliance of such system with the CASA internal model. Specifically, within the scope of its tasks, the Risk Management and Permanent Controls Department:

- controls the risk measurement and stress testing models, consistently with the guidelines issued by the Supervisory Body and with the procedures set by Crédit Agricole S.A.;
- assesses, within the validation and update process, the results of quantitative and qualitative analysis of the models, expressing its opinion in this regard;
- independently verifies the outcomes of stress tests on the AFS portfolio;
- informs Crédit Agricole S.A. Board of Directors (as part of its control activities) where the set risk ceilings have been breached since the last communication and recommends corrective actions after consultation with the Financial Management Department.

The Risk Management and Permanent Controls Department is responsible for control of compliance with the set limits (global, operational and alert thresholds); therefore, it prepares and send to the corporate Bodies its Financial Risk Report, covering the control outcomes, any breaches of limits and activates, where required, the appropriate alert procedures. On a quarterly basis, it submits a summary of the above Report to the ALM and Financial Risks Committee, as well as to the Internal Control Committee. A summary of the above Report is the basis for quarterly reporting on risks to the Boards of Directors of the Group Banks.

Risk measurement: methodological aspects

For measuring interest rate risk, the Group has adopted an interest-rate gap model, according to which, at each future maturity date, the cumulative gap generated by sensitive fixed-rate assets and liabilities existing at the relevant date is measured. To calculate the fixed-rate gap, on-balance-sheet exposures to interest rate risk must be identified, as well as the stable component of demand items, the effects of the "optionality" underlying some Banking Book positions must be estimated (e.g. early repayment of mortgage loans), as well as the maturity of some balance sheet items that have no certain contractual maturity, in accordance with the proprietary models of the Group and of Crédit Agricole S.A.

Also in 2013, as provided for by CASA regulations, the modeling was reviewed. The analysis made on the stable component of on-demand items showed a decrease in the persistence (duration) of the same in the gap profile, with symmetrical effects on the hedging asset.

In line with the instructions issued by Crédit Agricole S.A., a set of limits for the gaps was defined, which represents the maximum acceptable level of interest rate risk for the Group. These limits are calculated with reference to a series of risk indicators that measure the impact of a change in interest rates on equity, gross income and gross operating margin. The ALM and Financial Risks Committee approved the new limits proposed, which were then submitted to the Group Risk Committee of Crédit Agricole S.A. and to the Boards of Directors of the Banks

The Risk Strategy was approved in the second half of 2013 and confirmed the new limit structure, reviewing them as to their quantitative component in line with the Group's management profile. Consistently with the Crédit Agricole Group guidelines, the limits system consists of global limits that are, then, adapted to each single entity in the Group. As regards global limits on interest rate risk, the Risk Strategy has reduced the global limit, in terms of Net Present Value (NPV) and the gap global limits, subdivided into different time ranges.

As regards price risk for the proprietary portfolio, global limits have been set, based on the type of instruments that can be held (Italian, German and French Government securities), which are expressed with reference to the maximum nominal value, expecting full hedge of interest rate risk. Operational limits have the same structure and are then adapted to each single Bank. Operational limits are submitted for approval to the Boards of Directors of the Group's Banks and must not exceed the global limits set for the Group. In 2013, the Group adopted the changes made by Crédit Agricole SA to the stress methods to be used on the proprietary portfolio, setting a global limits on the stress impacts.

Fair value hedging

Hedging interest rate risk has the objective of immunizing the Banking Book from the movements of the interest rate curve. Specifically, subject to hedging are fixed-rate debenture loans and fixed-rate securities recognized as assets (micro-hedge), mortgage loans with CAP grated to Customers (macro-hedge) and fixed-rate gaps, which are subject to macro-hedge. The hedges were made only by purchasing Interest Rate Swaps and Interest Rate Options.
In compliance with the IASs, the effectiveness of the hedges was assessed by the Financial Management Department, which carries out the relevant tests on a monthly basis; within the procedures, formal documentation for every hedging transaction is kept. The reduction of the stable duration of demand items through the upgrading of the Macro-hedging core deposit model adopted by the Group entailed the unwinding of hedges with longer durations.

Cash flow hedging

As at the reporting date, there was no cash flow hedge.

QUANTITATIVE DISCLOSURES

1. Banking Book: distribution of financial assets and liabilities by residual maturity (repricing date)

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**15,993**	**256,191**	**3,751**	**11,500**	**14,870**	**526**	**1**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	12,969	159,438	1,124	-	1,211	-	-	-
1.3 Loans to customers	3,024	96,753	2,627	11,500	13,659	526	1	-
- current accounts	2,797	1	3	6	2	-	1	-
- other loans	227	96,752	2,624	11,494	13,657	526	-	-
- with early redemption option	118	26,095	1,293	237	2	-	-	-
- other	109	70,657	1,331	11,257	13,655	526	-	-
2. On-balance-sheet liabilities	**137,918**	**157,774**	**3,661**	**3,716**	**832**	**510**	**-**	**-**
2.1 Due to customers	136,640	65,260	506	504	-	-	-	-
- current accounts	133,941	65,260	506	504	-	-	-	-
- other loans	2,699	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	2,699	-	-	-	-	-	-	-
2.2 Due to banks	1,278	92,514	3,155	3,212	832	510	-	-
- current accounts	1,221	-	-	-	-	-	-	-
- other payables	57	92,514	3,155	3,212	832	510	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**953**	**131,208**	**265**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	953	131,208	265	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**953**	**131,208**	**265**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	65,948	265	-	-	-	-	-
+ short positions	953	65,260	-	-	-	-	-	-

Currency	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**	**more than 5 years to 10 years**	**more than 10 years**	**unspecified maturity**
1. On-balance-sheet assets	**7,700**	**5,346**	**1**	**1**	**1**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	7,691	3,719	-	-	-	-	-	-
1.3 Loans to customers	9	1,627	1	1	1	-	-	-
- current accounts	-	1	1	1	1	-	-	-
- other loans	9	1,626	-	-	-	-	-	-
- with early redemption option	9	1,126	-	-	-	-	-	-
- other	-	500	-	-	-	-	-	-
2. On-balance-sheet liabilities	**12,279**	**180**	**-**	**355**	**-**	**-**	**-**	**-**
2.1 Due to customers	11,201	180	-	355	-	-	-	-
- current accounts	10,884	180	-	355	-	-	-	-
- other loans	317	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	317	-	-	-	-	-	-	-
2.2 Due to banks	1,078	-	-	-	-	-	-	-
- current accounts	1,078	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**44**	**-**	**44**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	44	-	44	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	44	-	44	-	-	-	-	-
+ long positions	-	-	44	-	-	-	-	-
+ short positions	44	-	-	-	-	-	-	-

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**2,056**	**24,204**	**5,647**	**720**	**1,854**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,957	815	-	-	-	-	-	-
1.3 Loans to customers	99	23,389	5,647	720	1,854	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	99	23,389	5,647	720	1,854	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	99	23,389	5,647	720	1,854	-	-	-
2. On-balance-sheet liabilities	**6,532**	**27,779**	**-**	**20**	**-**	**-**	**-**	**-**
2.1 Due to customers	6,336	-	-	20	-	-	-	-
- current accounts	6,332	-	-	20	-	-	-	-
- other loans	4	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	4	-	-	-	-	-	-	-
2.2 Due to banks	196	27,779	-	-	-	-	-	-
- current accounts	196	-	-	-	-	-	-	-
- other payables	-	27,779	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**375**	**29,000**	**374**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	375	29,000	374	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	375	29,000	374	-	-	-	-	-
+ long positions	-	14,500	374	-	-	-	-	-
+ short positions	375	14,500	-	-	-	-	-	-

Currency	Canadian 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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**2,615**	**716**	**-**	**1**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	2,287	620	-	-	-	-	-	-
1.3 Loans to customers	328	96	-	1	-	-	-	-
- current accounts	328	-	-	1	-	-	-	-
- other loans	-	96	-	-	-	-	-	-
- with early redemption option	-	96	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**2,249**	**886**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	2,081	-	-	-	-	-	-	-
- current accounts	2,080	-	-	-	-	-	-	-
- other loans	1	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1	-	-	-	-	-	-	-
2.2 Due to banks	168	886	-	-	-	-	-	-
- current accounts	168	-	-	-	-	-	-	-
- other payables	-	886	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**584**	**1,227**	**21**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	467	69	-	-	-	-	-	-
1.3 Loans to customers	117	1,158	21	-	-	-	-	-
- current accounts	117	-	-	-	-	-	-	-
- other loans	-	1,158	21	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	1,158	21	-	-	-	-	-
2. On-balance-sheet liabilities	**868**	**940**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	866	-	-	-	-	-	-	-
- current accounts	866	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	2	940	-	-	-	-	-	-
- current accounts	2	-	-	-	-	-	-	-
- other payables	-	940	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**1,244**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	1,244	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	-	1,244	-	-	-	-	-	-
+ long positions	-	622	-	-	-	-	-	-
+ short positions	-	622	-	-	-	-	-	-

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**	**more than 5 years to 10 years**	**more than 10 years**	**unspecified maturity**
1. On-balance-sheet assets	**6,241,295**	**17,643,548**	**2,562,514**	**732,553**	**2,799,218**	**2,539,312**	**2,771,161**	**-**
1.1 Debt securities	-	1,561,022	177,173	31,105	1,097,122	1,849,559	20,173	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	1,561,022	177,173	31,105	1,097,122	1,849,559	20,173	-
1.2 Loans to banks	263,308	2,430,095	2,502	35,378	28,102	-	-	-
1.3 Loans to customers	5,977,987	13,652,431	2,382,839	666,070	1,673,994	689,753	2,750,988	-
- current accounts	834,844	718,357	26,965	54,397	98,736	22,099	1,432,154	-
- other loans	5,143,143	12,934,074	2,355,874	611,673	1,575,258	667,654	1,318,834	-
- with early redemption option	15,230	273,968	47,896	57,691	121,072	2,499	3	-
- other	5,127,913	12,660,106	2,307,978	553,982	1,454,186	665,155	1,318,831	-
2. On-balance-sheet liabilities	**16,956,880**	**8,091,517**	**1,772,875**	**1,567,435**	**5,413,339**	**136,258**	**-**	**-**
2.1 Due to customers	16,617,189	941,198	2,556	2,685	994	-	-	-
- current accounts	14,109,759	900,025	-	-	-	-	-	-
- other loans	2,507,430	41,173	2,556	2,685	994	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	2,507,430	41,173	2,556	2,685	994	-	-	-
2.2 Due to banks	325,071	5,144,845	199,178	-	232,920	-	-	-
- current accounts	45,713	-	-	-	-	-	-	-
- other payables	279,358	5,144,845	199,178	-	232,920	-	-	-
2.3 Debt securities	14,620	2,005,474	1,571,141	1,564,750	5,179,425	136,258	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	14,620	2,005,474	1,571,141	1,564,750	5,179,425	136,258	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**9**	**242,596**	**8,615**	**10,277**	**96,597**	**83,386**	**64,113**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	9	242,596	8,615	10,277	96,597	83,386	64,113	-
- Options	9	242,596	8,615	10,277	96,597	83,386	64,113	-
+ long positions	6	121,278	2,561	5,167	48,887	41,844	33,053	-
+ short positions	3	121,318	6,054	5,110	47,710	41,542	31,060	-
- Other derivatives	215,675	15,491,715	855,601	1,775,472	7,679,248	4,108,900	215,000	-
+ long positions	-	4,068,059	810,126	1,715,472	6,163,448	2,213,700	200,000	-
+ short positions	215,675	11,423,656	45,475	60,000	1,515,800	1,895,200	15,000	-
4. Other off-balance-sheet transactions	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

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	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**6,780**	**10,775**	**-**	**135**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	4,989	9,473	-	-	-	-	-	-
1.3 Loans to customers	1,791	1,302	-	135	-	-	-	-
- current accounts	1,662	-	-	-	-	-	-	-
- other loans	129	1,302	-	135	-	-	-	-
- with early redemption option	129	1,279	-	-	-	-	-	-
- other	-	23	-	135	-	-	-	-
2. On-balance-sheet liabilities	**10,290**	**6,584**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	8,491	-	-	-	-	-	-	-
- current accounts	8,202	-	-	-	-	-	-	-
- other loans	289	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	289	-	-	-	-	-	-	-
2.2 Due to banks	1,799	6,584	-	-	-	-	-	-
- current accounts	1,799	-	-	-	-	-	-	-
- other payables	-	6,584	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**16,751**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	16,751	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	-	16,751	-	-	-	-	-	-
+ long positions	-	8,376	-	-	-	-	-	-
+ short positions	-	8,375	-	-	-	-	-	-

2.3 Exchange rate risk

QUALITATIVE DISCLOSURES

Cariparma is not engaged in proprietary trading on the currency market and does not hold assets or liabilities which are not hedged against this risk. Consequently, there are no exposures apart from residual positions in respect of activities carried out to meet customer requirements in both the spot and forward markets.

These residual positions are nonetheless monitored daily.

The Risk Strategy approved in 2013 has confirmed the operational limits system on exchange rate risk, adopting sub-limits for each Group Bank.

QUANTITATIVE DISCLOSURES

1. Distribution by currency of assets and liabilities and derivatives

Items	Value					
	Us Dollar	Uk Pound Sterling	Japan Yen	Canadian Dollar	Swiss Frank	Other Currencies
A. Financial Assets	**302,832**	**13,049**	**1,832**	**3,332**	**34,481**	**17,690**
A.1 Debt securities	-	-	-	-	-	-
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	174,742	11,410	536	2,907	2,772	14,462
A.4 Loans to customers	128,090	1,639	1,296	425	31,709	3,228
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**1,043**	**771**	**57**	**71**	**620**	**310**
C. Financial Liabilities	**304,411**	**12,814**	**1,808**	**3,135**	**34,332**	**16,874**
C.1 Due to banks	101,501	1,078	942	1,054	27,976	8,383
C.2 Due to customers	202,910	11,736	866	2,081	6,356	8,491
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**3,180**	**222**	**10**	**204**	**72**	**68**
E. Financial derivatives	**113,512**	**20,005**	**1,349**	**2**	**19,427**	**999**
- Options	338	-	-	-	-	-
+ long positions	169	-	-	-	-	-
+ short positions	169	-	-	-	-	-
- Other derivatives	113,174	20,005	1,349	2	19,427	999
+ long positions	56,900	9,925	678	1	9,693	520
+ short positions	56,274	10,080	671	1	9,734	479
Total assets	**360,944**	**23,745**	**2,567**	**3,404**	**44,794**	**18,520**
Total liabilities	**364,034**	**23,116**	**2,489**	**3,340**	**44,138**	**17,421**
Difference (+/-)	**-3,090**	**629**	**78**	**64**	**656**	**1,099**

2.4 Derivatives

A. Financial Derivatives

A.1. Supervisory trading book: closing and average notional amounts

Underlying assets/Type of derivative	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**9,077,622**	**-**	**9,272,948**	**-**
a) Options	4,821,995	-	4,434,744	-
b) Swaps	4,255,627	-	4,838,204	-
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	**212,225**	**-**	**168,467**	**-**
a) Options	68,338	-	26,836	-
b) Swaps	-	-	-	-
c) Forward contracts	143,887	-	141,631	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**395**	**-**	**7,362**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**9,290,242**	**-**	**9,448,777**	**-**
Average amounts	**9,423,499**	**-**	**10,013,039**	**-**

A.2 Banking book: closing and average notional amounts

A.2.1 Hedging

Underlying assets/Type of derivative	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1) Debt securities and interest rates	**15,487,318**	**-**	**14,170,036**	**-**
a) Options	316,513	-	69,505	-
b) Swap	15,170,805	-	13,977,035	-
c) Forward	-	-	123,496	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2) Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3) Exchange rates and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**15,487,318**	**-**	**14,170,036**	**-**
Average amounts	**15,156,604**	**-**	**13,644,957**	**-**

A.2.2 Other derivatives

Underlying assets/Type of derivative	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1) Debt securities and interest rates	**510,840**	**-**	**282,424**	**-**
a) Options	510,840	-	282,424	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2) Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3) Exchange rates and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**510,840**	**-**	**282,424**	**-**
Average amounts	**398,830**	**-**	**306,720**	**-**

A.3 Financial derivatives: positive gross fair value - breakdown by product

Underlying assets/Type of derivative	Positive fair value			
	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	**190,604**	**-**	**283,996**	**-**
a) Options	18,826	-	20,070	-
b) Interest rate swap	170,805	-	262,142	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	962	-	1,689	-
f) Futures	-	-	-	-
g) Other	11	-	95	-
B. Banking book - hedging	**571,225**	**-**	**938,120**	**-**
a) Options	13,204	-	2,528	-
b) Interest rate swap	558,021	-	935,592	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - Other derivatives	**5,958**	**-**	**-**	**-**
a) Options	5,958	-	-	-
b) Interest rate swap	-	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**767,787**	**-**	**1,222,116**	**-**

A.4 Financial derivatives: gross negative fair value - breakdown by product

Underlying assets/Type of derivative	Negative fair value			
	31.12.2013		31.12.2012	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	**193,001**	**-**	**278,453**	**-**
a) Options	19,575	-	10,349	-
b) Interest rate swaps	172,465	-	266,366	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	950	-	1,644	-
f) Futures	-	-	-	-
g) Other	11	-	94	-
B. Banking book - hedging	**255,285**	**-**	**241,114**	**-**
a) Options	-	-	-	-
b) Interest rate swaps	255,285	-	240,231	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	883	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - Other derivatives	**5,775**	**-**	**9,499**	**-**
a) Options	5,775	-	9,499	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**454,061**	**-**	**529,066**	**-**

A.5 Otc financial derivatives - supervisory trading book: notional value, positive and negative gross fair values by counterparty - contract not included in 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							
- notional amount	-	3,260	5,143,169	441,924	-	3,153,623	335,647
- positive fair value	-	93	83,199	10,807	-	94,861	329
- negative fair value	-	4	175,633	307	-	11,018	4,734
- future exposure	-	15	38,703	1,955	-	10,652	51
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rates and gold							
- notional amount	-	-	106,419	198	-	92,342	13,266
- positive fair value	-	-	520	1	-	724	59
- negative fair value	-	-	775	-	-	503	16
- future exposure	-	-	918	2	-	782	133
4) Other assets							
- notional amount	-	-	196	-	-	199	-
- positive fair value	-	-	1	-	-	10	-
- negative fair value	-	-	10	-	-	1	-
- future exposure	-	-	19	-	-	20	-

A.7 Over-the-counter financial derivatives - banking book: notional values, positive and negative gross fair value by counterparty - contracts not included in 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							
- notional amount	-	-	15,746,718	-	-	-	251,440
- positive fair value	-	-	577,183	-	-	-	-
- negative fair value	-	-	255,285	-	-	-	5,775
- future exposure	-	-	108,516	-	-	-	629
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

Items	up to 1 year	More than 1 year to 5 years	More than 5 years	Total
A. Supervisory trading book	**1,747,283**	**4,477,687**	**3,065,272**	**9,290,242**
A.1 Financial derivatives on debt securities and interest rates	1,537,308	4,475,043	3,065,272	9,077,623
A.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial derivatives on exchange rates and gold	209,580	2,644	-	212,224
A.4 Financial derivatives on other values	395	-	-	395
B. Banking book	**3,194,657**	**8,163,088**	**4,640,413**	**15,998,158**
B.1 Financial derivatives on debt securities and interest rates	3,194,657	8,163,088	4,640,413	15,998,158
B.2 Financial derivatives on equity securities and equity indices	-	-	-	-
B.3. Financial derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
Total (31.12.2013)	**4,941,940**	**12,640,775**	**7,705,685**	**25,288,400**
Total (31.12.2012)	**3,639,534**	**12,243,081**	**8,018,622**	**23,901,237**

Section 3 – Liquidity risk

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of liquidity risk

General and organisation aspects

Liquidity risk concerns the possibility that the Group may not be able to meet its payment commitments, both expected and unexpected, without prejudicing its daily operations or its financial position. This risks is managed based on the following components:
- management of short-term liquidity: its objective is to ensure that outgoing liquidity flows can be handled with incoming liquidity flows, in the perspective of supporting continuously routine banking operations;
- management of structural liquidity: its objective is to maintain the balance between total liabilities and medium-/long-term assets, in order to ensure adequate liquidity levels in a medium-/long-term perspective.

The liquidity risk model, approved by Cariparma Board of Directors, is based on the principle of separation of liquidity management processes from liquidity risk controlling processes, in compliance with the regulatory requirements and with the guidelines issued by CASA. This model provides for the governance and management of liquidity risk to be centrally performed by the Parent Company Cariparma, which is also responsible for refinancing all the entities in the Group. This framework is defined as the "Liquidity System".
The model sets the responsibilities of the corporate Bodies and Departments involved, specifically:

- The Board of Directors, the body in charge of strategic steering, is responsible for defining governance policies, the organizational structure and management processes. It approves measurement methods, risk tolerance thresholds and the limits system, the assumptions at the basis of stress tests, the Plan d'Urgence and the Contingency Funding Plan.
- The Financial Management Department is given powers and responsibilities by the CFO for its management role and, specifically, for the preparation of the reporting to the Bank of Italy, as well as of internal reporting on the Group's liquidity situation (statement of liquidity), and for proposing action plans to be implemented based on the developments in liquidity risk. The Financial Management Department operates in compliance with the directions of the ALM and Financial Risks Committee, in which the General Managers of the Subsidiaries take part.
- The Risk Management and Permanent Controls Department is responsible of the permanent controls mechanism, controls compliance with global and operational limits, as well as with alert thresholds, prepares the reporting to corporate Bodies and activates, where required, the alert procedures. Jointly with the Financial Management Department, it is also responsible for monitoring the ratios provided for in the Contingency Funding Plan.

In compliance with the Basel III regulatory requirements, in 2013 the Cariparma Crédit Agricole Group joined the New Deal Project of Crédit Agricole SA for the purpose of centralized calculation of the ratios as provided for by the new regulation (LCR and NFSR).

Risk management and control: methodological aspects

The model adopted for liquidity risk management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.
The main objective of the short-term liquidity management process is to ensure that the Group is able to satisfy on-balance-sheet payment commitments, expected and unexpected, in such a way as not to prejudice normal business.
A basic condition for achieving this objective is to permanently maintain a sufficient balance between incoming and outgoing liquidity flow.
To measure short-term exposure to liquidity risk, the maturity mismatch approach has been used, in accordance with the guidelines set down by Crédit Agricole SA and with supervisory instructions.
The system for monitoring the Group's liquidity risk considers the following factors:

- maintaining immediate liquidity, represented by the net balance of Customer sources, surplus equity and loans to Customers. This activity is carried out by identifying on-balance-sheet inflows and outflows expected during the different residual maturity bands that make up the "maturity ladder";
- the continuation of the business activity based on planned rates (monitoring the performance of liquidity from loans to customers/customer sources).

An essential aspect of liquidity management is the definition of an interbank short-term refinancing limit (LCT - Limite Court Terme), which is fine-tuned using the method set by the Liquidity System aimed at ensuring surplus liquidity over a one-year horizon in a market under stress conditions.

The Liquidity System (management and monitoring) sets restrictions to the structure of short-term refinancing, which impose "non-concentration" on shorter maturities, with the effect of fostering longer terms for inter-bank funding.
The stress scenarios on which the limit structure is based are defined on realistic assumptions but, at the same time, are appropriately conservative in relation to the severity and duration of the simulated shock.
Short-term liquidity risk management and supervision policies are aimed at ensuring the surmounting of any crisis that leads to serious reduction in the Group's normal financing sources; in this regard, three stress scenarios have been identified:

- Systemic crisis: a situation that leads to partial closure of the short-term and medium-/long-term refinancing market, with continuing business operations. Loan renewal rate is 35% on the short-term and 31.25% on the long-term and causes?? a reduction in liquidity reserves. The Group must be able to continue operations for a one-year time horizon.
- Idiosyncratic crisis: a situation that leads to a bank run, partial closure of the short-term market and total closure of the medium-/long-term market with continuing business operations.. Specifically, use of reserves within a short time, with slight write-downs is assumed, reduced ability to take out loans (down by 25%) and a decrease in Retail deposits (10% withdrawal). The Group must be able to continue operations for a one-month time horizon.
- global crisis: a situation having the combined features of both a systemic crisis and an idiosyncratic crisis, in terms of substantial bank run, total closure of the markets, use of reserves even though with write-downs. The Group must be able to continue business operations in a serious crisis for a two-week time horizon.

Two other alert thresholds are envisaged, a resilience threshold in case of idiosyncratic crisis (the treasury position must be positive over at least a three-month time horizon) and a resilience threshold in case of global crisis (the treasury position must be positive over at least a one-month time horizon.)
A fundamental aspect of medium-/long-term liquidity management is the definition of the Position en Ressources Stables (PRS) ratio. This ratio is designed to ensure the Group's financial balance and is calculated as the difference between stable funding (funding on the medium-/long-term market, funding from business with Customers and equity) and long-term assets (non-current assets, loans to Customers, Customers' securities and investment securities). A positive PRS shows the Bank's ability to support its assets in a crisis.
On a monthly basis, specific resilience indicators are calculated for each of the assumed scenarios. These indicators are compared to the specific limits, as set by CASA and approved by the Group Risks Committee when the Risk Strategy is presented, and then approved by Cariparma Board of Directors.
In 2013, a transaction was finalized for the issue within the Cariparma Crédit Agricole Group of Covered Bonds for an amount of Euro 2.7 billion, in order to increase the portfolio of Liquidity Reserves readily eligible with the ECB. In December 2013, the Liquidity Reserves portfolio consisted of two internal securitization transactions, a Covered Bond and by the AFS security portfolio.
In marketing the Bank's products, liquidity risk is taken into account through the internal transfer rate system. Based on the products' financial features and on the prevailing market conditions, the system allows the internal return rate to be determined, which, in turn, is the basis for lending and direct funding products.

Risk control

The Risk Management and Permanent Controls Department is responsible for controlling compliance with the set limits; therefore it prepares and issues its own Financial Risk Report, which includes information on the control outcomes and on any breaches of the limits or alert thresholds. On a quarterly basis, it submits a summary of the above Report to the ALM and Financial Risks Committee, as well as to the Internal Control Committee and to the Boards of Directors of the Group Banks.
As required by the regulation issued by the Bank of Italy, by the Contingency Funding Plan and by the Liquidity Policy, the Risk Management and Permanent Controls Department estimates back-up liquidity, in order to determine and monitor, with sufficient reliability, in adverse scenarios, the maximum amount that can be drained from the various funding sources. Based on these estimates, an indicator was designed and is produced on a monthly basis. The stress assumptions underlying estimated back-up liquidity start from the global stress scenario defined by Crédit Agricole, on top of which the lengthening of the time horizon of the stress scenario (1 and 6 months) is assumed, as well as the concomitant exit from the Group's Customers portfolio of the two main corporate funding sources.
The Risk Management and Permanent Controls Department calculates, independently and on a daily basis, the short-term liquidity ratios (LCT) and monitors on a monthly basis the stress scenario and alert indicators as generated by the CASA Group tools, ensuring that they are properly fed through a defined plan for permanent controls. Jointly with the Financial Management Department, it is also responsible for monitoring the ratios provided for in the Contingency Funding Plan.
A process is in place for formalizing and reporting a remedial plan to the Top Management and to Crédit Agricole in the event of any global or operating limits being exceeded, of significant losses, alert thresholds being reached in terms of risks or performance, significant changes in ratios, potentially negative and unexpected variations in financial markets, insufficiencies or malfunctions of any systems for the management or measurement of risks and of any other event or situation deemed relevant in monitoring liquidity risk.

QUANTITATIVE DISCLOSURES

1. Breakdown of financial assets and liabilities by residual contract maturity

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 maturity
On-balance-sheet assets	**42,062**	**156,814**	**9,638**	**53,366**	**38,941**	**3,799**	**1,707**	**1,259**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	42,062	156,814	9,638	53,366	38,941	3,799	1,707	1,259	-	-
- banks	12,969	153,174	-	1,669	4,601	1,126	-	1,255	-	-
- customers	29,093	3,640	9,638	51,697	34,340	2,673	1,707	4	-	-
On-balance-sheet liabilities	**141,033**	**68,848**	**6,237**	**49,237**	**33,583**	**3,665**	**1,938**	**-**	**-**	**-**
B.1 Deposits and current accounts	135,162	68,848	3,991	48,816	32,798	3,049	506	-	-	-
- banks	1,221	3,483	3,991	48,816	32,798	2,542	-	-	-	-
- customers	133,941	65,365	-	-	-	507	506	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	5,871	-	2,246	421	785	616	1,432	-	-	-
Off-balance-sheet transactions	**975**	**140,891**	**12,682**	**22,170**	**33,238**	**30,109**	**5,414**	**100**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	10,371	12,682	22,170	32,550	29,844	5,414	100	-	-
- long positions	-	5,269	6,354	11,324	16,258	14,922	2,700	50	-	-
- short positions	-	5,102	6,328	10,846	16,292	14,922	2,714	50	-	-
C.2 Financial derivatives without exchange of principal	22	-	-	-	-	-	-	-	-	-
- long positions	11	-	-	-	-	-	-	-	-	-
- short positions	11	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	953	130,520	-	-	688	265	-	-	-	-
- long positions	-	65,260	-	-	688	265	-	-	-	-
- short positions	953	65,260	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency **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 maturity
On-balance-sheet assets	**7,700**	**3,719**	**49**	**595**	**1,002**	**1**	**2**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	7,700	3,719	49	595	1,002	1	2	-	-	-
- banks	7,691	3,719	-	-	-	-	-	-	-	-
- customers	9	-	49	595	1,002	1	2	-	-	-
On-balance-sheet liabilities	**12,279**	**-**	**-**	**-**	**181**	**-**	**371**	**-**	**-**	**-**
B.1 Deposits and current accounts	11,962	-	-	-	181	-	371	-	-	-
- banks	1,078	-	-	-	-	-	-	-	-	-
- customers	10,884	-	-	-	181	-	371	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	317	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**44**	**1,053**	**-**	**960**	**480**	**12,758**	**4,798**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,053	-	960	480	12,714	4,798	-	-	-
- long positions	-	449	-	480	240	6,357	2,399	-	-	-
- short positions	-	604	-	480	240	6,357	2,399	-	-	-
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	44	-	-	-	-	44	-	-	-	-
- long positions	-	-	-	-	-	44	-	-	-	-
- short positions	44	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	Swiss Frank									
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 maturity
On-balance-sheet assets	**4,278**	**1,432**	**7,685**	**3,383**	**9,033**	**5,714**	**627**	**2,604**	**3**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	4,278	1,432	7,685	3,383	9,033	5,714	627	2,604	3	-
- banks	1,957	815	-	-	-	-	-	-	-	-
- customers	2,321	617	7,685	3,383	9,033	5,714	627	2,604	3	-
On-balance-sheet liabilities	**6,532**	**14,419**	**7,739**	**2,363**	**3,260**	**-**	**20**	**-**	**-**	**-**
B.1 Deposits and current accounts	6,528	14,419	7,739	2,363	3,260	-	20	-	-	-
- banks	196	14,419	7,739	2,363	3,260	-	-	-	-	-
- customers	6,332	-	-	-	-	-	20	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	4	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**375**	**30,080**	**994**	**4,450**	**12,902**	**375**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,081	994	4,450	12,902	-	-	-	-	-
- long positions	-	522	497	2,225	6,449	-	-	-	-	-
- short positions	-	559	497	2,225	6,453	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	27,533	-	-	-	-	-	-	-	-
- long positions	-	13,767	-	-	-	-	-	-	-	-
- short positions	-	13,766	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	375	1,466	-	-	-	375	-	-	-	-
- long positions	-	733	-	-	-	375	-	-	-	-
- short positions	375	733	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	Canadian 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 maturity
On-balance-sheet assets	**2,618**	**636**	**-**	**76**	**5**	**-**	**1**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	2,618	636	-	76	5	-	1	-	-	-
- banks	2,287	620	-	-	-	-	-	-	-	-
- customers	331	16	-	76	5	-	1	-	-	-
On-balance-sheet liabilities	**2,249**	**886**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	2,248	886	-	-	-	-	-	-	-	-
- banks	168	886	-	-	-	-	-	-	-	-
- customers	2,080	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	1	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	2	-	-	-	-	-	-	-	-
- long positions	-	1	-	-	-	-	-	-	-	-
- short positions	-	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	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	Japan Yen									
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 maturity
On-balance-sheet assets	**585**	**169**	**308**	**588**	**173**	**21**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	585	169	308	588	173	21	-	-	-	-
- banks	467	69	-	-	-	-	-	-	-	-
- customers	118	100	308	588	173	21	-	-	-	-
On-balance-sheet liabilities	**869**	**939**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	869	939	-	-	-	-	-	-	-	-
- banks	3	939	-	-	-	-	-	-	-	-
- customers	866	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**1,657**	**-**	**93**	**608**	**200**	**34**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	413	-	93	608	200	34	-	-	-
- long positions	-	210	-	46	304	100	17	-	-	-
- short positions	-	203	-	47	304	100	17	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	1,244	-	-	-	-	-	-	-	-
- long positions	-	622	-	-	-	-	-	-	-	-
- short positions	-	622	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	Euro									
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 maturity
On-balance-sheet assets	**3,078,989**	**185,805**	**151,114**	**537,838**	**1,408,882**	**1,007,485**	**2,119,544**	**12,820,418**	**14,222,081**	**314,685**
A.1 Government securities	-	-	-	-	58,373	30,560	96,834	1,488,801	1,910,202	-
A.2 Other debt securities	-	-	-	-	3,040	1,578	12,468	906,410	2	48,821
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	3,078,989	185,805	151,114	537,838	1,347,469	975,347	2,010,242	10,425,207	12,311,877	265,864
- banks	263,326	100,965	476	153,005	303,311	2,523	35,427	1,234,463	400,000	265,864
- customers	2,815,663	84,840	150,638	384,833	1,044,158	972,824	1,974,815	9,190,744	11,911,877	-
On-balance-sheet liabilities	**17,028,469**	**580,177**	**2,244,585**	**1,122,418**	**2,977,336**	**1,903,017**	**1,753,501**	**6,019,682**	**400,408**	**120,000**
B.1 Deposits and current accounts	16,844,328	500,073	518,247	456,219	1,948,749	176,025	3,446	232,616	-	-
- banks	303,624	-	118,006	455,339	1,941,687	175,679	-	232,616	-	-
- customers	16,540,704	500,073	400,241	880	7,062	346	3,446	-	-	-
B.2 Debt securities	85,467	80,104	125,792	356,946	1,000,038	1,718,303	1,679,526	5,359,112	133,023	120,000
B.3 Other liabilities	98,674	-	1,600,546	309,253	28,549	8,689	70,529	427,954	267,385	-
Off-balance-sheet transactions	**386,154**	**43,107**	**24,188**	**37,656**	**168,949**	**155,528**	**226,888**	**123,818**	**117**	**120,000**
C.1 Financial Derivatives with exchange of principal	-	39,607	13,963	28,924	48,078	63,580	10,974	3,818	117	-
- long positions	-	19,532	6,967	14,253	23,869	31,970	5,609	2,044	50	-
- short positions	-	20,075	6,996	14,671	24,209	31,610	5,365	1,774	67	-
C.2 Financial derivatives without exchange of principal	386,154	3,500	10,225	8,732	120,871	91,948	215,914	120,000	-	120,000
- long positions	191,874	2,582	6,163	6,812	67,987	62,854	149,380	-	-	120,000
- short positions	194,280	918	4,062	1,920	52,884	29,094	66,534	120,000	-	-
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	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency: Other Currencies

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 maturity
On-balance-sheet assets	**6,932**	**9,474**	**220**	**229**	**869**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	6,932	9,474	220	229	869	-	-	-	-	-
- banks	4,989	9,474	-	-	-	-	-	-	-	-
- customers	1,943	-	220	229	869	-	-	-	-	-
On-balance-sheet liabilities	**10,291**	**6,258**	**327**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	10,001	6,258	327	-	-	-	-	-	-	-
- banks	1,799	6,258	327	-	-	-	-	-	-	-
- customers	8,202	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	290	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**17,275**	**-**	**648**	**-**	**-**	**-**	**172**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	524	-	648	-	-	-	172	-	-
- long positions	-	283	-	324	-	-	-	86	-	-
- short positions	-	241	-	324	-	-	-	86	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	1,603	-	-	-	-	-	-	-	-
- long positions	-	802	-	-	-	-	-	-	-	-
- short positions	-	801	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	15,148	-	-	-	-	-	-	-	-
- long positions	-	7,574	-	-	-	-	-	-	-	-
- short positions	-	7,574	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Section 4 - Operational Risks

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of operational risks

Cariparma 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 losses 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, sanctions or penalties resulting from measures adopted by the supervisory authority, as well as private settlements.

To consolidate and enhance control of operational risks, the set objectives are:

- to achieve full compliance with the requirements set by the Supervisory regulations for internal control systems (15th update of Bank of Italy's Circular No. 263/2006);
- full ongoing compliance with regulatory requirements for the use of the Traditional Standardized Approach (TSA) for the calculation of regulatory capital as prescribed by Basel 2;
- constant improvement in the monitoring of risks and losses, in order to allow a management-oriented approach, especially in terms of risk mitigation and prevention initiatives;
- fine-tuning of the permanent controls systems and extension of the coverage of the same controls within the company perimeter;
- constant improvement in the mechanism for compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of Regulatory Capital.

Macro-organisational aspects

Governance of operational risks is the responsibility of Cariparma's Risk Management and Permanent Controls Department that implements the guidelines issued by the Risk Management Department of the Controlling Company Crédit Agricole S.A., and reports on a solid line to the latter.
The governance model provides for
- close connections with the activities for permanent controls;
- synergies with the Compliance Central Department and with the Audit Department.

Risk management

The adopted model is consistent with the guidelines issued by Crédit Agricole and governed by the central Department, which works with the well-established and complementary contributions, in its operating, management and mitigation activities, of specialist roles, departments and mechanisms:

- ORM (Operational Risk Manager, Italian acronym: MRO);
- Person in Charge of IT System Security (Italian acronym: RSSI);
- BCM (Business Continuity Manager, in charge of the Continuity of Operations Plan);
- Area Operating Units;
- Fraud Prevention Unit (Italian acronym: NAF)
- mechanisms and tools, functional to the proper control of risks and to the management of mitigation/improvement measures, including:
  - the Supervisory Committee of CA s.a.(Comité Suivi Métier);
  - the Internal Control Committee;
  - the Operational Risk Committee;
  - the Interdepartmental Working Group for the Provision of Outsourced Essential Services (Italian acronym: PSEE);
  - the Interdepartmental Working Group for the Continuity of Operations Plan (Italian acronym PCO);
  - CA S.A. Parent Company Supervisory Committee in IT Security and on PCO (CSSCA, Supervisory Committee on Security and Continuity of Operations);
  - the remote controls system for the Distribution Network, with the summary early warning indicators;

The upgrading of the process for the management and control of operational risk to the guidelines issued by Crédit Agricole S.A. and the adoption of the same general methods used by Group had the purpose of meeting the requirements for the adoption of Advanced Measurement Approaches(AMA) to determine the capital requirements for Operational Risks.

The process of operational risk management is divided into the following macro-phases:
- detection, identification and classification of risks and losses and their recognition in the accounts where necessary;
- identification of mitigation actions and preparation of the action plan;
- verification of the adequacy of the control plan and increase in control points;
- development of the system for remote controls;
- verification of the correct performance of mitigation actions;
- information and reporting (monthly reporting on Subsidiaries was created recently).

In the above phases, the following processes are also applied:
- Loss Data Collection (recording, classification and processing of loss data);
- Scenario analysis (prospective measurement of exposure to high-impact low-frequency operational risks, relating to specific contexts);
- Risk Self Assessment (self-assessment of the exposure to operational risks relating to the specific operating Departments and the relevant processes, made directly by the Department Head);
- direct involvement of corporate departments in collective assessment units (PSEE, improvements).

Risk mitigation

The policy for operational risk mitigation is implemented with:

- specific self-assessment (the so-called “Self Risk Assessment”) aimed at defining an annual Action Plan, which is submitted for approval to the Board of Directors, containing all the initiatives that the Persons responsible for the various corporate processes have identified as required in order to mitigate existing operational risks;
- implementation and increasing coverage of the permanent controls plan, both at the Distribution Network and at Central Departments, in order to control the most critical processes;
- a fraud prevention unit, whose Manager coordinates company units in the interception, management and prevention of fraud.
- implementation of the mechanism for control and monitoring on outsourced essential services (PSEE), specifically with a new regulatory structure and a general review on existing contracts;

  - implementation of the mechanism for control and monitoring on:
  - security, both physical and IT;
  - continuity of operations (PCO).

Transfer of Risk

Based on specific assessments, the Bank transfers operational risk through the following dedicated initiatives:

- activation of insurance policies to offset the impact of unexpected losses:
- enhancement of the skills of a special structure that is tasked with, among other things, assessing and managing insurance policies.

Other activities implemented

- Proactive participation in the most important corporate projects, especially those with high organizational impact, in order to provide its contribution from the very early stages up to consistent and complete preparation of the mechanisms for the governance of the risks associated to each initiative.
- Implementation of initiatives aimed at compliance with the new Supervisory regulation on the Internal Controls System (ICS) (15th update of Bank of Italy Circular No. 263/2006), both in terms of identification and measurement of the actions to be planned (“gap analysis”), and in terms of upgrading of the regulatory structure, with reference to the relevant perimeter.

Risk management coordination and shared solutions

This is the specific task of the Group Operational Risks Committee, composed of the main Corporate Departments, which is responsible for:
- approving guidelines and action plans on operational risks (other than Compliance);
- Reporting on LDC (Loss Data Collection) data.
- Monitoring control activities and outcomes, as well as:
  - periodically validating operational risk mapping;
  - periodically validating the identification of risk scenarios being measured during the Scenario Analysis Process.

- governing continuity of operations for the Cariparma Crédit Agricole Group. The relevant responsibilities include:
  - assessing the situation based on the periodic reporting made by Person in Charge of the Continuity of Operations Plan (Italian acronym: RPCO);
  - validating the scope of critical processes to be submitted to business continuity measures and relating particularly significant changes;
  - validating the strategies for Continuity of Operations, in compliance with the applicable Supervisory Regulations.
- monitoring and, if necessary, taking action on Information Systems Security for the Cariparma Crédit Agricole Group, assessing the situation based on the periodic reporting made by the Person in Charge of IT Systems Security (Italian acronym: RSSI);
- monitoring and, if necessary, taking action on outsources essential services (PSEE) for the Cariparma Crédit Agricole Group;
- managing risk transfer, with specific reference to insurance coverage.

IT systems security

In 2012, the Cariparma continued to implement the activities provided for in the “Three-year Action Plan” which was defined in accordance with the measurements made by the Head of IT Systems Security, who reports on a dotted-line basis to the Risk Management and Permanent Controls Department.
The actions implemented in 2013 have consolidated the management of these matters and significantly increased security both for Customers as well as within the Bank. On a prospective basis, the plan integrates the developments in the security policies of the Parent Company Crédit Agricole and the instructions issued by the Supervisory Authorities, also considering the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006.

Continuity of Operations Plan (Italian acronym: PCO)

In 2013, the Continuity of Operations Plan was updated and checked to take into account the changes in the general situation and in the Company’s organisational, technology and logistic infrastructure, through:
- carrying out a number of testing and certification sessions, all with favourable results;
- adopting CA S.A. new approach on Business Continuity Management;
- managing the activities relating to the Group Information System, by activating the “Disaster Recovery” model;
- specific projects (specifically, analysis of the Continuity of Operations Plans on “PSEE – continuity of supplies and providers”, “back-office outsourcing”);
- updating of Business impact analysis ((BIA);
- analyzing the actions to be implemented following the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006.

In 2013, specific Interdepartmental Working Groups on PCO, especially aimed at analyzing and managing problem situations actually occurred.

Purchasing cycle – Essential services (PSEE - Provision of Outsourced Essential Services)

In 2013, organizational and regulatory control was enhanced with regard to the most important portions of the purchasing cycle management on outsourced services that are defined as «essential», pursuant to Bank of Italy -CONSOB joint regulation and to the 15th update to the Bank of Italy Circular No. 263/2006.
Specifically, the management and monitoring process was subject to specific analysis, focusing on:
- review of the official list of outsourced essential services, verification of ongoing compliance with the features required to be defined as essential;
- regulatory implementation (in terms of regulatory references, the most important was the publication within the corporate regulations of the Group “Policy for outsourcing essential services (PSEE)”);
- implementation of the reference operating tools (e.g. “guidance paper” summarizing the key features of each outsourcing action);
- implementation of the action for general monitoring and responsibilization of the Departments in charge of the outsourced services;
- monitoring of the outcomes of the campaign for the measurement of Continuity of Operations Plans (PCO);
- strengthening of the permanent controls plan;
- analyzing the actions to be implemented following the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006.

In 2013, the activities of the specific Interdepartmental Working Groups for the Provision of Outsourced Essential Services (Italian acronym: PSEE) doubled, mainly aimed at:
- analyzing and managing problem situations actually occurred;
- carrying out and/or sharing the main activities for the review of the mechanism with the relevant Corporate Departments.

Loss data

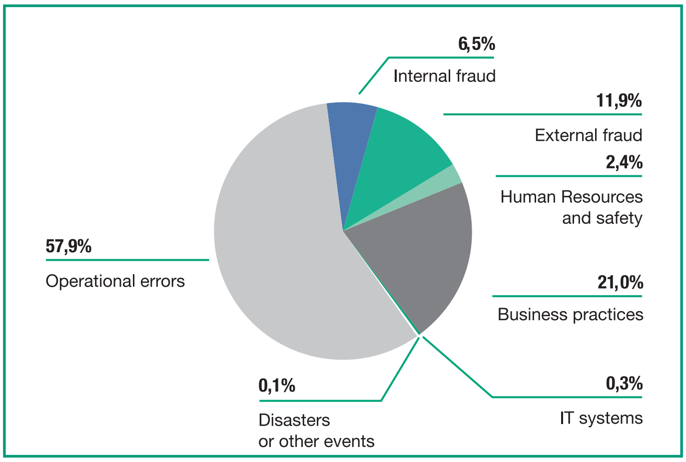
Operational losses, which the model considers as quantitative data, are collected, managed and analyzed, to different levels of granularity and detail, using an event classification scheme complying with the one set by Basel II Framework, by the Supervisory Authority and by Crédit Agricole S.A.. The 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 purpose of personal gain.
- **Relations with staff 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;
- **Business practices:** events linked to the supply of services and products to clients carried out in an improper or negligent manner (fiduciary requirements and adequate information on investments), as well as defects in the nature or characteristics of products/models/contracts. These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector;
- **Disasters 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 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 changes and retroactive changes in legislation and tax.
- **Technological systems and services:** losses arising from the 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.

For Loss Data Collection and for the management of consolidated loss data reporting, Cariparma has adopted an IT application that has been specifically designed and fine-tuned for the adoption of advanced approaches, as well as specific tools and models developed directly by Crédit Agricole S.A.

QUANTITATIVE DISCLOSURES

With reference to sources of operational risk, the distribution of net losses (gross losses net of other recoveries excluding insurance related ones) by event type recognized in 2013 is given below, based on the above classification scheme. So called «boundary losses» are excluded.



3.2 Disclosure on committed assets recognized

Technical forms	Committed BV	Committed FV	Non-committed BV	Non-committed FV	Total 31.12.2013	Total 31.12.2012
1. Cash and cash equivalents	-	X	231,188	X	231,188	194,828
2. Debt securities	1,477,122	1,476,971	3,259,141	3,259,141	4,736,263	4,273,085
3. Equity securities	-	-	172,851	172,851	172,851	86,069
4. Loans	6,928,274	X	23,998,389	X	30,926,663	29,976,809
5. Other financial assets	-	X	2,030,793	X	2,030,793	2,494,812
6. Non-financial assets	-	X	2,885,321	X	2,885,321	2,980,162
Total (31.12.2013)	**8,405,396**	**1,476,971**	**32,577,683**	**3,431,992**	**40,983,079**	**X**
Total (31.12.2012)	**6,936,536**	**1,262,472**	**33,069,229**	**3,096,682**	**X**	**40,005,765**

3.3. Disclosure on committed assets not recognized

Technical forms	Committed	Non-committed	Total 31.12.2013	Total 31.12.2012
1. Financial assets	7,181,560	3,718,321	10,899,881	8,217,070
- Securities	7,181,560	3,718,321	10,899,881	8,217,070
- Other	-	-	-	-
2. Non-financial assets	-	-	-	-
Total (31.12.2013)	**7,181,560**	**3,718,321**	**10,899,881**	**X**
Total (31.12.2012)	**7,224,509**	**992,561**	**X**	**8,217,070**

Part F Information on equity

Section 1 - Equity

A. QUALITATIVE DISCLOSURES

The equity management policy implemented by Cariparma is aimed at maintaining the level of resources needed at any time to cope with the risks taken.

B. QUANTITATIVE DISCLOSURES

B.1 Equity: composition

As at the end of 2013, equity breaks down as follows:

Items		31.12.2013	31.12.2012
1.	Share capital	876,762	876,762
2.	Share premium reserve	2,736,004	2,736,004
3.	Reserves	779,486	775,099
	- income	777,125	773,246
	a) legal	119,467	116,524
	b) established in bylaws	657,526	656,590
	c) treasury shares	-	-
	d) other	132	132
	- other	2,361	1,853
3.bis	Advances on dividends	-	-
4.	Equity instruments	-	-
5.	(Treasury Shares)	-	-
6.	Valuation reserves	-31,492	-140,075
	- Financial assets available for sale	-13,122	-118,596
	- 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	-18,370	-21,479
	- Shares of valuation reserves pertaining to subsidiaries accounted for with equity method	-	-
	- special revaluation laws	-	-
7.	Net profit (loss) for the period	126,236	58,862
	Total	**4,486,996**	**4,306,652**

"Other" reserves have been set up with the portions resulting from the assignation of shares and rights on shares of the Parent Company Crédit Agricole S.A.

For more information on the item "3.Reserves", reference is made to Table 14.4 - Income Reserves/retained earnings: other information in the Note to the financial statements Part B – Liabilities.

B.2 Valuation reserves for financial assets available for sale: composition

Items	31.12.2013 Positive reserve	31.12.2013 Negative reserve	31.12.2012 Positive reserve	31.12.2012 Negative reserve
1. Debt securities	43,467	-57,986	20,969	-141,472
2. Equity securities	1,762	-365	2,429	-522
3. Units in collective investment undertakings	-	-	-	-
4. Loans	-	-	-	-
Total	**45,229**	**-58,351**	**23,398**	**-141,994**

B.3 Valuation reserves for financial assets available for sale: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1. Opening balance	**-120,502**	**1,905**	**0**	**0**
2. Increases	**118,007**	**245**	**-**	**-**
2.1. Fair value gains	107,994	58	-	-
2.2 Reversal to income statement of negative reserves:	-	-	-	-
- for impairment	-	187	-	-
- for realization	10,013	-	-	-
2.3. Other changes	-	-	-	-
3. Decreases	**12,024**	**753**	**-**	**-**
3.1 Fair value losses	78	742	-	-
3.2 Impairment losses	-	-	-	-
3.3 Reversal to Income Statement of positive reserves: for realization	11,946	11	-	-
3.4. Other changes	-	-	-	-
4. Final inventories	**-14,519**	**1,397**	**0**	**0**

Section 2 - Regulatory Capital and capital ratios

2.1 Regulatory Capital

The Regulatory Capital, minimum capital requirements and the consequent capital ratios were determined in compliance with the provisions set down in Bank of Italy Circular No. 263 of 27 December 2006 (15th update of 2 July 2013) “New regulations for the prudential supervision of banks” and Circular No. 155 of 18 December 1991 (15th update of 19 March 2013) “Instructions for the preparation of reports on Regulatory Capital and capital ratios”.

A. QUALITATIVE DISCLOSURES

1. Tier 1 capital

As at 31 December 2013, Tier 1 capital consisted of high quality components (share capital, reserves, share premium reserve and retained earnings for the period, non-innovative equity instruments), appropriately adjusted for intangible assets (including goodwill) and negative prudential filters.

A deduction was made equal to 50% of the value of equity investments in banking and financial companies: the Bank of Italy , CA Agro-alimentare S.p.A. and MondoMutui Cariparma S.r.l.

The table below provides information on the features of the non-innovative equity instrument included in Tier 1 Capital:

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value	Amount eligible for inclusion in Tier 2 capital
Subordinated loan	29.06.2011	31.12.2100	perpetual, with call from 28.06.2016	Euribor 3 months + 729 b.p.	euro	120,000	115,225	120,000

Core Tier1 consists of Tier1 capital, excluding non-innovative equity instruments, in accordance with the concept set forth in EBA recommendations EBA/REG/2011/1 of 08 December 2011.

2. Tier 2 Capital

Tier 2 Capital includes, among the positive elements, the Valuation Reserves, and subordinated loan (lower Tier 2), whose characteristics are reported in the table below; among the negative elements, the negative prudential filters for the non-calculable portion of positive valuation reserves on AFS securities.

The remaining 50% of the elements deducted in the calculation of Tier 1 Capital referring to the equity interests in the Bank of Italy, CA Agro-alimentare S.p.A. and MondoMutui Cariparma S.r.l. is deducted from Tier 2 Capital.

In accordance with the supervisory provisions issued by the Bank of Italy with regulation of 18 May 2010 by the title “Tier 1 capital - prudential filters”, the Cariparma Crédit Agricole Group has opted, as envisaged in the above-mentioned regulation, to entirely neutralize both capital losses and capital gains resulting from debt securities held in the “Available-for-sale financial assets” (AFS) portfolio, issued by central governments of EU Member States.

This option was chosen to prevent an unjustified volatility of the Regulatory Capital, which could be determined by sudden changes in the securities quotations that are not linked to durable changes in the issuers’ creditworthiness.

This also enables a partial alignment to the principles already followed by the Controlling Company, Crédit Agricole S.A.

The Bank of Italy has been informed of this choice, as well as of the commitment by all the companies in the Group to apply this approach uniformly, continuously in time and on all securities of this type, starting from 30 June 2010.

The table below reports the contractual features of subordinated liabilities included in Tier 2 Capital:

Characteristics	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 instalments from 17.12.2014	Euribor 3 months + 334 b.p.	euro	250,000	250,352	250,000
Subordinated deposit	30.03.2011	30.03.2021	5 equal instalments from 30.03.2017	Euribor 3 months + 220 b.p.	euro	400,000	400,027	400,000
Subordinated deposit	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	Up to 30.06.2012 5%; after 50% Euribor 6 months + 100 b.p.	euro	77,250	75,845	46,350
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	5% fixed	euro	222,750	227,138	133,650

3. Tier 3 Capital

To date, no Tier 3 instruments have been issued.

B. QUANTITATIVE DISCLOSURES

Items	31.12.2013	31.12.2012
A. Tier 1 capital prior to the application of prudential filters	**3,359,562**	**3,327,428**
B. Tier 1 prudential filters:	17,445	1
B1 - positive IAS/IFRS prudential filters (+)	-	1
B2 - negative IAS/IFRS prudential filters (-)	17,445	-
C. Tier 1 Capital including deductible elements (A+B)	3,342,117	3,327,429
D. Elements to be deducted from Tier 1 capital	292,005	37,975
E. Total Tier 1 capital (Tier 1) (C-D)	**3,050,112**	**3,289,454**
F. Tier 2 capital prior to the application of prudential filters	**898,596**	**875,492**
G. Tier 2 prudential filters:	3,364	3,485
G1- positive IAS/IFRS prudential filters (+)	-	-
G2- negative IAS/IFRS prudential filters (-)	3,364	3,485
H. Tier 2 capital including deductible elements (F+G)	**895,232**	**872,007**
I. Elements to be deducted from Tier 2 capital	292,005	37,975
L. Total Tier 2 capital (TIER 2) (H-I)	**603,227**	**834,032**
M. Elements to be deducted from Tier 1 and Tier 2 capital	-	-
N. Regulatory capital (E + L - M)	**3,653,339**	**4,123,486**
O. Tier 3 capital	-	-
P. Regulatory capital including Tier 3 (N + O)	**3,653,339**	**4,123,486**

2.2 Capital Adequacy

A. QUALITATIVE DISCLOSURES

Compliance with minimum capital requirements is determined by calculating the ratio of supervisory 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 (311th update of 02 July 2013) “New regulations for the prudential supervision of banks” and Circular no. 155 of 18 December 1991 (14th update of 19 March 2013) “Instructions for the preparation of reports on supervisory capital and capital ratios”.

The resulting Tier Total Ratio at 31 December 2013 was in compliance with the thresholds specified in the Supervisory Regulations. This result was also due to a specific corporate policy that favours distribution of earnings to shareholders, also to acknowledge the key role of minority shareholders in keeping a strong bond with the area of operations, however in full compliance with the regulatory limits and with the Bank of Italy’s recommendations published on Supervisory Bulletin No. 3 of March 2013.

B. QUANTITATIVE DISCLOSURES

	Non-weighted amounts		Weighted amounts/ requirements	
Items	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
A. RISK ASSETS				
A.1 Credit and counterparty risk	**42,824,298**	**41,246,981**	**15,391,483**	**20,328,946**
1. Standardized approach	27,209,345	41,246,981	11,940,117	20,328,946
2. IRB approach	15,614,953	-	3,451,366	-
2.1 Foundation	-	-	-	-
2.2 Advanced	15,614,953	-	3,451,366	-
3. Securitizations	-	-	-	-
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			**1,231,319**	**1,626,316**
B.2 Market risks			**245**	**1,284**
1. Standardized method			245	1,284
2. Internal models			-	-
3. Concentration risk			-	-
B.3 Operational risk			**157,853**	**160,735**
1. Basic indicator approach			-	-
2. Standardized approach			157,853	160,735
3. Advanced measurement approach			-	-
B.4 Other prudential requirements			**-**	**-**
B.5 Other measurement elements			**-347,354**	**-447,084**
B.6 Total prudential requirements			**1,042,063**	**1,341,251**
C. EXPOSURES AND CAPITAL ADEQUACY RATIOS				
C.1 Risk-weighted assets			17,367,713	22,354,188
C.2 Tier 1 capital/risk-weighted assets (Tier 1 capital ratio)			17.6%	14.7%
C.3 Supervisory capital including TIER 3/risk-weighted assets (Total capital ratio)			21.0%	18.4%

As at 31 December 2013, Core Tier 1 came to 17.6% vs. 14.7% of the previous year.

In calculating total capital requirements (sub-item B.6), the 25% reduction (sub-item B.5) was taken into account, which can be applied individually by banks belonging to a banking group, granted that the total consolidated requirement is complied with, while risk-weighted assets (sub-item C.1), the following sub-items C2 and C3 and the Core Tier 1 Ratio were calculated without taking such reduction into account.

Part G Business combinations

Business combinations

In 2013, the price of the intra-group business combinations that were carried out in 2012 was defined; these combinations consisted in the transfer of business units between Companies in the Cariparma Crédit Agricole Group (transactions under common control). Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the financial statements of the companies involved on the basis of continuity of proprietary interest, without recognizing any effects.

Part H Transactions with related parties

The specific regulation issued on 12 December 2011 by the Bank of Italy concerning risk assets and conflicts of interest with related parties is part of the legislation framework on related parties (Article 2391-bis of the Italian Civil Code, Article 53 of the Consolidated Law on Banking and CONSOB Regulation No. 17221/10) and is designed "to protect against the risk that close relations that certain parties have with the bank's decision-makers might compromise the objectivity and impartiality of lending decisions and other transactions involving the same parties, leading to possible distortions in resource allocation, the bank's exposure to inadequately measured or managed risks and potential harm for depositors and shareholders".
This regulation came into force on 31 December 2012 and, consequently, the first supervisory reporting was made on 31 March 2013, as required by the Supervisory Authority.
The Cariparma Crédit Agricole Group had already adopted a Regulation on transactions with related parties implementing the original CONSOB regulation of 2010; on 11 December 2012, in accordance with the regulation issued by the Bank of Italy, Cariparma approved the Document "Regulation for Risk Assets and Conflicts of Interests with Parties related the Cariparma Crédit Agricole Group", in order to give the Group a specific internal regulation that amounts to the new body of law on these issues and in order to harmonize the various regulations in force.
In addition to identifying the related parties of the Cariparma Crédit Agricole Group, this document provides for the introduction of prudential limits for risk assets towards related parties, sets the procedures to process and approve transactions with related parties, defines specific rules with regard to transactions with related parties made by the Group companies and sets procedures and timeframe for the provision of the disclosure and appropriate documentation relating to the transactions to be resolved to (i) independent directors, as well as, where necessary, (ii) to the control bodies.

With regard to controls, the required control activities are carried out by different corporate roles, in different capacities and in the different phases of the process, in order to ensure constant compliance with the prudential limits and resolution-making procedures as provided for by the legislation, also pursuing the objective to appropriately prevent and manage potential conflicts of interests associated to transactions with related parties.

Related parties

Relates parties of the Cariparma Crédit Agricole Group are the following:

a) corporate officers, meaning the members of the Board of Directors, of the Board of Auditors and of the General Management of the Group Companies;
b) shareholders, meaning the natural or legal persons that control or exercise significant influence on the Company;
c) parties, other than shareholders, who have the right and power, on its own, to appoint one or more members of the management body or of the body engaged in strategic steering functions, also based on agreements of any type or clauses in the Articles of Association concerning or providing for the exercise of such rights and powers;
d) companies or businesses, including entities other than companies, on which one of the Group Companies has the right and power to exercise control or significant influence;
e) key staff, who, in the Cariparma perimeter, consists of the following:
- the Head of Cariparma Finance Central Department in his capacity as Senior Manager responsible for the preparation of the Corporate Accounting Documents
- the Head of the Lending Governance Central Department
- the Head of the Organization and Systems Central Department
- the Head of the Central Compliance Department
- the Head of the Audit Department
- the Head of the Risk Management and Permanent Controls Department

Connected parties

Parties that are connected to a related party are the following:
- companies or businesses, including entities other than companies, which are controlled by a related party;
- the persons or entities controlling a related party as set forth in points b and c of the relevant definition, or the persons or entities that are directly or indirectly subject to joint control with the same related party;
- close family members of a related party and the companies or businesses controlled by them.

Associated Parties

Associated parties of the Cariparma Crédit Agricole Banking Group are defined as the set consisting of a related party and all parties connected to the same. For individual application, the single Banks belonging to the Group refer to the same perimeter of connected parties as set by the Parent Company Cariparma.

	31.12.2013
Short-term employee benefits	8,698
Benefits subsequent to severance from employment	211
Other long-term benefits	-
Employee severance benefits	-
Share-based payments (Stock options)	-

Transactions with 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	-	-	-	2,815,001	-	3,262,273	-
Entity exercising significant influence on company	-	-	-	-	706	-	-
Subsidiaries	1,312	-	1,468,311	582,147	132,708	593,579	4,523
Associates	38	10,100	20,366	-	8,976	-	138
Directors and key management personnel	-	-	650	-	2,615	-	-
Other related parties	18,785	49,082	2,918,026	8,152	756,818	1,242,860	30,231
Total	**20,135**	**59,182**	**4,407,353**	**3,405,300**	**901,823**	**5,098,712**	**34,892**

Part I Share-based Payment Agreement

QUALITATIVE DISCLOSURES

The Bank has no agreements for payments based on its shares in place.

On 9 November 2011, the Board of Directors of the Controlling Company Crédit Agricole S.A. approved a plan for the free allocation of shares to all Employees of the Crédit Agricole S.A. Group, in order to share with them both the capital and success of the Group.
The beneficiaries are all employees of the Group in the over 50 Countries where the Group operates, who will each receive 60 Crédit Agricole S.A. shares, independently of their sector of activity, their citizenship or their role in the company.
The shares were assigned to the Employees in November 2013 and will be tied for three years, at the end of which time each employee may freely dispose of them.
From 2011 to 2013, higher expenses equal to the fair value of the shares assigned to the Group Employees were recognized, calculated as at the date of approval of the plan and recognizing, as offsetting item, an identical increase in equity.

QUANTITATIVE DISCLOSURES

For 2013, higher expenses generated an impact on Cariparma Income Statement of Euro 508 thousand referring to the shares assigned to the 6,520 employees receiving the shares, with an equal increase in equity that took the specific reserve to Euro 1,240 thousand.

Fees owed for the activities of:	31.12.2013
statutory audit of annual accounts	426
other auditing services	-
services other than account auditing	136
Total	**562**

Part L Segment reporting

Operations and Income by business segment

Data relating to operations and income by business segment are reported in compliance with IFRS 8 Operating Segments using the "management reporting approach".

Segment reporting was prepared using the multiple ITR (internal transfer rate) method, integrating the cost of liquidity in compliance with the Bank of Italy's provisions.

The Cariparma Crédit Agricole Group operates through an organization structure that includes Retail and Private Banking channels for individual consumers, households and small businesses; Enterprises and Corporate channels designed for large-size companies. Segment reporting includes data relating to operations and income of Crédit Agricole Leasing. Therefore, given the features of the Cariparma Crédit Agricole Group, the Other channel is of a residual nature and specifically includes the operations of Mondo Mutui, Sliders and anything that cannot be included in the other channels, such as activities pertaining to central departments, for instance the management of proprietary securities portfolio, capital market and governance.

Income from the Retail and Private Banking channels came to €1,091.2 million, with a -7.8% decrease over the previous year, due to both net interest income and commission income. The contribution to total revenues of the Corporate and Enterprise Channels came to €157.9 million, decreasing by -8.1% vs. 2012. Specifically, interest income decreased subsequent to the downsizing of progressive annual lending volumes. The performance of the Other channel was impacted by the derecognition of the Bank of Italy shares held.

As regards expenses, the Retail and Private Banking channels posted a -3.7% decrease, due to a reduction both in operating expenses and in the cost of risk. The same performance is reported for the Corporate and Enterprises channels. In 2013, the Other channel performance was affected by a higher flow of adjustments of loans aimed at hedging the future risk resulting from the impact of the Asset Quality Review and, in 2012, by the recognition of the provision for the Solidarity Fund amounting to €89 million.

It is also reported that the partial writedown of the equity investments in Banca Popolare FriulAdria was recognized in the item «Profits/ losses from equity investments».

Point assets by segment mainly consisted of loans to Customers, property, plant and equipment and intangible assets that can be directly allocated to the operating segments. As at 31 December 2013, assets of the Retail and Private Banking channels amounted to€18.0 billion and were essentially in line with 31 December 2012. Assets of the Corporate and Enterprise channels increased, coming to €11.3 billion, due to higher volumes of loans to Corporate Customers.

Point liabilities by segment consisted of direct funding from customers that can be directly allocated to the operating segments. Within this aggregate, funding from the Retail and Private Banking channels came to Euro 24.8 billion, increasing by +2.0% vs. 31 December 2012; funding from the Corporate and Enterprise channels came to Euro 2.8 billion, in line with the previous year.

In accordance with IFRS 8, it is reported that the Bank's business operations are essentially carried out in the Italian national territory, they are not subject to periodic performance reporting to the management distinguishing by foreign geographical area. The Bank has not achieved revenues resulting from transactions with single external customers for amounts exceeding 10% of the income recognized in the financial statements.

Segment reporting as at 31 December 2013

	Retail and Private	Corporate and Companies	Other	Total
External operating revenues				
Net interest income	578,509	90,705	-371	668,843
Net commission income	378,952	62,993	-5,241	436,704
Gain (loss) on financial activities	6,242	2,804	397	9,443
Dividends	-		24,559	24,559
Other net operating revenues	127,506	1,448	205,670	334,624
Total operating revenues	**1,091,209**	**157,950**	**225,014**	**1,474,173**
Impairment adjustments of loans	-119,742	-145,437	-119,529	-384,708
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-3,261	-3,261
Staff expenses, administrative expenses and depraction/amortization	-697,897	-43,208	-157,179	-898,284
Provisions for risks	-2,322	-3,311	-32,651	-38,284
Total expenses	**-819,961**	**-191,956**	**-312,620**	**-1,324,537**
Gain (loss) from equity investments	-	-	-13,900	-13,900
Gain (loss) on disposal of investments	-	-	218	218
Result by segment	**271,248**	**-34,006**	**-101,288**	**135,954**
Profit before tax	**271,248**	**-34,006**	**-101,288**	**135,954**
Taxes	-122,214	15,321	97,175	-9,718
Profit for the period	**149,034**	**-18,685**	**-4,113**	**126,236**
Assets and liabilities				
Assets by segment (customers + intangible)	18,175,963	11,232,648	445,648	29,854,259
Equity investments in associates			1,262,969	1,262,969
Unallocated assets			9,865,573	9,865,573
Total Assets	**18,175,963**	**11,232,648**	**11,574,190**	**40,982,801**
Liabilities by segment	24,890,378	2,796,892	721,739	28,409,009
Unallocated liabilities			8,086,798	8,086,798
Total Liabilities	**24,890,378**	**2,796,892**	**8,808,537**	**36,495,807**

Segment reporting as at 31 December 2012

	Retail and Private	Corporate and Companies	Other	Total
External operating revenues				
Net interest income	607,493	104,547	480	712,520
Net commission income	397,106	63,180	-12,585	447,701
Gain (loss) on financial activities	8,493	4,446	880	13,819
Dividends	-		37,971	37,971
Other net operating revenues	170,524	-222	92,224	262,526
Total operating revenues	**1,183,616**	**171,951**	**118,970**	**1,474,537**
Impairment adjustments of loans	-128,234	-155,143	-37	-283,414
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-3,151	-3,151
Staff expenses, administrative expenses and depraction/amortization	-719,532	-41,707	-274,134	-1,035,373
Provisions for risks	-3,707	-2,400	-25,920	-32,027
Total expenses	**-851,473**	**-199,250**	**-303,242**	**-1,353,965**
Gain (loss) from equity investments	-	-	-64,066	-64,066
Gain (loss) on disposal of investments	-	-	362	362
Result by segment	**332,143**	**-27,299**	**-247,976**	**56,868**
Profit before tax	**332,143**	**-27,299**	**-247,976**	**56,868**
Taxes	-178,890	14,703	166,181	1,994
Profit for the period	**153,253**	**-12,596**	**-81,795**	**58,862**
Assets and liabilities				
Assets by segment (customers + intangible)	18,319,500	9,497,000	815,396	28,631,896
Equity investments in associates			1,272,613	1,272,613
Unallocated assets			10,104,402	10,104,402
Total Assets	**18,319,500**	**9,497,000**	**12,192,411**	**40,008,911**
Liabilities by segment	24,459,560	2,865,591	791,630	28,116,781
Unallocated liabilities			7,585,477	7,585,477
Total Liabilities	**24,459,560**	**2,865,591**	**8,377,107**	**35,702,258**

Financial statements of the controlling company Crédit Agricole S.A.

ACTIF

(en millions d'euros)	31.12.2012	31.12.2011
Opérations interbancaires et assimilées	**143,882**	**165,210**
Caisse, banques centrales	521	1,519
Effets publics et valeurs assimilées	26,511	22,087
Créances sur les établissements de crédit	116,850	141,604
Opérations internes au Crédit Agricole	**267,819**	**275,765**
Opérations avec la clientèle	**2,638**	**2,983**
Opérations sur titres	**30,878**	**31,704**
Obligations et autres titres à revenu fixe	30,430	31,101
Actions et autres titres à revenu variable	448	603
Valeurs immobilisées	**62,714**	**67,755**
Participations et autres titres détenus à long terme	8,688	9,855
Parts dans les entreprises liées	53,828	57,701
Immobilisations incorporelles	46	41
Immobilisations corporelles	152	158
Capital souscrit non versé		
Actions propres	**45**	**30**
Comptes de régularisation et actifs divers	**32,099**	**27,586**
Autres actifs	5,921	5,503
Comptes de régularisation	26,178	22,083
Total actif	**540,075**	**571,033**

PASSIF

(en millions d'euros)	31.12.2012	31.12.2011
Opérations interbancaires et assimilées	**99,642**	**126,252**
Banques centrales	3	
Dettes envers les établissements de crédit	99,639	126,252
Opérations internes au Crédit Agricole	**49,895**	**44,965**
Comptes créditeurs de la clientèle	**208,853**	**218,912**
Dettes représentées par un titre	**85,938**	**82,187**
Comptes de régularisation et passifs divers	**32,094**	**27,051**
Autres passifs	5,343	4,935
Comptes de régularisation	26,751	22,116
Provisions et dettes subordonnées	**35,086**	**38,922**
Provisions	2,868	2,322
Dettes subordonnées	32,218	36,600
Fonds pour risques bancaires généraux	**939**	**904**
Capitaux propres hors FRBG	**27,628**	**31,840**
Capital souscrit	7,494	7,494
Primes d'émission	22,452	22,452
Réserves	2,827	2,827
Écart de réévaluation		
Provisions réglementées et subventions d'investissement	31	8
Report à nouveau	(941)	2,715
Résultat de l'exercice	(4,235)	(3,656)
Total passif	**540,075**	**571,033**

HORS-BILAN DE CRÉDIT AGRICOLE S.A.

(en millions d'euros)	31.12.2012	31.12.2011
Engagements donnés	**63,310**	**61,130**
Engagements de financement	35,700	33,315
Engagements de garantie	27,455	27,804
Engagements sur titres	155	11
Engagements reçus	**59,365**	**56,785**
Engagements de financement	40,641	38,823
Engagements de garantie	18,569	17,951
Engagements sur titres	155	11

COMPTE DE RÉSULTAT DE CRÉDIT AGRICOLE S.A.

(en millions d'euros)	31.12.2012	31.12.2011
Intérêts et produits assimilés	15,112	14,092
Intérêts et charges assimilées	(16,478)	(15,407)
Revenus des titres à revenu variable	4,419	3,669
Commissions (produits)	801	679
Commissions (charges)	(1,260)	(1,171)
Gains ou pertes sur opérations des portefeuilles de négociation	479	(231)
Gains ou pertes sur opérations des portefeuilles de placement et assimilés	753	(415)
Autres produits d'exploitation bancaire	82	59
Autres charges d'exploitation bancaire	(118)	(90)
Produit net bancaire	**3,790**	**1,185**
Charges générales d'exploitation	(689)	(721)
Dotations aux amortissements et aux dépréciations sur immobilisations incorporelles et corporelles	(15)	(13)
Résultat brut d'exploitation	**3,086**	**451**
Coût du risque	(1,004)	(295)
Résultat d'exploitation	**2,082**	**156**
Résultat net sur actifs immobilisés	(7,026)	(4,979)
Résultat courant avant impôt	**(4,944)**	**(4,823)**
Résultat exceptionnel		
Impôt sur les bénéfices	767	1,201
Dotations/reprises de FRBG et provisions réglementées	(58)	(34)
Résultat net de l'exercice	**(4,235)**	**(3,656)**

Annexes

International accounting standards endorsed as at 31 December 2013

List of International accounting standards, which coordinated text was adepte by the Council Regulation (EC) No. 1126/2008 of the European Commission on 3 November 2008. These Regulations was published in the Official Journal of the European Union L 320 of 29 November 2008 and replaces the previous Regulation (EC) No. 1725/2003.

Are shown next to the number and date of the regulations of the EC type-approval subsequent amendments and additions.

List of IAS/IFRS			Endorsement regulation
IFRS	1	First-time adoption of International Financial Reporting Standards	1136/2009 - 550/2010 - 574/2010 - 662/2010 - 149/2011 - 1205/2011 - 1255/2012 - 183/2013 - 301/2013 - 313/2013
IFRS	2	Share-based payment	1126/2008 - 1261/2008 - 495/2009 - 243/2010 - 244/2010
IFRS	3	Business combinations	495/2009 - 149/2011
IFRS	4	Insurance contracts	1126/2008 - 494/2009 - 1165/2009
IFRS	5	Non-current assets held for sale and discontinues operations	1126/2008 - 494/2009 - 243/2010
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 - 574/2010 - 149/2011 - 1205/2011 - 1256/2012
IFRS	8	Operating segments	1126/2008 - 243/2010 - 632/2010
IFRS	10	Consolidated Financial Statements	1254/2012 - 313/2013 - 1174/2013
IFRS	11	Joint Arrangements	1254/2012 - 313/2013
IFRS	12	Disclosure of Interests in Other Entities	1254/2012 - 313/2013 - 1174/2013
IFRS	13	Fair Value Measurement	1255/2012
IAS	1	Presentation of Financial Statements	1274/2008 - 53/2009 - 70/2009 - 494/2009 - 243/2010 - 149/2011 - 301/2013
IAS	2	Inventories	1126/2008 - 70/2009
IAS	7	Statement of cash flows	1126/2008 - 53/2009 - 70/2009 - 494/2009 - 243/2010
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 - 1255/2012
IAS	16	Property, plant and equipment	1126/2008 - 70/2009 - 70/2009 - 495/2009 - 301/2013
IAS	17	Leases	1126/2008 - 243/2010
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	The effects of changes in foreign Exchange rates	1126/2008 - 69/2009 - 494/2009 - 149/2011
IAS	23	Borrowing costs	1260/2008 - 70/2009
IAS	24	Relates Party Disclosures	1126/2008 - 632/2010
IAS	26	Accounting and reporting by retirement benefits plans	1126/2008
IAS	27	Consolidated and separate financial statements	494/2009 - 1254/2012 - 1174/2013
IAS	28	Investments in associates and joint venture	1126/2008 - 70/2009 - 494/2009 - 495/2009 - 149/2011 - 1254/2012
IAS	29	Financial reporting in hyperinflationary economies	1126/2008 - 70/2009
IAS	31	Interests in joint ventures	1126/2008 - 70/2009 - 494/2009 - 149/2011
IAS	32	Financial instruments: presentation	1126/2008 - 53/2009 - 70/2009 - 494/2009 - 495/2009 - 1293/2009 - 149/2011 - 1256/2012 - 301/2013
IAS	33	Earning pershare	1126/2008 - 494/2009 - 495/2009
IAS	34	Interim financial reporting	1126/2008 - 70/2009 - 495/2009 - 149/2011 - 301/2013
IAS	36	Impairment of assets	1126/2008 - 69/2009 - 70/2009 - 495/2009 - 243/2010 - 1374/2013
IAS	37	Provisions, Contingent, Liabilities and Contingent Assets	1126/2008 - 495/2009
IAS	38	Intangible assets	1126/2008 - 70/2009 - 495/2009 - 243/2010
IAS	39	Financial instruments: recognition and measurement (except a few provisions relating to recognition of hedging transactions)	1126/2008 - 53/2009 - 70/2009 - 494/2009 - 495/2009 - 824/2009 - 839/2009 - 1171/2009 - 243/2010 - 149/2011 - 1375/2013
IAS	40	Investment property	1126/2008 - 70/2009
IAS	41	Agriculture	1126/2008 - 70/2009
IFRIC	1	Changes in existing decommissioning , restoration and similar liabilities	1126/2008
IFRIC	2	Members' shares in cooperative entities and similar instruments	1126/2008 - 301/2013
IFRIC	4	Determining whether an arrangement contains a lease	1126/2008 - 254/2009
IFRIC	5	Rights to interests arising from decommissioning, restoration and environmental reclamation 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

List of IAS/IFRS			Endorsement regulation
IFRIC	8	Scope of IFRS 2	1126/2008
IFRIC	9	Reassessment of embedded derivatives	1126/2008 - 495/2009 - 1171/2009 - 243/2010
IFRIC	10	Interim 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 - 149/2011
IFRIC	14	IAS 19 – the limit on a Defined-Benefits-Assets, minimum funding requirements and their interaction	1263/2008 - 633/2010
IFRIC	15	Agreements for the construction of real estate	636/2009
IFRIC	16	Hedges of a net investment in a foreign operation	460/2009
IFRIC	17	Distribution of Non-cash Assets to Owners	1142/2009
IFRIC	18	Transfers of assets from Customers	1164/2009
IFRIC	19	Extinguishing financial liabilities with equity instruments	662/2010
IFRIC	20	Stripping Costs in the Production Phase of a Surface Mine	1255/02012
SIC	7	Introduction of the Euro	1126/2008 - 494/2009
SIC	10	Government assistance – No specific relation to operations	1126/2008
SIC	12	Consolidation – Special purpose entities	1126/2008
SIC	13	Jointly controlled entities – Non-monetary contributions by ventures	1126/2008
SIC	15	Operating leases – 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 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

Source EFRAG – The EU endorsement status report - Position as at 12 March 2014

Tax disclosures on reserves

Disclosures on equity reserves

	Reserves and provisions that do not form part of shareholders' income in the event of distribution	Reserves and provisions that form part of taxable income of company in the event of distribution	Reserves and provisions of shareholders' taxable income in the event of distribution	Valuation reserves not availablefor distribution
Share premium reserve	2,693,560	42,444		
Reserve-payments for share capital increase	-			
Reserve pursuant to Article 13 of Legislative Decree 124/93		314		
Legal reserve			119,467	
Extraordinary Reserve			747,329	
Reserve from first time adoption of IAS/IFRS			-97,651	
Reserve from tax adjustment from first time adoption of IAS/IFRS for realignment of tax and reporting values			12,319	
Valuation reserve other: corridor elimination			- 5,076	
Valuation reserves for financial assets available for sale				- 13,123
Reserve from actuarial valuation reserve - defined-benefit pension plans				- 18,370
Reserve for share-based payments	517		604	
Reserve for free assignation of shares			1,240	
Reserve from adjustment of transfer Purchase Price Allocation			605	
Reserve for purchases of business units			-3,853	
Reserve for disposal of business units			3,672	
	2,694,077	42,758	778,656	-31,493

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	Sommary of uses in last three years: Loss coverage	Sommary of uses in last three years: Other uses
Share capital		876,762				
Share premium reserve		2,693,560	A, B, C	2,693,560	-	-
Tax share premium reserve - Law 266/2005		42,444	A, B (2), C (3)	42,444		
Reserves		779,487				
Legal reserve	119,467		A (1), B		-	-
Extraordinary Reserve	747,329		A, B, C	747,329	-	-
Reserve pursuant to Article 13of Legislative Decree 124/93	314		A, B, C	314	-	-
Reserve for share-based payments	1121		A, B, C	1,121		
Reserve for free assignation of shares	1240		A, B, C	1,240		
Reserve from adjustments of transfer Purchase Price Allocation	605		A, B, C	605		
Reserve for purchase of business units	-3,853		A, B, C	-3,853		
Reserve for disposal of business units	3,672		A, B, C	3,672		
Reserve from first time adoption of IAS/IFRS	-97,651				-	-
Reserve for tax adjustment from first time adoption of IAS/IFRS for realignment of tax and reporting values	12,319				-	-
Valuation reserve other: corridor elimination	-5,076				-	-
Valuation reserves		-31,493				
Valuation reserves for financial assets available for sale	-13,123			-	-	-
Reserve from actuarial valuation reserve - defined benefit pension plans	-18,370			-	-	-
Met profit (loss) for the period		126,236		-	-	-
Total		**4,486,996**		**3,486,431**	**-**	**-**

(*) A= capital increases B= coverage of losses C= distribution to shareholders.

(1) Can be used for increase in capital (A) for the quota higher than 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 provision of the second and third paragraphs of Art. 2445 of the Italian Civil Code.

(3) Unless the reserve is transferred to share capital, it may only be reduced with the application of the provizion af Article 2445 paragraphs 2 and 3 of the Italian Civil Code. If distributed, it shall form part of the Company's taxable income.

Assets revalued pursuant to special laws

List of assets that have been revalued and are still held by setting forth the amount of revaluations pursuant

PROPERTY	Book value net revaluations	L.11.2.52 no74	L.19.2.73 no823	L.2.12.75 no576	L.19.3.83 no72
IF - VIA UNIVERSITA', 1 - PARMA	1,651,263.74	-	510,263.09	195,089.44	2,039,909.88
IF - VIA CAVESTRO, - PARMA	1,368,574.47	-	385,900.40	-	1,501,228.53
IF - AGENZIA CITTA' N.1 - PARMA	615,347.25	-	99,913.67	-	249,069.81
IF - AGENZIA CITTA' N.3 - PARMA	1,266,526.84	-	56,793.37	3,787.83	285,627.22
IF - AGENZIA CITTA' N.6 - PARMA	816,621.00	-	2,406.14	25,202.68	112,925.82
IF - AGENZIA CITTA' N.8 - PARMA	829,673.85	-	37.29	-	382,861.23
IF - AGENZIA CITTA' N.9 - PARMA	398,761.87	-	15,987.46	-	186,612.42
IF - AGENZIA CITTA' N.4 - PARMA	3,541,916.74	-	-	-	-
IF - AGENZIA CITTA' N.2 - PARMA	1,262,515.40	-	-	-	-
IF - TALIGNANO	652,397.44	-	-	-	-
IF - VIA SPEZIA C.S.C. - PARMA	30,090,171.63	-	-	-	-
PARMA - VIA SPEZIA -(PODERE MARTINELLA)	391,489.39	-	-	-	-
IF - ALBARETO	179,825.66	-	-	-	-
IF - BARDI	130,807.05	-	11,930.02	5,966.70	61,539.96
IF - BASILICANOVA	115,587.42	-	-	-	57,102.45
IF - BEDONIA - NUOVA SEDE	578,225.72	-	-	-	-
IF - BERCETO	153,773.61	-	2,160.73	11,499.94	61,273.76
IF - BORGOTARO	287,204.60	-	11,389.02	18,401.20	95,615.10
IF - BUSSETO FILIALE	526,668.63	-	22,360.43	-	-
IF - CALESTANO	27,936.80	-	9,320.72	1,911.21	47,800.71
IF - COENZO	371,667.84	-	1,807.60	-	-
IF - COLLECCHIO	1,959,856.11	-	-	-	-
IF - COLORNO - NUOVA SEDE	819,933.61	-	-	-	-
IF - CORNIGLIO	64,911.28	-	26,353.11	927.54	48,145.74
IF - FIDENZA AGENZIA N.1	1,799,870.55	-	83,676.83	29,664.72	215,527.45
IF - FIDENZA AGENZIA N.2	475,713.37	-	-	-	28,659.22
IF - FONTANELLATO	531,290.49	-	29,897.48	-	111,655.31
IF - FORNOVO TARO	1,071,462.94	-	8,156.06	19,436.98	-
IF - LANGHIRANO	832,378.51	-	42,531.76	12,127.84	90,542.94
IF - MEDESANO	71,672.84	-	18,132.14	9,530.80	108,952.74
IF - MILANO	2,262,293.37	-	-	-	-
IF - MONCHIO	43,829.02	-	1,143.49	5,725.55	59,170.95
IF - NEVIANO ARDUINI	70,408.26	-	3,954.18	2,574.48	46,043.62
IF - NOCETO - FILIALE	698,181.99	-	14,143.11	10,557.55	76,035.54

L.30.7.90 no218	L.29.12.90 n.408	L.30.12.91 no413	1994 merger revaluation	1997 merger revaluation	Total costs	Accumulates depreciation 31.12.2013	Net book value at 31.12.2013
6,708,770.48	-	428,630.94	-	-	11,533,927.57	2,494,068.85	9,039,858.72
3,609,776.34	-	389,474.36	-	-	7,254,954.10	1,881,357.10	5,373,597.00
983,272.11	-	378,831.52	-	-	2,326,434.36	1,034,815.61	1,291,618.75
807,690.64	-	189,473.65	-	-	2,609,899.55	1,190,320.63	1,419,578.92
159,997.37	-	166,014.60	-	-	1,283,167.61	745,625.97	537,541.64
887,578.35	-	319,387.93	-	-	2,419,538.65	970,320.01	1,449,218.64
319,851.13	-	149,333.88	-	-	1,070,546.76	518,359.13	552,187.63
1,954,871.60	-	607,414.50	-	-	6,104,202.84	3,400,269.74	2,703,933.10
793,152.22	57,091.71	98,377.94	-	-	2,211,137.27	951,317.08	1,259,820.19
1,710,025.60	289,767.36	-	-	-	2,652,190.40	628,013.22	2,024,177.18
22,894,279.57	42,607.70	3,957,750.80	-	-	56,984,809.70	29,412,863.79	27,571,945.91
44,284.30	-	-	-	-	435,773.69	0	435,773.69
64,004.70	-	22,957.84	-	-	266,788.20	164,232.24	102,555.96
106,574.49	-	76,593.83	-	-	393,412.05	201,936.68	191,475.37
167,519.72	13,316.00	147,621.35	-	-	501,146.94	257,080.03	244,066.91
182,434.77	-	112,306.21	-	-	872,966.70	450,137.97	422,828.73
87,585.96	-	55,925.97	-	-	372,219.97	159,436.89	212,783.08
128,117.47	-	16,994.46	-	-	557,721.85	359,349.53	198,372.32
468,355.89	-	100,485.11	-	-	1,117,870.06	577,394.32	540,475.74
94,609.24	-	17,398.23	-	-	198,976.91	99,780.44	99,196.47
138,121.28	-	9,465.34	-	-	521,062.06	271,608.08	249,453.98
288,117.38	-	191,195.64	-	-	2,439,169.13	1,075,713.43	1,363,455.70
786,453.66	-	108,666.83	-	-	1,715,054.10	757,197.97	957,856.13
194,039.59	-	35,078.46	-	-	369,455.72	135,962.06	233,493.66
307,530.92	-	-	-	-	2,436,270.47	856,162.19	1,580,108.28
345,710.09	-	48,092.93	-	-	898,175.61	403,539.45	494,636.16
379,246.60	-	15,581.66	-	-	1,067,671.54	504,418.14	563,253.40
198,065.23	-	14,141.92	-	-	1,311,263.13	595,044.32	716,218.81
562,140.36	-	50,672.15	-	-	1,590,393.56	453,099.09	1,137,294.47
219,781.89	-	40,468.10	-	-	468,538.51	208,958.54	259,579.97
1,555,992.63	-	158,469.41	-	-	3,976,755.41	2,163,190.16	1,813,565.25
90,515.18	-	10,665.51	-	-	211,049.70	96,013.19	115,036.51
88,290.47	-	11,935.25	-	-	223,206.26	98,898.84	124,307.42
108,037.62	-	28,102.64	-	-	935,058.45	454,198.24	480,860.21

PROPERTY	Book value net revaluations	L.11.2.52 no74	L.19.2.73 no823	L.2.12.75 no576	L.19.3.83 no72
IF - PALANZANO	70,339.69	-	974.05	8,766.76	46,594.08
IF - PELLEGRINO - FILIALE	236,593.39	-	15,430.58	2,998.13	49,259.44
IF - PIEVEOTTOVILLE	38,506.82	-	341.69	-	45,248.68
IF - POLESINE	384,863.02	-	-	-	-
IF - PONTETARO	527,216.31	-	19,513.12	3,366.51	66,242.66
IF - ROCCABIANCA	636,201.40	-	-	-	-
IF - SALA BAGANZA	87,451.98	-	46,459.33	6,906.51	72,053.92
IF - SALSOMAGGIORE	1,477,263.71	-	60,047.37	41,817.88	338,509.27
IF - S.MARIA DEL TARO	48,208.87	-	3,146.02	-	58,320.32
IF - S.SECONDO	223,451.72	-	144.89	-	105,673.70
IF - S.ANDREA BAGNI	205,544.92	-	1,859.24	-	-
IF - SISSA	322,245.82	-	3,353.36	7,578.36	-
IF - SOLIGNANO	26,998.94	-	4,209.02	5,423.73	51,082.37
IF - SORAGNA	120,002.69	-	18,532.84	17,254.42	67,758.69
IF - SORBOLO	1,136,973.01	-	-	-	-
IF - SUZZARA	815,551.19	-	-	-	-
IF - TABIANO TERME	68,799.49	-	757.35	19,119.45	85,501.23
IF - TRAVERSETOLO	941,943.72	-	23,042.71	8,220.65	72,175.91
IF - ZIBELLO	181,573.98	-	135.96	-	98,959.50
IF - PARMA AG. 11	527,547.68	-	-	-	-
IF - SPORTELLO AREA S.P.I.P.	926,911.46	-	-	-	-
IF - AGENZIA DI CITTA' N. 5	4,012,588.60	-	-	-	-
IF - LANGHIRANO AGENZIA 3	406,311.87	-	-	-	-
IF - VIA MISTRALI 1/3 - PARMA	4,851,313.07	-	369,753.44	377,013.54	1,508,925.33
IF - B.GO S. AMBROGIO 3/5/7 - PARMA	1,703,080.36	-	-	-	140,699.21
IF - VIA EMILIO LEPIDO, 12/A - PARMA	977,863.38	-	-	-	179,926.70
IF - PIAZZA DEL POPOLO, 22 - LANGHIRANO	57,180.36	-	34,617.69	15,493.71	162,683.92
IF - PIAZZA MIODINI, 2 - FELINO	661,369.33	-	35,969.19	10,329.14	87,797.67
IF - PIAZZA GRAMSCI, 24 - SALA BAGANZA	456,791.49	-	15,749.45	-	235,765.39
IF - STRADA PER BUSSETO, 135 - FONTEVIVO	251,259.34	-	11,926.88	20,658.28	103,291.38
IF - STRADA PROVINCIALE, 59 - FONTANELLE	84,887.76	-	9,533.49	2,582.28	45,448.21
IF - VIA M. LIBERTA', 322 - MEZZANI	32,302.40	-	5,126.69	5,210.12	38,217,81
IF - VIA LA SPEZIA, 8 - COLLECCHIO	766,784.54	-	-	-	73,635.83
IF - LAGRIMONE	172,190.79	-	-	-	-
IF - STRADA ASOLANA, 128 - S. POLO TORRI	738,205.33	-	-	-	-
IF - VIA GRAMSCI, 13 - PARMA	368,848.57	-	-	-	-
IF - VIA MACALLE' 11 - AGAZZANO	120,289.08	-	-	-	72,046.35
IF - VIA EMILIA OVEST 18 - ALSENO	340,104.22	-	-	-	51,645.69
IF - PIAZZA COLOMBO 11 - BETTOLA	83,016.42	-	-	-	61,974.83
IF - PIAZZA S.FRANCESCO 11/A - BOBBIO	262,151.61	-	-	-	43,607.62
IF - VIA ROMA 23 - BORGONOVO VAL TIDONE	438,762.27	-	-	-	56,810.26
IF - VIA EMILIA PARMENSE 146 - CADEO LOC	288,803.70	-	-	-	-

L.30.7.90 no218	L.29.12.90 n.408	L.30.12.91 no413	1994 merger revaluation	1997 merger revaluation	Total costs	Accumulates depreciation 31.12.2013	Net book value at 31.12.2013
122,582.47	-	13,092.34	-	-	262,349.39	121,552.32	140,797.07
182,481.88	-	19,223.68	-	-	505,987.10	173,680.20	332,306.90
73,622.58	-	8,524.59	-	-	166,244.36	78,157.60	88,086.76
150,459.94	-	70,134.73	-	-	605,457.69	375,523.73	229,933.96
93,309.97	26,288.50	116,980.68	-	-	852,917.75	434,725.15	418,192.60
241,823.96	-	17,911.54	-	-	895,936.90	561,567.97	334,368.93
323,202.80	-	59,315.15	-	-	595,389.69	177,676.76	417,712.93
424,118.94	-	16,717.78	-	-	2,358,474.95	1,075,425.49	1,283,049.46
100,472.42	-	10,199.55	-	-	220,347.18	117,011.46	103,335.72
392,743.02	-	71,429.56	-	-	793,442.89	339,130.87	454,312.02
129,516.92	-	5,252.73	-	-	342,173.81	191,968.01	150,205.80
159,670.92	-	27,414.31	-	-	520,262.77	248,003.65	272,259.12
97,942.02	-	9,218.31	-	-	194,874.39	98,738.35	96,136.04
177,223.74	-	39,339.84	-	-	440,112.22	209,392.54	230,719.68
651,019.70	-	62,443.99	-	-	1,850,436.70	1,183,456.15	666,980.55
539,475.70	-	18,414.24	-	-	1,373,441.13	918,818.79	454,622.34
132,004.15	-	16,618.19	-	-	322,799.86	171,692.14	151,107.72
259,431.58	-	84,935.43	-	-	1,389,750.00	549,644.75	840,105.25
278,852.49	-	6,055.96	-	-	565,577.89	271,352.17	294,225.72
131,803.15	-	54,888.34	-	-	714,239.17	652,126.81	62,112.36
14,843.27	-	9,559.56	-	-	951,314.29	393,804.43	557,509.86
2,518.16	-	-	-	-	4,015,106.76	1,756,542.18	2,258,564.58
137.53	-	-	-	-	406,449.40	225,650.37	180,799.03
-	897,799.03	2,460,914.84	-	-	10,465,719.25	3,655,956.81	6,809,762.44
-	1,050,126.02	295,927.13	-	-	3,189,832.72	1,376,727.04	1,813,105.68
-	498,958.22	177,237.05	-	-	1,833,985.35	987,045.34	846,940.01
-	255,039.00	217,764.39	-	-	742,779.07	348,293.86	394,485.21
-	301,908.22	220,280.84	-	-	1,317,654.39	574,865.62	742,788.77
-	670,238.55	14,659.46	-	-	1,393,204.34	669,271.39	723,932.95
-	350,997.61	299,491.59	-	-	1,037,625.08	382,600.55	655,024.53
-	151,905.17	63,486.85	-	-	357,843.76	163,426.28	194,417.48
-	65,506.21	53,984.46	-	-	200,347.69	115,450.00	84,897.69
-	59,468.97	641,639.76	-	-	1,541,529.10	768,381.78	773,147.32
-	99,980.30	-	-	-	272,171.09	225,687.69	46,483.40
-	-	11,996.03	-	-	750,201.36	319,788.83	430,412.53
-	436,368.93	70,280.24	-	-	875,497.74	472,959.98	402,537.76
53,138.89	-	27,352.08	-	-	272,826.40	58,231.09	214,595.31
108,998.30	-	47,210.69	-	-	547,958.90	192,240.04	355,718.86
134,658.19	-	27,483.81	-	-	307,133.25	147,972.26	159,160.99
112,497.07	-	20,968.67	-	-	439,224.97	197,171.90	242,053.07
87,567.46	-	31,597.97	-	-	614,737.96	213,451.05	401,286.91
16,673.29	-	102,983.44	-	-	408,460.43	278,308.53	130,151.90

PROPERTY	Book value net revaluations	L.11.2.52 no74	L.19.2.73 no823	L.2.12.75 no576	L.19.3.83 no72
IF - PIAZZA BERGAMASCHI 4 - CALENDASCO	285,669.50	-	-	-	-
IF - VIA ROMA 8 - CAORSO	271,358.17	-	-	-	98,126.81
IF - GALLERIA BRAGHIERI 1 - CASTEL S.GIO	548,708.13	-	-	-	171,844.36
IF - VIA CAVOUR 1/A - CORTEMAGGIORE	108,578.26	-	-	-	77,468.53
IF - VIA DEL CONSORZIO 7 - FERRIERE	172,784.38	-	-	-	-
IF - CORSO GARIBALDI 120 - FIORENZUOLA D	375,419.74	-	-	-	194,704.25
IF - VIA ROMA 63 - GRAGNANO TREBBIENSE	152,934.03	-	-	-	41,316.55
IF - P.ZZA CASTELLANA 22 - LUGAGNANO VAL	622,158.84	-	-	-	65,107.43
IF - VIA MARTIRI LIBERTA' 35 - MONTICELL	460,830.99	-	-	-	-
IF - PIAZZA INZANI - MORFASSO	189,383.58	-	-	-	-
IF - PIAZZA VITTORIA 25 - OTTONE	48,380.43	-	-	-	15,493.71
IF - LARGO DAL VERME 3 - PIANELLO VAL TI	292,527.52	-	-	-	-
IF - VIA MONTE GRAPPA 49 - PODENZANO	305,439.54	-	-	-	67,139.40
IF - VIA VITTORIO VENETO 90 - PONTE DELL	496,158.32	-	-	-	-
IF - PIAZZA TRE MARTIRI 11 - PONTENURE	535,852.95	-	-	-	-
IF - VIA EMILIA EST 33 - ROTTOFRENO	47,391.24	-	-	-	56,810.26
IF - VIA ANGUISSOLA 4 - TRAVO	203,959.54	-	-	-	-
IF - VIA MORO 4 - VILLANOVA SULL'ARDA	345,424.44	-	-	-	-
IF - VIA ZIANO 9 - VICOBARONE DI ZIANO P	48,378.12	-	-	-	15,493.71
IF - VIA ROMA 175 - ZIANO PIACENTINO	69,449.17	-	-	-	20,658.28
IF - VIA POGGIALI 18 - PIACENZA	3,959,780.68	-	-	769,851.47	1,567,362.27
IF - VIA COLOMBO 101 - PIACENZA	1,180,704.72	-	-	-	-
IF - VIALE DANTE ALIGHIERI 14 - PIACENZA	1,612,612.44	-	-	-	-
IF - PIAZZA CAIROLI 3 - CODOGNO	1,085,252.21	-	-	-	-
IF - CORSO MILANO 65 - VIGEVANO	241,627.12	-	-	7,230.40	-
IF - PIAZZA VOLTA 4 - VIGEVANO	351,231.19	-	-	15,493.71	-
IF - PIAZZA DUCALE 43 - VIGEVANO	1,673,461.34	-	-	129,114.22	1,077,258.07
IF - VIA LAVATELLI 32 - CASSOLNOVO	378,820.96	-	-	10,329.14	-
IF - VIA COTTA 2 - GAMBOLO'	403,080.73	-	-	10,329.14	-
IF - VIA XXV APRILE 17 - PARONA	104,194.38	-	-	-	-
IF - PIAZZA CAMPEGI 2 - TROMELLO	446,882.89	-	-	-	-
IF - VIALE CAMPARI 12 - PAVIA	636,465.42	-	-	-	-
IF - VALENZA	345,799.12	-	-	56,333.78	252,200.92
IF - VINOVO	292,718.55	-	-	-	-
IF - VIA ARMORARI 4 - MILANO	3,702,428.24	-	1,313,331.40	-	7,266,548.57
IF - VIA ARMORARI 8 - MILANO	2,551,381.50	-	-	-	-
IF - VIA FARINI 82 - MILANO	2,622,564.17	-	-	-	-
IF - P.ZZA FRATTINI 19 - MILANO	482,281.69	-	81,632.48	-	371,848.97
IF - VIA MUSSI 4 - MILANO	528,564.66	-	92,969.11	-	291,281.69
IF - VIA PISTRUCCI 25 - MILANO	684,128.53	-	41,672.91	-	127,048.40
IF - VIA RIPAMONTI 177 - MILANO	522,798.10	-	103,420.90	-	335,696.98
IF - P.ZZA VELASCA 4 - MILANO	412,599.29	-	191,990.54	-	192,121.97

L.30.7.90 no218	L.29.12.90 n.408	L.30.12.91 no413	1994 merger revaluation	1997 merger revaluation	Total costs	Accumulates depreciation 31.12.2013	Net book value at 31.12.2013
36,431.02	-	41,650.12	-	-	363,750.64	115,929.93	247,820.71
101,461.83	-	41,257.14	-	-	512,203.95	182,829.13	329,374.82
413,390.54	-	88,751.25	-	-	1,222,694.28	538,128.49	684,565.79
87,408.79	-	35,055.20	-	-	308,510.78	151,468.10	157,042.68
4,522.64	-	53,147.24	-	-	230,454.26	151,534.30	78,919.96
195,074.30	-	144,239.41	-	-	909,437.70	311,949.66	597,488.04
23,033.99	-	29,569.37	-	-	246,853.94	147,276.17	99,577.77
28,660.11	-	26,297.16	-	-	742,223.54	222,431.06	519,792.48
-	-	69,145.18	-	-	529,976.17	252,790.46	277,185.71
-	-	49,729.62	-	-	239,113.20	182,055.74	57,057.46
33,084.58	-	7,709.15	-	-	104,667.87	41,985.11	62,682.76
60,750.57	-	9,448.99	-	-	362,727.08	187,155.47	175,571.61
115,375.69	-	70,922.76	-	-	558,877.39	313,862.37	245,015.02
172,169.88	-	99,830.10	-	-	768,158.30	296,213.38	471,944.92
-	-	68,083.47	-	-	603,936.42	391,454.10	212,482.32
61,127.63	-	24,580.87	-	-	189,910.00	92,727.40	97,182.60
1,640.26	-	38,547.63	-	-	244,147.43	121,022.65	123,124.78
57,043.57	-	71,326.57	-	-	473,794.58	177,984.52	295,810.06
14,084.42	-	8,451.33	-	-	86,407.58	46,213.06	40,194.52
45,381.06	-	8,838.42	-	-	144,326.93	59,714.20	84,612.73
5,788,953.65	-	1,952,810.98	-	-	14,038,759.05	4,388,463.17	9,650,295.88
195,554.35	-	196,597.40	-	-	1,572,856.47	646,349.90	926,506.57
426,869.74	-	215,624.49	-	-	2,255,106.67	904,773.59	1,350,333.08
171,308.84	-	217,624.36	-	-	1,474,185.41	961,892.44	512,292.97
163,007.68	-	17,382.10	-	-	429,247.30	172,752.49	256,494.81
270,713.85	-	11,718.05	-	-	649,156.80	149,719.58	499,437.22
1,004,816.53	-	417,537.30	-	-	4,302,187.46	1,294,278.01	3,007,909.45
91,583.05	-	21,129.56	-	-	501,862.71	171,285.50	330,577.21
94,165.33	-	4,473.69	-	-	512,048.89	213,048.90	298,999.99
75,689.17	-	12,940.65	-	-	192,824.20	73,122.20	119,702.00
78,091.82	-	17,077.76	-	-	542,052.47	129,005.93	413,046.54
22,046.58	-	32,725.71	-	-	691,237.71	346,740.94	344,496.77
-	-	90,987.30	858,291.35	-	1,603,612.47	838,327.87	765,284.60
-	-	20,734.37	148,415.61	-	461,868.53	307,246.51	154,622.02
-	-	19,847,234.52	7,308,422.83	-	39,437,965.56	9,810,426.78	29,627,538.78
-	-	7,164,345.28	5,498,306.60	-	15,214,033.38	3,969,326.13	11,244,707.25
-	-	933,642.80	278,487.78	-	3,834,694.75	2,837,297.43	997,397.32
-	-	543,907.67	268,264.26	-	1,747,935.07	975,687.55	772,247.52
-	-	439,673.97	275,121.06	-	1,627,610.49	859,528.01	768,082.48
-	-	258,172.62	351,453.23	-	1,462,475.69	635,664.58	826,811.11
-	-	381,513.42	161,502.67	-	1,504,932.07	851,775.86	653,156.21
-	-	433,140.42	889,113.51	-	2,118,965.73	1,203,206.60	915,759.13

PROPERTY	Book value net revaluations	L.11.2.52 no74	L.19.2.73 no823	L.2.12.75 no576	L.19.3.83 no72
IF - CORSO MAZZINI 2 - CREMONA	1,582,826.98	25,086.89	350,771.83	-	2,076,156.73
IF - VIA CAVOUR 40/42 - CASALMAGGIORE	137,380.23	2,358.52	22,273.17	-	-
IF - P.ZZA MUNICIPIO 3-9-11 - CASTELVERD	58,133.18	-	12,946.03	-	-
IF - VIA GIUSEPPINA 152 - CINGIA DE'BOTT	2,619.45	429.49	5,940.80	-	-
IF - P.ZZA VITT.VENETO 4 - 6 - CORTE DE'	128,424.45	-	712.71	-	-
IF - VIA MAZZINI 8 - GRUMELLO CREMONESE	156,510.28	59.45	2,643.65	-	-
IF - VIA ROMA 8 - GUSSOLA	61,520.48	-	7,752.53	-	-
IF - VIA ROMA 1 - PIEVE D'OLMI	16,523.05	-	12,487.93	-	-
IF - LARGO DELLA VITTORIA 7 - PIZZIGHETT	305,723.23	-	-	-	178,694.09
IF - VIA DELLA LIBERTA' 10-16 - RIVAROLO	385,351.92	-	1,599.57	-	-
IF - VIA MARTIRI LIBERTA' 48-50 - ROBECC	49,967.62	948.43	8,785.90	-	-
IF - VIA GIUSEPPINA 15-17 - S.GIOVANNI I	596,931.57	664.31	3,812.65	-	-
IF - V.LE G.MATTEOTTI 6-8 - SESTO CREMON	105,706.53	508.29	3,370.20	-	-
IF - VIA GARIBALDI 2 - VESCOVATO	19,948.69	50.6	12,911.42	-	-
IF - VIA MARSALA 18 - LODI	658,175.46	4,127.44	113,691.23	-	-
IF - LARGO CASALI 31 - CASALPUSTERLENGO	689,518.27	-	-	-	211,740.02
IF - VIA ROMA 5 - S.GIULIANO MILANESE	707,584.57	-	43,900.44	-	232,405.60
IF - P.ZZA DEI CADUTI 10 - SANT'ANGELO L	691,980.62	1,410.82	13,011.60	-	-
IF - VIA I. NIEVO 18/VIA OBERDAN - MANTO	4,506,932.69	-	-	-	-
IF - P.ZZA XX SETTEMBRE 23 - ASOLA	265,395.81	1,501.43	19,640.61	-	-
IF - VIA G. MATTEOTTI 18 - CASTELLUCCHIO	596,992.67	-	-	-	-
IF - VIA XXV APRILE 1 - MARMIROLO	126,414.69	-	10,251.56	-	-
IF - VIA PIAVE 18-20 - OSTIGLIA	53,018.10	-	-	-	-
IF - VIA CUSTOZA 124 - ROVERBELLA	147,277.16	-	14,949.21	-	-
IF - P.ZZA DEL LINO 4 - PAVIA	1,122,034.26	3,078.99	92,263.36	-	481,035.36
IF - VIA VITT.VENETO 2 - BELGIOIOSO	141,876.12	1,151.14	11,203.85	-	-
IF - VIA EMILIA 371 - BRONI	862,717.61	-	-	-	328,983.04
IF - V.LE CERTOSA 78 - CERTOSA DI PAVIA	353,500.64	-	4,692.01	-	120,850.91
IF - VIA CARDINAL MAFFI 2 - CORTEOLONA	47,714.39	-	9,607.65	-	-
IF - VIA ROMA 24 - PIEVE PORTO MORONE	124,525.88	-	-	-	-
IF - VIA G. MATTEOTTI 26/28 - CREMA	358,833.86	4,822.13	56,296.89	-	298,140.24
IF - P.ZZA GARIBALDI 3 - ANNICCO	65,913.91	1,176.25	3,176.15	-	-
IF - P.ZZA DELLA LIBERTA' 21 - CASALBUTT	72,358.37	505.74	31,536.41	-	-
IF - P.ZZA DELLA LIBERTA' 6 - PADERNO PO	60,910.30	-	4,105.83	-	-
IF - VIA MILANO 20-22 - PANDINO	132,827.98	1,730.65	27,914.50	-	-
IF - VIA G. VEZZOLI 2 - ROMANENGO	719,173.54	794.82	12,932.01	-	-
IF - VIA F. GENALA 17 - SORESINA	243,123.77	830.36	35,251.32	-	-
IF - VIA ROMA 73 - TRIGOLO	56,345.08	129.06	8,538.58	-	-
IFIC- ASILO NIDO AZIENDALE-C/OCAVAGNARI	2,112,872.87	-	-	-	-
Totale Generale beni con rivalutazione	**130,362,804.69**	**51,364.81**	**4,822,871.40**	**1,903,825.79**	**26,119,693.49**
IF - AGENZIA 22 (FORUM) - PARMA	553,736.75	-	-	-	-
IF - LESIGNANO BAGNI - NUOVA SEDE	577,256.26	-	-	-	-

L.30.7.90 no218	L.29.12.90 n.408	L.30.12.91 no413	1994 merger revaluation	1997 merger revaluation	Total costs	Accumulates depreciation 31.12.2013	Net book value at 31.12.2013
-	-	1,870,791.34	803,837.33	-	6,709,471.10	2,580,857.02	4,128,614.08
-	-	36,029.88	292,244.18	-	490,285.98	232,685.75	257,600.23
-	-	40,216.22	111,815.98	-	223,111.41	102,343.87	120,767.54
-	-	12,612.02	74,914.38	-	96,516.14	55,075.94	41,440.20
-	-	7,369.79	47,581.84	-	184,088.79	63,923.44	120,165.35
-	-	9,161.92	66,173.74	-	234,549.04	57,959.75	176,589.29
-	-	58,354.54	51,317.62	-	178,945.17	107,751.62	71,193.55
-	-	21,534.35	48,712.30	-	99,257.63	55,650.91	43,606.72
-	-	99,877.60	20,091.93	-	604,386.85	347,423.30	256,963.55
-	-	90,020.81	14,886.29	-	491,858.59	340,496.83	151,361.76
-	-	15,956.70	81,443.19	-	157,101.84	58,687.93	98,413.91
-	-	11,033.99	54,842.92	-	667,285.44	272,291.91	394,993.53
-	-	12,889.94	76,972.27	-	199,447.23	71,832.28	127,614.95
-	-	18,956.36	106,168.19	-	158,035.26	79,088.62	78,946.64
-	-	259,761.83	1,051,150.12	-	2,086,906.08	980,466.01	1,106,440.07
-	-	409,978.67	266,528.59	-	1,577,765.55	1,067,875.56	509,889.99
-	-	369,534.06	73,368.37	-	1,426,793.04	685,074.72	741,718.32
-	-	66,701.86	8,768.89	-	781,873.79	335,934.76	445,939.03
-	-	1,560,196.78	321,765.85	-	6,388,895.32	5,205,082.65	1,183,812.67
-	-	66,395.19	227,909.12	-	580,842.16	207,323.40	373,518.76
-	-	226,504.84	49,464.48	-	872,961.99	637,625.78	235,336.21
-	-	78,068.01	61,701.79	-	276,436.05	177,619.14	98,816.91
-	-	54,938.43	77,867.28	-	185,823.81	122,361.31	63,462.50
-	-	22,588.55	155,423.43	-	340,238.35	129,366.71	210,871.64
-	-	941,759.55	217,177.86	-	2,857,349.38	1,870,842.73	986,506.65
-	-	21,179.76	229,335.71	-	404,746.58	163,513.92	241,232.66
-	-	300,315.68	50,148.87	-	1,542,165.20	849,537.49	692,627.71
-	-	82,274.71	28,618.38	-	589,936.65	261,780.34	328,156.31
-	-	20,949.75	74,439.51	-	152,711.30	79,358.06	73,353.24
-	-	53,936.50	84,966.32	-	263,428.70	143,091.58	120,337.12
-	-	628,943.53	257,318.94	-	1,604,355.59	984,328.06	620,027.53
-	-	52,652.30	67,277.44	-	190,196.05	110,906.89	79,289.16
-	-	57,722.03	100,939.73	-	263,062.28	138,902.22	124,160.06
-	-	14,653.33	84,480.55	-	164,150.01	75,009.57	89,140.44
-	-	66,462.27	159,407.13	-	388,342.53	146,993.63	241,348.90
-	-	21,601.44	110,277.88	-	864,779.69	214,795.07	649,984.62
-	-	97,091.46	382,504.11	-	758,801.02	359,313.14	399,487.88
-	-	14,432.90	61,857.25	-	141,302.87	58,719.68	82,583.19
271,083.04	-	48,005.36	-	-	2,431,961.27	170,114.15	2,261,847.12
62,732,109.87	**5,267,367.50**	**55,539,468.41**	**22,091,078.66**	**-**	**308,890,584.62**	**130,370,805.87**	**178,519,778.75**
-	-	-	-	-	553,736.75	276,527.91	277,208.84
-	-	-	-	-	577,256.26	237,474.85	339,781.41

PROPERTY	Book value net revaluations	L.11.2.52 no74	L.19.2.73 no823	L.2.12.75 no576	L.19.3.83 no72
PARMA - VIA SPEZIA NUOVO CRAL	112,780.89	-	-	-	-
IF - VIA SISTINA 104/A - ROMA	4,095,468.72	-	-	-	-
IF - VIA GRAMSCI 1 MEDE	332,225.26	-	-	-	-
IF - V.LE MARTIRI DELLA RESISTENZA 16/18	291,134.41	-	-	-	-
AMPLIAMENTO CAVAGNARI	3,223,029.07	-	-	-	-
IF - PIAZZA MARCONI 2 - SAN GIORGIO PIAC	435,199.29	-	-	-	-
PIACENZA -PALCO TEATRO MUNICIPALE	57.57	-	-	-	-
IF - VIA S. BARTOLOMEO 40 - PIACENZA	21,073,504.48	-	-	-	-
IF - VIALE GIOLITTI 17 - AVERSA	816,786.05	-	-	-	-
IF - CORSO ITALIA 122 - PIANO DI SORRENT	1,547,390.67	-	-	-	-
IF - VIA LIBERTA' 175 - PORTICI	1,940,548.65	-	-	-	-
IF - LARGO PORTA NAPOLI - CAPUA	1,222,278.86	-	-	-	-
IF - P.ZZA MEDAGLIE D'ORO 17 - NAPOLI	4,313,943.50	-	-	-	-
IF - PIAZZA DE AMICIS 121/BIS - TORINO	1,174,142.29	-	-	-	-
IF-CASERTA-PZZA ALDO MORO	4,340,914.33	-	-	-	-
IF-NAPOLI 18-VIA ENRICO FERMI 2	3,727,331.19	-	-	-	-
IF-NAPOLI 6-VIA FERRANTE IMPARATO 29	1,048,230.72	-	-	-	-
IF- NAPOLI 25-VIA ABATE MINICHINI, 1/A	1,423,682.07	-	-	-	-
IF-ASTI SEDE-CORSO V.ALFIERI, 213	2,171,265.62	-	-	-	-
IF-CHIAVARI-PZZA GIACOMO MATTEOTTI,4	3,047,327.86	-	-	-	-
IF-COMO SEDE-VIA PIETRO BOLDONI,1	2,692,834.97	-	-	-	-
IF-DESIO- LARGO VOLONTARI DEL SANGUE	3,970,296.23	-	-	-	-
IF-GENOVA 2-PEGLI-PZZA A.PONCHIELLI 2	1,858,099.11	-	-	-	-
IF-MONZA 2- V.MONTE CERVINO 3	2,592,896.22	-	-	-	-
IF-PAVIA 2- CORSO CAVOUR 12	3,804,327.12	-	-	-	-
IF-RIETI- VIA GARIBALDI, 281	1,348,331.19	-	-	-	-
IF-TORINO 15- CORSO G. GABETTI 2/A	1,803,714.02	-	-	-	-
IF- VARESE SEDE - VIA MARCOBI,5	4,536,701.74	-	-	-	-
FILIALE DI PAROLA FONTANELLATO	553,172.67	-	-	-	-
Totale Generale beni senza rivalutazione	**80,628,607.78**	**-**	**-**	**-**	**-**
Totale Generale:	**210,991,412.47**	**51,364.81**	**4,822,871.40**	**1,903,825.79**	**26,119,693.49**

L.30.7.90 no218	L.29.12.90 n.408	L.30.12.91 no413	1994 merger revaluation	1997 merger revaluation	Total costs	Accumulates depreciation 31.12.2013	Net book value at 31.12.2013
-	-	-	-	-	112,780.89	0	112,780.89
-	-	-	-	-	4,095,468.72	2,145,384.38	1,950,084.34
-	-	-	-	-	332,225.26	12,795.39	319,429.87
-	-	-	-	-	291,134.41	50,047.78	241,086.63
-	-	-	-	-	3,223,029.07	0	3,223,029.07
-	-	-	-	-	435,199.29	178,977.38	256,221.91
-	-	-	-	-	57.57	15.69	41.88
-	-	-	-	-	21,073,504.48	5,992,124.46	15,081,380.02
-	-	-	-	-	816,786.05	87,789.04	728,997.01
-	-	-	-	-	1,547,390.67	165,958.21	1,381,432.46
-	-	-	-	-	1,940,548.65	207,765.83	1,732,782.82
-	-	-	-	-	1,222,278.86	131,371.82	1,090,907.04
-	-	-	-	-	4,313,943.50	461,478.21	3,852,465.29
-	-	-	-	-	1,174,142.29	125,266.55	1,048,875.74
-	-	-	-	-	4,340,914.33	466,300.40	3,874,613.93
-	-	-	-	-	3,727,331.19	400,617.51	3,326,713.68
-	-	-	-	-	1,048,230.72	112,301.67	935,929.05
-	-	-	-	-	1,423,682.07	152,000.53	1,271,681.54
-	-	-	-	-	2,171,265.62	231,406.51	1,939,859.11
-	-	-	-	-	3,047,327.86	132,463.56	2,914,864.30
-	-	-	-	-	2,692,834.97	282,635.31	2,410,199.66
-	-	-	-	-	3,970,296.23	276,081.01	3,694,215.22
-	-	-	-	-	1,858,099.11	195,724.10	1,662,375.01
-	-	-	-	-	2,592,896.22	267,819.78	2,325,076.44
-	-	-	-	-	3,804,327.12	54,649.37	3,749,677.75
-	-	-	-	-	1,348,331.19	144,920.08	1,203,411.11
-	-	-	-	-	1,803,714.02	192,876.86	1,610,837.16
-	-	-	-	-	4,536,701.74	486,094.40	4,050,607.34
-	-	-	-	-	553,172.67	42,430.87	510,741.80
-	**-**	**-**	**-**	**-**	**80,628,607.78**	**13,511,299.46**	**67,117,308.32**
62,732,109.87	**5,267,367.50**	**55,539,468.41**	**22,091,078.66**	**-**	**389,519,192.40**	**143,882,105.33**	**245,637,087.07**

Shareholdings and assets available for sale	Book value net of revaluations	L. 30.7.90 n. 218	Impairment	Measurement equity investment/ AFS	Total cost	Net book value at 31.12.2013
Alma Scuola Cucina	120,556	-	-	-	120,556	120,556
Banca d'Italia	152,350,000	-	-	-	152,350,000	152,350,000
Banca Popolare Friuladria S.p.A.	1,011,566,006	-	- 108,158,006	-	903,408,000	903,408,000
Ca Agroalimentare S.p.A.	12,500,000	-	-	-	12,500,000	12,500,000
Calit S.r.l.	93,600,000	-	- 24,607,000	-	68,993,000	68,993,000
Mondomutui Cariparma S.r.l.	2,280	-	-	-	2,280	2,280
Cassa di Risparmio della Spezia	278,060,000	-	-	-	278,060,000	278,060,000
Ce.P.I.M. S.p.A.	801,542	- 44,831	-	735,289	1,492,000	1,492,000
Centro Agro-Alimentare di Parma S.r.l.	619,748	- 9,296	- 610,452	-	-	-
Centro Ricerca e Formazione (Socris)	-	-	-	-	-	-
Cons. Agrario Provinciale Pavia S.r.l.	-	-	-	-	-	-
Cons. Agrario Provinciale Piacenza Scrl	26	427	-	-	453	453
Consorzio Agrario Provinciale di Parma	84,915	487,535	- 572,000	- 450	-	-
Eurocasse Società di Intermediazione Mobiliare	-	-	-	-	-	-
Eurosim S.p.A.	-	-	-	-	-	-
Fidi Toscana	226,616	-	-	20,510	247,126	247,126
Fiere di Parma S.p.A.	9,472,852	- 416,050	-	1,043,672	10,100,474	10,100,474
Impianti S.r.l.	-	-	-	-	-	-
Piacenza Expo S.p.A. (Ex So.Pr.A.E. S.p.A.)	1,288,405	94,063	-	- 362,468	1,020,000	1,020,000
S.W.I.F.T. Sc	55,950	971	-	28,879	85,800	85,800
Sep	16,148	-	-	- 2,615	13,533	13,533
Sia-Ssb S.p.A.	225,443	7,012	-	31,519	263,974	263,974
Sliders S.r.l.	110,000	-	- 110,000	-	-	-
So.Ge.A.P. Aeroporto di Parma Società per la gestione S.p.A..	236,125	- 38,911	- 37,238	7,806	167,782	167,782
Societa' Prov.Le Insediamenti Prod. S.p.A. - So.Pr.I.P.	225,002	1,033	-	- 226,035	-	-
Stellina 10	1,900	-	-	-	1,900	1,900
Visa Europe Limited	1	-	-	-	1	1
Cariparma Obg S.r.l.	6,000	-	-	-	6,000	6,000
Silca S.n.c.	2,059,972	-	-	-	2,059,972	2,059,972
Cattleya S.r.l.	2,500,000	-	-	-	2,500,000	2,500,000
Ca Fiduciaria S.p.A.	300,000	-	-	-	300,000	300,000
Total equity investments and assets available for sale	**1,566,429,487**	**81,953**	**- 134,094,696**	**1,276,107**	**1,433,692,851**	**1,433,692,851**

Cassa di Risparmio di Parma e Piacenza S.p.A.
Joint-stock company – Registered office: Via Università, 1 – 43121 Parma, Italy
Phone +390521,912111
Share Capital € 876,761,620.00 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 and of National Guarantee Fund
Registered in the Register of Banks at no. 5435
Parent Company of the Cariparma Crédit Agricole banking Group entered in the Register of banking Groups
Subject to the direction and coordination activity of Crédit Agricole S.A.