Consolidated half-year Financial report as at 30th June 2014

GRUPPO CARIPARMA CRÉDIT AGRICOLE

CARISPEZIA | FRIULADRIA | CARIPARMA

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Corporate Bodies and Independent Auditors

Board of Directors

CHAIRPERSON

Ariberto Fassati*

DEPUTY CHAIRPERSONS

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

Annalisa Sassi

Jean-Louis Roveyaz

* Members of the Executive Committee

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

Hugues Brasseur

DEPUTY GENERAL MANAGER

Massimo Basso Ricci

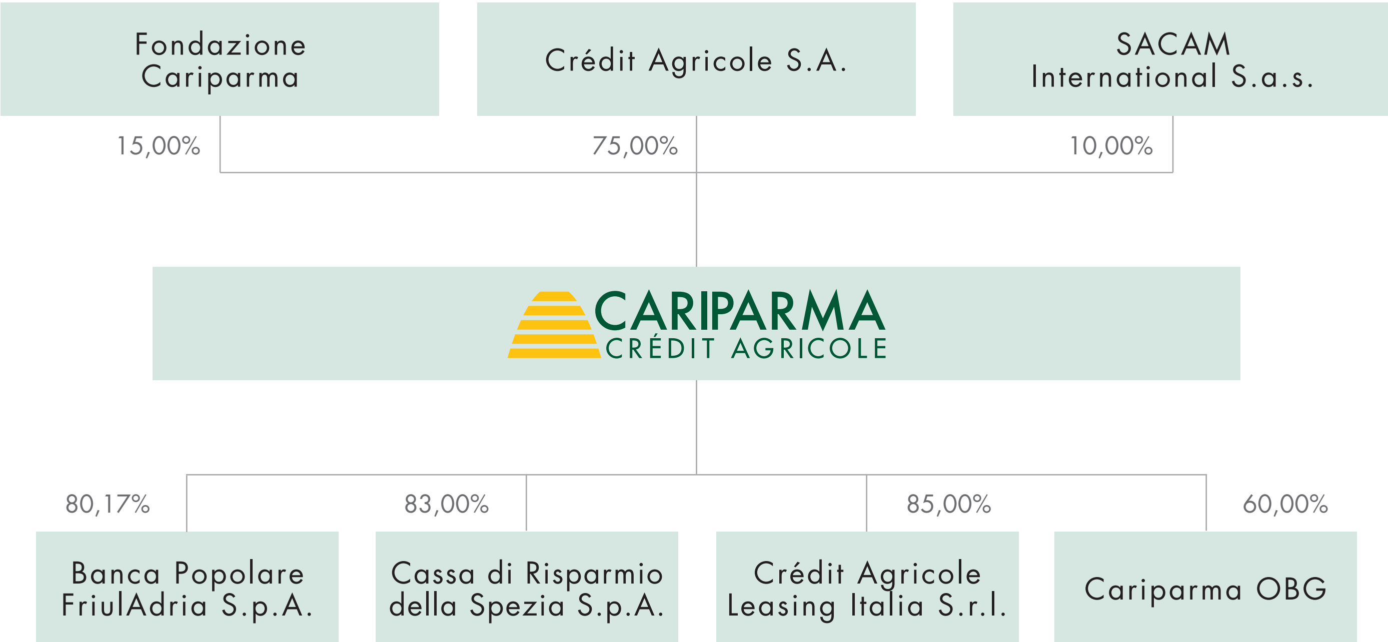
MANAGER IN CHARGE OF THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS

Pierre Débourdeaux

Independent Auditors

Reconta Ernst & Young S.p.A.

Profile of the Cariparma Crédit Agricole Group

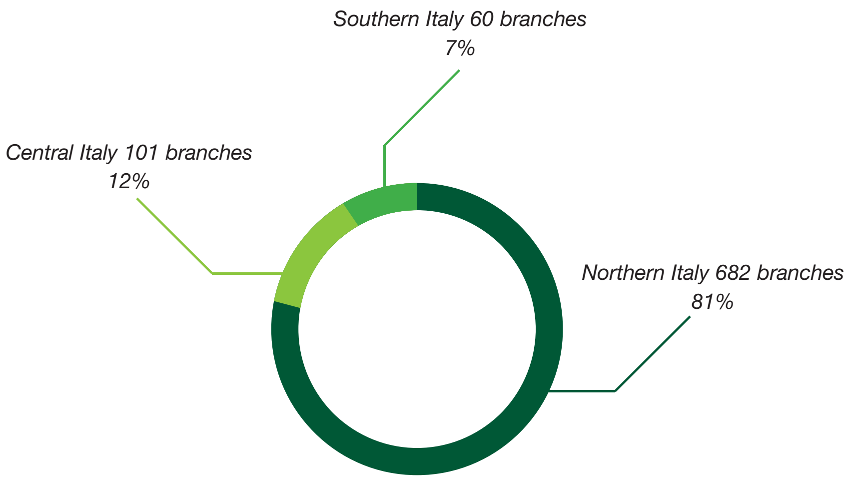


» DESCRIPTION

As at 30 June 2014, the Cariparma Crédit Agricole Group, led by the Parent Company Cariparma, showed an extensive geographical coverage:

	Cariparma	Carispezia	FriulAdria	Group
Number of branches	565	87	191	843
Private Banking Centres	14	2	4	20
Mid-corporate Centres	16	3	6	25
Corporate Areas	5	1	1	7

» BRANCH GEOGRAPHICAL DISTRIBUTION AS AT 30th JUNE 2014



The Cariparma Crédit Agricole Group ranks eighth in Italy by number of branches. In the first half of 2014, the Group continued with the process designed for the rationalization of its geographical coverage in order to improve its Network's efficiency by closing a few branches that were no longer deemed strategic, since poorly efficient or overlapping other Branches (for a total of 20).

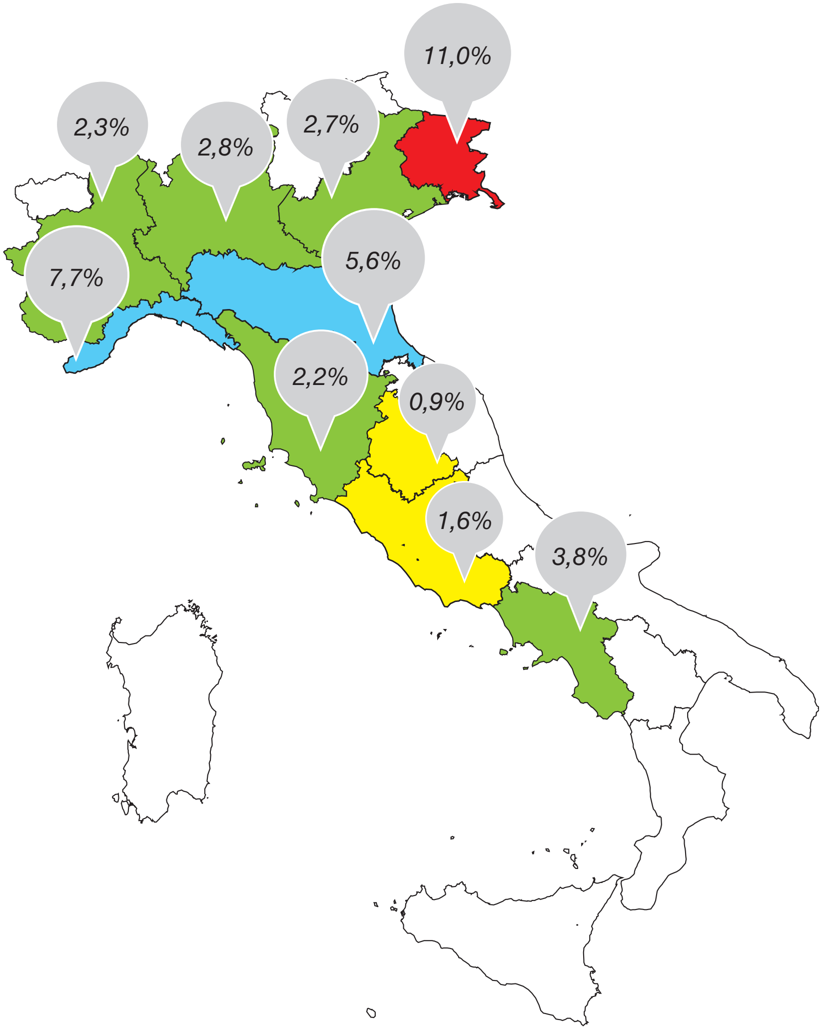
This measure is consistent with the current development of the Italian Banking System, which, since 2008, has undergone a progressive decrease in the number of branches (down by -7.0% from 2009 to 2013).

In May 2014, the transfer to Carispezia of the Cariparma assets located in the Liguria Region was finalized: 16 Retail Branches, 1

Mid-corporate Centre and 1 Private Banking Market, in order to rationalize the Group's Network in the Liguria Region and to improve its efficiency, operating with a single brand in order to optimize the Bank's visibility, to increase the effectiveness of its commercial actions, to foster Carispezia's future development in this area.

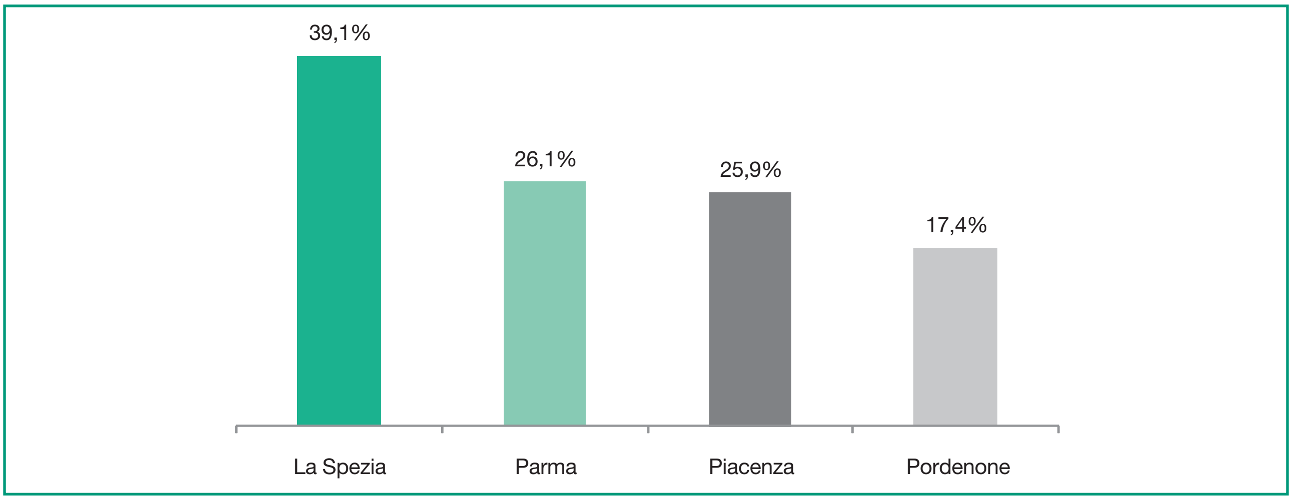
The Cariparma Crédit Agricole Group holds a 2.65% market share at a national level in terms of branches, with shares of 26.1% in Parma, 25.9% in Piacenza, 17.4% in Pordenone and of 39.1% in La Spezia.

» GEOGRAPHICAL DISTRIBUTION OF BRANCHES*



* The market shares in terms of branches have been calculated considering the branches of the Cariparma Crédit Agricole Group as at 30 June 2014 and the System as at 31 December 2013.

» MARKET SHARES BY BRANCHES IN THE MAIN PROVINCES OF OPERATIONS



Financial Highlights and Ratios

Income statement (*) (thousands of euro)	30.06.2014	30.06.2013 (°)	Changes Amount	%
Net interest income	504,536	470,777	33,759	7.2
Net commission income	329,765	314,828	14,937	4.7
Dividends	8,400	1,655	6,745	-
Net gain (loss) on financial activities	3,734	26,905	-23,171	-86.1
Other operating revenues (expenses)	-2,881	29	-2,910	-
Net operating revenues	843,554	814,194	29,360	3.6
Operating expenses	-476,964	-499,450	-22,486	-4.5
Net Operating profit	366,590	314,744	51,846	16.5
Net provisions for liabilities and contingencies	-9,160	-9,155	5	0.1
Net impairment adjustments of loans	-209,357	-204,585	4,772	2.3
Net profit	70,314	84,839	-14,525	-17.1

Balance sheet (*) (thousands of euro)	30.06.2014	31.12.2013	Changes Amount	%
Loans to customers	36,566,877	36,391,853	175,024	0.5
Net financial assets/liabilities held for trading	-2,612	928	-3,540	-
Financial assets available for sale	5,511,421	5,096,003	415,418	8.2
Equity investments	18,827	19,263	-436	-2.3
Property, plant and equipment and intangible assets	2,349,810	2,370,376	-20,566	-0.9
Total net assets	47,132,629	46,642,334	490,295	1.1
Net due to banks	3,244,023	2,779,223	464,800	16.7
Funding from customers	35,969,887	36,593,702	-623,815	-1.7
Indirect funding from customers	54,242,114	50,892,431	3,349,683	6.6
of which: asset management	20,710,371	19,077,566	1,632,805	8.6
Shareholders' equity	4,669,139	4,598,786	70,353	1.5

Operating structure	30.06.2014	31.12.2013	Changes Amount	%
Number of employees	8,429	8,652	-223	-2.6
Average number of employees (§)	7,935	8,253	-318	-3.9
Number of branches	843	863	-20	-2.3

(°) Restated following the reclassification of the expenses for the management of impaired loans and the relevant recovery from the "Operating expenses" item to the "Net impairment adjustments of loans" item

(*) Income statement and balance sheet data are those restated in the reclassified financial statements shown on pages 36 and 40.

Structure ratios (*)	30.06.2014	31.12.2013
Loans to customers / Total net assets	77.6%	78.0%
Direct customer deposits / Total net assets	76.3%	78.5%
Asset management / Total indirect funding	38.2%	37.5%
Loans to customers / Direct customer deposits	101.7%	99.4%
Total assets / Shareholders' Equity (Leverage)	10.8	10.9

Profitability ratios (*)	30.06.2014	30.06.2013
Net interest income / Net operating revenues	59.8%	57.8%
Net commissions income / Net operating revenues	39.1%	38.7%
Cost / income (c)	56.5%	61.3%
Net income / Average equity (ROE) (a)	3.1%	3.9%
Net profit / Patrimonio netto medio (ROTE)	5.2%	6.9%
Net profit / Total assets (ROA)	0.3%	0.3%
Net profit / Risk-weighted assets	0.6%	0.7%

Risk ratios (*)	30.06.2014	31.12.2013
Gross bad debts / Gross loans to customers	5.9%	5.5%
Net bad debts / Net loans to customers	2.7%	2.5%
Net impairment adjustments of loans / Net loans to customers	1.2%	1.4%
Cost of risk (b) / Operating profit	59.6%	73.6%
Net bad debts / Total regulatory capital	32.1%	29.4%
Net impaired loans / Net loans to customers	7.1%	6.2%
Total writedowns on impaired loans / Gross impaired loans	38.3%	40.1%

Productivity ratios (*) (economic)	30.06.2014	31.12.2013
Operating expenses / No. of employees (average)	121	122
Operating revenues / No. of employees (average)	214	199

Productivity ratios (*) (capital)	30.06.2014	31.12.2013
Loans to customers / No. of employees (average)	4,608	4,409
Direct customer deposits / No. of employees (average)	4,533	4,434

Capital ratios	30.06.2014	31.03.2014 (f)
Core Tier 1 (d) / Risk-weighted assets (Core Tier 1 ratio)	10.7%	10.5%
Tier 1 capital / Risk-weighted assets (Tier 1 ratio)	10.7%	10.5%
Total regulatory capital / Risk-weighted assets (Total capital ratio)	13.0%	13.0%
Risk-weighted assets (thousands of euro)	23,782,063	24,461,488

(*) The Ratios are based on the balance sheet and income statement data of the reclassified financial statements shown on pages 36 and 40.

(a) The ratio of the annualized net earnings to the equity weighted average (for ROTE net of intangibles).

(b) Total risk cost includes the provision for contingencies and liabilities as well as net adjustments of loans.

(c) Total Capital: total regulatory own funds (as at December 2013 Total Regulatory Capital)

(d) Common Equity Tier1:

(e) Tier 1: Common Equity Tier 1

(f) As at 31 December 2013, Core Tier 1, Tier 1 and Total capital ratio (Basel 2) were 10.4%, 10.9% and 13.4%, respectively

Interim Report on Operations

» THE GENERAL MACROECONOMIC SCENARIO AND THE BANKING SYSTEM

The macroeconomic scenario in 2014

In the first months of 2014, the world economic cycle has been slowed down by different kinds of additional adverse factors which caused a decrease in the rate of growth of the GWP:

- in the United States the performance of the first quarter has affected the average growth for 2014, which will not be higher than 1.5% in terms of annual average, despite the positive rebound expected for the second quarter. The growth in the GDP will be generated entirely by domestic demand, since the fragility of the international situation will tend to keep exports at a low profile, which will be offset by increasing imports driven by domestic expense items;
- in Japan, the increase in domestic demand has combined with high absorption of imports, which, however, was offset by as strong an increase in exports regarding Japan's main markets. A 1.7% increase is expected in 2014;
- the leading emerging economies, except for India, experienced a decrease in the growth rate of their GDP vs. the end of 2013, with a main role of domestic demand. However, exports of goods and services have not performed well: for Brazil and Russia exports decreased vs. the fourth quarter 2013. Finally, as regards China,

the contribution of net exports to the GDP growth was negative, as it was in the fourth quarter of 2013;

- for the EMU, the beginning of 2014 was disappointing. The GDP has continued with the same growth rate as in the last quarter of 2013 with a significant decrease in exports, which has concerned the majority of the EMU Countries, severely penalizing those Countries whose recovery is based almost exclusively on foreign demand. In 2014, the GDP growth for the Euro Area is expected to be 0.9%.

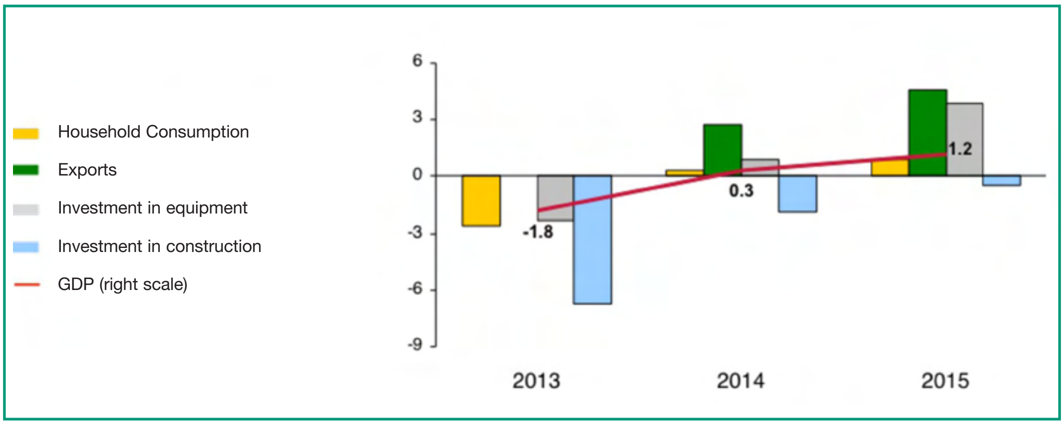
The Italian GDP decreased by 0.1% in the first quarter of 2014 and this has impacted on the outlook, mainly because it marked a trend reversal compared with the first signs of positive performance recorded at the end of 2013. Compared with the previous quarter, the main domestic demand aggregates showed differences in performance, with final domestic consumption increasing by 0.1% and gross fixed investments decreasing by 1.1%. Exports and imports increased by 0.8% and 0.3% respectively[1].

The GDP performance in first quarter of 2014 caused a negative adjustment in its outlook, with however an expected increase (+0.3%)[2]: households' consumption is showing signs of improvement (+0.3%) with a gradual increase in consumption expense driven by the recovery in purchasing power and in investments in operating assets, which stopped decreasing in the first quarter of this year and are expected to progressively increase between 2014 (+0.9%) and 2015 (+4%). Therefore, the first effects of less uncertainty seem to be arising in a situation still featuring difficult access to credit even though with signs that credit crunch is slightly loosening. Investments are expected to developed also driven by the repayment of matured payables by the public Administration and by improving lending conditions; conversely, as regards the building sector, a decrease (-1.9%) is expected for 2014 and any reversal is expected not before 2016, when the sector growth will however be weak and driven mainly by the non-residential segment.

Despite a slow-down in the third quarter, exports are expected, also for 2014, to post an annual average increase of +2.7%, after stagnating in 2013, and to increase at a higher rate in 2015-2016, thanks to the depreciation of the Euro, which, even though remaining high, will begin to weaken in the second half of the year.

[1] Source: ISTAT (the Italian National Institute of Statistics) - June 2014

[2] Source: Macroeconomic Forecast in Prometeia Economic Outlook - July 2014



Source: Macroeconomic Forecast in Prometeia Economic Outlook - July 2014

Moreover, positive trends have been confirmed by some indicators. The OECD leading indicator reports slight improvements in the growth outlook[3], increasing, in April, to 101.6 from 101.4 of the previous month (99.2 in April 2013).

In April 2014, the seasonally adjusted index of industrial production also increased by 0.7% vs. March and by 1.6% vs. the previous year. Indexes show year-on year increases in intermediate goods (up by +3.9%) and consumer goods (up by +3.2%). The energy sector decreased (down by -5.3%) as well as, to a lesser extent, the operating goods one (down by -0.7%). In March, new manufacturing orders posted a YOY increase of +2.8% (+2.8% also in the previous month). In the same month, retail sales were unchanged, both YOY and vs. the previous month.

After progressively improving in the previous months, in May **the Business Confidence Index**, remained unchanged at -4.1; on the other hand, consumers' mood has continued to show positive signs, increasing to -8.6 from -9.6 in the previous month (-32.2 in May 2013).

In April 2014, **the unemployment rate** came to 12.6%, in line with the previous month and increasing by 0.6 percentage pints YOY. Youth unemployment continues to be a major concern; the unemployment rate of young people between 15 and 24 years of age is 43.3%, increasing by 0.4 percentage points vs. the previous month and by 3.8 points year-on-year.

In April, **the Consumer price index** slightly increased coming to +0.5% vs. the minimum level of +0.3% in the previous month (+1.3% a year before).

As regards public finance, the latest data are in line with expectations. The requirement in the first four months improved by approximately Euro 6 billion (€3 billion net of non-recurring items) and the tax revenue in the first three months posted a YOY increase of 1.5%.

The measures that have been announced by the new Italian government are supposed to allow a slightly more expansionary budgetary policy, which, in 2014, will mainly support households' income, while businesses are supposed to benefit from further payment of trade receivables from public Administrations.

Foreign investments in Italy have increased, contributing to the stabilization of financial markets; the decrease in interest rates has concerned all maturities and generated further decreases in the spread between Italian and German Government securities, which is approximately 150 basis points.

In terms of outlook, a favourable element could be the different development in the monetary policies of the ECB and of the FED, the former still markedly expansionary, the latter gradually less accommodative. After some years of steady appreciation of the Euro over the US Dollar, its depreciation is expected to start as early as at the end of 2014, which would boost Italian exports.

Another stimulus to the real economy is expected to be provided by the cuts in ECB interest rates; these measures are expected to make more resources available to businesses and households, thus fostering the recovery of consumption and higher productivity. The package designed by the ECB includes: cutting the cost of money (which is at its all-time low, with the reference interest rate at 0.15%; negative for the first time the rate on deposits at -0.10%); new long-term refinancing operations - LTRO - (the first one in September and

[3] Source: ABI Monthly Outlook

the second one in December); speed up of the preparatory phase for purchasing ABS. Moreover, the President of the ECB, Mario Draghi, hinted that quantitative easing measures might be implemented, as done by the FED, that is to say, large-scale purchases of securities.

The banking system in the first half of 2014

The present weakness in economic recovery is continuing to impact also on the profitability of the Italian banking system, maintaining intermediated assets weak and credit risk high.

As of June 2014, funding from resident Customers came to Euro 1,718.2 billion[4], decreasing by approximately Euro 14.8 billion on an annual basis, with a -0.9% change (down by -0.6% as of May 2014; up by +0.5% as of June 2013). As of June 2014, deposits from resident Customers[5] posted and annual increase of +2.4% (up by +2.4% also as of May 2014), coming to a value of Euro 1,233 billion increasing in absolute value by approximately Euro 26 billion. The annual change in bonds was -8.3% (-7.4% as of May 2014), decreasing in absolute value by Euro 43.8 billion. Bonds amounted to Euro 485.2 billion.

As of June 2014, asset management increased by Euro 13.8 billion on top of the Euro 7.1 billion increase in May (a new all-time high for assets under management coming to Euro 1,456 billion). This figure has taken total funding since the beginning of the year to Euro 57.5 billion[6], an amount close to Euro 62.5 billion, which was the total achieved throughout 2013. Once again, this performance was due to open-end funds, with net funding coming to Euro 7.3 billion, as well as to institutional investment mandates, which came to Euro 5.8 billion. Therefore, in the first six months of 2014, open-end funds totalled Euro 41.9 billion and institutional investment mandates totalled Euro 11.4 billion.

In June 2014, the performance of bank loans settled, coming to Euro 1,842,7 billion and decreasing on an annual basis by -2.2%.

In May 2014, loans to non-financial companies[7] posted an annual decrease of -4.7%[8] (-4.4% in the previous month;

-5.9% in November 2013, the most negative value); the performance of loans to households posted a slight decrease (-1% in May 2014, -1% also in the previous month; -1.5% in November 2013).

The breakdown of bank loans by economic activity sector shows that, as of May 2014, manufacturing activities, mining and services accounted for approximately 54% of total loans, manufacturing activities on their own accounted for 23.1%. Loans to the trade sector and to accommodation and catering businesses accounted for approximately

19.3% of total loans, whereas the building sector accounted for 17.3% and agriculture for 4.8%. Other sectors accounted for approximately 4.6%.

In the first quarter of 2014, corporate and business demand for loans relating to investments[9] showed no change, but posted all the same an improvement compared with the previous quarters. Demand for loans for mergers, incorporations and other corporate restructuring activities was null. Corporate and business demand for loans relating to stock and working capital posted a slight increase, as well as demand for loans relating to debt restructuring.

The latest data on gross bad loans showed further worsening, even though at a decelerating rate: in May 2014, they came close to Euro 168.6 billion (Euro 32.9 billion higher than the previous year, i.e. up by +24.2% on an annual basis, a decreasing rate vs. +27.2% as at the beginning of the year), net bad loans came to Euro 78.7 billion (the annual change is up by +14.9%, decreasing vs. +31.5% as of May 2013). The ratio of gross bad loans to total loans came to 8.9% as of May 2014, increasing from 6.9% of the previous year. Compared with the pre-crisis one, from December 2007 to May 2014 this ratio is more than three times higher.

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[4] Source: ABI Monthly Outlook

[5] Net of transactions with central counterparties, net of deposits with an agreed maturity relating to transactions for the sale of accounts receivable

[6] Source: Assogestioni

[7] Source: ABI Monthly Outlook

[8] Growth rates have been calculated including loans not recognized by the banks as they have been securitized, and net of any changes in the amounts not relating to transactions (e.g. changes due to interest rate fluctuations, to adjustments or reclassifications).

[9] Source: Bank Lending Survey - April 2014

The analysis of the ratio of gross bad loans to loans broken down by economic production sector[10] also shows that, over the last few years, credit quality has gradually and constantly worsened, and specifically: as of April 2014 for the manufacturing sector, mining and industrial services, this ratio came to 12.4% (5.7% as of December 2010), for wholesale and retail trade and for accommodation and catering services to15.4% (7.1% as of December 2010), for the building sector to 20.9% (6.7% as of December 2010) and for agriculture, forestry and fishing to 11.5% (6.7% as of December 2010).

However, some weak signs of relenting are beginning to emerge from the data on companies' compliance with payment terms[11]: in the first three months of 2014, the percentage of companies that pay their invoices when they are well past due (over 60 days) was 7.6%, decreasing from 8.6% in the fourth quarter of 2013 and from 10.8% of the fourth quarter of 2012 (the all-time high).

Moreover, the outcomes of the Asset quality review and Stress test exercise are still uncertain; this exercise has been carried out by the Supervisory Authority with the objective of assessing the soundness and quality of balance sheets and the resilience of intermediaries in potential economic/financial stress conditions, respectively. The banks that, based on the above exercise, will not comply with the set capital requirements shall mandatorily proceed to strengthen their capital with subsequent impacts on their profitability and on the attractiveness of the sector.

Based on the performance observed and estimates made, the profitability of the banking sector is expected to be modest (ROE at 0.8% in 2014). The factors supporting profitability will be the reduction in the cost of funding, by reducing the volumes of funding from customers and participating in the TLTROs launched by the ECB, as well as the review of the service model, by enhancing multichannel operations and reducing the number of branches and employees in line with the business plan objectives. Control of operating expenses will continue to be a material leverage to support profitability, thanks to an expected decrease of -2% in 2014. The ability to reduce the cost of risk will prove crucial and will be achieved by reviewing processes and by monitoring and recovering loans.

» SIGNIFICANT EVENTS IN THE HALF-YEAR

Asset Quality Review (AQR)

A significant event in the half-year is that the Cariparma Group, as a member of the international Crédit Agricole Group, prepared for the momentous change that the banking system is about to experience with the start-up of the Single Supervisory Mechanism. This preparation has consisted in the Comprehensive Assessment of the European Banking System, which was started in October 2013 by the European Central Bank and which could entail, in the future, changes in the measurement processes that are currently used.

The Cariparma Group is one of the Italian banks that are currently subject to the Comprehensive Assessment Exercise, which will last one year.

This exercise has been designed to assess capital adequacy focusing on three main targets: (1) transparency (that is, enhancing the quality of information available concerning the condition of banks); (2) repair (by identifying and implementing necessary corrective actions, if and where needed); and (3) confidence building (namely assuring all stakeholders that banks are fundamentally sound and trustworthy).

The Comprehensive Assessment is the overall process and comprises three complementary pillars: (i) a supervisory risk assessment, addressing key risks in the banks' balance (ii) an asset quality review; (iii) a stress test providing a forward-looking view of banks' shock-absorption capacity under stress.

To date, the first and second phases of the Asset Quality Review have been completed. In these phases, after selecting the portfolio of assets to be assessed, the reviewers carried out their exam of the quality of these assets, which also included the validation of the integrity of the data provided by the Group, a series of on-site reviews and, ultimately, the validation of collaterals, the recalculation of value adjustments and risk-weighted assets; this phase started in March 2014 and was completed in July.

[10] Source: Supervisory Reporting.

[11] Cerved: Monitor on Company Payments and Non - Payment Protests (June 2014), based on data contained in Payline - Cerved's database that tracks the payment patterns of about 2.5 million Italian businesses

Along with the development of the Asset Quality Review, the Cariparma Group will take account in its financial reporting and in its accounts of all available data and information while the same meet the set reliability requirements.

In this perspective, even though the values recognized in this Half-year Financial Report are the result of the best possible measurements made by the Management based on the reference accounting standards, it cannot be ruled out that such measurements, even though reasonable, may be not fully confirmed where any different parameters are used to carry out the Asset Quality Review.

“Banca della Liguria” Project

In the first six months of 2014, the “Banca Liguria” Project for geographical rationalization was implemented by strengthening Carispezia in the Liguria Region.

This Project entailed the transfer to Carispezia of 16 Cariparma branches located in the Provinces of Genoa, Imperia and Savona.

The subsequent 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.

Amendment to the taxation on the revaluation of Bank of Italy shares

With Legislative Decree No. 66 of 24 April 2014, the Italian Legislator amended the taxation on the revaluation of the Bank of Italy shares held, increasing the tax rate from 12%, as provided for by the legislation in force as at 31 December 2013, to 26%. This caused an additional tax paid in June and recognized on the profit for the half-year attributable to shareholders of the Parent Company amounting to approximately Euro 22 million.

» PERFORMANCE

Perimeter

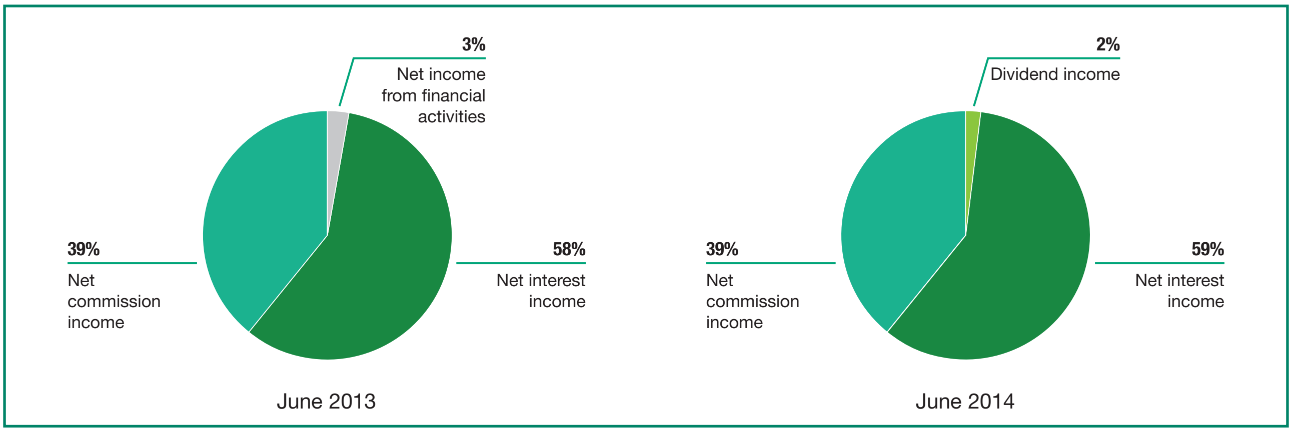
The performance reference perimeter for the first half of 2014 consists of Cariparma S.p.A. (Parent Company), Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia, Crédit Agricole Leasing Italia S.r.l. and the special-purpose entities Mondo Mutui Cariparma S.r.l., Cariparma OBG S.r.l. and Sliders S.r.l. that have been consolidated on a line-item basis, as well as of CA Agro-Alimentare S.p.A. that has been consolidated with the equity method.

The following remarks, relating to the Group’s performance and to the balance-sheet aggregates, refer to the reclassified financial statements included in the Note to the Financial Statements on page 36 and following ones.

The Group’s performance

In the first half of 2014, even though operating in a still very uncertain macro-economic environment, the Cariparma Crédit Agricole Group achieved a positive performance, with the profit for the period amounting to Euro 70 million. The proactivity of the distribution network and the effective management of operating expenses allowed income from operations to come to Euro 367 million, posting a significant YOY increase (up by +16.5%). The increase in this aggregate allowed the increase, even though a modest one, in the cost of credit to be absorbed.

In the first half of 2014, net operating revenues attributable to the shareholders of the Parent Company came to Euro 844 million, increasing by +3.6% vs. 30 June 2013, thanks to the performance of revenues from the traditional banking business: interest income and commission income, which together account for 99% of net operating revenues (96% as of June 2013), increased by +7.2% and +4.7%, respectively.



The increase in net interest income was due to the increase in loans to Customers and to the reduction in the cost of funding, thanks also to the Customers' preference for more liquid funding. Conversely, the "Business with Banks" component and the contribution of hedging activities decreased.

Net commission income came to Euro 330 million, driven by income from management, intermediation and advisory services on asset management, which posted a significant YOY increase in terms of placed volumes.

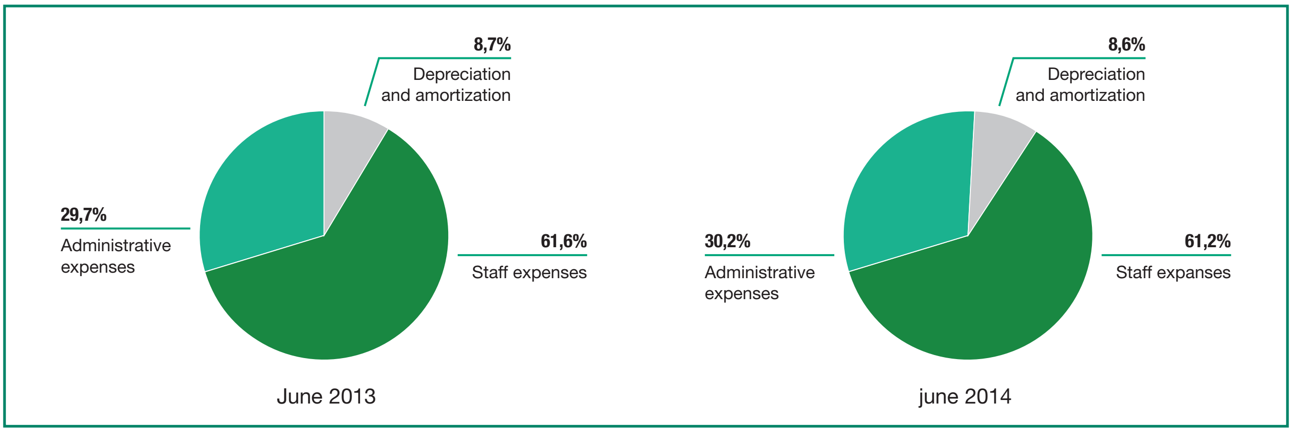
Conversely, commission income from the traditional banking business was impacted by the negative trend of commission income from current accounts and commission income from debit and credit cards, which were impacted by the decrease in consumption.

Net income from financial activities came to Euro 4 million, decreasing by Euro 23 million (down by -86% vs. June 2013), mainly due to the decrease in income from trading of AFS securities, that is to say, from arbitrage reducing the portfolio duration, since, pursuant to the its internal Policy, the Group does not carry out proprietary trading but only trading on behalf of Customers. Other elements that affected performance referred to transactions on derivatives with Customers, the development of which reflected the unfavourable economic scenario.

The increase in dividend income (as at 30 June 2014 amounting to Euro 8.4 million vs. Euro 1.7 million as of June 2013) essentially reflected the dividends collected by the Group and referring to the equity investment in the Bank of Italy (Euro 1.5 million in 2013 and Euro 8.1 million in 2014).

As regards operating expenses, also in the first half of 2014 the actions that were started in previous years continued being implemented; therefore, in an environment still featuring pressure on revenues and a still significantly high cost of credit, focusing on cost control amounts to a crucial leverage for good corporate performance. Operating expenses came to Euro 477 million, decreasing by Euro -22 million (down by -4.5%), thanks to effective control on almost all expense items, while continuing to invest.

The cost structure was in line with 30 June 2013, with staff expenses accounting for approximately 61% of total expenses and other administrative expenses accounting for approximately 30% of total expenses.



Staff expenses posted a decrease vs. 30 June 2013 (down by -5.5%) which reflected the decrease in the average number of staff (down by -215 YOY, subsequent to the “Solidarity Fund for income support” activated in previous periods) and effective control on the variable component.

Administrative expenses also decreased thanks to effective management of current expenses. Essentially all expense items contributed to the achievement of this result. Specifically: decreases are reported in expenses for rents of property (down by -8.4%, thanks to both an extensive renegotiation action and to the rationalization of the distribution network), in legal expenses (down by -1.9%) and in other cost components, such as utilities and expenses for advisory services.

Depreciation and amortization came to Euro 41 million, posting a YOY decrease (down by -6%) due to the end of the depreciation/ amortization period of some significant investments made in previous periods.

The good performance of income and the effective action to control expenses generated a significant improvement in income from operations, which came to Euro 367 million (up by +16.5% YOY), as well as in the efficiency index (indeed, the cost/income ratio decreased from 61.3% to 56.5%).

As at 30 June 2014, net provisions for contingencies and liabilities (Euro 9.2 million) were in line with the same figure as of June 2013.

As at 30 June 2014, net impairment adjustments of loans (Euro 209 million, up by +2.3% vs. June 2013) increased but modestly, thanks to the management actions that were taken on the entire lending chain and to the industrialization of processes. This allowed the aggregate to be essentially stable, while continuing to maintain a prudential and adequate coverage ratio.

Taxes for the period, in terms of the Italian Regional Tax on Productive Activities (IRAP), were affected by a 0.45% reduction in the tax rate, pursuant to Italian Law Decree No. 66 /2014. On the one hand, this tax rate reduction allowed lower current taxes to be recognized, but, on the other hand, it required the recalculation of IRAP tax assets and liabilities resulting in an increase in taxes. Moreover, a provision was made for the higher taxes due on the revaluation of Bank of Italy shares (pursuant to Italian Law No. 147/2013). Net of the above components, the tax load decreased also thanks to the release of prudential provisions for taxes for previous periods, which were higher than the taxes actually paid.

The profit for the period came to Euro 70 million, decreasing vs. the same figure as at 30 June 2013, which, however, benefited from non-recurring positive tax components relating to the realignment of some values for tax purposes (as emerged within the transactions for the transfer of branches to Cariparma, which were made in 2011, in a tax-neutral regime). Net of this non-recurring component, net income for the period would achieve a very good performance increasing by +43%.

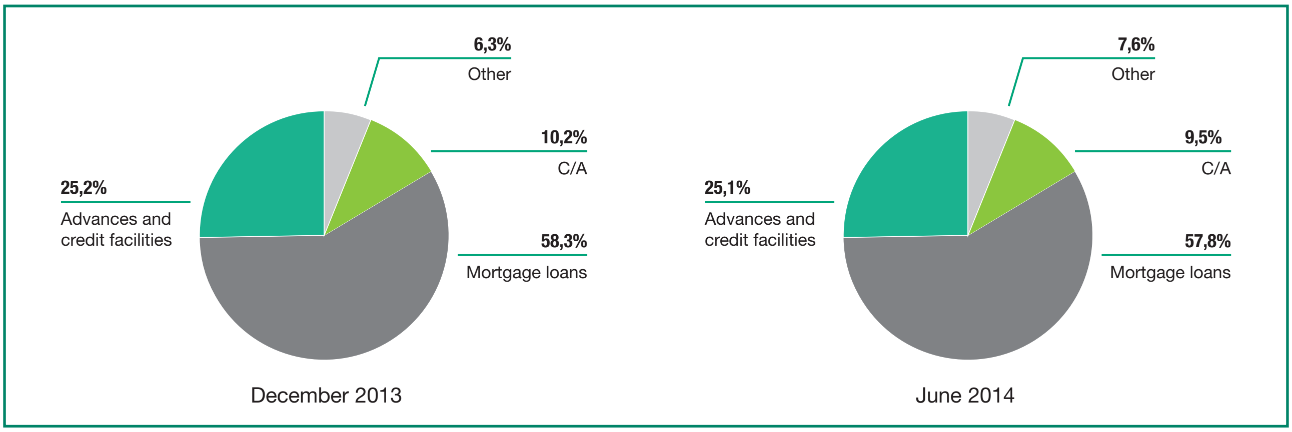
Comprehensive income for the first half of 2014 was significantly impacted by the volatility on the revaluation reserve on available-for-sale assets as resulting from the market performance of the underlying securities (especially Government securities) and generated a profit of Euro 157 million, mainly due to net income but also to the revaluation reserve for available-for-sale financial assets, which in the period posted a positive increase of Euro 63 million.

The Return On Equity (ROE) came to 3.1%, whereas the Return On Tangible Equity (ROTE) came to 5.2% (as at 30 June 2013 these two values were 3.9% and 6.9%, respectively).

Balance sheet aggregates

Also in the first half of 2014, the Cariparma Crédit Agricole Group pursued the development of total funding while implementing a strategy aimed at maintaining an adequate and structural balance between funding and lending.

As at 30 June 2014, loans to Customers came to Euro 36.6 billion, increasing by Euro 175 million (up by +0.5%) vs. December 2013. Lending volumes were still affected by still uncertain economic situation, especially in the shortest-term component (current account credit facilities decreased by 6.5%). The mortgage loans segment was essentially stable (-0.7%), supported by the home loans that were paid out. Indeed, in the first six months of 2014, 7,400 new home loans were paid out, increasing by +40% vs. the previous year.

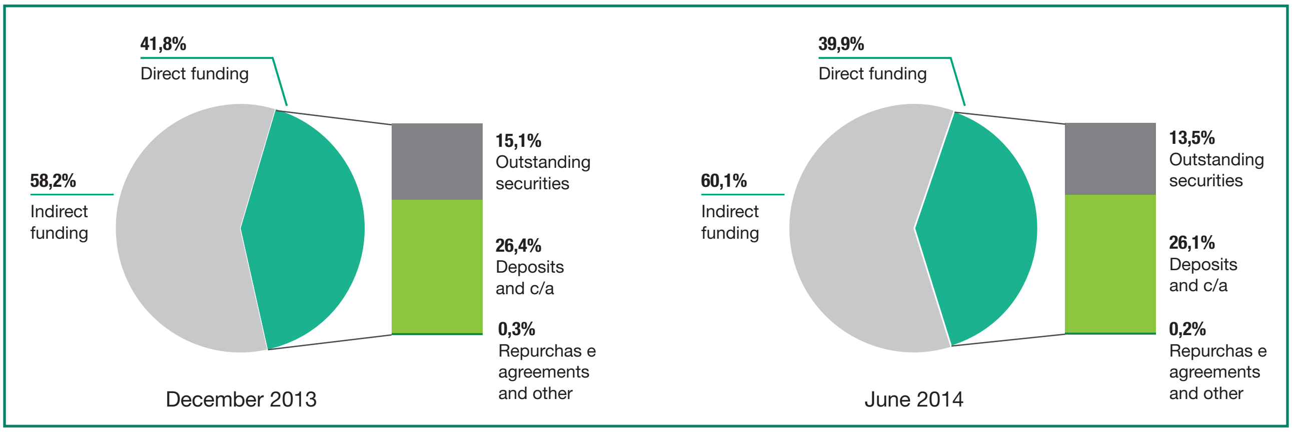


The still lingering economic uncertainty and the time lag between the beginning of the recovery and the improvement in credit quality caused impaired loans to increase also in the first half of 2014 (gross impaired exposure up by +17% vs. December 2013). Coverage policies confirmed prudential (adjustments of gross impaired loans came to 38.3%), especially on the most risky categories of doubtful loans (the coverage ratio on bad loans remained at 56%), and the ratio of problem loans to total net loans came to 7.6% (6.3% as of December 2013).

The cost of credit (the ratio of net impairment adjustments of loans to net loans to Customers) was stable compared to June 2013 (1.15% on an annual basis).

A regards performing loans, the accumulated value adjustments came to Euro 238 million, i.e. 0.7% of gross exposures: indeed, the collective write-down takes account of the new guidelines that can be inferred from the draft International Technical Standards published by EBA in October 2013 and concerning the recognition of “non performing” and “forborne” exposures, which led to higher adjustments of performing loans.

Total funding from Customers came to over Euro 90,212 million, increasing vs. 31 December 2013 (up by +3.1%), thanks to the increase in indirect funding, whose weight on this aggregate posted a further increase from 58% to 60%.



The performance of total funding in the first half of 2014, when direct funding and outstanding securities decreased, even though to a modest extent, is evidence of the Customers’ preference for better diversification of their investment portfolios, especially with asset management products. Concomitantly, the stock of more liquid products was stable, due to the on-going economic uncertainty.

Consequently, indirect funding performed well (coming to Euro 54.2 billion, up by +6,6% vs. 31 December 2013), thanks to the development in both its components. Asset management increased by +8.6%, mainly driven by the placing of collective investment schemes and SICAVs, as well as of insurance products.

In the first half of 2014, assets under administration also posted an increase (up by +5.4%), partially thanks to the improvement in the quotations of securities.

Between December 2013 and June 2014, the Group's liquidity position confirmed its soundness, with the ratio of loans to Customers to direct funding essentially balanced (the self-funding ratio came to 1.02 and it was 0.99 as of December 2013).

It is reported that, in the first half of 2014, 65 new bond issues were made at Group level. As reported for the previous period, there was a marked prevalence of fixed-rate instruments over floating-rate ones, confirming the Customers' preference for certain coupon flows and yields in times of long-standing uncertainty and low interest rates.

Bonds were placed to the Group's Customers for a total amount of Euro 1,767 million, while maturing bonds amounted to approximately Euro 2,154 million.

Available-for-sale financial assets (amounting to Euro 5,511 million as at 30 June 2014) are mainly composed of Government Securities held within the liquidity risk management policy and the increase posted in the first half of 2014 (up by +8.2% vs. December 2013) was almost exclusively due to the purchases made in the period and to the increase in the prices of these securities.

As at 30 June 2014, the book value of equity, including the net profit for the year, came to Euro 4,669 million, increasing (up by 1.5%) vs. December 2013. The Regulatory Capital was essentially stable, coming to Euro 3,641 million.

As known, effective from 1 January 2014, the new regulation for banks and investment firms has entered into force generating impacts on the determination of both Own Funds and of Risk-weighted Assets (RWA). The new regulatory framework is structured on three levels:
1) endorsement by the European Union of the regulatory framework defined by the Basel Committee on Banking Supervision (Basel 3) with EU Regulation No. 575/2013 ("CRR") - which is directly applicable in national legislations - and Directive 2013/36/EU ("CRD IV") - which is subject to implementation in national legislations - of 26 June 2013;
2) alignment of the Italian national legislation to the developments in the international and EU regulatory framework with Circular No. 285 "Provisions for the prudential supervision of banks" of 17 December 2013, implementing CRD IV. Circular No. 285 reports the procedures with which national discretion has been exercised as provided for by EU law to the national authorities, also in terms of temporary regime;
3) the exercise by the single banks of the discretionary powers provided for by their national legislator (for example, choosing the ECAI for exposures to entities or not to include unrealized gains or losses on exposures to central governments classified in the "Available for Sale" category).

The new regulatory framework increases both the quality and the minimum regulatory requirement of Own Funds. In 2014, Banking Groups are required to comply with a Common Equity Tier 1 capital ratio of 4.5%, a Tier 1 capital ratio of 5.5% and with a Tier Total capital ratio of 8%, as well as to hold a capital conservation buffer of 2.5% of CET 1. Therefore, the minimum capital requirements for 2014 overall are 7% of Common Equity Tier 1, 8% of Tier 1 and 10.5% of Tier Total[12].

Risk-weighted assets came to Euro 23,782 million, decreasing by -3% vs. March 2014.

The Group's capital ratios confirmed to be sound (Common Equity Tier 1 and Tier 1 at 10.7%, Total Capital Ratio at 13.0%) and well above the minimum requirements for the Asset Quality Review (8% of Common Equity Tier 1). The capital ratios as at 31 December 2013, even though not comparable, were the following: the Core Tier 1 ratio at 10.4%, the Tier 1 ratio at 10.9% and the Total Capital ratio at 13.4%.

[12] For more exhaustive reporting on the main novelties introduced by the new regulatory framework, reference is made to the "Disclosures on Basel 3 Third Pillar as at 31 March 2014", available on the website of the Cariparma Crédit Agricole Group (www.gruppocariparma.it).

Tax-related disputes

With regard to tax-related disputes with the Agenzia delle Entrate (the Italian Inland Revenue Service), in addition to the information contained in the Annual Report and Consolidated Financial Statements as at 31 December 2013 (to which reference is made for more exhaustive information), the following developments in the first half of 2014 are to be reported:

- with regard to the Notice of Settlement of Registration Taxes on the transfer of branches carried out in 2007 by Cariparma and FriulAdria, appeal court rulings were issued in favour of the Group Banks; the Agenzia delle Entrate will in all likeness appeal to the Italian Court of Cassation but, considering the favourable court decisions and in the light of specific opinions originally obtained from leading Law Firms, no provision has been made for this dispute;
- litigation started relating to the Notices of Settlement concerning the similar transactions carried out in 2011; also based on the results of the litigation on the 2007 transactions, no provision has been made; with regard to the general inspection carried out by the Agenzia delle Entrate on FriulAdria, reference is made to the Annual Report and Financial Statements as at 31 December 2013, pointing out that the application for composition with acceptance, as reported therein, was defined for a total of Euro 0.1 million;
- Cariparma was notified alleged unlawful use of the specific tax receivables provided for by Italian Decree Law No. 185/2008 for the amounts credited by it to Customers relating to the State contribution on floating-rate mortgage loans that were taken out by 31 October 2008, with service of the payment form. With the above Law, the Italian State provided a contribution to tax payers that took out floating-rate mortgage loans for the purchase of their home amounting to the interest paid by the same tax payers in 2009 at a rate over 4%. These amounts were actually credited by the banks that were entitled to equal tax receivables. The alleged unlawful use regards the fact that the amounts were paid to the Customers not only in 2009, but also in 2010, as also allowed by the same Law. The disputed amount and the relevant penalties, for a total of approximately Euro 1.3 million, have already been paid in order to prevent any consequence resulting from non-payment within the set terms. In the light of the Bank's obvious grounds, as confirmed also by its advisors, the Bank has filed both appeal with the Tax Commission and a petition of reassessment (the Italian "istanza di autotutela") with the Agenzia delle Entrate, since it believes it has solid grounds, and, therefore, no provision has been made;
- Carispezia obtained a favourable appeal court ruling in the dispute that started in 2006.

» RISKS AND UNCERTAINTIES

The policies for the monitoring, management and control of risks, whether operational risks, credit risks and market risks, in the many instances provided for by the primary and secondary legislation and regulations that apply to the Group as a lender subject to regulatory supervision, remain key and priority pillars based of which the Banks will have to pit their strength, both against one another and against domestic and international markets.

Reference is made to other sections for exhaustive reporting on the risks and uncertainties which the Group is exposed to and on the techniques implemented for their mitigation, in accordance with the legislation provisions, also of the Italian Civil Code at Article 2428, as well as of Bank of Italy Circular No. 263/2006 as updated. In this regard, it cannot but be emphasized again, briefly, what was reported in the previous periods, that is to say, the constant focus that, for quite a few years now, the Group and its Management have kept on the monitoring of risks and uncertainties, also to comply with the countless recommendations that the national and international Authorities have been issuing on this topic. The Group's governance bodies are fully aware, now more than ever, that sustainable development and growth absolutely require an effective analysis of the risks which the Group is exposed to and of the relating uncertainties, in terms of impacts that these risks could have on the Group's financial position, cash flows and performance. Effective management and mitigation of the same risks to acceptably low levels are another crucial requirement for sustainable growth, also in order to protect a precious resource for development and growth, that is to say, savings (and, with them, Customers' confidence) on the one hand, and loans (healthy and drivers of growth) on the other.

Also in compliance with the legislation provisions (specific for the sector the Group belongs to, as well as of the civil and financial laws), the Management believes that the present overall performance of the domestic and international economies (financial and real) is such as to require, in addition to monetary and real policy measures to be adopted by supranational and national bodies (with the purpose of boosting the present weak recovery), also appropriate policies for constant enhancement of the monitoring of the risks and uncertainties which financial players are exposed to, such as the ones implemented by the Group.

Indeed the Group is aware that financial players must constantly implement growth and development policies that, at the same time, focus on the protection of the interests of all stakeholders, without shirking, for the same reason, the institutional role that the Group, as such, has, both in terms of support to the economic and social fabric of its Customer businesses, and in terms of enhancement of that key factor for development and success which is effective and prudent management of savings.

» DIVIDENDS DISTRIBUTED BY THE PARENT COMPANY IN THE HALF-YEAR

The Parent Company's net profit for 2013 amounted to Euro 126,235,803. In the first half of 2014, in line with the resolution approved by the Shareholders' General Meeting of 29 April 2014, the Parent Company Cariparma S.p.A. allocated this amount as follows:

5% to the legal reserve	6,311,790
to the charity fund	1,000,000
to shareholders	83,292,354
to extraordinary reserve	35,631,659

The dividend was paid on 5 May 2014, at Euro 0.095 for each one of the 876,761,620 ordinary shares.

Interim Condensed Consolidated Financial Statements

Consolidated Financial Statements

» CONSOLIDATED BALANCE SHEET

Assets		30.06.2014	31.12.2013
10.	Cash and cash equivalents	249,292	334,127
20.	Financial assets held for trading	213,884	214,732
30.	Financial assets carried at fair value	17,057	-
40.	Financial assets available for sale	5,511,421	5,096,003
50.	Financial assets held to maturity		
60.	Loans to banks	3,204,426	3,305,651
70.	Loans to customers	36,566,877	36,391,853
80.	Hedging derivatives	861,723	692,941
90.	Value adjustment of financial assets subject to macro hedging (+/-)	9,118	1,192
100.	Equity investments	18,827	19,263
110.	Reinsurers' share of technical revrses	-	-
120.	Property , plant and equipment	437,086	442,815
130.	Intangible assets	1,912,724	1,927,562
	of which: goodwill	*1,575,536*	*1,575,536*
140.	Tax assets	1,059,934	1,196,793
	a) current	251,935	360,629
	b) deferred	807,999	836,164
	b1) of which: Law 214/2011	*714,806*	*721,653*
150.	Non-current assets or groups of assets being divested	-	-
160.	Other assets	488,570	539,785
Total assets		**50,550,938**	**50,162,717**

Liabilities and shareholders' equity		30.06.2014	31.12.2013
10.	Due to banks	6,448,449	6,084,875
20.	Due to customers	23,755,266	23,360,593
30.	Securities issued	12,214,621	13,233,109
40.	Financial liabilities held for trading	216,495	213,804
50.	Financial liabilities carried at fair value	-	-
60.	Hedging derivatives	519,899	345,373
70.	Value adjustment of financial liabilities subject to macro hedging (+/-)	545,465	350,530
80.	Tax liabilities	238,091	386,232
	a) current	122,308	292,708
	b) deferred	115,783	93,524
90.	Liabilities in respect of assets being divested		
100.	Other liabilities	1,407,969	1,026,440
110.	Employee severance benefits	157,742	151,648
120.	Provisions for liabilities and contingencies	179,176	212,009
	a) retirement and similar liabilities	22,453	23,151
	b) other provisions	156,723	188,858
130.	Technical reserves	-	-
140.	Valutation reserves	40,856	-43,473
150.	Redeemable shares		
160.	Equity instruments		
170.	Reserves	945,745	879,591
180.	Share premium reserve	2,735,462	2,735,462
190.	Share capital	876,762	876,762
200.	Treasury shares (-)	-	-
210.	Minority interests (+/-)	198,626	199,318
220.	Net profit (loss) fo the period (+/-)	70,314	150,444
Total liabilities and shareholders' equity		**50,550,938**	**50,162,717**

» CONSOLIDATED INCOME STATEMENT

Items		30.06.2014	30.06.2013
10.	Interest income and similar revenues	705,620	715,932
20.	Interest expense and similar charges	(235,041)	(265,098)
30.	**Net interest income**	**470,579**	**450,834**
40.	Commission income	319,190	296,898
50.	Commission expense	(14,005)	(12,595)
60.	**Net commission income**	**305,185**	**284,303**
70.	Dividends and similar revenues	8,400	1,655
80.	Net gain (loss) on trading activities	2,249	6,589
90.	Net gain (loss) on hedging activities	(1,539)	(2,159)
100.	Gain (loss) on disposal or repurchase of:	3,865	22,466
	a) loans	(4)	(9)
	b) financial assets available for sale	5,328	21,531
	c) financial assets held to maturity	-	-
	d) financial liabilities	(1,459)	944
110.	Net gain (loss) on financial assets and liabilities carried at fair value	(845)	-
120.	**Gross income**	**787,894**	**763,688**
130.	Net impairment adjustments of:	(174,111)	(184,294)
	a) loans	(171,960)	(181,176)
	b) financial assets available for sale	(41)	(1,665)
	c) financial assets held to maturity	-	-
	d) other financial transactions	(2,110)	(1,453)
140.	**Profit (loss) from financial operations**	**613,783**	**579,394**
150.	Net premiums	-	-
160.	Other net revenues (expenses) fom insurance undertakings	-	-
170.	**Profit (loss) from financial operations and insurance undertakings**	**-**	**-**
180.	Administrative expenses:	(547,667)	(546,818)
	a) staff expenses	(291,741)	(308,691)
	b) other administrative expenses	(255,926)	(238,127)
190.	Net provisions for liabilities and contingencies	(9,160)	(9,155)
200.	Net adjustments of property, plant and equipment	(13,160)	(14,233)
210.	Net adjustments of intangible assets	(28,037)	(29,557)
220.	Other operating revenues (expenses)	132,314	121,373
230.	**Operating expenses**	**(465,710)**	**(478,390)**
240.	Gain (loss) from equity investments	147	(403)
250.	Gains (losses) from property, plant and equipment and intangible assets measured at fair value	-	-
260.	Value adjustments of goodwill	-	-
270.	Gain (loss) on disposal of investments	(4)	231
280.	**Gain (loss) before tax on continuing operations**	**148,216**	**100,832**
290.	Income tax for the period on continuing operations	(73,943)	(12,253)
300.	**Profit (loss) after tax on continuing operations**	**74,273**	**88,579**
310.	Profit (loss) after tax of groups of assets/liabilities under disposal	-	-
320.	**Net profit (loss) for the period**	**74,273**	**88,579**
330.	Net profit (loss) pertaining to minority interests	(3,959)	(3,740)
340.	**Profit (loss) for the period pertaining to the Parent Company**	**70,314**	**84,839**

» STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Items		30.06.2014	30.06.2013
10.	**Net profit (loss) for the period**	**74,273**	**88,579**
	Other income after tax without reversal to income statement		
20.	Property, plant and equipment	-	-
30.	intangible assets	-	-
40.	Defined-benefit plans	(6,301)	(543)
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	**93,166**	**29,957**
110.	Diaposal groups	**-**	**-**
120.	Share of valutation reserves on equity investments accounted for using the equity method	-	-
130.	**Total other income components after tax**	**86,865**	**29,414**
140.	**Comprehensive income (Item 10+130)**	**161,138**	**117,993**
150.	Consolidated comprehensive income pertaining to minority interests	6,495	3,394
160.	**Consolidated comprehensive income pertaining to the Parent Company**	**154,643**	**114,599**

» STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS AT 30th JUNE 2014

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity
GROUP EQUITY AT 31.12.2013	**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**
ALLOCATION OF NET PROFIT FOR PREVIOUS PERIOD							
Reserves	-	-	64,591	-	-	-64,591	-
Dividends and other allocations	-	-	-	-	-	-92,578	-92,578
CHANGES IN THE PERIOD							
Changes in reserves	-	-	-	-	-	-	-
Equity transactions	-	-	-	-	-	-	-
Charity	-	-	-	-	-	-	-
Other variations	-	-	1,100	-	-	-	1,100
Consolidation adjustments	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	86,865	74,273	161,138
GROUP EQUITY AT 30.06.2014	**876,762**	**2,735,462**	**964,933**	**-19,188**	**40,856**	**70,314**	**4,669,139**
MINORITY INTERESTS AT 30.06.2014	**53,998**	**101,905**	**33,490**	**2,939**	**2,335**	**3,959**	**198,626**

» STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS AT 30th JUNE 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	-	-	-	-	-	-	-
Consolidation adjustments	4	-	1,942	-	-	-	1,946
Shares and rights on shares of the Parent Company	-	-	-	426	-	-	426
Comprehensive income	-	-	-	-	29,414	88,579	117,993
GROUP EQUITY AT 30.06.2013	**876,762**	**2,735,462**	**900,430**	**-21,085**	**-131,631**	**84,839**	**4,444,777**
MINORITY INTERESTS AT 30.06.2013	**53,998**	**101,905**	**34,244**	**1,886**	**-2,858**	**3,740**	**192,915**

(*) Restated following the final recognition of the intra-group business combination made in 2013.

» CONSOLIDATED CASH FLOW STATEMENT

Items	30.06.2014	30.06.2013
A. Operating Activities		
1. Operations	**415,763**	**445,539**
- net profit (loss) for the period (+/-)	70,314	84,839
- gains (losses) on financial assets held for trading and financial assets/liabilities carried at fair value (+/-)	-976	-6,767
- gains (losses) on hedging activities (+/-)	3,099	3,758
- net impairment adjustments (+/-)	170,486	182,974
- net adjustments of property, plant and equipment and intangible assets (+/-)	41,197	43,790
- net provision for liabilities and contingenciess and other costs/revenues (+/-)	9,160	9,155
- unpaid taxes and duties (+)	73,943	12,253
- other adjustments (+/-)	48,540	115,537
2. Liquidity generated/absorbed by financial assets	**-499,524**	**-407,599**
- financial assets held for trading	1,825	69,216
- financial assets carried at fair value	-17,057	-
- financial assets available for sale	-173,970	-712,823
- loans to banks: on demand	94,568	63,880
- loans to banks: other loans	6,657	116,466
- loans to customers	-343,480	134,509
- other assets	-68,067	-78,847
3. Liquidity generated/absorbed by financial liabilities	**103,153**	**-5,128**
- due to banks: on demand	-144,907	-223,640
- due to banks: other payables	508,481	-40,087
- due to customers	394,673	674,466
- securities issued	-1,030,014	-295,429
- financial liabilities held for trading	2,691	-61,193
- other liabilities	372,229	-59,245
Net liquidity generated/absorbed by operating activities	**19,392**	**32,812**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**8,983**	**2,007**
- sale of equity investments	583	-
- dividends from equity investments	8,400	1,655
- sales of property, plant and equipment	-	352
2. Liquidity absorbed by	**-20,630**	**-20,510**
- purchases of property, plant and equipment	-7,431	-4,649
- purchases of intangible assets	-13,199	-15,861
Net liquidity generated/absorbed by investing activities	**-11,647**	**-18,503**
C. FUNDING		
- dividend distribution and other	-92,580	-61,761
Net liquidity generated/absorbed by funding	**-92,580**	**-61,761**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	**-84,835**	**-47,452**

RECONCILIATION

Financial Statement items	30.06.2014	30.06.2013
Cash and cash equivalents at beginning of period	334,127	285,966
Total net liquidity generated/absorbed during the period	-84,835	-47,452
Cash and cash equivalents: effect of exchange rates changes	-	-
Cash and cash equivalents at end of period	**249,292**	**238,514**

KEY: (+) generated (-) absorbed

Notes to the Consolidated Financial Statements

» ACCOUNTING POLICIES

Statement of compliance with the International Accounting Standards

This Half-Year Financial Report and Consolidated Financial Statements was prepared in compliance with 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 the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission, as provided for by Regulation (EC) No. 1606 of 19 July 2002.

Specifically, the accounting standards used to prepare these Financial Statements are the same ones used to prepare the Annual Report and Financial Statements as at 31 December 2013 and exhaustively reported therein, except for the new standards and interpretations applicable to reporting periods starting on or after 1 January 2014, issued by the IASB and endorsed by the European Commission.

This Financial Report was also prepared in compliance with IAS 34 “Interim Financial Reporting”, on a consolidated basis, as provided for by Article 154-ter of Italian Legislative Decree No. 5 of 24 February 1998, the Italian “Consolidated Act on Financial Intermediation” (TUF).

The Half-year Financial Report and condensed consolidated Financial Statements have been subject to limited audit carried out by the Independent Auditors Reconta Ernst & Young S.p.A.

International Accounting Standards endorsed by the European Union and applicable to reporting periods starting on or after 1 January 2014

Standards, amendments or interpretations	Date of endorsement	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 - Disclosure of Interests in Other Entities	29 December 2012 (EU No. 1254/2012)	1 January 2014
Adoption of IAS 27 - Separate Financial Statements	29 December 2012 (EU No. 1254/2012)	1 January 2014
Adoption of IAS 28 - Investments in Associates and Joint Ventures	29 December 2012 (EU No. 1254/2012)	1 January 2014
Amendments to IFRS 10, IFRS 11, IFRS 12	5 April 2013 (EU No. 313/2013)	1 January 2014
Amendments to IFRS 10, IFRS 12 on Investment Entities	21 November 2013 (EU No. 1174/2013)	1 January 2014
Amendments to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets	20 December 2013 (EU No. 1374/2013)	1 January 2014
Amendments to IAS 39 - Financial Instruments: Recognition and Measurement	20 December 2013 (EU No. 1374/2013)	1 January 2014

The application of these new provisions did not generate material impacts on the profit (loss) and net financial position for the period.

General Preparation Principles

The Consolidated Half-year Financial Report consists of the condensed consolidated financial statements, the interim report on operations and the certification required by Article 154-bis, paragraph 5 of the “Consolidated Act on Financial Intermediation”, and was prepared using the Euro as reporting currency; figures are expressed in thousands of Euro, where not otherwise specified.

This Financial Report was prepared, as the Annual Report as at 31 December 2013, on a going-concern basis.

The Half-Year Financial Report and Condensed Consolidated Financial Statements include:
- the Balance Sheet;
- the Income Statement;
- the Statement of Comprehensive Income;
- the Statements of Changes in Equity;
- the Statement of Cash Flows;
- the Notes to the Financial Statements.

The preparation of the interim financial report entails the use of estimates and assumptions to determine some expense and revenue components, as well as to measure assets and liabilities. For these, reference is also made to the 2013 Annual Report. Moreover, it is stated that, generally, some measurement processes, in particular the most complex ones, such as the assessment of asset impairment, are thoroughly carried out upon preparation of the annual report, when all the necessary information is available, with the exception of those cases where significant impairment indicators require immediate measurement of any impairment.

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 scope of consolidation includes its subsidiaries and associated companies identified below.

In accordance with IFRS 10, subsidiaries are companies in which Cariparma, directly or indirectly, concomitantly:
- has the power to steer the company's key operations;
- is exposed to and/or has rights to variable returns from its involvement with the investee;
- has the ability to affect those returns through its power over the investee.

In practice, 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 less than 50% of the voting rights, it has the power to appoint the majority of the directors of the investee or to determine 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 the Parent Company exercises significant influence, holding, either directly or indirectly, at least 20% of the voting rights or having the power to participate in determining financial and operating policies of the investee, despite holding less than 20% of the voting rights, due to specific legal ties such as being party to a shareholders' agreement.

The methods used for the consolidation of data of subsidiaries (consolidation on a line-item basis) and for the consolidation of associates (equity method) have remained unchanged compared to the ones used to prepare the Annual Report and Consolidated Financial Statements as at 31 December 2013.

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

The following table shows the equity investments included within the scope of consolidation, reporting:
- the method of consolidation;
- Type of control/shareholding;
- Investee company;
- Percentage of voting rights held by the shareholder.

Company name	Registered office	Type of relationship	Equity investment Impresa partecipante	Equity investment Shareholding	% share of votes
A. Companies					
Parent Company					
3. Cassa di Risparmio di Parma e Piacenza S.p.A.	Parma				
A1. Consolidated on a line-item basis					
1. Banca Popolare FriulAdria S.p.A.	Pordenone	subsidiary	Cariparma S.p.A.	80.17%	80.17%
2. Cassa di Risparmio della Spezia S.p.A.	La Spezia	subsidiary	Cariparma S.p.A.	83.00%	83.00%
3. Crédit Agricole Leasing Italia S.r.l.	Milano	subsidiary	Cariparma S.p.A.	85.00%	85.00%
4. Sliders S.r.l.	Milano	subsidiary	Cariparma S.p.A.	100.00%	100.00%
5. Mondo Mutui Cariparma S.r.l.	Milano	other types of control	Cariparma S.p.A.	19.00%	19.00%
6. Cariparma OBG S.r.l.	Milano	subsidiary	Cariparma S.p.A.	60.00%	60.00%
A.1. Consolidated using the equity method					
1. CA Agroalimentare S.p.A.	Parma	associate	Cariparma S.p.A.	26.32%	26.32%
			FriulAdria S.p.A.	10.53%	10.53%

In the first half of 2014, Cariparma assets located in the Liguria Region (16 Retail branches, 1 Mid-corporate center and 1 Private Banking Market) were transferred to Carispezia and, subsequent to this transfer, Carispezia carried out a share capital increase, which was fully subscribed by the Parent Company. Therefore, Cariparma's shareholding in Carispezia increased from 80.00% as at 31 December 2013 to 83.00% as at 30 June 2014.

» EVENTS AFTER THE REPORTING DATE AND OUTLOOK

From 30 June 2014 to the date of approval of this Financial Report, no events occurred such as to significantly affect the structure of the Cariparma Crédit Agricole Group.

Consistently with its mission as Proximity Bank, also in the second half of 2014, the Group will continue to support the real economy - households and businesses - with constant focus on the requirements and specificity of the areas of operations, with which the Group has a long-standing bond.

Despite the complex scenario where the Group will operate, sustainable growth objectives will be pursued in the medium-term by implementing the following strategic directions:

- liquidity consolidation through a balanced growth of lending and funding;
- substantiation of its equity soundness and ability to generate profits in a difficult situation, without penalizing investment to support operating efficiency;
- stabilization of the cost of risk by redefining and industrializing the entire process for loan management;
- sustainability over time of business with Customers and of the support to the community, by optimizing geographical coverage.

» PERFORMANCE

In the following statements, the Income Statement figures as at 30 June 2014 are given and compared to the figures referring to the same period last year. The relevant notes are included in the "Interim Management Report", where the Company's performance is dealt with.

The Group perimeter, to which the performance as at 30 June 2014 refers, consists 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. and 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 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 was reported under “Net Interest Income” rather than under “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 reallocated to gains or losses on financial activities;
- the recovery of expenses, taxes and levies has been posted as a direct reduction of administrative expenses, rather than being reported under other operating revenues/expenses;
- expenses for the management of impaired loans and the relevant recoveries have been reclassified as net impairment adjustments of loans;
- commissions for fast loan application processing have been taken to commission income rather than being recognized under other operating revenues/expenses;
- net adjustments to/write-backs on impairment of available-for-sale financial assets have been reclassified under other operating revenues/expenses;
- net impairment adjustment of other financial transactions, mainly relating to guarantees and commitments, have been reclassified under net impairment adjustments of loans.

The figures presented below are expressed in thousands of Euros.

Reclassified Consolidated Income Statement

			Changes	
	30.06.2014	30.06.2013 (°)	Amount	%
Net interest income	504,536	470,777	33,759	7.2
Net commission income	329,765	314,828	14,937	4.7
Dividends	8,400	1,655	6,745	
Gain (loss) on financial activities	3,734	26,905	-23,171	-86.1
Other operating revenues (expenses)	-2,881	29	-2,910	
Net operating revenues	**843,554**	**814,194**	**29,360**	**3.6**
Staff expenses	-291,741	-308,691	-16,950	-5.5
Administrative expenses	-144,026	-146,969	-2,943	-2.0
Depreciation and amortization	-41,197	-43,790	-2,593	-5.9
Operating expenses	**-476,964**	**-499,450**	**-22,486**	**-4.5**
Operating profit	**366,590**	**314,744**	**51,846**	**16.5**
Net provisions for liabilities and contingencies	-9,160	-9,155	5	0.1
Net adjustments of loans	-209,357	-204,585	4,772	2.3
Gain (loss) from financial assets held to maturity and other investments	**143**	**-172**	**315**	
Profit before tax on continuing operations	**148,216**	**100,832**	**47,384**	**47.0**
Income tax for the period on continuing operations	-73,943	-12,253	61,690	
Profit (loss) for the period	**74,273**	**88,579**	**-14,306**	**-16.2**
Net profit (loss) pertaining to minority interestes	-3,959	-3,740	219	5.8
Net profit for the period pertaining to shareholders of the Group	**70,314**	**84,839**	**-14,525**	**-17.1**

(°) Restated following the reclassification of the expenses for the management of impaired loans and the relevant recoveries from the “Operating expenses” item to the “Net impairment adjustments of loans” item.

Reconciliation between the Official and Reclassified Income Statements

	30.06.2014	30.06.2013 (*)
Net interest income	**504,536**	**470,777**
30. Net interest margin	470,579	450,834
130. Net impairement adjustments of: a) loans, of which time value on impaired loans	33,424	19,652
190. Net gains (IAS) pertaining to Calit	533	291
Net commissions income	**329,765**	**314,828**
60. Net commissions	305,185	284,303
190. Other operating revenues/expenses: past due commission	24,580	30,525
Dividends = item 70	**8,400**	**1,655**
Net gain (loss) on financial activities	**3,734**	**26,905**
80. Net gain (loss) on financial activities	2,249	6,589
90. Net gain (loss) on hedging activities	(1,539)	(2,159)
100. Gain (loss) on the disposal or repurchase of: b) financial assets available for sale	5,328	21,531
100. Gain (loss) on the disposal or repurchase of: d) financial liabilities	(1,459)	944
110. Net gain (loss) on financial assets and liabilities carried at fair value	(845)	-
Other operating revenues (expenses)	**(2,881)**	**29**
220. Other operating revenues/expenses	132,314	121,373
less: recovery of expenses	(106,662)	(86,332)
less: recovery of expenses agreements repurchase	(3,379)	(2,531)
less: past due commission	(24,580)	(30,525)
less: net gains (IAS) pertaining to Calit	(533)	(291)
130. Net impairement adjustments of: b) financial assets available for sale	(41)	(1,665)
Net operating revenues	**843,554**	**814,194**
Staff expenses = 180 a)	**(291,741)**	**(308,691)**
Administrative expenses	**(144,026)**	**(146,969)**
150. Administrative expenses: b) other administrative expenses	(255,926)	(238,127)
190. Other operating revenues/expenses: recovery of expenses	106,662	86,332
150. Administrative expenses: b) other administrative expenses: of which operating expenses agreements repurchase	5,238	4,826
Depreciation and amortization	**(41,197)**	**(43,790)**
170. Net adjustmants of property, plant and equipment	(13,160)	(14,233)
180. Net adjustments of intangible assets	(28,037)	(29,557)
Operating expenses	**(476,964)**	**(499,450)**
Net operating profit	**366,590**	**314,744**
Goodwill value adjustments = Item 230	**-**	**-**
Net provisions for liabilities and contingencies = Item 160	**(9,160)**	**(9,155)**
Net impairment adjustments of loans	**(209,357)**	**(204,585)**
100. Gain/loss on the disposal of: a) loans	(4)	(9)
130. Net impairment adjustments of: a) loans	(171,960)	(181,176)
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	(33,424)	(19,652)
150. Administrative exspenses: b) other administrative expenses: of which expenses for management	(5,238)	(4,826)
190. Other operating revenues/expenses: of which recovery of expenses for the management of impaired loans	3,379	2,531
130. Net impairment adjustments of: d) other financial transactions	(2,110)	(1,453)
Gain (loss) from financial assets held to maturity and other investments	**143**	**(172)**
210. Gain (loss) from equity investments	147	(403)
240. Gain (loss) on disposal of investments	(4)	231
Profit before tax on continuing operations	**148,216**	**100,832**
Income tax on continuing operations = Item 260	**(73,943)**	**(12,253)**
Profit (loss) for the period	**74,273**	**88,579**
Net profit (loss) pertaining to minority interests	-3959	-3740
Net profit for the period pertaining to shareholders of the Group	**70,314**	**84,839**

(°) Restated following the reclassification of the expenses for the management of impaired loans and the relevant recoveries from the "Operating expenses" item to the "Net impairment adjustments of loans" item.

Net interest income

Items	30.06.2014	30.06.2013	Changes Amount	Changes %
Business with customers	512,668	472,236	40,432	8.6
Business with banks	-1,921	445	-2,366	
Securities issued	-165,071	-184,445	-19,374	-10.5
Differences on hedging derivatives	79,054	104,463	-25,409	-24.3
Financial assets held for trading	376	24	352	
Financial assets available for sale	78,033	78,080	-47	-0.1
Financial assets and liabilities carried at fair value	1,503	-	1,503	
Other net interest	-106	-26	80	
Net interest income	**504,536**	**470,777**	**33,759**	**7.2**

Net commission income

Items	30.06.2014	30.06.2013	Changes Amount	Changes %
- guarantees issued	3,704	5,772	-2,068	-35.8
- collection and payment services	21,456	20,632	824	4.0
- current accounts	116,625	122,410	-5,785	-4.7
- debit and credit card services	14,363	17,997	-3,634	-20.2
Commercial banking business	**156,148**	**166,811**	**-10,663**	**-6.4**
- securities intermediation and placement	61,822	61,590	232	0.4
- foreign exchange	1,774	1,676	98	5.8
- asset management	2,588	3,436	-848	-24.7
- distribution of insurance products	86,174	62,981	23,193	36.8
- other intermediation/management commissions	1,715	1,035	680	65.7
Management, intermediation and advisory services	**154,073**	**130,718**	**23,355**	**17.9**
Other net commissions	**19,544**	**17,299**	**2,245**	**13.0**
Total net commissions income	**329,765**	**314,828**	**14,937**	**4.7**

Net gains (loss) on financial activities

Items	30.06.2014	30.06.2013	Changes Amount	Changes %
Interest rates	-609	6,599	-7,208	
Equities	-20	13	-33	
Foreign exchange	1,415	916	499	54.5
Commodities	5	5	-	-
Total net gain (loss) on financial assets held for trading	**791**	**7,533**	**-6,842**	
Total gain (loss) on hedging activities	**-1,540**	**-2,159**	**-619**	**-28.7**
Gain (loss) on disposal of financial assets available for sale	**5,328**	**21,531**	**-16,203**	**-75.3**
Net gain (loss) on financial assets and liabilities carried at fair value	**-845**	**-**	**-845**	
Net gain (loss) on financial activities	**3,734**	**26,905**	**-23,171**	**-86.1**

Operating expenses

Items	30.06.2014	30.06.2013 (°)	Changes Amount	%
- wages and salaries	-208,132	-221,361	-13,229	-6.0
- social security contributions	-55,833	-59,208	-3,375	-5.7
- other staff expenses	-27,776	-28,122	-346	-1.2
Staff expenses	**-291,741**	**-308,691**	**-16,950**	**-5.5**
- general operating expenses	-40,012	-38,700	1,312	3.4
- IT services	-27,510	-32,064	-4,554	-14.2
- direct and indirect taxes	-51,138	-42,734	8,404	19.7
- facilities management	-27,903	-30,477	-2,574	-8.4
- legal and other professional services	-6,459	-8,403	-1,944	-23.1
- advertising and promotion costs	-4,322	-5,069	-747	-14.7
- indirect staff expenses	-3,746	-4,193	-447	-10.7
- other expenses	-89,597	-71,658	17,939	25.0
- recovery of expenses and charges	106,661	86,329	20,332	23.6
Administrative expenses	**-144,026**	**-146,969**	**-2,943**	**-2.0**
- intangible assets	-28,037	-29,557	-1,520	-5.1
- property, plant and equipment	-13,160	-14,233	-1,073	-7.5
Depreciation and amortization	**-41,197**	**-43,790**	**-2,593**	**-5.9**
Operating expenses	**-476,964**	**-499,450**	**-22,486**	**-4.5**

(°) *Restated following the reclassification of the expenses for the management of impaired loans and the relevant recoveries from the "Operating expenses" item to the "Net impairment adjustments of loans" item.*

Net impairment adjustments of loans

Items	30.06.2014	30.06.2013 (°)	Changes Amount	%
- bad debts	-76,108	-69,006	7,102	10.3
- Substandard loans	-116,509	-113,414	3,095	2.7
- Restructured loans	-14,463	-14,366	97	0.7
- Past-due loans	-5,292	-3,996	1,296	32.4
- Performing loans	5,125	-2,350	7,475	
Nei impairment adjustments of loans	**-207,247**	**-203,132**	**4,115**	**2.0**
Net adjustments of guarantees and commitments	**-2,110**	**-1,453**	**657**	**45.2**
Net adjustments of loans	**-209,357**	**-204,585**	**4,772**	**2.3**

(°) *Restated following the reclassification of the expenses for the management of impaired loans and the relevant recoveries from the "Operating expenses" item to the "Net impairment adjustments of loans" item.*

Comprehensive income

Items		30.06.2014	30.06.2013
10.	**Net profit (loss) for the period**	**74,273**	**88,579**
	Other income after tax		
20.	Property, plant and equipment	-	-
30.	Intangible assets	-	-
40.	Actuarial gains (losses) on defined-benefit plans	-6,301	-543
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	**93,166**	**29,957**
110.	Disposal groups	**-**	**-**
120.	Share of valutation reserves on equity investments accounted for using the equity method	-	-
130.	**Total other income components after tax**	**86,865**	**29,414**
140.	**Comprehensive income (Item 10+130)**	**161,138**	**117,993**
150.	Consolidated comprehensive income pertaining to minority interests	6,495	3,394
160.	**Consolidated comprehensive income pertaining to the Parent Company**	**154,643**	**114,599**

» BALANCE SHEET AGGREGATES

Balance sheet figures at 30 June 2014 are reported below in comparison with the previous year figures. The relevant notes are included in the "Interim Management Report", where the Company's performance is dealt with.

Balance Sheet Reclassification

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. These grouping concerned:

- presentation of financial Assets/Liabilities held for trading on a net basis;
- presentation of Loans to banks/Due to banks on a net basis;
- inclusion of the net value of hedge Derivatives and of the Adjustment of macro-hedged assets and liabilities now recognized under Other assets/Other 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

			Changes	
Assets	**30.06.2014**	**31.12.2013**	**Amount**	**%**
Net financial assets/liabilities held for trading	17,057	-	17,057	100.0
Financial assets available for sale	5,511,421	5,096,003	415,418	8.2
Loans to customers	36,566,877	36,391,853	175,024	0.5
Equity investments	18,827	19,263	-436	-2.3
Property, plant and equipment and intangible assets	2,349,810	2,370,376	-20,566	-0.9
Tax assets	1,059,934	1,196,793	-136,859	-11.4
Other assets	1,608,703	1,568,046	40,657	2.6
Total net assets	**47,132,629**	**46,642,334**	**490,295**	**1.1**

			Changes	
Liabilities and equity	**30.06.2014**	**31.12.2013**	**Amount**	**%**
Net due to banks	3,244,023	2,779,223	464,800	16.7
Funding from customers	35,969,887	36,593,702	-623,815	-1.7
Net financial assets/liabilities held for trading	2,612	-928	3,540	
Tax liabilities	238,091	386,232	-148,141	-38.4
Other liabilities	2,473,333	1,722,343	750,990	43.6
Specific-purpose provisions	336,918	363,657	-26,739	-7.4
Share capital	876,762	876,762	-	-
Reserves (net of treasury shares)	3,681,207	3,615,053	66,154	1.8
Valuation reserves	40,856	-43,473	84,329	
Minority interests	198,626	199,318	-692	-0.3
Net profit (loss) for the period	70,314	150,444	-80,130	-53.3
Total net liabilities and equity	**47,132,629**	**46,642,334**	**490,296**	**1.1**

Reconciliation of the official and reclassified balance sheets

Assets	30.06.2014	31.12.2013
Net gain on financial assets carried at fair value	**17,057**	**-**
30. Financial assets carried at fair value	17,057	-
Financial assets available for sale	**5,511,421**	**5,096,003**
40. Financial assets available for sale	5,511,421	5,096,003
Loans to banks	**-**	**-**
Loans to customers	**36,566,877**	**36,391,853**
70. Loans to customers	36,566,877	36,391,853
Equity investments	**18,827**	**19,263**
100. Equity investments	18,827	19,263
Property, plant and equipment and intangible assets	**2,349,810**	**2,370,376**
110. Property plant and equipment	437,086	442,815
120. Intangible assets	1,912,724	1,927,562
Tax assets	**1,059,934**	**1,196,793**
140. Tax assets	1,059,934	1,196,793
Other assets	**1,608,703**	**1,568,046**
10. Cash and cash equivalents	249,292	334,127
150. Other assets	488,570	539,785
80. Hedging derivatives	861,723	692,941
90. Value adjustment of financial asets sibject to macro hedging (+/-)	9,118	1,192
Total net assets	**47,132,629**	**46,642,334**

Liabilities and equity	30.06.2014	31.12.2013
Net interbank funding	**3,244,023**	**2,779,223**
10. Loans to bank	6,448,449	6,084,875
60. Due to bank	-3,204,426	-3,305,651
Funding from customers	**35,969,887**	**36,593,702**
20. Due to customers	23,755,266	23,360,593
30. Securities issued	12,214,621	13,233,109
Net financial assets/liabilities held for trading	**2,612**	**-928**
40. Financial liabilities held for trading	216,495	213,804
20. Financial assets held for trading	-213,883	-214,732
Tax liabilities	**238,091**	**386,232**
80. Tax liabilities	238,091	386,232
Liabilities in respect of assets being divested	**-**	**-**
Other liabilities	**2,473,333**	**1,722,343**
100. Other liabilities	1,407,969	1,026,440
60. Hedging derivatives	519,899	345,373
70. Adjustment of financial liabilities hedged generically (+/-)	545,465	350,530
Specific-purpose provision	**336,918**	**363,657**
110. Employee severance benefits	157,742	151,648
120. Brovisions for liabilities and contingencies	179,176	212,009
Share capital	**876,762**	**876,762**
180. Share capital	876,762	876,762
Reserves (net of treasury shares)	**3,681,207**	**3,615,053**
160. Reserves	945,745	879,591
170. Share premium reserve	2,735,462	2,735,462
Valutation reserves	**40,856**	**-43,473**
130. Valutation reserves	40,856	-43,473
Assets pertaining to minority interests	**198,626**	**199,318**
210. Assets pertaining to minority interests	198,626	199,318
Net profit (loss) for the period	**70,314**	**150,444**
200. Net profit (loss) for the period	70,314	150,444
Total net liabilities and equity	**47,132,629**	**46,642,334**

Loans to Customers

Items	30.06.2014	31.12.2013	Changes Amount	Changes %
- Current accounts	3,474,253	3,714,912	-240,659	-6.5
- Mortgage loans	21,065,297	21,222,416	-157,119	-0.7
- Advances and other loans	9,143,301	9,152,483	-9,182	-0.1
- Impaired loans	2,761,730	2,296,530	465,200	20.3
Loans	**36,444,581**	**36,386,341**	**58,240**	**0.2**
Loans represented by securities	**122,296**	**5,512**	**116,784**	
Loans to customers	**36,566,877**	**36,391,853**	**175,024**	**0.5**

Loans to customers: credit quality

Items	30.06.2014 Gross exposure	30.06.2014 Total writedowns	30.06.2014 Net exposure	31.12.2013 Gross exposure	31.12.2013 Total writedowns	31.12.2013 Net exposure
- Bad debts	2,269,063	1,276,166	992,897	2,103,865	1,184,845	919,020
- Substandard loans	1,399,097	353,659	1,045,438	1,056,353	288,576	767,777
- Restructured loans	541,966	75,089	466,877	430,824	56,354	374,470
- Past-due / overlimit loans	266,551	10,034	256,517	243,711	8,448	235,263
Impaired loans	**4,476,677**	**1,714,948**	**2,761,729**	**3,834,753**	**1,538,223**	**2,296,530**
Performing loans	**34,043,954**	**238,806**	**33,805,148**	**34,354,686**	**259,363**	**34,095,323**
Total	**38,520,631**	**1,953,754**	**36,566,877**	**38,189,439**	**1,797,586**	**36,391,853**

For more exhaustive reporting, reference is made to the section on credit risk on page 51.

Funding from Customers

Items	30.06.2014	31.12.2013	Changes Amount	Changes %
- Deposits	3,384,653	3,462,075	-77,422	-2.2
- Conti correnti ed altri conti	20,158,777	19,643,563	515,214	2.6
- Other items	153,763	146,148	7,615	5.2
- Repurchase agreements	58,073	108,807	-50,734	-46.6
Due to customers	**23,755,266**	**23,360,593**	**394,673**	**1.7**
Securities issued	12,214,621	13,233,109	-1,018,488	-7.7
Total direct funding	**35,969,887**	**36,593,702**	**-623,815**	**-1.7**
Indirect funding	**54,242,114**	**50,892,431**	**3,349,683**	**6.6**
Total funding	**90,212,001**	**87,486,133**	**2,725,868**	**3.1**

Indirect funding

Items	30.06.2014	31.12.2013	Changes Amount	Changes %
- Asset management products	9,361,185	8,627,449	733,736	8.5
- Insurance products	11,349,186	10,450,117	899,069	8.6
Total assets under management	**20,710,371**	**19,077,566**	**1,632,805**	**8.6**
Assets under administration	**33,531,743**	**31,814,865**	**1,716,878**	**5.4**
Indirect funding	**54,242,114**	**50,892,431**	**3,349,683**	**6.6**

Available-for-sale financial assets

Items	30.06.2014	31.12.2013	Changes Amount	Changes %
- Bonds and other debt securities	5,299,156	4,877,691	421,465	8.6
- Equity securities and units of collective investment undertakings.	2,275	2,478	-203	-8.2
Securities available for sale	**5,301,431**	**4,880,169**	**421,262**	**8.3**
- Equity investments	209,990	215,834	-5,844	-2.7
Shareholdings available for sale	**209,990**	**215,834**	**-5,844**	**-2.7**
Financial assets available for sale	**5,511,421**	**5,096,003**	**415,418**	**8.2**

Government securities held

	30.06.2014 Nominal value	30.06.2014 Book value	30.06.2014 Valution reserves
FVTPL			
Italian government bond	4	4	X
Argentina government bond	20	-	X
AFS			
Italian government bond	4,500,000	5,250,224	73,627
Argentina government bond	24	24	2
Total	**4,500,048**	**5,250,252**	**73,629**

Specific-purpose provisions

Items	30.06.2014	31.12.2013	Changes Amount	Changes %
Employee severance benefits	157,742	151,648	6,094	4.0
Provisions for liabilities and contingencies	179,176	212,009	-32,833	-15.5
- retirement and similar liabilities	22,453	23,151	-698	-3.0
- other provisions	156,723	188,858	-32,135	-17.0
Total specific-purpose provisions	**336,918**	**363,657**	**-26,739**	**-7.4**

Equity

Items	30.06.2014	31.12.2013	Changes Amount	Changes %
Share capital	876,762	876,762	-	-
Share capital premium eserve	2,735,462	2,735,462	-	-
Reserves	945,745	879,591	66,154	7.5
Valutation reserves of financial assets available for sale	69,318	-21,047	90,365	-
Valutation reserves of Actuarial gaings (losses) pertaining to defined-benefit pension plans	-28,462	-22,426	-6,036	26.9
Net profit (loss) for the period	70,314	150,444	-80,130	-53.3
Total equity	**4,669,139**	**4,598,786**	**70,353**	**1.5**

Fair value reporting

Fair value reporting - Classification of financial instruments and non-financial assets/ liabilities

Reporting on the fair value hierarchy as required by IFRS 13 applies to financial instruments and to non-financial assets/liabilities that are measured at fair value (irrespectively of whether they are measured on a recurring or non-recurring basis).

The standard categories the fair value into three different levels based on the observability of the inputs used for the measurement:

- **Level 1:** Fair value equal to quoted prices (with no adjustments) in active markets. Level 1 includes financial instruments that are quoted on active markets. Specifically, these financial instruments are stocks and bonds quoted on active markets, investment schemes quoted on active markets and derivatives traded on regulated markets. Markets are considered active if the quotations are easily and regularly available on the stock exchange, from brokers, intermediaries, price quotation services or regulatory agencies and these prices represent actual transactions that are regularly carried out in the market on an arm's length basis.
- **Level 2:** Fair value determined using measurement models that are universally acknowledged and based on observable or indirectly observable market inputs. These data are directly observable or indirectly observable (for example, determining the interest rate curve based on the interest rates that can be observed directly on the market as at a reference date). Level 2 includes:
  - stocks and bonds that are quoted on markets considered inactive or that are not quoted on an active market, but whose fair value is determined using a universally acknowledged measurement model based on observable or indirectly observable inputs;
  - financial instruments whose fair value is determined with measurement models using observable market inputs.
- **Level 3:** Financial instruments whose fair value is determined using, to a significant extent, inputs that do not meet the set observability requirements. The fair value of some complex instruments that are not traded on active markets is determined with measurement techniques that are based on assumptions not supported by observable market inputs. The above are mainly complex interest rate instruments, stock derivatives and structured loans, where the measured correlation or volatility inputs are not directly comparable to market inputs.

Fair value reporting - Fair value levels 2 and 3: measurement techniques and inputs used

Level 2: this level includes all financial instruments for which there is no active market, but whose measurement is based on observable market inputs. Therefore, universally acknowledged measurement models have been set, which refer to market inputs.

Specifically, fixed-rate bonds relating to financial assets or liabilities are measured using the discounted cash flow method pursuant to the security contractual scheme; variable-rate bonds are measured by discounting back future cash flows estimated on the basis of the forward rates with the application of index-linking parameter.

Derivative contracts are measured using specific calculation algorithms according to the type of the different categories of transactions.

Level 3: all financial instruments for which there is no active market and whose measurement is not based on observable market inputs or using the measurement communicated by qualified market players.

Fair value reporting - Fair value hierarchy

For assets and liabilities recognized, the Financial Management Department of the Parent Company determined whether transfers between fair value levels have occurred and reviews the fair value categorization at each reporting date.

The Financial Management Departmental moves financial instruments from level 1 to level 2 only in case of financial instruments that are quoted in a regulated but not active market and that can be measured using the Group's internal standard pricing models.

The Financial Management Departmental moves financial instruments from level 1 to level 3 only in case of financial instruments that are quoted in a regulated but not active market and that can be measured using the Group's internal standard pricing models.

In the first half of 2014 no inter-portfolio transfers were made.

Portfolio reporting: breakdown by fair value level

Financial assets / liabilities carries at fair value	30.06.2014 Level 1	30.06.2014 Level 2	30.06.2014 Level 3	31.12.2013 Level 1	31.12.2013 Level 2	31.12.2013 Level 3
1. Financial liabilities held for trading	17	200,026	13,840	18	181,370	33,344
2. Financial liabilities carried at fair value	-	17,057	-	-	-	-
3. Financial assets available for sale	5,250,718	-	260,703	4,829,585	-	266,418
4. Hedging derivatives	-	861,723	-	-	692,941	-
Total	**5,250,735**	**1,078,806**	**274,543**	**4,829,603**	**874,311**	**299,762**
1. Financial liabilities held for trading	-	203,663	12,832	-	181,625	32,179
2. Financial liabilities carried at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	299,488	220,411	-	215,689	129,684
Total	**-**	**503,151**	**233,243**	**-**	**397,314**	**161,863**

Annual changes in financial assets measured at fair value level 3

	Financial assets			
	Held for trading	Carried at fair value	Available for sale	Hedging
1. Opening balance	**33,344**	**-**	**266,418**	**-**
2. Increases	**69**	**-**	**2,320**	**-**
2.1 Purchases	-	-	1,846	-
2.2 Profits recognized in:	-	-	-	-
2.2.1 Income Statement	63	-	250	-
- of which: Capital gaings	47	-	-	-
2.2.2 Shareholders' equity	X	-	224	-
2.3 Transfers from other categories	-	-	-	-
2.4 Other increases	6	-	-	-
3. Decreases	**19,573**	**-**	**8,035**	**-**
3.1 Sales	24	-	3,662	-
3.2 Redemptions	17,861	-	-	-
3.3 Losses recognized in:	-	-	-	-
3.3.1 Income Statement	1,632	-	63	-
- of which Capital losses	1,612	-	-	-
3.3.2 Shareholders' equity	X	-	4,310	-
3.4 Transfers to other categories	51	-	-	-
3.5 Other decreases	5	-	-	-
4. Final inventories	**13,840**	**-**	**260,703**	**-**

Annual changes in financial liabilities measured at fair value level 3

	Financial assets		
	Carried at fair value	Available for sale	Hedging
1. Opening balance	**32,179**	**-**	**129,684**
2. Increases	**4**	**-**	**126,337**
2.1 Purchases	-	-	108,927
2.2 Profits recognized in:	-	-	-
2.2.1 Income Statement	4	-	17,410
- of which: Capital gaings	4	-	17,410
2.2.2 Shareholders' equity	X	X	-
2.3 Transfers from other categories	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**19,351**	**-**	**35,610**
3.1 Sales	17,865	-	35,610
3.2 Redemptions	3	-	-
3.3 Losses recognized in:	-	-	-
3.3.1 Income Statement	1,483	-	-
- of which Capital losses	1,483	-	-
3.3.2 Shareholders' equity	X	X	-
3.4 Transfers to other categories	-	-	-
3.5 Other decreases	-	-	-
4. Final inventories	**12,832**	**-**	**220,411**

Regulatory Capital

Categories/amounts	30.06.2014	31.03.2014
OWN FUNDS		
A. Common Equity Tier 1 (CET1)	2,550,105	2,563,059
B. Additional Tier 1 capital (AT1)	-	-
C. Tier 1 capital (Tier 1) (A + B)	2,550,105	2,563,059
D. Tier 2 capital, (supplementary capital) (T2)	545,183	619,491
E. Total Own Funds (Total Capital) (C + D)	3,095,288	3,182,550
SUPERVISORY CAPITAL REQUIREMENTS		
F. Total prudential requirements	1,902,566	1,956,919
G. Total Risk-Weighted Assets	23,782,063	24,461,488
CAPITAL RATIOS		
H. Common Equity Tier 1 ratio (A / G)	**10.7%**	**10.5%**
I. Tier 1 ratio (C / G)	**10.7%**	**10.5%**
J. Total Capital ratio (E / G)	**13.0%**	**13.0%**

» OPERATIONS AND INCOME BY BUSINESS SEGMENT

Data relating to operations and income by business segment is given in compliance with IFRS 8 on 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 Group operates through an organization structure that comprises: Retail and Private Banking channels designed to provide services to individuals, households and small businesses; Mid-corporate and Corporate channels designed to provide services to larger-sized companies. Segment reporting also covers data relating to the operations and income of Crédit Agricole Leasing. Therefore, given the features of the Cariparma 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, the net balance of hedging activities and governance exercise.

Income from the Retail and Private Banking channels came to Euro 729.9 million. This figure increased by +1.1% YOY, since the increases in net commission income and in the "other income and expenses" item were only partially offset by the decrease in the interest income component. The contribution to total revenues of the Corporate and Mid-corporate channels came to Euro 137.2 million, posting a significant increase vs. 2013 of +19.9%, thanks to the higher contribution of net interest income that benefited from the development in lending volumes and from the pricing review on short-term funding. The performance of the "Other" channel benefited from an increase in dividend income from the equity investment in the Bank of Italy.

As regards costs, the Retail and Private Banking channels were essentially stable vs. the previous year:

they were up by +0.8% due to two opposite effects: the increase in the operating expense aggregate, which was impacted by the implementation of some organizational projects including the review of the distribution model "Moser" (MOSER is the Italian acronym for service model), and, on the other hand, by a decrease in the cost of risk. Conversely, the Corporate and Mid-corporate channels posted a -1.3% decrease, mainly due to the reduction in impairment adjustment of loans and, to a lesser extent, to the reduction in administrative expenses. Expenses for the "Other" channel also decreased.

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 30 June 2014, assets of the Retail and Private Banking channels amounted to Euro 25.1 billion and posted a slight increase of +0.8% vs. 31 December 2013. The Corporate and Mid-corporate channels came essentially in line, down by -0.2%, vs. 31 December 2013, with assets amounting to Euro 13.7 billion.

Liabilities by segment (point volumes) consisted of direct funding from Customers, which can be directly allocated to the operating segments. In this aggregate, funding in the Retail and Private Banking channels came to Euro 31.6 billion, modestly decreasing by -1.1%; this performance was due to the reallocation by Customers of their investment portfolios to asset management products. The contribution of the Corporate and Mid-corporate channels came to Euro 3.8 billion, decreasing by -6.6% vs. 31 December 2013,

due to the reduction in the liquidity positions of some large Customers.

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 breaking down 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.

Operation and Profit or Loss by segment as at 30th June 2014

	Retail and Private	Corporate and Companies	Other	Total
Data as of 30.06.2014				
External operating revenues				
Net interest income	377,724	92,448	407	470,579
Net commission income	262,168	41,507	1,510	305,185
Gain (loss) on financial activities and on financial assets carried at fair value	3,033	1,290	-2,919	1,404
Dividends	-	-	8,400	8,400
Other net operating revenues	95,332	1,032	38,275	134,640
Total operating revenues	**738,257**	**136,277**	**45,673**	**920,208**
Impairment adjustments of loans	-70,785	-101,488	313	-171,960
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-2,151	-2,151
Staff expenses, administrative expenses and depraction/amortization	-475,340	-33,368	-80,156	-588,864
Provisions for risks	-4,919	-2,583	-1,658	-9,160
Total expenses	**-551,044**	**-137,439**	**-83,651**	**-772,134**
Gain (loss) from equity investments	-	-	147	147
Goodwill value adjustments	-	-	-	-
Gain (loss) on disposal of investments	-	-	-4	-4
Result by segment	**187,213**	**-1,162**	**-37,835**	**148,217**
Unallocates operating expenses	-	-	-	-
Operating profit	-	-	-	-
Profit before tax	**187,213**	**-1,162**	**-37,835**	**148,216**
Taxes	-72,607	381	-1,717	-73,943
Profit for the period	**114,606**	**-781**	**-39,552**	**74,273**
Assets and liabilities				
Assets by segment (customers + intangible)	25,111,621	13,690,830	616,316	39,418,767
Equity investments in associates	-	-	18,827	18,827
Unallocated assets	-	-	11,113,344	11,113,344
Total Assets	**25,111,621**	**13,690,830**	**11,748,487**	**50,550,938**
Liabilities by segment	31,590,777	3,770,950	608,160	35,969,887
Unallocated liabilities	-	-	9,911,912	9,911,912
Total Liabilities	**31,590,777**	**3,770,950**	**10,520,072**	**45,881,799**

Operation and Profit or Loss by segment as at 30th June 2013

	Retail and Private	Corporate and Companies	Other	Total
Data as of 30.06.2013				
External operating revenues				
Net interest income	387,848	67,930	-4,944	450,834
Net commission income	240,176	43,378	749	284,303
Gain (loss) on financial activities and on financial assets carried at fair value	4,792	2,067	-270	6,589
Dividends	-	-	1,655	1,655
Other net operating revenues	89,271	1,003	51,407	141,680
Total operating revenues	**722,087**	**114,378**	**48,597**	**885,061**
Impairment adjustments of loans	-77,983	-103,316	123	-181,176
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-3,118	-3,118
Staff expenses, administrative expenses and depraction/amortization	-463,653	-33,081	-93,875	-590,608
Provisions for risks	-4,928	-2,845	-1,382	-9,155
Total expenses	**-546,564**	**-139,242**	**-98,252**	**-784,058**
Gain (loss) from equity investments	-	-	-403	-403
Goodwill value adjustments	-	-	-	-
Gain (loss) on disposal of investments	-	-	231	231
Result by segment	**175,523**	**-24,864**	**-49,827**	**100,832**
Unallocates operating expenses	-	-	-	-
Operating profit	-	-	-	-
Profit before tax	**175,523**	**-24,864**	**-49,827**	**100,832**
Taxes	-82,618	11,725	58,640	-12,253
Profit for the period	**92,905**	**-13,139**	**8,813**	**88,579**
Assets and liabilities 31.12.2013				
Assets by segment (customers + intangible)	24,907,437	13,720,535	674,042	39,302,014
Equity investments in associates	-	-	23,513	23,513
Unallocated assets	-	-	10,837,190	10,837,190
Total Assets	**24,907,437**	**13,720,535**	**11,534,745**	**50,162,717**
Liabilities by segment	31,939,910	4,036,129	617,664	36,593,703
Unallocated liabilities	-	-	8,970,226	8,970,226
Total Liabilities	**31,939,910**	**4,036,129**	**9,587,890**	**45,563,929**

» RISKS AND RISK MANAGEMENT

This section is meant to provide an update of the information on risks and risk management policies, as at 30 June 2014, to complete the reporting given in Part E of the Annual Report as at 31 December 2013.

Internal Capital Adequacy Assessment Process (ICAAP) Report

At the end of 2013, the Cariparma Crédit Agricole Group was authorized by the competent Supervisory Authorities to use advanced approaches to calculate credit risk in order to determine its capital requirements, with regard to the Retail perimeter of Cariparma e FriulAdria and effective from the reporting as at 31 December 2013. With this authorization, the Cariparma Crédit Agricole Group is a Class 1 entity for the determination of the ICAAP process.

At the end of April 2014, the Cariparma Crédit Agricole Group sent the consolidated report relating to its capital adequacy (Report) as at 31 December 2013 to the Bank of Italy.

The Report contains the strategic guidelines and the forecasting horizon considered; the description of the corporate governance, the organisational structure and the ICAAP-related control systems; risk exposure, risk measurement and aggregation methods, as well as stress testing; components, estimates and allocation methods of internal capital; reconciliation between internal capital, regulatory requirements and regulatory capital and, finally, ICAAP self-assessment highlighting areas where the methodological model needs to be further developed.

The Internal Capital Adequacy Assessment Process (ICAAP) is the first phase in the prudential supervision process envisaged by the Second Pillar of the Capital Accord, “Basel II”, which is maintained also in the “Basel III” Capital Accord. The second phase consists of the Supervisory Review and Evaluation Process - SREP and it shall fall within the Supervisory Authority’s competence, which shall review the ICAAP and issue an overall opinion on the Group.

Internal Control System

The internal control system is the complex of the organizational, procedural and regulatory mechanisms aimed at controlling all types of activities and risks to ensure proper execution and security of operations.

The scope of the Cariparma Crédit Agricole Group’s internal control system includes all its structures, both central and of the Distribution Network, Information Technology departments, the main providers of outsourced essential services (FOI, the Italian acronym for Key Operating Functions) and the relating main providers.

In compliance with the standards of the Controlling Company, Crédit Agricole S.A., internal control is carried out with two different modalities: permanent control and periodic control.

In the Cariparma Crédit Agricole Group, the Risks and Permanent Controls Department and the Compliance Department are in charge of permanent control activities (for the subsidiary Crédit Agricole Leasing Italia, permanent control is ensured by the Risks, Permanent Controls and Compliance Departments), while the Audit Department is in charge of periodic control activities.

The regulations in force envisage that the control functions provide the management bodies having strategic responsibilities with periodic information on the single risks, both through specific reporting and taking part in specific Committees, set up at Group level: Internal Control Committee, Compliance Committee, Operational Risk Committee, Financial Risks and ALM Committee, Credit Risk Committee, New Assets and Products Committee.

On the Internal Controls System all implementation actions have been taken in order for this System to comply with the requirements and features provided for by the 15th update to Bank of Italy Circular No. 263/2006. In this regard, a specific project was started, which has been designed, through dedicated worksites, to implement the measures provided for by the regulations on four key scopes:
- RAF (“Risk Appetite Framework”): the reference framework for determining risk appetite;
- Governance: upgrading and enhancement of governance mechanisms;
- Controls System: upgrading, updating and enhancement of control systems;
- Outsourcing: governance of information system and business continuity, actions of specific items (e.g. policies).

Credit Risk

The Cariparma Crédit Agricole Group attaches significant importance to the management and control of credit risk, which is a key precondition to ensure sustainable development over time, especially in the present complex economic situation.

The Cariparma Crédit Agricole Group’s lending operations are carried out setting, in compliance with the corporate strategies and objectives, lending policy directions and guidelines on lending and credit risk management, in order to selectively support the development of loans to the most worthy customers, as well as to limit and upgrade exposures to the riskiest Customers.

In the present ongoing negative economic situation, the Cariparma Crédit Agricole Group has enhanced its systematic control on the developments in the quality of the Loans-to Customers Portfolio, increasing and making even more selective the monitoring on the loan positions, from early warnings on, to promptly detect any sign of their being non-performing, and to take effective action to control credit risk.

At the same time, the Group has confirmed its commitment to support households, the real economy and the productive System, steering appropriate lending measures aimed at developing business with the most worthy Customers.

In the first half of 2014, the deterioration of the economic situation continued, which has been affecting the Mid-corporate segment to an increasing extent, with repercussions on the Households Segment, subsequent to the steady increase in the unemployment rate that has reached some of the highest levels in recent years.

The following are some of the most significant measures designed to enhance loans management and monitoring, which the Cariparma Crédit Agricole Group implemented and strengthened in the first half of 2014:

- the enhancement of monitoring on the positions showing irregular performances, through more extensive and prompt management and action process, activated by early-warning indicators that steer the management of problem and non-performing loans and, in this regard, the loan control structures within the Distribution Channels have also been strengthened;
- The strengthening and full operation, at Group level, of the Special Loans Department, which was set up last year and is responsible for identifying and defining the most effective management actions that are designed for loan support and for upgrading risk, with regard to businesses operating in the real estate and/or building sector, as well as to businesses subject to debt restructuring agreements, with specific reference to the remedies provided for by Articles 67, 182, 161 and 160 of the Italian Bankruptcy Act;
- The design and preparation of an advanced Management Electronic Procedure, whose full implementation has been scheduled for the second half of 2014, having the purpose of optimizing the effectiveness of the processes for the recovery of non-performing and problem loans, for all types of Customers, and supported by specific organizational and management actions, with the objective to improve the management of the cost of credit;
- The consolidation of a structural review of lending processes, impacting loan granting, management, monitoring and recovery;
- The development of a structured training plan for all Staff engaged in lending processes, focused on the granting, management and monitoring of credit risk.

Credit quality

	Gross exposure				Changes	
Items	June 2014		December 2013		Amount	%
- Bad debts	2,269,063	5.9%	2,103,865	5.5%	165,198	7.9%
- Substandard loans	1,399,097	3.6%	1,056,353	2.8%	342,744	32.4%
- Restructured loans	541,966	1.4%	430,824	1.1%	111,142	25.8%
- Past-due/overlimit loans	266,551	0.7%	243,711	0.6%	22,840	9.4%
Impaired loans	**4,476,677**	**11.6%**	**3,834,753**	**10.0%**	**641,924**	**16.7%**
Performing loans	**34,043,954**	**88.4%**	**34,354,686**	**90.0%**	**-310,732**	**-0.9%**
Total	**38,520,631**	**100.0%**	**38,189,439**	**100.0%**	**331,192**	**0.9%**

	Gross exposure				Changes	
Items	June 2014		December 2013		Amount	%
- Bad debts	992,897	56.2%	919,020	56.3%	73,877	8.0%
- Substandard loans	1,045,439	25.3%	767,777	27.3%	277,662	36.2%
- Restructured loans	466,877	13.9%	374,470	13.1%	92,407	24.7%
- Past-due/overlimit loans	256,517	3.8%	235,263	3.5%	21,254	9.0%
Impaired loans	**2,761,730**	**38.3%**	**2,296,530**	**40.1%**	**465,200**	**20.3%**
Performing loans	**33,805,148**	**0.7%**	**34,095,323**	**0.8%**	**-290,175**	**-0.9%**
Total	**36,566,877**	**5.1%**	**36,391,853**	**4.7%**	**175,024**	**0.5%**

The tables show that, in the first six months of 2014, impaired loans, net of adjustments, increased by Euro 465 million (up by +20.3%) vs. 31 December 2013. This, combined with the decrease in performing loans (down by -0.9%) translated into a higher weight of impaired assets on total loans to Customers, which increased from 10.0% to 11.6%.

All categories of impaired loans posted increases, especially substandard loans (up by +32.4%) whose total weight increased from 2.8% to 3.6% and restructured loans (up by +25.8%) since the new provisions integrated into the bankruptcy law (Article 67, 182 and 160 of the Italian Bankruptcy Act13) caused companies to make more extensive use of debt restructuring agreements.

The coverage ratio of impaired loans came to 38.3%, down by 1.8%, due to the reduction in the coverage of substandard loans, down by -2.0%, while the coverage ratio on bad loans was stable at 56.2%.

The cumulative total of writedowns of performing loans came to approximately Euro 239 million and accounted for 0.7% of the nominal value of performing all positions. 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 loan.

Moreover, with regard to the identification of impaired past due/overlimit loans, the Group has implemented the provisions of Article 178 of Regulation EU 575/2013 (CRR) in force as from 1 January 2014 and of the Circular issued by the Bank of Italy on 12 March 2014, which amended the credit quality definition pursuant to Bank of Italy Circular No. 272/2008 with regard to impaired past-due/overlimit loans. In this regard, it is reported that the Cariparma group has adopted, on all Customer segments, the definition of “borrower’s default” relating to the borrower’s total obligations.

Market risk

Trading Book

The Group does not engage in proprietary trading in financial and capital markets. Nevertheless, there are residual positions resulting from its placement and trading activities carried to meet customers’ requests.

Fair Value Option

The Group has adopted the so-called “fair value option”, that is to say, it has exercised the option to measure at fair value financial assets resulting from loan restructuring (*“convertendo”* Unipol SAI), recognizing the results of this measurement in the Income Statement.

Banking book

Asset Liability Management deals with Banking Book positions, with special focus on fixed-rate positions, The effects that interest rate fluctuations may have on the Group’s profits and economic value are taken into account.

The Cariparma Crédit Agricole Group manages, controls and monitors the interest rate risk on all assets and liabilities recognized in the Financial Statements, defining, through the adoption of internal models, the cumulative gap for each time bucket generated by the difference between the existing fixed-rate assets and liabilities. The Financial Risks and ALM Committee proposes the relevant limits to the Group Risk Management Committee of the Controlling Company Crédit Agricole S.A. by periodically submitting a Risk Strategy document, and the proposed limits are subsequently submitted for approval to the Boards of Directors of the Banks. In line with the instructions issued by Crédit Agricole S.A., a set of limits (in absolute value) on the gap was added to the global limit, defined in terms of Current Net Value (CNV) and representing the maximum risk level acceptable for the Group.

Global limits on banking book price risks are defined on the basis of the type of instrument that can be held (Italian, German, and French Government Bonds) and are expressed with reference to the maximum nominal value that can be held. Within the book, sub-limits of

[13] Italian Act No. 134/2012 implementing Italian Decree Law No. 83/2012 (the so-called “Development Decree”) and Italian Act No. 98/2013 implementing Italian Decree Law No. 69/2013.

concentration by issuer are also set. In accordance with the methods used by the Group, a stress-testing model for the Banking Book has also been adopted.

Fair value hedging

The purpose of hedging interest rate risk is to immunize the Banking Book from changes in the interest rate curve or to lower the volatility of cash flows relating to a given asset/liability.

Specifically, the following have been hedged:
- debenture loans issued at fixed-rate (subject to micro-hedging)
- fixed-rate gaps shown by the internal model through macro-hedging. The hedgings were made by purchasing Interest Rate Swaps. The optional component of capped mortgage loans sold to Customers is subject to monitoring and, where necessary, to hedging by trading cap options on the market.

Liquidity risk

The Group manages liquidity risk using a system that includes methodologies for measuring and aggregating risks and for stress testing, in line with the mechanism adopted by the Controlling Company Crédit Agricole S.A., at the same time ensuring compliance with Italian legislative provisions.

The limit 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 assumptions used cover idiosyncratic crises, systemic crises and global crises. Moreover, the limit structure is completed by a set of management and early warning indicators provided for in the Contingency Funding Plan.

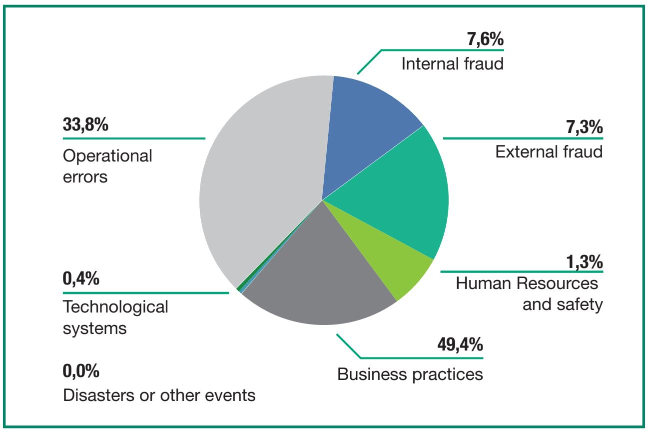
In addition to the above, and again consistently with the procedures adopted by the Controlling Company Credit Agricole S.A., standards and methods have been implemented, which are designed to calculate and monitor the Liquidity Coverage Ratio (LCR) provided for by Basel 3.

Operational risks

Breakdown of the Group's losses

Operational losses recognized in the first half of 2014 came to approximately Euro 4.6 million.

As regards the sources of operational risk, the breakdown of losses as at the end of June by type of event (LET, "Loss Event Type") is given below, net of recoveries and excluding boundary losses.



Main measures

As regards the management of operational risks, the activities and measures are to be reported which have been implemented in order to achieve a general improvement and the upgrading of the Internal Controls System to the provisions of the 15th update to Bank of Italy Circular No. 263/2006; specifically, the implementation concerning the Key Operating Functions (FOI) and the mechanisms to manage operational risks in order to meet the requirements to be authorized to use advanced approaches for the calculation of prudential requirements.

» BUSINESS COMBINATIONS CONCERNING COMPANIES OR BUSINESS UNITS

Transactions made in the period

In the first half of 2014, a geographical reorganization was carried out on the intra-group branch network, which entailed the transfer from the Parent Company Cariparma to the subsidiary Carispezia of 16 branches, 1 Mid-corporate center and 1 Private Banking market located in the Provinces of Savona, Genoa and Imperia; subsequently, Euro 533 million worth of gross loans to Customers, Euro 492 million worth of direct funding and Euro 948 million worth of indirect funding were also transferred.

Considering the reorganization purpose of the transaction and applying the Group accounting policy on business combinations between entities under common control, it has been recognized at book values. For the above transfer, Carispezia carried out a share capital increase of Euro 17.3 million reserved to the Parent Company. Since the accounting mismatch of the transfer assets and liabilities is zero, the recognition of the share capital increase of the subsidiary Carispezia entailed a decrease in equity reserves of the same amount. Therefore, this transaction generated no effects on the consolidated financial statements, except for the increase in the Parent Company's shareholding in the investee's capital from 80% to 83%.

» TRANSACTIONS WITH RELATED PARTIES

The regulation issued by the Bank of Italy on 12 December 2011, on risk activities and conflicts of interest with associated persons falls within the scope of the framework regulation concerning related parties (Article 2391-bis of the Italian Civil Code, Article 53 of the Italian Consolidated Law on Banking (TUB), CONSOB Regulation

No. 17221/10) and has been designed to "control the risk that the closeness of some persons to the Bank's decision-making centers may compromise the objectivity and impartiality of decisions relating to loan granting and other transactions with the same persons, with possible distortions in the allocation of resources, in the Bank's exposure to risks not adequately measured or controlled, potential damages to depositors and shareholders".

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 associated to 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 associated 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 associated parties.

Related parties of the Cariparma Crédit Agricole Group are the following:
a) corporate officers, namely the members of the Board of Directors, of the Board of Auditors and of the Senior Management of the Group companies;
b) the shareholder, that is to say, the natural or legal person controlling or exercising significant influence on the company;
c) the person, other than a shareholder, who can appoint, on his/her/its own, one or more members of the body engaged in strategic steering functions, also based on any agreement whatsoever or clauses of the Articles of Association dealing with or providing for the exercise of the above rights and powers;
d) a company or an enterprise, also set up in a legal form other than that of a company, on which a Group company can exercise control or a significant influence;
e) the key staff, who, within Cariparma as at today's date, consists of the following:

- the CFO
- the Executive at the head of the Lending Governance Department
- the Executive at the head of the Organization and Systems Department
- the Executive at the head of the Compliance Department
- the Executive at the head of the Audit Department
- the Executive at the head of the Risks and Permanent Controls Department

Connected Persons

Persons connected to a related party are defined as follows:

- companies or enterprises, also set up in a legal form other than that of a company, which are controlled by a related party;
- persons controlling a related party among those listed at points b and c of the relevant definition, that is to say, entities that are subject, directly or indirectly, to common control with the same related party;
- close family members of a related party or the companies or enterprises controlled by the same.

Associated Persons

Associated persons of the Cariparma Crédit Agricole Banking Group are defined as the set consisting of a related party and of all the persons connected to the same. For application at individual level, the single Banks belonging to the Group refer to the same perimeter of associated persons as determined by the Parent Company Cariparma.

Disclosure on transactions with relates parties

Transactions with related parties consist in the transfer of resources, services or bonds between a Group company (or companies directly and/or indirectly controlled by it) and one or more related parties, independently of the whether payment was agreed or not.

Transactions carried out with related parties have followed the specific procedures provided for by the above Regulation. In the first half of 2014, no atypical or unusual transactions whose size or features might jeopardize the safety of corporate equity and the protection 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				2,642,811		-3,048,883	7,831
Entity exercising significant influence on company					1,165		
Subsidiaries	-82				17,620		2,097
Directors and key management personnel	-	-	2,359	-	6,655	-	-
Other related parties	17,795	48,908	3,088,403	49,480	739,675	1,834,304	44,503
Total	**17,877**	**48,908**	**3,090,763**	**2,692,291**	**765,114**	**4,883,187**	**54,432**

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

CARIPARMA
CRÉDIT AGRICOLE

1. The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Debourdeaux,Manager responsible for preparing of the Company's financial reports of Cariparma S.p.A., taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, do hereby certify:
   - the adeguacy in relation to the Company's features an
   - the actual application of the administrative and accounting procedures employed for drawing up the condensed consolidated half-yearly financial statements, in the first half of 2014.

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

3. The undersigned also certify that:
   3.1 The condensed consolidated half-yearly financial statements:

   a) have been prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and the Council Regulation 1606/2002 of 19 July 2002;

   b) correspond to the results of the books and accounts;

   c) give a true and correct representation of the capital, economic and financial situation of the Issuer and of the companies included in the consolidation.

   3.2 The half-yearly report on operations contains indications of the most significant events in the first six months of the year and their impact on the condensed consolidated half-yearly financial statements, together with a description of the main risks and uncertainties faced in the remaining six months of the year as well as information on significant related party transactions.

Parma, 29 July 2014

Giampiero Maioli Chief Executive Officer	Pierre Débourdeaux Manager responsible for preparing the Company's financial reports

Independent Auditors' Report

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Auditors' review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

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

1. We have reviewed the interim condensed consolidated financial statements, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and cash flows statement and the related explanatory notes, of Cassa di Risparmio di Parma e Piacenza S.p.A. and its subsidiaries (the "Cariparma Crédit Agricole Group") as of June 30, 2014. Management of Cassa di Risparmio di Parma e Piacenza S.p.A. is responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we expressed on the annual consolidated financial statements.

   With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, reference should be made to our reports issued on March 28, 2014 and on August 2, 2013, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Cariparma Crédit Agricole Group as of June 30, 2014 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, August 4, 2014

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

This report has been translated into the English language solely for the convenience of international readers

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Annexes

Financial Statements of the Parent Company

» BALANCE SHEET

Assets		30.06.2014	31.12.2013
10.	Cash and cash equivalents	163,269,439	231,187,658
20.	Financial assets held for trading	200,159,202	196,670,669
30.	Financial assets measured at fair value	17,056,635	-
40.	Available-for-sale financial assets	4,305,267,343	3,995,029,001
50.	Financial assets held to maturity	-	-
60.	Loans to banks	3,752,062,005	3,875,190,152
70.	Loans to Customers	27,459,112,881	27,965,449,390
80.	Hedging derivatives	680,001,779	571,225,188
90.	Value adjustment of financial assets subject to macro hedging (+/-)	5,182,248	-277,271
100.	Equity investments	1,280,285,335	1,262,969,280
110.	Property, plant and equipment	283,357,841	286,275,688
120.	Intangible assets	1,166,582,879	1,176,262,706
	of which: goodwill	*922,339,723*	*922,339,723*
130.	Tax assets	880,882,321	996,547,914
	(a) current	203,309,931	292,870,875
	(b) deferred	677,572,390	703,677,039
	b1) pursuant to Italian Law No. 214/2011	*609,872,051*	*617,209,360*
140.	Non-current assets or groups of assets being divested	-	-
150.	Other assets	370,833,301	426,270,967
Total assets		**40,564,053,209**	**40,982,801,342**

Liabilities and Equity		30.06.2014	31.12.2013
10.	Due to Banks	6,206,446,132	6,042,948,004
20.	Due to Customers	17,620,554,865	17,800,758,905
30.	Securities issued	9,692,384,920	10,608,250,178
40.	Financial liabilities held for trading	203,845,864	198,776,635
50.	Financial Liabilities measured at fair value	-	-
60.	Hedging derivatives	388,714,684	255,284,820
70.	Value adjustment of financial liabilities subject to macro-hedging (+/-)	406,670,939	275,497,360
80.	Tax liabilities	169,228,262	294,119,458
	(a) current	105,726,524	250,651,429
	b) deferred	63,501,738	43,468,029
90.	Liabilities in respect of assets being divested	-	-
100.	Other liabilities	1,035,350,173	733,850,233
110.	Employee severance benefits	118,647,227	118,015,462
120.	Provisions for liabilities and contingencies	146,383,076	168,305,006
	(a) retirement and similar liabilities	19,312,858	19,962,747
	b) other provisions	127,070,218	148,342,259
130.	Valuation reserves	42,630,046	-31,492,549
140.	Redeemable shares	-	-
150.	Equity instruments	-	-
160.	Reserves	838,746,228	779,486,724
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) for the period (+/-)	81,685,490	126,235,803
Total liabilities and shareholders' equity		**40,564,053,209**	**40,982,801,342**

» INCOME STATEMENT

Items		30.06.2014	30.06.2013
10.	Interest income and similar revenues	538,376,013	547,093,220
20.	Interest expense and similar charges	(191,488,590)	(216,257,148)
30.	**Net interest income**	**346,887,423**	**330,836,072**
40.	Commission income	236,133,462	221,175,283
50.	Commission expense	(11,619,569)	(10,362,763)
60.	**Net commission income**	**224,513,893**	**210,812,520**
70.	Dividend income and similar revenues	36,877,608	24,547,002
80.	Net gain (loss) on trading activities	1,037,811	4,862,077
90.	Net gain (loss) on hedging activities	(1,371,518)	(1,985,193)
100.	Gains (losses) on disposal or repurchase of:	1,898,930	11,495,581
	a) loans	(4,087)	(9,386)
	b) available-for-sale financial assets	3,241,015	10,751,107
	c) Financial assets held to maturity	-	-
	d) financial liabilities	(1,337,998)	753,860
110.	Net gain (loss) of financial assets and liabilities carried at fair value	(845,073)	-
120.	**Gross income**	**608,999,074**	**580,568,059**
130.	Net impairment adjustments of:	(131,897,862)	(143,406,609)
	a) loans	(130,377,402)	(141,070,643)
	b) available-for-sale financial assets	(29,309)	(1,349,549)
	c) Financial assets held to maturity	-	-
	d) other financial transactions	(1,491,151)	(986,417)
140.	**Profit (loss) from financial operations**	**477,101,212**	**437,161,450**
150.	Administrative expenses:	(408,387,589)	(411,168,266)
	a) staff expenses	(216,126,081)	(231,681,882)
	b) other administrative expenses	(192,261,508)	(179,486,384)
160.	Net provisions for liabilities and contingencies	(6,935,250)	(9,942,367)
170.	Net adjustments of property, plant and equipment	(9,101,066)	(10,025,480)
180.	Net adjustments of intangible assets	(22,711,072)	(24,150,961)
190.	Other operating revenues (expenses)	115,595,220	107,507,108
200.	**Operating expenses**	**(331,539,757)**	**(347,779,966)**
210.	Gain (loss) on equity investments	-	-
220.	Net gains (losses) from property, plant and equipment and intangible assets measured at fair value	-	-
230.	Value adjustments of goodwill	-	-
240.	Gain (loss) on divestments	-	216,665
250.	**Gain (loss) before tax on continuing operations**	**145,561,455**	**89,598,149**
260.	Income tax for the period on continuing operations	(63,875,965)	2,647,931
270.	**Profit (loss) after tax on continuing operations**	**81,685,490**	**92,246,080**
280.	**Profit (loss) after tax of groups of assets/liabilities under disposal**	**-**	**-**
290.	**Profit (loss) for the period**	**81,685,490**	**92,246,080**

» STATEMENT OF COMPREHENSIVE INCOME

Items		30.06.2014	30.06.2013
10.	**Gain (loss) for the period**	**81,685,490**	**92,246,080**
	Other income components after tax with no reversals to Income Statement		
20.	Property, plant and equipment	-	-
30.	Intangible Assets	-	-
40.	Actuarial gains (losses) on defined-benefit plans	(4,967,633)	124,354
50.	Non-current assets being divested	-	-
60.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
	Other income components after tax with reversals to Income Statement		
70.	Hedging of foreign investments	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	Available-for-sale financial assets	79,090,228	30,996,883
110.	Non-current assets being divested	-	-
120.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
130.	**Total other income components after tax**	**74,122,595**	**31,121,237**
140.	**Comprehensive income (Item 10+130)**	**155,808,085**	**123,367,317**

» STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 30 JUNE 2014

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity
EQUITY AS AT 31 DECEMBER 2013	**876,761,620**	**2,736,003,683**	**777,125,813**	**2,360,911**	**-31,492,549**	**126,235,803**	**4,486,995,281**
ALLOCATION OF NET PERIOD PROFIT FOR PREVIOUS							
Reserves	-	-	41,943,449	-	-	-41,943,449	-
Dividends and other allocations	-	-	-	-	-	-84,292,354	-84,292,354
CHANGES IN THE PERIOD							
Changes in reserves	-	-	17,316,055	-	-	-	17,316,055
Equity transactions							-
Issue of new shares	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary dividend distribution	-	-	-	-	-	-	-
Change in equity instruments	-	-	-	-	-	-	-
Derivatives on treasury shares	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company							
Assigned to Employees and Directors	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	74,122,595	81,685,490	155,808,085
EQUITY AT 30 JUNE 2012	**876,761,620**	**2,736,003,683**	**836,385,317**	**2,360,911**	**42,630,046**	**81,685,490**	**4,575,827,067**

» STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 30 JUNE 2013

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity
EQUITY AS AT 31 DECEMBER 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 PERIOD PROFIT FOR PREVIOUS							
Reserves	-	-	3,879,272	-	-	-3,879,272	-
Dividends and other allocations	-	-	-	-	-	-54,982,459	-54,982,459
CHANGES IN THE PERIOD							
Changes in reserves	-	-	-	-	-	-	-
Equity transactions							-
Issue of new shares	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary dividend distribution	-	-	-	-	-	-	-
Change in equity instruments	-	-	-	-	-	-	-
Derivatives on treasury shares	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company							
Assigned to Employees and Directors	-	-	-	312,974	-	-	312,974
Comprehensive income	-	-	-	-	31,121,237	92,246,080	123,367,317
EQUITY AT 30 JUNE 2013	**876,761,620**	**2,736,003,683**	**777,125,813**	**2,165,408**	**-108,954,217**	**92,246,080**	**4,375,348,387**

(*) Restated following the final recognition of the intra-group business combination made in 2013.

» STATEMENT OF CASH FLOWS

Items	30.06.2014	30.06.2013
A. OPERATING ASSETS		
1. Operations	**362,980,741**	**324,994,739**
- net profit (loss) for the period (+/-)	81,685,490	92,246,080
- gains (losses) on financial assets held for trading and financial assets/liabilities carried at fair value (-/+)	-713,921	-6,309,857
- gains/losses on hedging activities (+/-)	7,646,734	3,239,762
- net impairment adjustments (+/-)	129,172,580	141,994,046
- net adjustments of property, plant and equipment and intangible assets (+/-)	31,812,138	34,176,441
- net provisions for liabilities and contingencies and other costs/revenues (+/-)	6,935,250	9,942,367
- unpaid taxes and duties (+)	63,875,965	-2,647,931
- other adjustments (+/-)	42,566,505	52,353,831
2. Liquidity generated/absorbed by financial assets	**-219,858,319**	**-118,059,619**
- financial assets held for trading	-2,774,612	26,624,245
- financial assets carried at fair value	-17,056,635	-
- financial assets available for sale	-115,169,955	-640,985,376
- loans to banks: on demand	112,119,966	51,990,258
- loans to banks: other loans	11,008,181	435,911,537
- loans to customers	-168,722,849	62,866,932
- other assets	-39,262,415	-54,467,215
3. Liquidity generated/absorbed by financial liabilities	**-140,933,732**	**-197,284,954**
- due to banks: on demand	-2,695,073,814	-492,691,039
- due to banks: other payables	2,878,710,311	63,043,429
- due to customers	262,188,575	441,716,243
- securities issued	-878,216,884	-233,126,807
- financial liabilities held for trading	5,069,229	-20,885,062
- financial liabilities carried at fair value	-	-
- other liabilities	286,388,851	44,658,282
Net liquidity generated/absorbed by operating activities	**2,188,690**	**9,650,166**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**33,634,282**	**24,883,142**
- sale of equity investments	-	-
- dividends from equity investments	36,877,608	24,547,002
- sale of financial assets held to maturity	-	-
- sales of property, plant and equipment	-	336,140
- sales of intangible assets	-	-
- disposal of unit business	-3,243,326	-
2. Liquidity absorbed by:	**-19,448,837**	**-19,284,713**
- purchases of equity investments	-	-6,000
- purchases of financial assets held to maturity	-	-
- purchases of property, plant and equipment	-6,417,592	-3,615,665
- purchases of intangible assets	-13,031,245	-15,663,048
- purchases of business units	-	-
Net liquidity generated/absorbed by investing activities	**14,185,445**	**5,598,429**
C. FUNDING		
- issues/purchases of treasury shares	-	-
- issues/purchases of capital instruments	-	-
- dividend distribution and other	-84,292,354	-54,982,459
Net liquidity generated/absorbed by funding	**-84,292,354**	**-54,982,459**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	**-67,918,219**	**-39,733,864**

RECONCILIATION

Financial Statement items	30.06.2014	30.06.2013
Cash and cash equivalents at beginning of period	231,187,658	194,827,573
Total net liquidity generated/absorbed during the period	-67,918,219	-39,733,864
Cash and cash equivalents: effect of exchange rates changes	-	-
Cash and cash equivalents at end of period	**163,269,439**	**155,093,709**

KEY: (+) from (–) used

» RECONCILIATION STATEMENT OF EQUITY AND NET INCOME FOR THE PERIOD OF THE PARENT COMPANY AND CONSOLIDATED EQUITY AND NET INCOME FOR THE PERIOD

	30.06.2014	
	Equity	of which: Net profit
Balance of the accounts of the Parent Company	**4,575,827**	**81,685**
Effect of consolidation of subsidiaries	93,393	17,666
Effect of the measurement of significant equity investments with the equity method	-81	-81
Dividends collected in the period	-	-28,956
Other changes	-	-
Balances of consolidated accounts	**4,669,139**	**70,314**

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Iscritta all'Albo delle Banche al n. 5435
Capogruppo del Gruppo bancario Cariparma Crédit Agricole iscritto all'Albo dei Gruppi bancari
Soggetta all'attività di direzione e coordinamento di Crédit Agricole S.A.