Annual Report

CARIPARMA
CRÉDIT AGRICOLE

Cassa di Risparmio di Parma e Piacenza S.p.A.

Joint-stock company - Registered office Via Università 1 - 43121 Parma, Italy
Phone +39/0521/912111 - Telex 530420 RISPAR I
Share Capital EUR 835,327,929 at 31.03.2011 fully paid-up
Entered in the Business Register of Parma, Italy, Tax ID and VAT registration No. 02113530345
Member of the Interbank Deposit Protection Fund - Registered in the Register of Banks at No. 5435
Parent Company of the Cariparma Crédit Agricole Banking Group entered in the Register of Banking Groups
Subject to the direction and coordination activity of Crédit Agricole S.A.

Annual report 2010

2010 Report and Consolidated Financial Statements of the Cariparma FriulAdria Group

2010 Report and Financial Statements of Cariparma

Summary

Letter from the Chairperson

2010 marked a major advance for the Cariparma FriulAdria Group in the course started in 2007, when the banking group was set up by Crédit Agricole and Fondazione Cariparma (Cariparma Foundation). The positive performance achieved in a still difficult economic and financial situation, as well as the agreement for the acquisition of Carispezia and 96 branches from Intesa Sanpaolo represented two important events in the life of a Group, which now ranks 7th among Italian banks for number of branches. We believe that this is the best way to celebrate the 150th anniversary of the Parent Company, which was incorporated in 1860 as Cassa di Risparmio di Parma.

In a still unstable economic situation, affecting the banking system in terms of low profitability, in 2010 the Cariparma FriulAdria Group performed well in terms of profitability, soundness and efficiency. This success was once more due to the strong bonds that we have established with our customers, as well as to proximity and support given to the areas where we operate. Our group model is original, with a high presence on the Italian territory and consisting of banks having each its specific identity but united by a well-defined group governance and by an efficient central decision-making process.

Another great advantage is belonging to a leading international Group, which is present worldwide and has been operating in Italy for many years with high-quality product companies that allow us to supply all services that can be interesting for and meet our customers' requirements.

The Fondazione Cariparma as a bank's shareholder emphasizes and enhances the effectiveness of our operations in the community.

The Group could thus support lending to households and businesses, in a time when lending supply tightened, confirming its support to the areas of operations. This performance was achieved thanks to a commercial policy focussed on combining customer satisfaction and profitability, as well as to a financial management that ensured adequate liquidity, thus allowing lending expansion to be sustained, through an effective cost control and a careful risk measurement.

On the other hand, a high investment rate has been kept to gear control systems to the changed requirements resulting from the Bank's larger size.

The excellence achieved has been substantiated by the Group's capital and income ratios, which have once more allowed it to rank at the top of the sector.

Moody has confirmed the Aa3 rating that was assigned the previous year and Standard & Poor's assigned a rating as high as AA- to our Group.

2011 will bring a further challenge for the new Group: in a still uncertain economic situation, we will continue to grow on the sound bases set in the past.Our ambitions and development programmes will be defined and set forth in the three-year business plan, which is now being completed and which will be our model for the near future in a deeply-changing market.

We will meet this new challenge with the eagerness stemming from our cohering structure and from the motivation of all the people who work in our structure and who represent a true strong point and the basis of our performance.

The Chairperson

ARIBERTO FASSATI

Corporate bodies

Board of Directors

CHAIRPERSON
Ariberto Fassati (*)

DEPUTY CHAIRPERSONS
Guido Corradi (*)
Fabrizio Pezzani (*)

CHIEF EXECUTIVE OFFICER
Giampiero Maioli (*)

DIRECTORS
Anna Maria Artoni
Giovanni Borri
Bruno De Laâge (*)
Pierre Derajinski
Joël Fradin
Marco Granelli
Claude Henry
Stefano Lottici
Michel Mathieu
Germano Montanari
Marc Oppenheim
Philippe Pellegrin
Marco Rosi
Jean-Louis Roveyaz

* *Members of the Executive Committee.*

Board of Auditors

CHAIRPERSON
Marco Ziliotti

STANDING AUDITORS
Paolo Alinovi
Giovanni Ossola
Angelo Gilardi
Umberto Tosi

ALTERNATE AUDITORS
Alberto Cacciani
Giancarlo Ducceschi

Senior management

CO-GENERAL MANAGER
Philippe Voisin

DEPUTY GENERAL MANAGER
Massimo Basso Ricci

Senior Manager in charge of the preparation of the corporate accounting statements

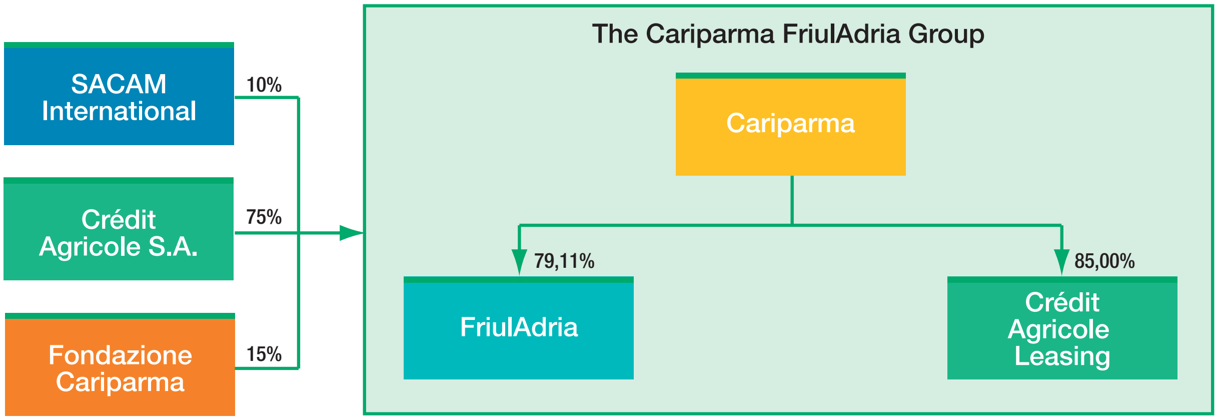
Pierre Débourdeaux

Independent Auditors

Reconta Ernst & Young

Profile of the Cariparma FriulAdria Group

GROUP STRUCTURE



Fondazione Cariparma holds
a 15% interest with a shareholders' agreement
with Crédit Agricole S.A. out governance arrangements.

As at 31 December 2010, the Cariparma FriulAdria Group, led by the Parent Company, Cariparma, had an extensive branch network:

731 branches, divided as follows:
- 537 Cariparma
- 194 FriulAdria

22 Private Banking Centers:
- 16 Cariparma
- 6 FriulAdria

25 Enterprise Centres:
- 17 Cariparma
- 8 FriulAdria

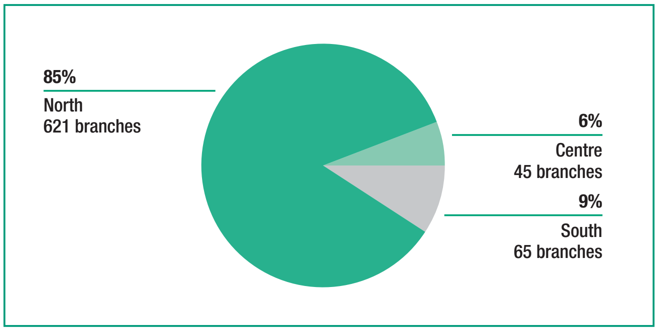
6 Corporate Areas:
- 5 Cariparma
- 1 FriulAdria

The Group ranks ninth in Italy by number of branches (it will rank seventh in 2011 following the acquisition of Cassa di Risparmio della Spezia S.p.A and of 96 branches from Intesa Sanpaolo), and it is present in the country's nine most important regions (seven for Cariparma + two for FriulAdria). Its market share in volume terms is much greater than that in terms of number of branches, a demonstration of our longstanding ties to the community and the quality of the service that Cariparma and FriulAdria provide to their customers.

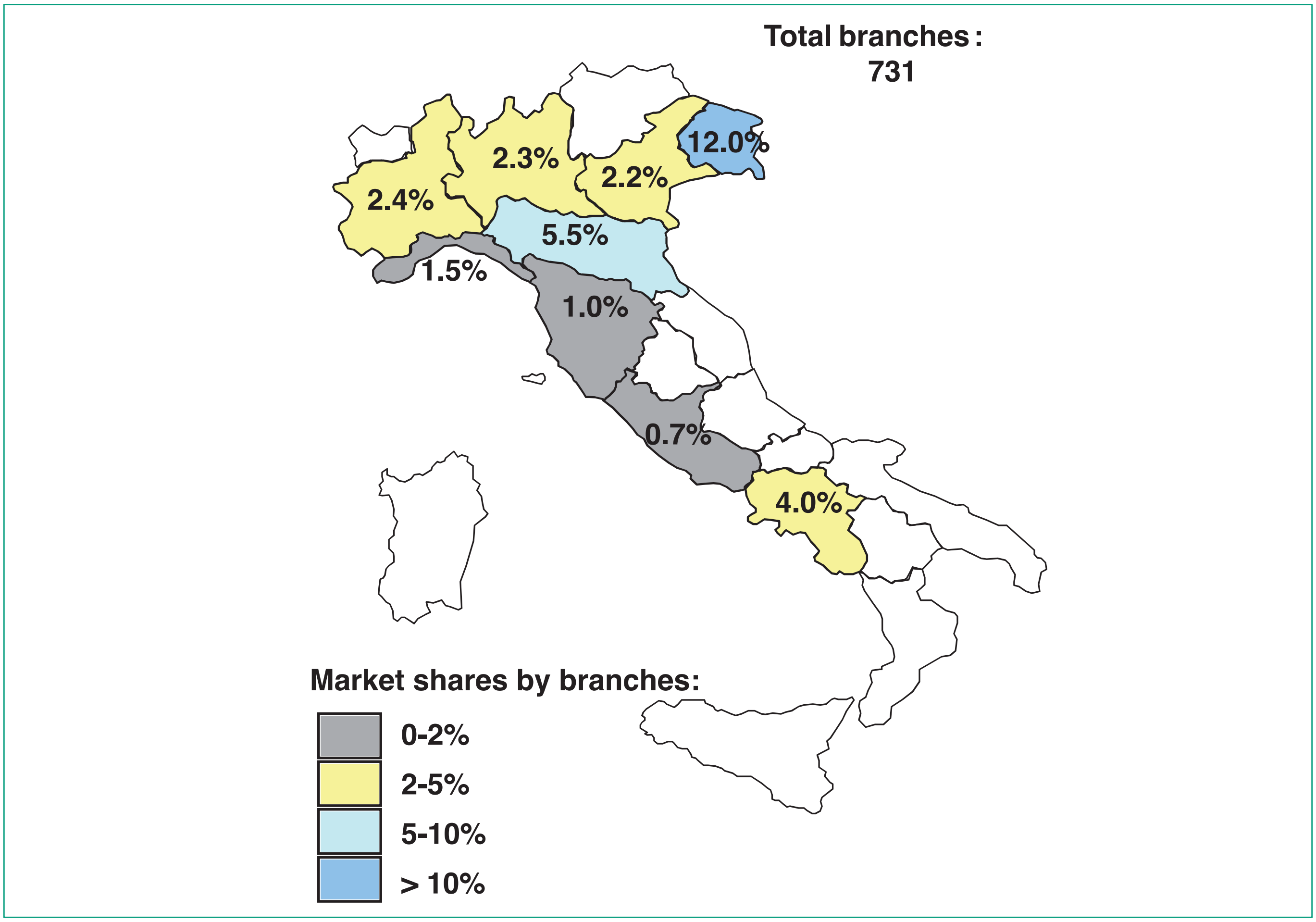
In 2010, the Group opened four new branches, one in Central Italy and three in the North.

The Cariparma FriulAdria Group holds a 2.2% market share at a national level (in terms of number of branches, with shares of 25.7% in Parma, 25.3% in Piacenza and 18.8% in Pordenone). The Group has a 1.6% market share in loans to customers (with peak shares of 27.3% in Piacenza, 26.6% in Parma and 25,0% in Pordenone) and 1.8% in customer funding (with peaks of 53.4% in Parma, 40.1% in Piacenza and 45.4% in Pordenone).

BRANCH DISTRIBUTION AS AT 31 DECEMBER 2010



BRANCH DISTRIBUTION BY REGION



Group financial highlights and ratios

Financial highlights (*)	31.12.2010	31.12.2009 (**)	Changes Total	Changes %
Income statement (thousands of euro) (**)				
Net interest income	931,997	979,247	-47,250	-4.8
Net commission income	502,928	475,689	-27,239	5.7
Dividends	1,636	2,157	-521	-24.2
Net gain (loss) on trading activities	67,715	48,416	19,299	39.9
Other operating revenues (expenses)	(8,431)	(12,259)	-3,828	-31.2
Net operating revenues	1,495,845	1,493,250	2,595	0.2
Operating expenses	(857,226)	(849,500)	7,726	0.9
Net operating profit	638,619	643,750	-5,131	-0.8
Provisions for liabilities and contingencies	(26,605)	(14,583)	12,022	82.4
Net impairment adjustments of loans	(218,787)	(208,652)	10,135	4.9
Net profit (loss) for the year pertaining to shareholders of the parent company	240,077	305,713	-65,636	-21.5
Balance sheet (*) (thousands of euros)				
Loans to customers	30,398,184	28,924,793	1,473,391	5.1
Net financial assets/liabilities held for trading	15,396	68,906	-53,510	-77.7
Financial assets available for sale	7,238,934	3,887,426	3,351,508	86.2
Equity investments	119,975	134,999	-15,024	-11.1
Property, plant and equipment and intangible assets	1,822,792	1,795,160	27,632	1.5
Total net assets	41,071,077	36,180,460	4,890,617	13.5
Funding from customers	29,055,963	29,163,305	-107,342	-0.4
Indirect funding from customers	43,026,473	42,805,064	221,409	0.5
of which: asset management	*16,507,648*	*15,770,468*	737,180	4.7
Net due to banks	6,434,356	1,549,229	4,885,127	
Equity pertaining to shareholders of the parent company	3,880,728	3,717,578	163,150	4.4
Operating structure				
Number of employees	7,616	7,694	-78	-1.0
Average number of employees	7,336	7,416	-80	-1.1
Number of branches	731	729	2	0.3

(*) Income statement and balance sheet figures are drawn from the reclassified financial statements shown on pages 21 and 29.

(**) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

Structure ratios (*)	31.12.2010	31.12.2009 (**)
Structure ratios (*)		
Loans to customers / Total net assets	74.0%	79.9%
Direct customer deposits / Total net assets	70.7%	80.6%
Asset management / Total indirect funding	38.4%	36.8%
Loans to customers / Direct customer deposits	104.6%	99.2%
Total assets / Shareholders' Equity (leverage)	11.9	11.0
Profitability indexes (*)		
Net interest income / Net operating revenues	62.3%	65.6%
Net commissions income / Net operating revenues	33.6%	31.9%
Cost / income	57.3%	56.9%
Net income / Average equity (ROE) (a)	6.3%	8.3%
Net profit (loss) for the year pertaining to shareholders of the parent company/ Total assets (ROA)	0.5%	0.7%
Net profit (loss) for the year pertaining to shareholders of the parent company/ Risk-weighted assets	0.9%	1.1%
Risk ratios (*) (**)		
Net bad debts / Net loans to customers	1.4%	0.9%
Loan writedowns / Net loans to customers	0.7%	0.7%
Cost of risk (b) / Operating profit	38.4%	34.7%
Net bad debts / Total regulatory capital (c)	14.6%	10.0%
Net impaired loans / Net loans to customers	3.9%	3.0%
Impairment adjustments of loans/ Gross impaired loans	39.0%	38.5%
Productivity ratios (*) (economic)		
Operating expenses / No. of employees (average)	116.8	114.5
Operating revenues / No. of employees (average)	203.9	201.4
Productivity ratios (*) (capital)		
Loans to customers / No. of employees (average)	4,143.7	3,900.3
Direct funding from customers / No of employees (average)	3,960.7	3,932.5
Long-term counterparty rating		
Moody's	Aa3	Aa3
Standard & Poors	AA-	-
Capital ratios		
Tier 1 capital (d) / Risk-weighted assets	8.7%	7.5%
Total regulatory capital (e) / Risk-weighted assets	10.2%	9.2%
Risk-weighted assets *(thousands of euro)*	28,208,749	27,489,811

(*) The ratios are based on the balance sheet and income statement figures of the reclassified financial statements shown on pages 21 and 29.

(**) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan .

(a) Ratio of net profit to weighted-average share capital, share premium, valuation reserves and reserves established with retained earnings.

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

(c) Tier-1 capital plus revaluation reserves, with the application of prudential filters, net of investment property and equity investments exceeding the threshold set out by supervisory regulations.

(d) Paid-up share capital, share premium and reserves established with retained earnings less treasury shares, goodwill, intangible assets and including application of the prudential filters required under supervisory regulations.

Profile

The Crédit Agricole Group is market leader in full-service retail banking in France and one of the largest banks in Europe.

With operations in 70 countries, the Crédit Agricole Group is a leading partner in supporting clients with their projects in all areas of retail banking and associated specialised business lines: day-to-day banking, savings, home and consumer loans, insurance, private banking, asset management, leasing and factoring, and corporate and investment banking.

On the strength of its cooperative and mutualist foundations, the Crédit Agricole Group's expansion is underpinned by balanced growth serving the real economy and respecting the interests of its 54 million customers, 1.2 million shareholders, 6.1 million cooperative shareholders and of its 160,000 employees.

Crédit Agricole is included in the three main sustainable development indices: Aspi Eurozone since 2004, FTSE4Good since 2005 and the DJSI since 2008 (Europe and worldwide). It is ranked the eighth most sustainable corporation in the world and No.1 in France in the 2011 Global 100 List.

www.credit-agricole.com

€3.6 billion
NET INCOME - GROUP SHARE

€71.5 billion
SHAREHOLDERS' EQUITY - GROUP SHARE

10.3%
TIER ONE RATIO

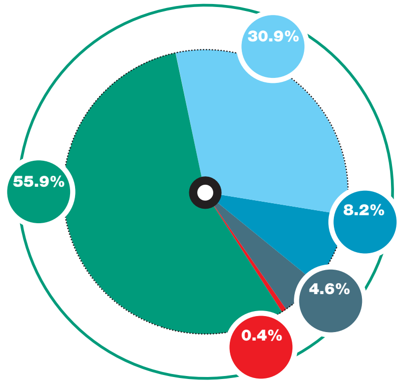
[The Group's organisation]

6.1 million cooperative shareholders form the basis of Crédit Agricole's cooperative organisational structure. They own the capital of the **2,533 Regional Banks** in the form of shares and select their representatives each year. A total of **32,496 directors** convey their expectations within the Group.

The local banks own the majority of **the Regional Banks' share capital.** The 39 Regional Banks are cooperative regional banks that offer their customers a comprehensive range of products and services. The discussion body for the Regional Banks is the **Fédération Nationale du Crédit Agricole,** where the Group's main directions are decided.

55.9%

OF CRÉDIT AGRICOLE S.A.'S SHARE CAPITAL VIA HOLDING COMPANY SAS RUE LA BOÉTIE.



43.7%

OF CRÉDIT AGRICOLE S.A. SHARE CAPITAL

- Institutional investors : 30.9%
- Individual shareholders : 8.2%
- Employees via employee mutual funds : 4.6%

0.4%

TREASURY SHARES

CRÉDIT AGRICOLE S.A.

Listed since December 2001, Crédit Agricole S.A. ensures the cohesion of the strategic development and the Group's financial unity. Crédit Agricole S.A. manages and consolidates its subsidiaries in France and abroad.

Retail banking

In France
- 25% of share capital in the Regional Banks (excl. the Regional Bank of Corsica)
- LCL

International retail banking
- Cariparma FriulAdria group
- Emporiki
- Crédit du Maroc
- Crédit Agricole Egypt
- Lukas Bank

Specialised business lines

Specialised financial services
- Consumer finance
- Lease finance
- Factoring

Savings management
- Asset management
- Insurance
- Private banking

Corporate and investment banking

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

Specialised subsidiaries

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

The Crédit Agricole Group in Italy

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

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

Specialized Financial Services

CRÉDIT AGRICOLE LEASING

- Operates in real estate, equipment and car leasing
- Ranked 11th in the Italian lease market, with a market share of over 2%
- In 2010, €27 billion volume of which over €3 billion directed to *renewable energy*

CRÉDIT AGRICOLE COMMERCIAL FINANCE

- Ranked 15th on the Italian market, a highly competitive market with 45 operators
- 150 customers and €350 million in portofolio
- Monthly volumes approx. €150 million

Agos Ducato

- N°1 in consumer finance in Italy with a market share of over 16%
- Total assets approx €19 billion
- Widespread presence throughout Italy with 236 direct branches and Cariparma and BPI networkds

Finance and Invesment Bank

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

- Operates in the Corporate and Investment banking sector (capital market, structured finance, issue of debenture loans, distressed assets)
- Works with large firms, finance institutions and public sector
- Ranked 7th in Corporate issues

CHEUVREUX CRÉDIT AGRICOLE GROUP

- One of the main brokerage houses in Italy
- 35 professionals
- Covening over 80 firms i.e. approximately 90% of total market capitalization at the Italian Stock Exchange

Asset Management

Amundi
ASSET MANAGEMENT

- Manager 60 Italian based funds and 1 open end pension fund *(SecondaPensione)*
- Distributes the Luxembourg based SICAV, Amundi Funds
- AUM: approx €25 billion
- 8th AMC in Italy for managed assets

Insurance

CRÉDIT AGRICOLE VITA

- Places its products through the Cariparma Crédit Agricole Group network
- Ranked 8th in the Italian bancassurance sector and 11th in the Life insurance market
- €1.8 million in premium collections
- 350,000 existing policies

CRÉDIT AGRICOLE ASSICURAZIONI

- 100% controlled by Crédit Agricole S.A.
- 1.4% of the Italian bancassurance market
- 23,000 Home insurance policies and 31,000 Car insurance policies
- €4.5 million Home premiums and €13.3 million car premiums

CRÉDIT AGRICOLE CREDITOR INSURANCE

- Company specializing in CPI products, credit protection and Life-style
- Ranked 4th in Europe, in Italy since September 2010 with CACI-Life and CACI Non-Life
- For CACI, Italy is the 2nd market in terms of premium collection

Private Equity

CRÉDIT AGRICOLE PRIVATE EQUITY

- Incorporated in March 2009 as AMC
- Operates with a fund named CAI 1
- Total equity: €101 million
- Focus on unlisted Italian SMEs for support of development plans

IDIA-SODICA ITALIA
CA AGRO-ALIMENTARE

- Operates in Italy through C3A, an Italian-based financial holding, in which Cariparma and Friuladria hold stakes
- Focus on unlisted Italian SMEs and on investment in the agrifood and agri-industrial sectors

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Consolidated Report and Financial Statements of the Cariparma FriulAdria Group

Management report

MACROECONOMIC DEVELOPMENTS AND THE BANKING SYSTEM IN 2010

Macroeconomic developments in 2010

In 2010, the world GDP went back to the growth rates prior to the crisis, even though the strong growth of the emerging economies still contrasts with the moderate growth of advanced economies. The recovery cycle in developed countries showed some weakness. The United States authorities continued to implement expansion policies (both monetary and in terms of government budget) to support recovery and to promote the creation of new jobs.

Conversely, in the Euro area, Germany's booming recovery contrasted with the weakness of fringe countries. Uncertainty on the sustainability of government debt and foreign debt kept the financing of the economy on hard terms, which, together with restrictive budget policies, limited economic growth.

In the last quarter of 2010, in the EMU, tensions on the sovereign debt markets worsened, which were triggered by the crisis of Irish banks, despite the bailout plan implemented by the European Financial Stability Facility and by the International Monetary Fund. Spreads between rates of EMU fringe countries government bonds and the German Bund increased.

The ECB continued to implement expansive monetary policy measures, so as to interrupt the increase in short-term rates of the last months and to reduce counterparty risk on interbank markets. On the other hand, the ECB tried to keep alert on inflation risks bolstering expectations of a possible increase in policy rate in 2011.

Despite restrictive tax policies, the uncertainty on the future developments in monetary policy, the recovery of the world economy seems to have started, even though at world level a slowing was recorded in the third quarter compared with the previous one.

The latest estimates on the national economic accounts have shown that the United States continued to grow, posting a +2,8% increase in GDP. A lesser increase, equal to +1.7%, is expected in the Euro Area driven by Germany's strong growth (+3.5%). France and Italy posted a lesser growth, +1.5% and +1.0% respectively; the worst performance in the Euro Area Countries. Specifically, the Italian GDP growth can be attributed to the good performance of exports (+8.1% year-on-year) and of investments (+3.0% year-on-year), while the growth of private consumption was still weak (+0.4% year-on-year).

The economic indicators for households and enterprises are now showing signs of improvement: confidence of manufacturing companies continues to grow, while that of households, even though improving, is still affected by the persisting uncertainty.

In 2010, the labour market continues to show some weakness: after decreasing in the summer months, the unemployment rate came to 8.6% at the end of the year.

The banking system in 2010

Despite the difficult situation, both internal and external, in 2010, the Italian banking system managed to ensure an adequate credit flow to the economy, which increased in the last part of the year.

In November, lending volumes increased by 3.4% year-on-year, mainly due to the increase in loans to households (+7.2%); lending to enterprises also recovered. Specifically, the recovery in lending to businesses, up by +1.3%, was driven by loans with maturities over one year, up by +2.2% and by the increase in short-term financing, due to higher liquidity requirements associated to the gradual recovery of the economic cycle. The increase in lending to households was driven by the good performance of home mortgage loans, up by +8.6%.

Credit quality remained high in 2010, even though the growth rate of bad debts slowed down.

On the funding side, growth in volumes was moderate (+3.9%), due to the decline in current accounts deposits (-0.9%), which was offset by the increase in fixed-term deposits (+10.3%) and in repurchase agreements. Bonds decreased by -0,5%, due to the strong competition of government securities.

Macroeconomic outlook for 2011

At world level, the GDP is expected to contract in 2011, due to a slowing down in emerging countries, partly offset by a higher growth in developed countries, in a situation of mounting uncertainty. The USA's GDP is expected to increase by over +3%, thanks to the implementation of government budget and monetary expansion policies aimed at supporting economic growth, keeping interest rates unchanged. GDP in the Euro area is forecast to post approximately a +1.4% increase, driven by Germany's strong growth.

In terms of prices, both the US and the EMU have already been affected by the inflationary tendency resulting from commodities markets. In the United States, the FED's commitment to control inflation goes along with the full employment target. The monetary policy is expected to continue supporting growth, until the employment rate becomes more stable. In the EMU, inflation, net of the fluctuating components of energy and food products, is forecast to come approximately to 1%, thus not leading the ECB to increase interest rates earlier than the last quarter of 2011.

In 2011, Italy's growth is expected to slow down slightly, with the GDP increasing by +0.9% only. Exports are forecast to decrease, due to the contraction of foreign demand, as an effect of a progressively increasing Dollar/Euro exchange rate.

In 2011, domestic demand is expected to stagnate, due to the uncertainty in the labour market and also to a +2.2% increase in inflation.

Domestic demand is forecast to be affected by the lack of support from the public sector, for which the Stability Plan approved in December provides for control of expenditures and freeze on public employees' wages.

The labour market is forecast to remain weak for a long time, with unemployment rate above 9%, even though employment rate is expected to show weak recovery.

Therefore, a moderate recovery is expected for the Italian economy, a positive trend substantiating the good stability of the Italian economic system.

▸ Significant events occurred in the year

Bank acquisitions

In February 2010, within the activities required by the Italian Antitrust Authority relating to the management of Crédit Agricole's equity investment in Intesa Sanpaolo, the two banking groups entered into an agreement for the transfer of a branch network including between 150 and 200 branches from the Intesa Sanpaolo Group.

In July 2010, Crédit Agricole and Intesa Sanpaolo entered into a complementary agreement for the purchase by Crédit Agricole/ Cariparma FriulAdria Group:

- of the shareholding in Cassa di Risparmio della Spezia held by Intesa Sanpaolo (79.99%);
- of the 96 branches owned by Intesa Sanpaolo.

For the Cariparma FriulAdria Group, this transaction is an important strategic opportunity, since:

- it resulted in the creation of a national network consisting of over 900 branches, increasing the branch market share of the Cariparma FriulAdria Group by +0.5% and in the Group ranking 7th in the Italian banking market for number of branches;
- it ensures an optimal integration between the Group's present network and the newly-acquired branches:
  - thanks to the acquired branches, the Group's competitive positioning will be even more substantial in Italian large cities (Rome, Milan, Florence, Padua), as well as its presence in Central Italy, including a new Region, Umbria,
  - thanks to the acquisition of Carispezia, the Group's presence will be strengthened expanding into new areas, such as La Spezia and Massa Carrara, where Carispezia has a significant branch market share;
- it entails the acquisition by the Group of approximately 360,000 new customers that are the basis for future growth.

Moreover, it should be noted that this transaction, supported by an adequate share capital increase plan, will be carried out further improving soundness, liquidity and risk ratios, which will be the basis of sustainable growth over time by supporting the development of local economies and the continuous growth of lending to households and businesses with a reasonable cost of credit.

Rating agency

The Group's equity soundness and certain prospects were acknowledged by Moody's Aa3 rating, the same of the previous year (issued in October 2010) and by the AA- rating assigned in December 2010 by Standard & Poor's, which both acknowledge Cariparma' s excellence in the Italian banking system.

	Rating agency	
	Moody's	Standard & Poor's
Short-term loans	P-1	A-1+
Long-term loans	Aa3	AA-

THE PERFORMANCE OF THE CARIPARMA FRIULADRIA GROUP

Overview

In 2010, the Cariparma FriulAdria Group consolidated its development in a particularly difficult economic situation with a weak economic growth and continuing uncertainty of the financial markets. The moderate increase in banking aggregates and the continuing low interest rate environment have negatively affected Banks' income statements in 2010. In this situation, the Group continued to pursue sustainable growth, equity soundness, efficient use of available resources, constant monitoring of the risk profiles of the Bank's various operations, thus continuing to be a reference partner for households, businesses and other economic agents.

The Group's development was supported by a balanced increase in volumes, ensuring on the one hand an adequate liquidity level and, on the other, continuing support to households and businesses, also in case of slowdowns of credit supply. An adequate capital endowment allowed the development of the various business units to be supported and an expansion policy to be continued aiming at strengthening the Group's presence in existing areas.

An effective cost management using a cost allocation system made it possible to continue direct investing in the adjustment of the Group's operating structure to the business changed requirements and to complete the integration process. Finally, setting up an adequate control structure allowed the increase in profit margins to be associated with an effective risk management. The Group promptly implemented the requirements resulting from constants developments in regulations and legislation, to pursue the transparency and responsibility values envisaged by the Code of Ethics.

All the above is to be read based on the Cariparma FriulAdria Group being part of a large international banking group, Crédit Agricole, which is the main player In Europe for retail banking. In Italy, this allows synergies to be developed with the international Group's product factory, and, thus, advanced services to be supplied which can meet the customers' growing requirements.

Revenues increased, even though moderately, due to commission income and gains on trading activities, which offset the decrease in interest income resulting from continuing low interest rates. The increase in the customer component allowed the fall in net interest income to be mitigated. The objective of sustainable growth was confirmed by a quarter performance showing a progressive increase in revenues thanks to the constant growth in total assets and commissions. Costs, net of the expenses relating to the Group's expansion plan including the acquisition of Carispezia and of 96 branches from Intesa Sanpaolo, decreased. A tight control of other administrative expenses made it possible to absorb the higher staff expenses due to the application of the National collective bargaining agreement and the increase in depreciation and amortization due to the investments made in the last few years.

The operating profit came to €639 million. Net of the expenses relating to the Group's expansion plan, the operating profit came to €649 million, increasing from the €644 million in 2009.

Adjustments and accruals amounting to €245 million, up by €22 million, aimed at managing risks and keeping an adequate coverage ratio for protection against potential losses on loans.

Net profit came to €240 million, down by €66 million on 2009: a positive performance considering the general economic situation and the lending sector performance.

Income statement reclassification

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

- the recovery of the time value component on loans, reported under net interest income, rather than net impairment adjustments of loans, since this arises directly from applying the amortized cost method when there are no change in expected future cash flows;
- IAS gains resulting from the disposal of leased assets were taken to net interest income rather than to other operating revenues;
- net gains (losses) on trading activities and the net gains (losses) on hedging activities have been reallocated 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 gains or losses on trading activities;
- the recovery of taxes and duties has been posted as a direct reduction of administrative expenses, rather than being reported under other operating revenues/expenses;
- net impairment adjustments of available-for-sale financial assets have been reported under other operating revenues/expense;
- net impairment adjustments of other financial transactions, relating mainly to guarantees and commitments, have been moved to net impairment adjustments of loans.

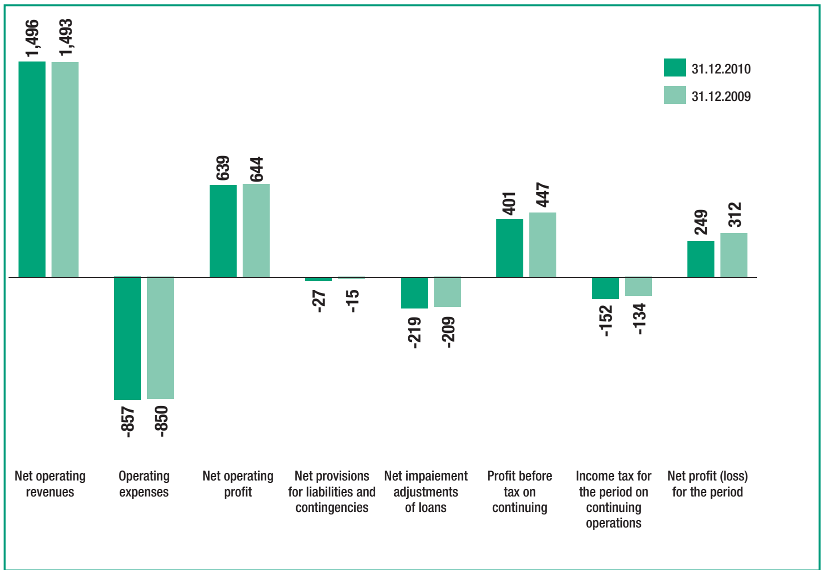
The figures presented below are expressed in thousands of Euros.

▸ Reclassified Consolidated Income Statement

	31.12.2010	31.12.2009 (*)	Changes Total	Changes %
Net interest income	931,997	979,247	-47,250	-4.8
Net commission income	502,928	475,689	27,239	5.7
Dividends	1,636	2,157	-521	-24.2
Net gain (loss) on trading activities	67,715	48,416	19,299	39.9
Net insurance income	-	-	-	-
Other operating revenues (expenses)	(8,431)	(12,259)	-3,828	- 31.2
Net operating revenues	**1,495,845**	**1,493,250**	**2,595**	**0.2**
Staff expenses	(533,406)	(519,497)	13,909	2.7
Administrative expenses	(251,016)	(262,923)	-11,907	-4.5
Depreciation and amortization	(72,804)	(67,080)	5,724	8.5
Operating expenses	**(857,226)**	**(849,500)**	**7,726**	**0.9**
Net operating profit	**638,619**	**643,750**	**-5,131**	**-0.8**
Goodwill value adjustments	-	-	-	-
Net provisions for liabilities and contingencies	(26,605)	(14,583)	12,022	82.4
Net impairment adjustments of loans	(218,787)	(208,652)	10,135	4.9
Net adjustments of other assets	-	-	-	0.0
Gain (loss) from financial assets held to maturity and other investments	7,541	26,148	-18,607	-71.2
Profit before tax on continuing operations	**400,768**	**446,663**	**-45,895**	**-10.3**
Income tax for the period on continuing operations	(151,901)	(134,347)	17,554	13.1
Net profit (loss) for the period	**248,867**	**312,316**	**-63,449**	**-20.3**
Net profit (loss) pertaining to minority interests	(8,790)	(6,603)	2,187	33.1
NET PROFIT FOR THE PERIOD PERTAINING TO SHAREHOLDERS OF THE GROUP	**240,077**	**305,713**	**-65,636**	**-21.5**

(*) *Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.*

COMPONENTS OF RECLASSIFIED INCOME STATEMENT



▸ Reconciliation between the official and reclassified income statements

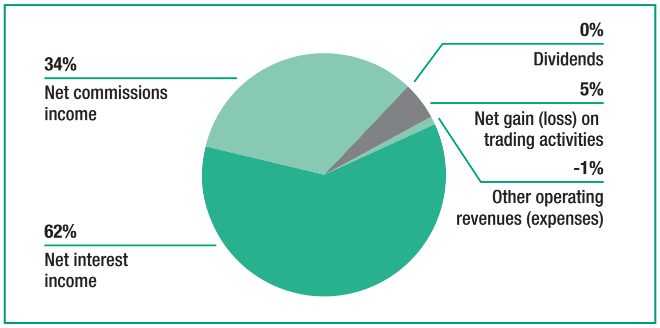
	31.12.2010	31.12.2009 (*)
Net interest income	**931,997**	**979,247**
30. Net interest income	918,711	971,604
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	11,291	11,933
90. Net gain (loss) on hedging activities, of which interest adjustment on bonds and AFS securities	1,995	(4,290)
Net commissions = item 60	**502,928**	**475,689**
Dividends = item 70	**1,636**	**2,157**
Net gain (loss) on trading activities	**67,715**	**48,416**
80. Net gain (loss) on trading activities	22,536	23,943
90. Net gain (loss) on hedging activities	2,699	9,439
100. Gain (loss) on the disposal or repurchase of: b) financial assets available for sale	46,427	8,307
100. Gain (loss) on the disposal or repurchase of: d) financial liabilities	(3,947)	2,437
90. Net gain (loss) on hedging activities, of which interest adjustment on bonds and AFS securities	-	4,290
Other operating revenues (expenses)	**(8,431)**	**(12,259)**
220. Other operating revenues (expenses)	148,979	140,061
Less: recovery of expenses	(155,297)	(150,638)
Less: time value on Calit impaired loans	(1,995)	(1,169)
130. Net impairment adjustments of: b) financial assets available for sale	(118)	(513)
Net operating revenues	**1,495,845**	**1,493,250**
Staff expenses = 180 a)	**(533,406)**	**(519,497)**
Administrative expenses	**(251,016)**	**(262,923)**
180. Administrative expenses: b) other administrative expenses	(406,313)	(413,561)
190. Other operating revenues/expenses: recovery of expenses	155,297	150,638
Depreciation and amortization	**(72,804)**	**(67,080)**
200. Net adjustments of property, plant and equipment	(27,061)	(26,376)
210. Net adjustments of intangible assets	(45,743)	(40,704)
Operating expenses	**(857,226)**	**(849,500)**
Net operating profit	**638,619**	**643,750**
Net provisions for liabilities and contingencies = Item 190	**(26,605)**	**(14,583)**
Net impairment adjustments of loans	**(218,787)**	**(208,652)**
100. Gain/loss on the disposal of: a) loans	(8,803)	(7,685)
130. Net impairment adjustments of: a) loans	(201,579)	(187,616)
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	(11,291)	(10,764)
130. Net impairment adjustments of: d) other financial transactions	2,886	(2,587)
Gain (loss) from financial assets held to maturity and other investments	**7,541**	**26,148**
240. Gain (loss) from equity investments	5,350	26,114
270. Gain (loss) on disposal of investments	2,191	34
Profit before tax on continuing operations	**400,768**	**446,663**
Income tax for the period on continuing operations	(151,901)	(134,347)
Net profit (loss) on non-current assets under disposal after tax	-	-
PROFIT (LOSS) FOR THE PERIOD	**248,867**	**312,316**
Net profit (loss) pertaining to minority interests	(8,790)	(6,603)
NET PROFIT FOR THE PERIOD PERTAINING TO SHAREHOLDERS OF THE GROUP	**240,077**	**305,713**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

▸ Net operating revenues

Net operating revenues amounted to €1,495.8 million, up by €2.6 million from the €1,493.2 million in 2009. This moderate growth was due to the difficult economic situation persisting in 2010 and particularly impacting on banks' profit or loss. The essential stability of revenues benefited from the positive performance of net commissions, up by €27.2 million (+5.7%), higher revenues from trading activities, increasing by €19.3 million (+39.9%) and lower operating expenses, which offset a decrease in net interests by €47.2 million (-4.8%).

NET OPERATING REVENUES



▸ Net interest income

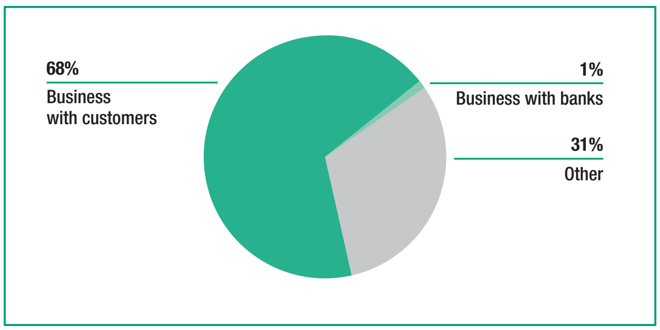
	31.12.2010	31.12.2009	Changes Total	%
Business with customers	867,854	1,059,802	-191,948	-18.1
Business with banks	4,875	46,405	-41,530	-89.5
Securities issued	(231,600)	(281,024)	-49,424	-17.6
Differences on hedging derivatives	122,172	80,094	42,078	52.5
Financial assets held for trading	297	2,860	-2,563	-89.6
Financial assets held to maturity	-	-	-	
Financial assets available for sale	168,215	71,078	97,137	
Other net interest	184	32	152	
NET INTEREST INCOME	**931,997**	**979,247**	**-47,250**	**-4.8**

Net Interest income came to €932.0 million, down by €47.2 million (-4.8%) over 2009. This decrease mainly concerned the customer component, which decreased by €191.9 million (-18.1%) due to the further contraction of the spread resulting from low interest rates. The increase in volumes of lending and funding, by 6.7% for loans and 7.4% for funding in terms of average volumes, expressing the Group's continuous growth, could mitigate this downturn only partially.

The customer component was also affected by the almost total lifting of unauthorized overdraft fees effective starting from the second half of 2009. The negative performance of the customer component was partially off-set by the effective asset management policy within the Asset Liability Management, aiming at hedging interest rates. This component recorded an increase in interest income from available-for-sale assets by €97.1 million, resulting from the purchase of EU government bonds (namely Italian BTPs and French OATs – both long-term treasury bonds), as well an increase in hedge derivatives spreads by €42.1 million. These positive performances were partially absorbed by the €41.5 million decrease in interest income from interbank accounts.

These were affected by a strong increase in repurchase agreements of interbank funding, aimed at asset management activities. A share of this funding was linked to the securities resulting from securitization.

NET INTEREST INCOME



▸ Net commission income

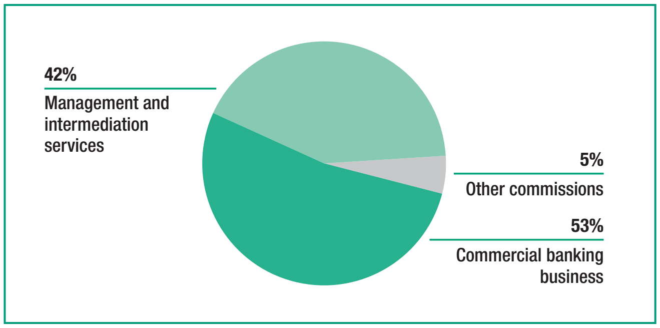
	31.12.2010	31.12.2009	Changes	
			Total	%
- guarantees issued	10,378	9,726	652	6.7
- collection and payment services	35,817	36,406	-589	-1.6
current accounts	188,284	174,700	13,584	7.8
- debit and credit card services	31,403	30,534	869	2.8
Commercial banking business	**265,882**	**251,366**	**14,516**	**5.8**
- securities intermediation and placement	97,245	87,310	9,935	11.4
- foreign exchange	4,997	4,740	257	5.4
- asset management	8,370	8,247	123	1.5
- distribution of insurance products	99,008	92,548	6,460	7.0
- other intermediation/management commissions	2,470	8,060	-5,590	-69.4
Management, intermediation and advisory services	**212,090**	**200,905**	**11,185**	**5.6**
Tax collection services	**-**	**-**	**-**	
Other net commissions	**24,956**	**23,418**	**1,538**	**6.6**
TOTAL NET COMMISSIONS	**502,928**	**475,689**	**27,239**	**5.7**

Net commission income amounted to €502.9 million over the €475.7 million of 2009, up by €27.2 million. This was due to both an increase in revenues from traditional banking business in the amount of €14.5 million (+5.8%), and to an increase in revenues from management, intermediation e advisory services, which was up by €11.2 million (+5.6%).

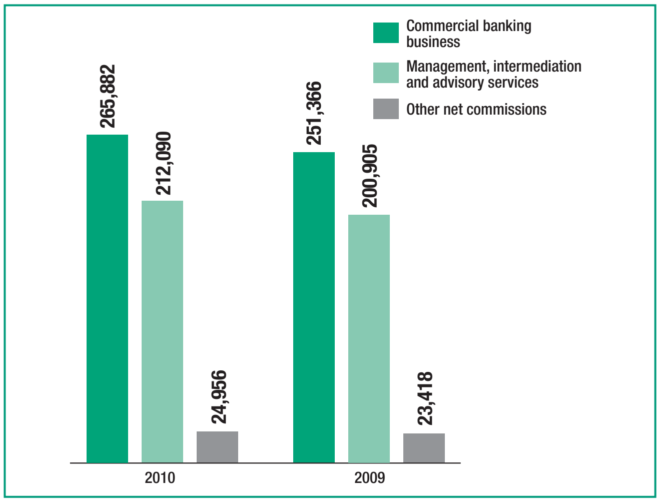
More specifically:

- traditional banking business recorded a strong increase in commissions on current accounts, up by €13.6 million (+7.8%);
- the €11.2 million increase in revenues from management, intermediation e advisory services resulted, for €9.9 million, from securities intermediation and placement, mainly mutual funds, and, for €6.5 million from distribution of insurance products. The positive performance of these items was partially offset by the decrease in other intermediation/management commissions, down by €5.6 million. This performance reflects investors' caution, rekindled by the difficulties in public accounts, which led investors to opt for short-term or low-risk investments. The increase in revenues from insurance products resulted from further growth of non-life insurance line, Credit Protection and car insurance. The life insurance component, which posted an increase in placement of life insurance products over the previous year, was affected by the sale of products having lower profitability in line with the lower risk taken by customers and with Mifid.

NET COMMISSION INCOME



NET COMMISSION INCOME : BREAKDOWN



▸ Net gain (loss) on trading activities

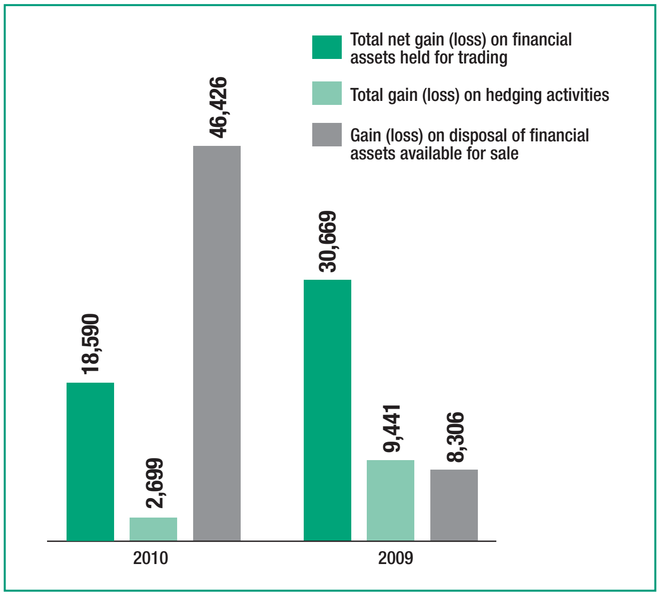
	31.12.2010	31.12.2009	Changes	
			Total	%
Interest rates	16,325	23,921	-7,596	-31.8
Equities	384	3,474	-3,090	-88.9
Foreign exchange	2,520	2,160	360	16.7
Commodities	(639)	1,114	-1,753	
Trading credit *derivatives*	-	-	-	
Total net gain (loss) on financial assets held for trading	**18,590**	**30,669**	**-12,079**	**-39.4**
Total gain (loss) on hedging activities	**2,699**	**9,441**	**-6,742**	**-71.4**
Gain (loss) on disposal of financial assets available for sale	**46,426**	**8,306**	**38,120**	
NET GAIN (LOSS) ON TRADING ACTIVITIES	**67,715**	**48,416**	**19,299**	**39.9**

Gains/losses on trading activities came to €67.7 million, up by €19.3 million over the previous year. This increase was due to gains on disposal of available-for-sale financial assets, while gains on hedging activities and gains on trading activities.

More specifically:

- **Net gain (loss) on trading activities:** these amounted to €18.6 million, down by €12.1 million, mainly due to trading in interest rates (-€7.6 million) and in shares (-€3.1 million);
- **Net gain (loss) on hedging activities:** these amounted to €2.7 million, down by €6.7 million over the previous year;
- **Gain (loss) on disposal of financial assets available for sale:** these increased by €38.1 million, coming to €46.4 million. This increase is mainly due to sales of government securities carried out within the asset management policy for Asset Liability Management, aimed at managing interest rate risk.

NET GAIN (LOSS) ON FINANCIAL ACTIVITIES : BREAKDOWN



▸ Other operating revenues (expenses)

Other operating revenues and expenses showed net expenses of €8.4 million, decreasing by €3.8 million over the previous year. The balance results from revenues, net of expense recovery, amounting to €9.9 million and expenses amounting to €18.3 million. Revenues were mainly from rents and non-recurring sundry income, while expenses resulted from amortization of leasehold improvement costs and sundry expenses, including customer refunds.

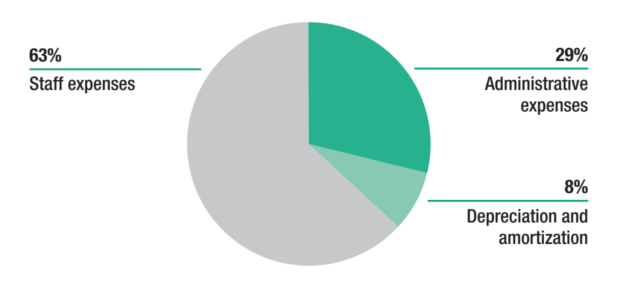
▸ Operating expenses

	31.12.2010	31.12.2009	Changes	
			Total	%
- wages and salaries	(381,098)	(366,542)	14,556	4.0
- social security contributions	(99,533)	(97,749)	1,784	1.8
- other staff expenses	(52,775)	(55,206)	-2,431	-4.4
Staff expenses	**(533,406)**	**(519,497)**	**13,909**	**2.7**
- general operating expenses	(95,506)	(105,165)	-9,659	-9.2
- IT services	(63,904)	(69,490)	-5,586	-8.0
- direct and indirect taxes	(68,099)	(69,377)	-1,278	-1.8
- facilities management	(49,715)	(50,113)	-398	-0.8
- legal and other professional services	(26,940)	(25,946)	994	3.8
- advertising and promotion costs	(9,430)	(16,769)	-7,339	-43.8
- indirect staff expenses	(9,526)	(10,720)	-1,194	-11.1
- other expenses	(83,194)	(82,624)	570	0.7
- recovery of expenses and charges	155,298	167,281	-11,983	-7.2
Administrative expenses	**(251,016)**	**(262,923)**	**-11,907**	**-4.5**
- intangible assets	(45,743)	(40,704)	5,039	12.4
- property, plant and equipment	(27,061)	(26,376)	685	2.6
Depreciation and amortization	**(72,804)**	**(67,080)**	**5,724**	**8.5**
OPERATING EXPENSES	**(857,226)**	**(849,500)**	**7,726**	**0.9**

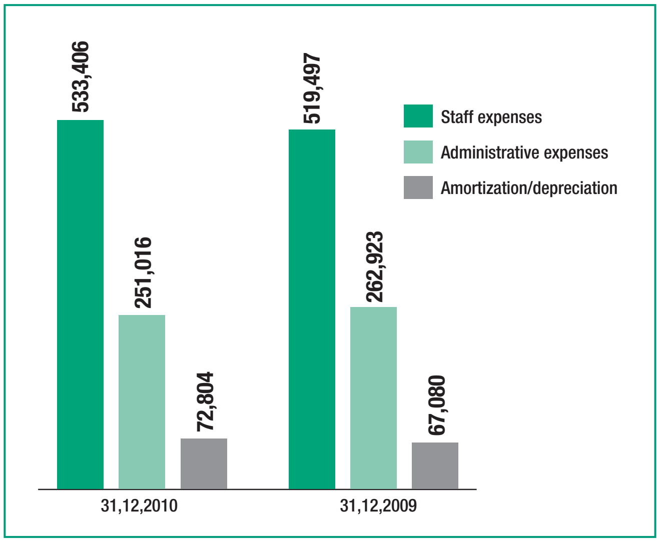
Operating expenses totalled €857.2 million, essentially stable compared to the previous year. Net of costs borne in 2010 for the network expansion plan through transfers from Intesa Sanpaolo, operating expenses decreased over 2009, with a resulting improvement of the cost-to-income ratio, which came to 56.6% from 56.9% of the previous year, thus substantiating the high efficiency of the Group. More specifically:

- **Staff expenses:** these accounted for 63% of operating expenses and came to €533.4 million, an increase of €13.9 million (+2.7%) over the previous year. This increase can be mainly attributed to the higher expenses resulting from full implementation of wage increases provided for under the national collective bargaining agreement, only partially offset by a staff reduction and by the benefits from reductions in INPS (Italian Social Security institution) social security contributions for training. In 2010, the Group changed the recognition criteria for actuarial profits/losses relating employee severance benefits and the defined-benefit pension plan, restating 2009 figures for a comparison with the figures of the previous year.
- **Administrative expenses:** these account for 29% of operating expenses and came to €251.0 million, down by €11.9 million over 2009 (-4.5%). This decrease can be attributed to a series of expense items: from general operating expenses (-€9.7 million) to advertising expenses (-€7.3 million) to expenses for IT services (-€5.6 million) to indirect staff expenses (-€1.2 million) and was supported by effective cost management activities aiming at ensuring a correct allocation of costs to strategic expenses assets. Administrative expenses also include part of the costs borne in 2010 for the Group's network expansion including the acquisition of Carispezia and 96 branches acquired from Intesa Sanpaolo, which will be implemented in 2011, for an amount of €10 million. Expenses mainly relating to legal, professional and IT services required to prepare the future migration processes.
- **Depreciation and amortization:** these came to €72.8 million, up by €5.7 million (+8.5%) over the previous year. The increase in depreciation and amortization can be mainly attributed to intangible assets and to the fact that depreciation and amortization on investment made in the last year became fully operational. These are part of an important and structured investment plan aiming at completing the Group's integration process, at making the operating machine more efficient and at developing the business.

OPERATING EXPENSES



OPERATING EXPENSES: COMPOSITION



▸ Operating profit

Net operating profit came to €638.6 million, in line with the previous year. Net of the expenses met to implement the expansion plan, by acquiring new assets, the operating profit decreased by €5 million (+0.8%) over the previous year.

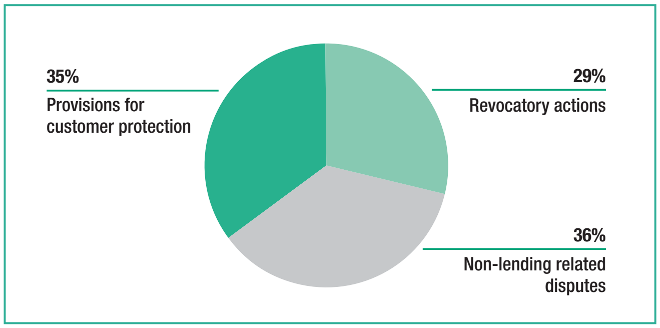
▸ Provisions and other components

Net provisions for liabilities and contingencies

Net provisions for liabilities and contingencies totalled €26.6 million, up by €12 million over the previous year. Provisions accrued for non-lending-related disputes account for 36% of this aggregate, the provisions accrued to protect the capital invested by customers for 35%, and the provisions accrued for revocatory actions for 29%.

The increase in provisions over the previous year covers all the items in the aggregate: €3.1 million for revocatory actions, €4 million for non-lending-related disputes and €4.9 million for customer refund on securities in default.

NET PROVISIONS FOR LIABILITIES AND CONTINGENCIES



▸ Net impairment adjustments of loans

	31.12.2010	31.12.2009	Changes Total	%
bad debts	(109,214)	(115,023)	(5,809)	-5.1
other impaired loans	(133,586)	(111,241)	22,345	20.1
performing loans	21,128	20,199	929	4.6
Net impairment adjustments of loans	**(221,672)**	**(206,065)**	**15,607**	**7.6**
Net adjustments of guarantees and commitments	2,885	(2,587)	5,472	
NET IMPAIRMENT ADJUSTMENTS OF LOANS	**(218,787)**	**(208,652)**	**10,135**	**4.9**

In 2010 the serious economic crisis begun in 2008 continued, increasingly affecting not only businesses, but also households, which were impacted by the decrease in employment rate and by unemployment benefits, relating to both ordinary and extraordinary redundancy fund and mobility allowances. In such a situation, the Group's net impairment adjustments of loans increased moderately by €10.1 million (+4.9%), from the €208.7 million of 2009 to €218.8 million. This was achieved through enhancement and control of internal processes and corporate structures engaged in monitoring and management of non-performing loans. Moreover, new tools used for early detection of problems were introduced and for starting the best management actions that are needed to upgrade and protect exposures, also entering into specific loan restructuring agreements (either bilateral or shared throughout the banking system) to ensure management continuity of worthy businesses experiencing temporary difficulties.

The Cariparma FriulAdria Group confirmed also in 2010 its prudential credit risk management policy: adequate and substantial accruals were made on impaired exposures, also on those backed by collaterals, to maintain an adequate coverage ratio for problem loans, in line with that of the previous year.

More specifically, in 2010, impairment adjustments of loans were affected by the performance of other impaired positions (portfolio consisting of substandard loans, restructured loans and past-due overlimit loans): with an increase in lending volumes, also adjustments of loans increased, by an amount of €22.3 million. Conversely, adjustments of bad debts decreased by €5.8 million. The ratio of net impairment adjustments of loans to net loans to customers came to 0.72%, confirming the figures of 2009.

Performing loans recorded a €21.1 million writeback over 2009, resulting from the new calculation criteria of the method used for collective writedown of loans. Guarantees issued and commitments recorded a writeback by €2.9 million from adjustments in the previous year amounting to €2.6 million.

▸ Profit before tax on continuing operations

Profit before tax on continuing operations came to €400.8 million, declining by €45.9 million compared with 2009 (-10.3%). This is after the recognition of the increase in provisions and net adjustments by €22.2 million, as well as the decrease by €18.6 million in profits on financial assets held to maturity and on other investments amounting to €7.5 million compared with the €26.1 million in 2009, when the contribution of the subsidiary Crédit Agricole Vita S.p.A. had been higher.

▸ Income taxes on continuing operations

Current and deferred taxes totalled €151.9 million, a €17.6 million increase from the €134.3 million registered in 2009, despite the smaller gross profit. In 2009, specific extraordinary items were recognized, linked to the realignment of tax and financial reporting values of goodwill and to the residual discharge of tax liability in respect of values not recognized for tax purposes, which overall brought a benefit of about €34 million. Net of these extraordinary items, the different tax burden can be mainly attributed to the net profit of the associate/subsidiary company CA Vita, which decreased year-on-year and was taken to gross profit. This was also due to a higher regional business tax (IRAP) resulting from the increase in IRAP non-deductible amounts in the 2010 Income Statement, as well as to recovery of limited surplus in provisions for taxes of the previous years.

▸ Net profit (loss) and comprehensive income

Net profit

Net profit came to €240 million, down by €66 million on 2009.

Comprehensive income

		31.12.2010	31.12.2009(*)
10.	**Profit (loss) for the period**	**248,867**	**312,316**
	Other income after tax		
20.	Financial assets available for sale	(145,530)	28,224
30.	Property, plant and equipment	-	-
40.	Intangible assets	-	-
50.	Hedging of foreign investments	-	-
60.	Cash flow hedges	(1,122)	(1,643)
70.	Exchange rate differences	-	-
80.	Disposal groups	-	-
90.	Actuarial gains (losses) on defined-benefit plans	(6,453)	5,435
100.	Share of valuation reserves on equity investments accounted for using the equity method	(16,976)	18,407
110.	**Total other income components after tax**	**(170,081)**	**50,423**
120.	**Comprehensive income (Item 10+110)**	**78,786**	**362,739**
130.	Consolidated comprehensive income pertaining to minority interests	3,065	7,974
140.	**Consolidated comprehensive income pertaining to the Parent Company**	**75,721**	**354,765**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

The Group's comprehensive income, calculated adding all income and expenses recognized in equity to profit or loss, in accordance with IAS 1 revised, declined from the €354.8 million in 2009 to €75.7 million .

This was mainly due to the writedown of available-for-sale financial assets amounting to €145.5 million in 2010, compared with a writeback of €28.2 million in 2009. Also, in 2010, defined-benefit plans recorded actuarial losses amounting to €6.5 million and writedowns of valuation reserves equity investment recognized in equity for €17.0 million.

PERFORMANCE OF BALANCE-SHEET AGGREGATES

Reclassification of the balance sheet

In order to facilitate interpretation of the Group's balance sheet and financial situation, a summary balance sheet was prepared, by grouping balance-sheet items. The changes concern:

- presentation of financial assets and liabilities held for trading on a net basis;
- presentation of loans to banks and amounts due to banks on a net basis;
- inclusion of the net value of fair value hedge derivatives with the respective assets/liabilities being hedged;
- inclusion of the adjustments of macro-hedged financial liabilities in the respective liabilities being hedged;
- grouping of intangible assets and property, plant and equipment into a single aggregate;
- inclusion of cash and cash equivalents within "other assets";
- grouping of the "Due to customers" and "Securities Issued" items into the "funding from customers" item ;
- grouping of specific-purpose provisions (i.e. employee severance benefits and provisions for liabilities and contingencies) into a single aggregate.

Reclassified Consolidated balance sheet

			Changes	
Assets	**31.12.2010**	**31.12.2009 (*)**	**Total**	**%**
Net financial assets/liabilities held for trading	15,396	68,906	-53,510	-77.7
Financial assets available for sale	7,238,934	3,887,426	3,351,508	86.2
Net loans to banks	-	-	-	-
Loans to customers	30,398,184	28,924,793	1,473,391	5.1
Equity investments	119,975	134,999	-15,024	-11.1
Property, plant and equipment and intangible assets	1,822,792	1,795,160	27,632	1.5
Tax assets	638,020	621,886	16,134	2.6
Non-current assets or groups of assets being divested	-	-	-	-
Other assets	837,776	747,290	90,486	12.1
TOTAL NET ASSETS	**41,071,077**	**36,180,460**	**4,890,617**	**13.5**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

Liabilities	31.12.2010	31.12.2009 (*)	Changes	
			Total	%
Net due to banks	6,434,356	1,549,229	4,885,127	315.3
Funding from customers	29,055,963	29,163,305	-107,342	-0.4
Net trading financial liabilities	-	-	-	-
Tax liabilities	290,239	314,743	-24,504	-7.8
Liabilities in respect of assets being divested	-	-	-	-
Other liabilities	1,014,227	1,017,739	-3,512	-0.3
Specific-purpose provisions	238,631	256,272	-17,641	-6.9
Share capital	785,066	785,066	-	-
Reserves (net of treasury shares)	2,965,246	2,569,368	395,878	15.4
Valuation reserves	(109,661)	57,431	-167,092	-290.9
Minority interests	156,933	161,594	-4,661	-2.9
Net profit (loss) for the period	240,077	305,713	-65,636	-21.5
TOTAL NET LIABILITIES AND EQUITY	**41,071,077**	**36,180,460**	**4,890,617**	**13.5**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

▸ Reconciliation of the official and reclassified balance sheets

Assets	31.12.2010	31.12.2009 (*)
Net financial assets/liabilities held for trading	**15,396**	**68,906**
20. Financial assets held for trading	299,335	388,956
40. Financial liabilities held for trading	(283,939)	(320,050)
Financial assets available for sale	**7,238,934**	**3,887,426**
40. Financial assets available for sale	7,185,080	3,896,348
80. Hedging derivatives (assets): hedging of AFS securities	63,032	(3,173)
60. Hedging derivatives (liabilities): hedging of AFS securities	(9,178)	(5,749)
Net loans to banks	**-**	**-**
60. Loans to banks	-	-
10. Due to banks	-	-
Loans to customers	**30,398,184**	**28,924,793**
70. Loans to customers	30,406,621	28,932,934
60. Hedging derivatives (liabilities): mortgage hedging	(8,437)	(8,141)
Equity investments	**119,975**	**134,999**
100. Equity investments	119,975	134,999
Property, plant and equipment and intangible assets	**1,822,792**	**1,795,160**
120. Property, plant and equipment	389,823	349,426
130. Intangible assets	1,432,969	1,445,734
Tax assets	**638,020**	**621,886**
140. Tax assets	638,020	621,886
Other assets	**837,776**	**747,290**
10. Cash and cash equivalents	214,900	220,398
160. Other assets	622,876	526,892
TOTAL ASSETS	**41,071,077**	**36,180,460**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

Liabilities	31.12.2010	31.12.2009 (*)
Net interbank funding	**6,434,356**	**1,549,229**
60. Loans to banks	(4,629,496)	(3,969,680)
10. Due to banks	11,078,000	5,518,909
80. Hedging derivatives (assets): liabilities with banks	(12,762)	-
70. Adjustment of financial liabilities hedged generically: liabilities with banks	(1,386)	-
Funding from customers	**29,055,963**	**29,163,305**
20. Due to customers	18,114,794	17,740,325
30. Securities issued	11,181,460	11,633,764
60. Hedging derivatives (liabilities)	22,899	16,108
70. Adjustment of financial liabilities hedged generically	77,273	76,037
80. Hedging derivatives (assets)	(400,028)	(285,866)
60. Hedging derivatives (liabilities): mortgage hedging	(8,437)	(8,141)
80. Hedging derivatives (assets): hedging of AFS securities	63,032	(8,922)
60. Hedging derivatives (liabilities): hedging of AFS securities	(9,178)	-
80. Hedging derivatives (assets): liabilities with banks	12,762	-
70. Adjustment of financial liabilities hedged generically: liabilities with banks	1,386	-
Tax liabilities	**290,239**	**314,743**
80. Tax liabilities	290,239	314,743
Other liabilities	**1,014,227**	**1,017,739**
100. Other liabilities	1,014,227	1,017,739
Specific-purpose provisions	**238,631**	**256,272**
110. Employee severance benefits	133,418	131,190
120. Provisions for liabilities and contingencies	105,213	125,082
Share capital	**785,066**	**785,066**
190. Share capital	785,066	785,066
Reserves (net of treasury shares)	**2,965,246**	**2,569,368**
170. Reserves	870,772	474,894
180. Share premium reserve	2,094,474	2,094,474
Valuation reserves	**(109,661)**	**57,431**
140. Valuation reserves	(109,661)	57,431
Assets pertaining to minority interests	**156,933**	**161,594**
210. Patrimonio minority interests	156,933	161,594
Net profit (loss) for the period	**240,077**	**305,713**
220. Net profit (loss) for the period	240,077	305,713
TOTAL LIABILITIES AND EQUITY	**41,071,077**	**36,180,460**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

▸ Operations with customers

The Cariparma FriulAdria Group carried on its policy of support to customers and local economies, in a difficult market situation affected by the consequences of the financial and economic crisis.

Intermediated assets, consisting of loans plus direct and indirect funding, came to €102,483 million increasing by €1,587 million over 2009 (+1.6%) and substantiating the proximity and support given by the Group to the actual requirements of customers.

▸ Loans to customers

			Changes	
	31.12.2010	31.12.2009	Total	%
Current accounts	4,432,845	3,585,991	846,854	23.6
Mortgage loans	17,077,955	16,850,243	227,712	1.4
Advances and other financing	7,700,679	7,428,346	272,333	3.7
Impaired loans	1,181,725	894,833	286,892	32.1
Loans	**30,393,204**	**28,759,413**	**1,633,791**	**5.7**
Loans represented by securities	**4,980**	**165,380**	**-160,400**	**-97.0**
LOANS TO CUSTOMERS	**30,398,184**	**28,924,793**	**1,473,391**	**5.1**

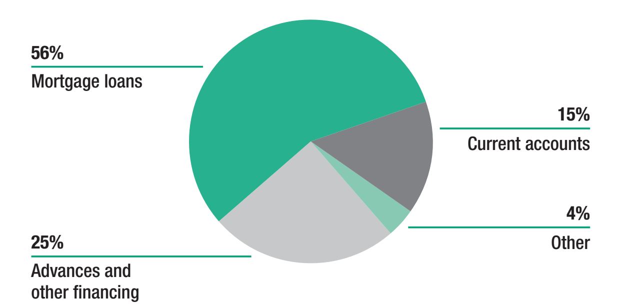
In a situation affected by the consequences of the economic recession and by the essential stagnation in private consumption, loans to customers came to €30,398 million, up by €1,473 million year-on-year (+5.1%).

The growth in lending, driven by an increase regarding all types of lending, substantiates the Group's constant commitment to support customers and local economies: indeed the Group supported its customers' activities by financing worthy industrial projects and promoting arrangements with institutions and associations. In this regard, it should be noted the Group's adhesion to the national agreement entered into by ABI (the Italian Banking Association) and consumers associations (the so-called ABI MEF Piano Famiglie – household loans plan by ABI and the Ministry of economy and finance) and to the the National Solidarity Fund for home loans, both aimed at providing relief in the amortization schedule and/or payment of interests relating to home mortgage loans . Initiatives supporting businesses, in particular small and medium enterprises, continued to favour overcoming of the difficult economic situation, (so-called ABI MEF Imprese - enterprises loans plan by ABI and the Ministry of economy and finance) as well as promoting arrangements with local authorities, Municipalities, Provinces and Regions aimed at financial support of the Public Administration suppliers.

Loans performance was as follows: current accounts came to €4,433 million, up by €847 million (+23.6%); mortgage loans came to €17,078 million, up by €228 million (+1.4%), thus being the main lending component (56% of total lending); financing came to €7,701 million , up by €272 million (+3.7%).

With reference to the mortgage loans performance, which are 56% of loans to customers, over 12,300 new home loans to retail customers for approximately €1,600 million, despite the market being highly competitive and slowing down. Following the changes for the year, the composition of the loan portfolio was as follows: mortgage loans (56%), advances and other financing (25%), current accounts (15%) and other (4%).

LOANS TO CUSTOMERS



▸ Credit quality

	31.12.2010			31.12.2009		
	Gross exposure	Total writedowns	Net exposure	Gross exposure	Total writedowns	Net exposure
Bad debts	956,010	535,271	420,739	643,693	392,800	250,893
Substandard loans	553,466	210,549	342,917	540,059	157,632	382,427
Restructured loans	73,369	4,375	68,994	4,272	3,022	1,250
Past-due / overlimit loans	354,077	5,003	349,074	265,964	5,701	260,263
Impaired loans	**1,936,922**	**755,198**	**1,181,724**	**1,453,988**	**559,155**	**894,833**
Performing loans	**29,337,601**	**112,704**	**29,224,897**	**28,174,575**	**136,474**	**28,038,101**
Loans to customers	**31,274,523**	**867,902**	**30,406,621**	**29,628,563**	**695,629**	**28,932,934**
Net value of associated fair value hedge derivative contracts	**(8,437)**	**-**	**(8,437)**	**(8,141)**	**-**	**(8,141)**
TOTAL	**31,266,086**	**867,902**	**30,398,184**	**29,620,422**	**695,629**	**28,924,793**

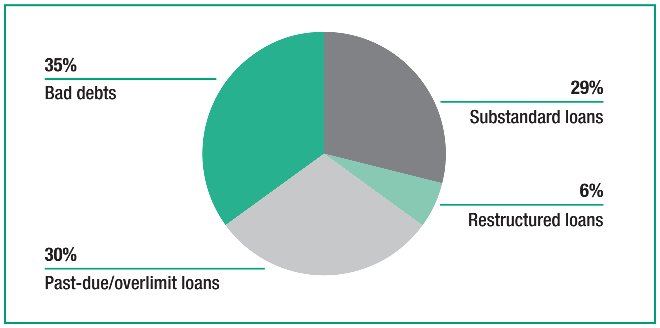
Net of writedowns, impaired loans totalled €1,182 million, compared with €895 million the previous year; this performance was affected by a difficult market situation due to the repercussions of the economic and financial crisis that concerned both businesses and households, causing a deterioration of credit quality. In this economic situation, the coverage ratio of problem loans has been kept essentially unchanged compared to the previous year, thus substantiating a prudent credit risk management policy.

More specifically, as at the year end, the weight of problem loans on total net loans was 3.9%; the coverage ratio, calculated as the ratio of total writedowns to gross exposure, was 39%, slightly higher than the previous year when it came to 38%.

Net bad debts came to €421 million, equal to 1.4% of loans to customers with a coverage ratio of 56%. Substandard positions came to €343 million, equal to 1.1% of the loans portfolio, with a coverage ratio of 39%. Past due/overlimit loans amounted to €349 million, had a coverage ratio of 1.4%, net while restructured loans came to €69 million with a coverage ratio of 6%.

The cumulative total of writedowns for performing loans came to approximately €113 million and represented 0.4% of the nominal value of all performing positions. Writedowns on performing loans were measured collectively, using a measurement approach based on in-house estimates of Probability of Default (PD) and Loss Given Default (LGD).

CREDIT QUALITY



▸ Funding from customers

	31.12.2010	31.12.2009	Changes	
			Total	%
Deposits	325,995	346,438	-20,443	-5.9
Current and other accounts	17,659,179	17,109,496	549,683	3.2
Other items	98,795	65,265	33,530	51.4
Repurchase agreements	30,825	219,127	-188,302	-85.9
Due to customers	**18,114,794**	**17,740,326**	**374,468**	**2.1**
Securities issued	**11,181,460**	**11,633,763**	**-452,303**	**-3.9**
Adjustment of financial liabilities hedged generically (+/-)	**78,659**	**76,037**	**2,622**	**3.4**
Net value of associated fair value *hedge derivatives*	**(318,950)**	**(286,821)**	**32,129**	**11.2**
Total direct funding	**29,055,963**	**29,163,305**	**-107,342**	**-0.4**
Indirect funding	**43,026,473**	**42,805,064**	**221,409**	**0.5**
TOTAL FUNDING	**72,082,436**	**71,968,369**	**114,067**	**0.2**

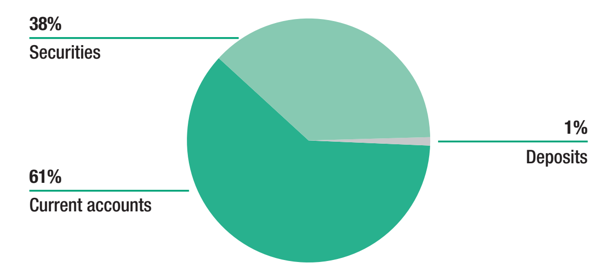
Total funding, which represents the total funds administered on behalf of customers, came to €72,082 million, slightly increasing compared with the previous year (+0.2%), driven by the positive performance of indirect funding. The performance of total funding has been affected by the extraordinary effect of the tax shield that led to repatriation of funds in 2009; net of this component, in 2010 total funding would have further increased year-on-year.

Direct funding reached €29,056 million, essentially unchanged compared with the previous year (-0.4%). The customers' low risk appetite led to high-liquidity investments, with a subsequent increase in the traditional component of direct funding. Substantiating this trend, current accounts came to €17,659 million, increasing by €550 million over the previous year (+3.2%).

Bond funding decreased by €452 million (-3.9%); the issue of new bonds, subscribed by customers for an amount of €3,500 million, offset only partially the repayment of debenture loans with maturity date during the year, but proved investors' preference for investments in high-rating and low-risk bank securities.

These trends, combined with an effective lending policy, allowed the Cariparma FriulAdria Group to maintain an excellent liquidity level.

DIRECT FUNDING



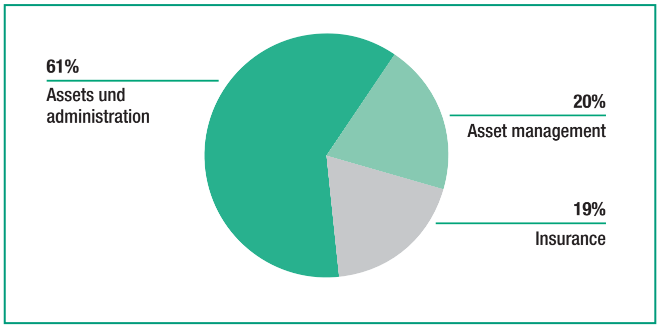
▸ Indirect funding

	31.12.2010	31.12.2009	Changes	
			Total	%.
Asset management products	8,421,176	8,597,663	-176,487	-2.1
Insurance products	8,086,472	7,172,805	913,667	12.7
Total assets under management	**16,507,648**	**15,770,468**	**737,180**	**4.7**
Assets under administration	**26,518,825**	**27,034,596**	**-515,771**	**-1.9**
INDIRECT FUNDING	**43,026,473**	**42,805,064**	**221,409**	**0.5**

Indirect funding accounted for 59.7% of total funding and came to €43,661 million at market valve, up by €221 million over the previous year. Assets under management, which accounted for 38% of the total aggregate, came to €26,519 million, with a minor decrease (-1,9%).

This performance benefited from the life insurance segment that reached €8,086 million, up by €914 million year-on-year (+12.7%); assets under management came to €8,421 million, down by €176 million (-2.1%), despite the positive performance of formula-based funds, increasing by over twice their volumes. Assets under administration came to €26,519 million, with a minor decrease (-1.9%).

INDIRECT FUNDING



▸ Other investments

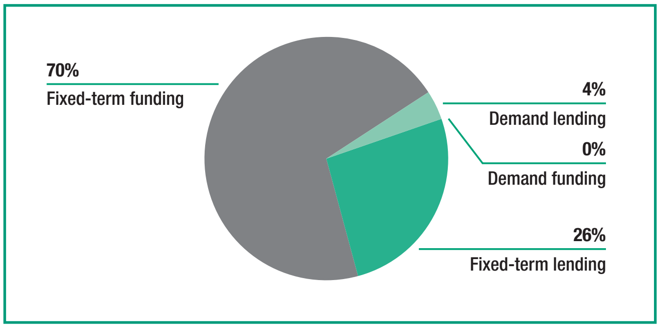
Net interbank position

	31.12.2010	31.12.2009	Changes Total	Changes %
Loans	587,232	621,821	-34,589	-5.6
Funding	53,663	645,392	-591,729	-91.7
Net interbank debt position on demand	**533,569**	**23,571**	**557,140**	
Loans	4,042,264	3,347,859	694,405	20.7
Funding	11,024,337	4,873,517	6,150,820	
Net interbank debt/credit position at maturity	**(6,982,073)**	**(1,525,658)**	**5,456,415**	
Adjustment of financial liabilities hedged generically (+/-)	**1,386**	**-**	**1,386**	**-**
Net value of associated fair value hedge *derivative contracts*	**12,762**	**-**	**12,762**	**-**
TOTAL	**(6,434,356)**	**(1,549,229)**	**4,912,037**	

The net interbank position of the Cariparma FriulAdria Group showed net debt of €6,449 million, increasing from the €1,549 million of the previous year. The net interbank position showed a negative balance of €6,982 million, which can be attributed to the net fixed-term interbank position and was due to the financing of government securities in portfolio using repurchase agreements. Demand positions showed a positive balance of €534 million, up by €557 million on the previous year.

These performances are part of an active policy designed to balance the Group's financial statements items, as well as of governance and management of liquidity and interest rate risks.

NET INTERBANK POSITION



Property, plant and equipment and intangible assets

This aggregate includes the goodwill and other intangible assets recognized following the completion of the allocation of the purchase price of the 180 branches acquired from Intesa Sanpaolo in 2007. Goodwill was tested for impairment and no evidence of impairment was found, therefore no writedowns were made.

▸ Specific-purpose provisions

	31.12.2010	31.12.2009	Changes Total	Changes %
Employee severance benefits	**133,418**	**131,190**	**2,228**	**1.7**
Provisions for liabilities and contingencies	**105,213**	**125,082**	**-19,869**	**-15.9**
Retirement and similar liabilities	22,374	22,567	-193	-0.9
Other provisions	82,839	102,515	-19,676	-19.2
TOTAL SPECIFIC-PURPOSE PROVISIONS	**238,631**	**256,273**	**-17,642**	**-6.9**

Specific-purpose provisions totalled €239 million, decreasing by €17.6 million on the previous year (-6.9%). This decrease was due to changes in provisions for liabilities and contingencies, which came to €105 million, down by €19.9 million, mainly relating to the use of the provisions accrued in the previous year to back transactions carried out by customers, which had been affected by the international financial crisis. Conversely, accruals for employee severance benefits came to €133 million, up by €2.2 million.

▸ Equity and supervisory capital

Equity

	31.12.2010	31.12.2009	Changes Total	Changes %
Share capital	785,066	785,066	-	-
Share premium reserve	2,094,474	2,094,474	-	-
Reserves	870,772	474,894	395,878	83.4
Valuation reserves of financial assets available for sale	(105,446)	38,368	-143,814	
Valuation reserves of equity investments measured with the equity method	(3,404)	12,529	-15,933	
Valuation reserves of cash flow hedges	185	1,276	-1,091	-85.5
Valuation reserves of actuarial gains (losses) pertaining to defined-benefit pension plans	(996)	5,258	-6,254	
Net profit (loss) for the period	240,077	305,713	-65,636	-21.5
TOTAL EQUITY	**3,880,728**	**3,717,578**	**163,150**	**4.4**

As at 31 December 2010, the book value of equity for the Group, including net profit for the year, came to €3,881 million, up by €163.1 million compared with the €3,718 million of the previous year. The change in equity was mainly due to the increase in reserves by €395.6 million, following both the allocation of 2009 net profits to reserves and the allocation of €262.5 million with the Parent Company, Cariparma, for the share capital increase, aimed at the bank acquisition in progress.

On 18 December 2010, an Extraordinary General Meeting was held and, among other things, resolved the following:

- a share capital increase by a maximum nominal amount of €102 million by issuing ordinary shares to be offered to shareholders under their pre-emption rights, proportionally to the number of shares held, in one or more tranches by a final deadline set on 31 December 2011;
- vesting the Board of Directors with the widest powers to set the implementation timeframe of the share capital increase, as well as the price.

The Board of Directors resolved to proceed with offering a first tranche to shareholders for a nominal value of €43 million and 750 thousand under their pre-emption rights to be exercised by 31 January 2011, at a price of €1 as par value and €7 as share premium.

A the end of this first part of the transaction, the equity will be increased by €350 million.

Valuation reserves of available-for-sale financial assets decreased by €143.8 million and valuation reserves for actuarial profit and losses relating to defined-benefit pension plans also decreased.

Supervisory Capital

Supervisory capital and capital ratios	31.12.2010	31.12.2009
Tier 1 capital	2,452,640	2,069,510
Tier 2 Capital	492,625	510,927
Deductible elements	58,917	58,917
Supervisory capital	**2,886,348**	**2,521,520**
Credit Risk	2,052,847	1,994,950
Market risk	6,363	14,957
Operational risk	197,490	189,277
Capital requirements	**2,256,700**	**2,199,184**
Excess capital with respect to minimum requirements	**629,648**	**322,336**
Risk-weighted assets	**28,208,749**	**27,489,811**
Capital ratios %		
Tier 1 Capital / Total risk-weighted assets	8.69%	7.53%
Total capital / Total risk-weighted assets	10.23%	9.17%

Supervisory capital totalled €2,886 million: the year-on-year increase was mainly due to the shares of 2010 profits which the Boards of Directors of the Group Banks will propose to allocate to reserves, as well as to the increase in reserves allocated with the Parent Company Cariparma for the purpose of acquiring new assets. Risk-weighted assets came to €28,209 million, up by €719 million on 2009, mainly resulting from credit risk increase, which was linked to the lending expansion policy.

All capital ratios have improved year-on-year, substantiating the bank's solidity. The total capital ratio came to 10.2%, increasing from the 9.2% of the previous year; the Tier 1 capital ratio (that is the ratio of Tier 1 capital to total weighted assets) came to 8.7% compared with 7.5% of 2009.

Supervisory capital and the related capital ratios were calculated in accordance with the instructions of the Bank of Italy, adopting the standardized methods for the calculation of risk weighted assets for credit, counterparty risks, as well as for the calculation of operational risks, as done for the previous year. It should also be noted that ratings were used which were supplied by an authorized ECAI (External Credit Assessment Institution) for loans in the enterprise portfolio.

CORPORATE DEVELOPMENT LINES

▸ Retail and private banking channel

Retail Channel

Also in 2010, the Cariparma FriulAdria Group had the target of supplying high quality banking products and services focussing on customers satisfaction. At channel level, strategies were defined to maximize the value supplied to customers, identifying their requirements and potential.

To pursue this target and to achieve excellence, the main elements were the development of the banking supply and of initiatives aimed at consolidation of customers, customer satisfaction analysis, a comparison to the products and services supplied by the main competitors.

The Group has developed its customer care by rationalizing and revising its product range based on different customer targets and by improving the same in terms of conditions. Pursuing innovation also in the procedures for using the supplied products and in multichannel customer-bank interaction, Nowbanking was launched. This is a complete multichannel package for the Retail segment which gives the possibility of 360-degree interaction with the bank and aims at increasing use of direct channels by customers.

in 2010 the Group's distribution network expanded to 731 branches in 9 Italian regions (Emilia Romagna, Friuli Venezia Giulia, Veneto, Piedmont, Lombardy, Liguria, Tuscany, Lazio, Campania). Cariparma network is divided into 3 Regions and 10 Areas, while FriulAdria network in 3 Areas. There are 41 Region Managers that know their areas and represent the bank towards local institutions and that are key figures to achieve growth targets. The distribution chain is also supported by specialist product control, carried out by dedicated staff in each Group area.

A quality development is the key factor to achieve the Group's long-term economic and financial targets. Therefore, a structured process for the acquisition of new customers has become necessary, as well as a series of 360-degree initiatives that are consistent and synergic, mostly in a difficult market situation. The Branch Development Plan is a structured method based on planning and on the application by the network of instruments to pursue acquisition and monitoring targets to achieve lasting results. In 2010 the Retail Channel acquired over 74,000 new customers.

With regard to strategic sub-targets, in 2010 a number of initiatives were launched to support the network.

As to Retail customers, young people were particularly focussed on with various dedicated commercial actions, such as:

- "Porta Amici VYP" (VYP Bring a Friend): in-house initiative that involved the network young employees in the acquisition of young customers (13-28 years);
- Launch *of mobile banking* dedicated to Conto VYP customers: a promotional campaign was carried out on the main social networks to support the launch;
- the "Guida Sicura VYP" (VYP Safe Driving) project supporting education on safe driving;
- the co-marketing campaign with Disney, targeting children aged 0-12, with Disney gifts given to children who became new customers concomitantly with the launch of the 2010 Christmas movie "Tangled".

Cariparma also targeted foreigners. The cooperation between Cariparma, the University of Parma and Forum Solidarietà (Service Centre for non-profit organizations) resulted in the "Rimesse Collettive" (collective remittances) project to raise funds for social activities in Senegal.

In the Small Business segment, medium-/long-term loans increased by 7% at Group level (twice as much as in the banking system), mainly to renewable energy and agricultural sectors. For the former sector, the bank's green-banking image was strengthened by specific allocation of resources in partnership with the main trade associations; in the Agriculture sector, the growth was driven by an effective strengthening of the distribution network, by inserting sector-specialized operators at local level and enhancing the branches operating in the main food and agricultural areas. This allowed the Group to become a real reference partner for farmers that, benefitting also from the sector-dedicated resources provided for the various Rural Development Plans, started significant investments for trade and product diversification.

The growth in loans was also supported by the "Preauthorized" initiative, the allocation of over €250 million in credit limits, made available to the customer businesses with a minimum administrative impact and immediate reply timeframe: this was the result of a particular focus on the growth of about 7,300 virtuous customer businesses.

The over 20% increase in foreign flow volumes year-on-year confirmed the Group's key role in the growth and internationalization processes of customer enterprises, a role that also benefitted from being part of one of the world leading banking groups.

To provide Small Business customers with direct and qualified high-quality assistance, the "Web Specialist Conference" project was also launched. This is an IT tool directly connecting the customer and the manager with the Product Specialist directly from the branch.

The several Customer relationship Management initiatives taken by the Parent Company in 2010 aimed at getting to know customers better: "Benvenuti in Cariparma" to welcome new customers and accompany them through the first twelve months of their relation with the Bank by way of a structured series of multi-channel contacts, the "Check-up" action targeting high-standing customers to assess their satisfaction with the relation and evaluate proposals suitable for their needs.

Moreover, the Parent Company continued developing customer relations through systematic Customer Satisfaction and Service satisfaction surveys. Excellence in relations with customers is a primary competitive target for the Group, therefore satisfaction surveys have been extended to FriulAdria customers. The Customer Satisfaction and Service Satisfaction surveys showed, particularly for the Business segment, a remarkable improvement vs. 2010.

A creditor protection policy was created dedicated to leases for the business segment. This is a unique and innovative product in the Italian market, substantiating the Cariparma FriulAdria Group's increasing orientation towards the bancassurance channel. Income from this segment increased by 9% on the previous year, in a particularly difficult market situation. In 2010, non-life insurance line posted an increase in the customer portfolio (approximately 42,000 policies issued), with a high loyalty rate (over 90% of the policies were renewed).

Due to the unfavourable market situation, to all-time low interest rates and high volatility of financial markets, comparison with 2009 was favourable for medium-/long-term funding and Life Bancassurance, while assets under management decreased year-on-year. Assets under administration also decreased due to both a shifting towards the Group products and for the low appeal of government bonds.

Medium-/long-term funding has reached complete renewal of maturities, but in 2010 growth was lower than expected. Life Bancassurance Vita has an excellent performance of sales of Separate Accounts products (€850 million placed; +36% over 2009) and of the Unit segment/ business line, thanks also to the launch of the "Diesis" Unit. Index-linked products placement decreased due to unfavourable market conditions and restriction provided for by the applicable legislation .

With regard to Assets under Management, the successful placement of formula-based funds (€845 million placed; +122% over 2009) could not offset the erosion of assets under management in term of volumes.

In 2010, a new brand, "Gran Prestito", dedicated to personal loans was created: by rationalizing the existing credit lines and revising conditions a new product list was created which can catch all opportunities and meet customers' requirements.

The two promotions, "Estate Più" launched in summer and "Limited Edition" at the end of the year, aimed at giving support to households and consumer credit through particularly competitive and advantageous terms. In 2010, a new product line was launched - "Pago Facile Auto" - dedicated to the financing of Protezione Guida car insurance premiums, which can be subdivided into up to 10 instalments interest-free.

The Group's umbrella brand "Gran Mutuo" was also created, after the launch of the first Gran Mutuo (in 2007), which gives the possibility of changing the instalment during a mortgage loan life (Gran Mutuo Rata Flessibile - flexible instalment mortgage loan). In 2010, "Gran Mutuo Cambio Scelta" was made available, which allows interest rate fluctuation opportunities to be caught changing the rate from variable to fixed and vice versa. Also "Gran Mutuo Chiaro e Certo" was made available, which combines the opportunities of the variable rate with protection from very high interest rate increases in the future.

The Group's Small Business product range was also revised and upgraded materially rationalizing and streamlining it. Among product innovation, "Super Cap" should be noted, which allows an interest rate hedge that is flexible and can be fine-tuned based on the loan life. Also the commercial initiatives "Plafond Cap" should be noted which was a true service revolution to the benefit of businesses, favouring access to protection from interest rate risk, which is particularly significant when markets are unstable, also by small and medium enterprises, with clear, non-risky and easy-to-understand tools.

The Group share in "Fire and explosion" insurance products significantly increased, since these products are associated with mortgage loans, thus strengthening the Group's presence in the insurance segment, supporting and protecting businesses. Despite the negative effects of the economic crisis on the SMEs segment, POS payment card service increased by 2.7% over 2009 by number of POS, by 3.4% in terms of transactions carried out, and by 4.7% for the transaction amounts, thus confirming a positive development trend.

In terms of commercial partnerships, the profitable relation between Cariparma and the Fiat Group continued also in 2010: the opening hours of the FIAT Mirafiori plant were extended to improve the service supplied to customers.

Our traditional sponsorship of the Italian national rugby team was promoted through a number of initiatives organized for the "6 Nations championship": At the Cariparma stand, set up inside the Village at the Stadio Flaminio in Rome, important activities were carried out, including the direct issue of the "Cariparma Rugby.

Prepaid Card", offered in Limited Edition for the occasion. Among other communication and promotion activities aimed at enhancing brand awareness and at networking, the "Instant Win" prize contest should be noted, which offered official merchandising of the Italian national team as prizes and which was very successful with the public.

With regard to the Small Business segment, a number of strategic partnerships were entered into or enhanced with Credit Guarantee Consortia and Trade Associations, allowing customer businesses to benefit from a increasingly widespread "protection network" designed to streamline resort to credit. For the same purposes, the Group operated in an increasingly close cooperation with the Central Guarantee Fund for small and medium enterprises and with ISMEA SGFA. The new agreements entered into, also complying with Basel 2 principles, have been structured so as to reward, in terms of pricing, those enterprises that, either for their own structure or due to the support of loan guarantee consortia themselves, have a more virtuous equity and income situation. Due to the difficult economic situation that impacted also the labour market, also in 2010, the Group renewed its initiatives designed to give support during the crisis with its range of products "Cariparma/FriulAdria Sipuò" for Retail customers and Enterprises and with specific agreements with local Bodies/Associations. The Cariparma Sipuò product range, which in 2010 recorded 3,600 social finance interventions, is dedicated to retail customers and concretely meets the economic requirements of households through a structured supply designed to meet four types of requirements: minimizing banking expenses, deferring payables due date, advance collection of receivables, manage contingencies.

In 2010, the Bank focussed also on the Voluntary Sector, with the launch of "Anticipo 5x1.000", a new financing for voluntary sector organizations that can immediately receive the donations made by taxpayers in their income tax return, which are paid later according to the State payment timeframe. This new product has further enriched our range of social finance products, called Cariparma Sipuò and in a few months €1.75 million of taxpayers' donations were advanced.

Moreover, the Group has adhered to the Agreement between ABI and the main Consumers Associations, which is included among the Piano Famiglie initiatives (initiatives for households), and has extended the possibility for mortgage loan borrowers of suspending payment of principal beyond the cases provided for in the Agreement, with no limitation in terms of amount of the disbursed loan and borrower's income.

The Group also focussed on supporting customer enterprises to overcome specific market situations by allocating resources to liquidate receivables from government bodies with dedicated conditions and procedures, in addition to the Cariparma Si Può Aziende package.

The prizes awarded to the Parent Company in 2010 include the 2nd prize as "Banca Territoriale" (a bank strongly rooted and involved in the economy of the area) of the year in AIFIn place list. This was due to the 1st prize for the "Initiatives designed to support education and training" category, which was awarded to Cariparma for Guida Sicura VYP, to the 2nd prize for the "Corporate Social Responsibility Annual Report" won with the 2009 Annual Report and to the 2nd prize for the "Social Initiatives" category won with Rimesse Collettive. The Cariparma FriulAdria Group was awarded the 1st prize at the Insurance Marketing Awards for the "Porte Aperte" initiative, with which "Protezione Guida" civil liability car insurance policy was launched. The Parent Company placed 1st at the "Milano Finanza Global Awards 2010" for the following categories: "Milano Finanza Innovazione" for the Conto VYP product and "Milano Finanza Creatori di Valore" in the Emilia Romagna Region for the numerous anti-crisis initiatives implemented for both retail and enterprise segments. FriulAdria placed 3rd at Milano Finanza Innovation Award for the Conto VYP Studenti product in the category "Conti Ragazzi/Giovani". As at 31 December 2010, Cariparma managed 476 Public Entity accounts and FriulAdria 162. On the whole, the Group manages 638 public entity accounts, with a geographical distribution showing a high number of Customers in the Emilia-Romagna Region (43%) followed the Friuli and Veneto Regions (25%), the North-Western area (17%) and then the Central-Southern area (15%). The main service contracts awarded include the Municipalities of Sorrento and Fidenza, the Chamber of Commerce of Piacenza, the Friuli Venezia Giulia Region (jointly managed treasury services), the Association of Engineers of Turin, the Burlo Psychiatric Hospital in Trieste and the Istituto Regionale Ville Venete.

In 2010, electronic payment instructions (digital signatures) were activated for the following entities, among others: the Municipality of Piacenza, the Provinces of Pordenone and Piacenza and AVEPA (The Veneto Region Agency for payment in the agricultural sector).

Private Banking Channel

In 2010, financial markets were still affected by a strong volatility, with different growth rates according to the reference geographical area. Performances were globally positive on average mainly thanks to the indexes of emerging countries, both for shares and bonds. Conversely, the Eurozone was still affected by the weakness of peripheral and Southern European markets.

In this context, Italy's performance was negative and below average on both share Indexes (-13%) and bond ones (-1%). In this scenario, the Italian Private Banking market posted a 4.3% increase.

In this situation, the Private Banking channel of the Cariparma FriulAdria Group consolidated its presence on the market posting an increase in total assets higher than that in the reference market by 5.5%. This increase was due to a strategy designed for constantly improving the quality of the services, which includes a competitive range of products that can be highly customized.

In terms of revenues, the Private Banking channel of the Cariparma FriulAdria Group posted a 8.3% increase year-on-year, which is expected to be highly stable in the future, thanks to a strategy aimed at enhancing the recurrent component over one-off commissions.

The main strategic actions that allowed these important results were:

- improving the services supplied by boosting Personal Financial Planning tools and the Private Banking Advisory structure that can assist Private Bankers in asset allocation decision-making;
- innovating the product range by increasing the number of third-party AMCs with which the Group has placement agreements and by subsequently increasing the supply of funds/SICAVs in an Open Architecture perspective;
- increasing the range of insurance products by launching "Private MultiSelection", a new whole-life unit-linked policy, which is an exclusive flexible investment solution that can be entirely customized and allows asset allocation in line with the customer's risk profile and expectations of return, choosing among a range of approximately 80 funds and SICAVs that were selected among the best investment firms at an international level;

- full standardization of the Group's product range so that Cariparma and FriulAdria can supply the same products;
- focussing on customers' requirements for asset allocation, consistently with the customer's risk profile and complying with the internal and external regulations;
- continuing brand development through investments in sponsorships in the area and the organization of dedicated programmes within important sport and cultural events.

▸ Enterprise and Corporate channels

Corporate banking

The corporate banking channel of the Cariparma FriulAdria Group supplies financial services to medium and large enterprises, through dedicated networks and central structures. At the end of 2010, the channel customers were more than 14,000, with total loans amounting to approximately €11.1 billion, direct funding came to €3.6 billion and indirect funding to €10.8 billion.

In 2010, the corporate banking channel consolidated its position on the market, both on long-acquired areas and newly-acquired ones, starting business with 1,680 new customers and increasing direct funding and lending by 7% over 2009.

This growth was achieved in a still difficult economic situation for Italian companies, which were affected by the long-term repercussions of the economic crisis for the whole year. This produced effects on demand for credit, which continued being weak and decreased on 2009, especially in the first half-year, and made financing applications difficult to approve.

A full product range, which can rely also on product factories integrating also also lease and factoring products, allowed customers' financial requirements to be met with flexible solutions.

According to the customer satisfaction surveys performed, the Group is perceived as reliable and focussed on the local economy requirements by customers that appreciated this approach to banking.

Among the several initiatives concluded in 2010, very significant was the partnership agreement entered into with John Deere, world leader in the manufacturing of agricultural and earth moving machines, for the purpose of supplying the loans necessary to purchase the machines sold on the entire Italian territory to its customers through an efficient and quick lending process. This initiatives continues the strategy designed for developing business with agro-industrial chains, for which the Parent Company aims at becoming a reference bank, consistently with the development strategy of the Crédit Agricole Group, a European leader in this sector.

Enterprise Channel

The Enterprise Channel, consisting of 25 Enterprise Centres and 9 hubs, is the dedicated structure for services to SMEs.

Loans to customers in this channel came to approximately €5.7 billion, up by 7% on the previous year. The year-on-year increase in average volumes was approximately 3% for average loans and 17% for direct funding.

The increase in lending was accompanied by a constant risk control that allowed the cost of credit to be kept significantly below the average of the Italian banking system.

In 2010, dedicated products were launched and new organization structures were created aiming at specializing the service model to better meet the financial requirements of the enterprises operating in the food and agricultural sector and in the renewable energy sector, in order to pursue a leading position in these two sectors.

The Group continued to promote agreements with the main industry associations and with loan guarantee consortia, thus consolidating its position as community bank.

Corporate Channel

The Corporate channel was created to provide services and support to large-size companies having sophisticated financial requirements.

A policy and governance line for the Network based on a structured business planning and marketing process allowed good performances to be achieved, both in terms of consolidating the Group's position on the market with a 3% increase in the Group's customer base and in terms of stable and growing income.

In 2010, despite stagnation in demand for credit, the Group's market shares could be consolidated thanks to a 16% increase in average loans on 2009. This was achieved by effectively controlling risks, with a channel cost of credit remaining excellent.

Direct funding also confirmed its positive performance, posting a 41% increase in average volumes, which showed a very significant increase in the short-term segment (+50%), with total administered assets coming to €18.5 billion.

The main strategic drivers used by the Corporate channel in 2010 included the Channel's strong focus on advisory services supplied to customers on complex financial transactions, through a team of experts in structured finance, which led the Group to promote or take part in some important syndication transactions with leading companies in the sector.

In 2010, the agreement with Sace was consolidated and finalized with the granting of resources amounting to a total of €230 million to issue guarantees for credit lines supporting the companies' internationalization projects. This agreement, which envisages new markets investments and pre-shipment advances on export contracts, allowed synergies with Crédit Agricole network to be exploited, providing customers with preferential access to the Group's foreign networks present in over 76 countries in the world.

▸ Direct channels

The Cariparma FriulAdria Group places great importance on development and consolidation of direct channels within its growth strategy. Direct channels are an effective alternative for those customers who want to work with the Group with no hour limitations and without having to go to a branch, and to do so always simply and safely. The Group's 2010 targets on Direct Channels were:

- positioning on the market with a excellent multichannel supply;
- developing a service model that is integrated (physical channel and direct channels) and effective;
- evolution of the branch model;
- market positioning as innovative bank.

Milano Finanza magazine included "Nowbanking Piccole Imprese" in the national place list of the most complete and innovative services for enterprises, given its interactive functions that can be customized and offers the possibility to manage both personal and corporate accounts with one tool.

In 2010, the Group focussed on improving its multichannel supply, in particular releasing the new Nowbanking platforms and consolidating existing products. The Group also focussed on circulating Direct Channels culture and on increasing their use for operations. In the past, Direct Channels had essentially an operating role and were a service to customers, thanks to the new product range, they now also support business of the physical channel, customer retention, development of relations with customers and acquisition of new ones.

The Cariparma FriulAdria Group completed an important project, which had been started in 2009, designed to relaunch its Direct Channels product range, releasing the new Internet Banking platforms for retail and small business customers, as well as the Mobile Banking platform for retail customers. The new platforms were added to the existing services, thus achieving a complete and integrated product range, thanks to which customers can choose when and with which channel (Internet, Mobile, Telephone Banking) they want to operate.

Today, Nowbanking Piccole Imprese and Nowbanking Privati multichannel services rank among the most innovative in the market, because they are user-friendly, have a wide range of functions and a very high security level. The features of the new platforms are:

- full integration of the Internet and Mobile channels;
- customers can interact (asking for a contact/appointment or sending a message to their manager) and ask for or manage some products/services directly online (e.g. credit cards, debit cards, short text messages information service);
- streamlined navigation and advanced functions, designed to meet the specific requirements of the two segments (e.g.: the owner of a small enterprise can manage both the enterprise and personal accounts using one platform);
- a high security level both when accessing the platform (thanks to new procedures of inserting credentials) and when giving instructions (thanks to "Securecall", the security system via mobile phone for instructions, which has been used since 2008 for Home Banking and has become the standard for all Internet and Mobile Banking processes of the Group).

It should also be noted that in 2010 the basis were laid for customers migration to the new Nowbanking platforms, which will be completed in 2011. In 2010, the use of Direct Channels by customers increased significantly (over 44,000 internet banking users in the retail segment, over 7,400 users in the business segment and over 100,000 users of the short text message service), taking the Group close to the best market benchmarks for service penetration over current accounts. The adoption of the Securecall system was also significant (about 24% of existing internet banking users, equal to about 80,000 users), substantiating the Group's focus on security.

Significant results were achieved also in the use of Direct Channels: nearly 80% of withdrawals, over 68% of bank transfers and 66% of taxes were managed through the Group's Direct Channels.

Finally, the Advanced Branch model was further consolidated, which is now applied in 101 Cariparma branches (of which 47 newly-opened and 54 specifically renovated) and 15 FriulAdria branches (mainly newly-opened ones). In these branches, in addition to traditional services, there is a self-service area that is open 24 hours a day 7 days a week and equipped with state-of-the-art machines (multifunction ATM and a payment booth), which allows customers to carry out all the main branch transactions on their own, without queuing and without opening and closing hours. Results were significant: in the advanced branches nearly one deposit in three is made at the ATM rather than at the counter.

▸ Organization and IT

After the strong investments in ICT made in 2009 to complete the new infrastructure servicing the multichannel bank model, in 2010 the new platforms were developed supporting the business and compliance with current regulations.

In the first quarter, the new innovative Nowbanking platform was launched (*Retail, Mobile and Small Business*) which ranks among the best solutions on the market: since it is user-friendly because its sale processes are simple and intuitive, customer satisfaction increased as well as penetration of products that can be activated online.

Synergically with reference to the new equipment of Managers in the Small Business segment, a Platform for Managers in the Enterprise and Corporate segments was created to improve sales performances and to promote adoption of a more structured approach to operations (full and clear visibility on the customer portfolio).

The new instrument panel, complying with the market best practices, is designed for the Group Managers to support them in their daily operations and to ensure higher commercial effectiveness and operating efficiency.

As to finance, to provide investors with the best possible protection in compliance with MIFID (Markets in Financial Instruments Directive), Managers have been given another new instrument, the Personal Financial Planning (PFP), designed to govern the financial relationship with the customer. PFP can perform an accurate analysis of that customer's portfolio, assessing its consistency with the customer's risk profile and investment targets, meet any demand for advanced and customized advisory services for all customer segments.

Also in 2010, a significant part of investments was made to adjust IT processes and procedures to the new provisions issued by the relevant regulatory bodies. All adjustments were completed by the regulatory deadlines, focussing in particular on those concerning the new provisions on due diligence, money-laundering, transparency and usury.

Moreover, development has started of the tools needed to ensure that employees perform an operating process in compliance with the regulations. Specifically, continuing the actions started in 2009 relating to the Business Continuity Plan, the Group has succeeded in acquiring the strategic and operating abilities to cope with any accidents and interruptions in operations, restoring the impacted business processes to an acceptable level of service.

Since November 2010, the Group has put in use also a continuity of operations plan for cases of Impossibility to access premises, Unavailability of essential central division staff and Unavailability of IT systems: audits were successfully performed, by certified tests, of the continuity solutions for TLC, Disaster Recovery Mainframe and the emergency room that ensures performance of all critical processes. A simulation of the implementation of the organizational model for crisis management was successfully completed, for an event causing impossibility to access the premises used by the Group's staff engaged in key functions.

To boost the effectiveness of the control functions, the "integrated control system" project was implemented, which envisages the mapping and formalization of all processes and concomitant definition of clear roles and responsibilities. This system will allow a constant control to be maintained on processes, minimizing risks and making controls more efficient. In 2010, the mapping of the 210 processes on the most sensitive areas was performed, while the whole project will be completed in 2011.

The Organization and Systems Unit was involved in the "IT-Transformation" project, to change the working procedures of the structure, steering the main organizational and IT processes (Demand, Project, Change, Incident and Problem Management, etc...), consistently with the guidelines of the Parent Company Crédit Agricole S.A. Today, the Organization and IT systems unit uses the best methodological practices available, which allow the unit to provide the Group Banks with a high-quality service every day.

As to operating efficiency, a number of IT and process interventions were made to optimize operations of Back Offices: the inflow of volumes resulting from the acquisition of Carispezia and of the 96 branches from Intesa Sanpaolo can be done without any increase in the staff of the structures engaged in operating processes.

Works continued on frauds and the Group system was activated for the detection of fraudulent events relating to debit cards, in order to detect and stop attempted frauds, thus providing all customers with another service.

The the building works were completed for the new facility of the " Company child care" at the Cavagnari Centro Servizi. The building is characterized by the eco-compatible solutions adopted and is large enough to take in a good number of the children of the Parent Company's employees, as well as children on the list of the Municipality of Parma, for a certain share. The child care will be open starting as soon as September 2011.

▸ The workforce

The Human Resources Department sets the management, enhancement and development policies for human resources and ensures their implementation consistently with the corporate strategies and mission. It also supplies logics, tools and support for the management and development of staff, cooperates in planning and designing staff, prepares the budget for staff expenses and regularly monitors the same.

As at December 2010, the workforce consisted of 7,616 employees, with an overall decrease by 78 resources over the previous year.

In 2010, 96 resources were recruited and 174 terminated; incoming staff, of which 34.4% consists of expert staff, was hired to open new branches, to strengthen Central Department structures and to replace outgoing employees. Terminations were in relation to regular turnover and to the Incentive Plan. Intragroup mobility involved 57 employees, equal to 0.7% of staff as at the end of the year.

46% of the 7,616 employees are women and 34% are university graduates. Nearly all employees (99.8%) have a permanent employment contract. Employees' average age is 43 years and 9 months (Senior managers 51 years, Junior managers 47 years, Professionals 41 years), while the average seniority was 17 years and 9 months (Senior managers 16 years, Junior managers 20 years, Professionals 16 years).

With regard to training, at Group level, a total of 43,436 person-days were provided, involving over 90% of staff.

Labour relations were performed fully in line with the strategic lines established by the Group and the agreements on the corporate bonus and on the Group restructuring were concluded.

▸ Lending policies and strategies

Lending policies are effective planning tools since they govern the procedures through which the Group assumes the credit risk relating to its customers; they also aim at favouring – in line with the business plan targets – a balanced growth in loans to the most creditworthy counterparties and at upgrading and managing exposures with the most risky customers.

Lending policies plan the risk appetite since:

- they adopt the Probabilities of Default (PD) calculated based on rating models;
- they provide for general requirements for granting mortgage loans, also to achieve an appropriate risk mitigation in establishing the Economic Capital;
- they set rules for credit-risk taking towards customers, both in the short- and medium-/long- term; they subdivide customers based on the expected loss, so as to prepare specific and different lending strategies, to which the Distribution Network refers to process loan applications.

In the present and future market situation, an optimal allocation of capital and loans is crucial. With regard to this, integrating lending policies in the Group's strategic planning process is essential, keeping a strong link between credit risk and yield. Lending policies are to be considered as advanced tools allowing optimal strategic portfolios to be defined in terms of the ratio of yield to counterparty risk, of economic sector, geographical area and product.

Lending policies also provide for specific strategic lines for credit risk towards counterparties operating in the real estate promotion sector and exposures secured with real estate based on the rating of the borrower's creditworthiness.

The loan-granting process uses methods based on rating systems and sets the lending decision-making powers based on the Probability of Default assigned to the counterparty and reassessed at least one a year. This process:

- adopts instructions issued by the Supervisory Body relating to the necessity of using creditworthiness rating processes that are linked to the economic capital definition;
- allows lending decision-making powers to be fine-tuned based on the customers' risk profile, stimulating, where necessary, the adoption of appropriate mitigation actions, different for each decision-making class.

Also the monitoring and management of non-performing loans used methods based on rating systems. Customers are subdivided based on risk profile rated monthly using the prescribed tools and combining the parameters of internal rating models (Probability of Default) and other indicators that can be immediately detected and useful to notice a sudden down-grading of counterparty risk. These criteria allow effective risk warnings to be distinguished from "false alarms" and set practical and prompt interventions lines for managing purposes.

▸ Finance

The objectives pursued by the Cariparma FriulAdria Group in 2010 focussed on the following topics:

- liquidity: optimization, by the Treasury, of maturity transformation and development of more sophisticated processes aimed at measuring liquidity risk, also in the medium-/long-term, as well as in the perspective of the future regulatory developments relating to Basel 3;
- interest rate risk: the performed management allowed an effective protection of interest income in a situation of low interest rates. Moreover, developments in medium-/long-term yields gave opportunities that the Group seized.

▸ Risk management

Objectives and policies on risk taking, management and hedging

CREDIT RISK

Credit risk is measured using different rating models for each business segment and type of counterparty: Retail, Small Business, Enterprises and Corporate. These models yield a score which summarizes the counterparty's creditworthiness in a rating, which reflects the probability of default over one-year time horizon.

After the loan has been granted and disbursed, the position is reviewed on a temporal basis, at regular intervals or some other agreed schedule, or in response to an alert from/initiative of dedicated functions (for example loan monitoring function). Review of credit lines is performed by assessing that the counterparty and the counterparty's sureties remain solvent, ascertaining the continuing compliance of the guarantees pledged (legal certainty, the ease of liquidation and the consistency of their value with the size of the exposures), verifying compliance with the risk concentration limits, checking that the information and data stored in database are up to date and examining the causes of any change in the counterparty's risk rating.

The Bank has implemented a continuous monitoring of loan positions and relevant guarantees, which permits the timely detection of any problems and, thus, helps to maintain a high quality of the loan portfolio. In 2010, a new ratio for the monitoring of loan performance was put in use, which envisages inputting of the performance rating combined with a series of other early-warning indicators, to which expert criteria assign seriousness thresholds and weights.

The organization structure, procedures and tools on which the management of problem exposures is based, ensure that initiatives and measures to restore performing status are promptly taker, or swift recovery actions if the relationship cannot be maintained.

The Bank mitigates credit risk with ancillary agreements or adopting mitigation instruments and techniques that ensure the effective mitigation of the risk. Particular attention is given to securing and managing guarantees through the definition of and compliance with general and specific requirements, and to updating the value of the guarantees.

INTEREST RATE RISK

Asset Liability Management typically refers to the positions in the banking book and focuses mainly on fixed-rate positions and liquidity. The banking book includes typical positions of the banking business activities, which are lending and funding with different counterparties without trading objectives. Interest rate risk, therefore, refers to all on-balance-sheet and off-balance-sheet transactions, excluding the supervisory trading book.

LIQUIDITY RISK

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

The management of short-term liquidity (operating liquidity), which concerns the management of events impacting on the Group's liquidity position over a time horizon of between over-night and one year, has the primary purpose to sustain the Group's ability to meet ordinary and extraordinary payment obligations and minimize the associated costs.

Preliminary to operating liquidity management is the definition of a short-term refinancing limit (*Limite Court Terme - LCT*) calibrated using a method aiming at ensuring a liquidity surplus over a one-year time horizon in a situation of market stress. LCT sets the short-term refinancing structure imposing a “non-concentration” on shorter maturities. More in general, the bank essentially balances funding and loans.

MARKET RISK

Market risk is generated by the positions held by the Group banks in the supervisory trading book, which is composed of:

- positions managed centrally by the Parent Company (operational portfolio and treasury portfolio) measured at fair value;
- the trading book comprising securities, derivatives, funds and foreign currency positions acquired for commercial purposes.

The investment policy is designed to implement short- and long-term strategic guidelines and to quantify the resources to be allocated to financial investments in the trading book of each bank.

The Group does not engage in significant trading on own account in financial and capital markets. Nevertheless, it has positions deriving from its placement and trading activities on behalf of customers, as well as positions in investment funds.

The Group deals with the sale of over-the-counter (OTC) derivatives to the various customer segments, through a team of specialists supporting intermediation activities. Traded derivatives are hedged on a back-to-back basis for immunization against market risk, while counterparty risk cannot be transferred. The Group aims at meeting the financial requirements of its customers who use derivative instruments for their own purposes, relating mainly to interest rate risk hedging (Retail and Enterprise loans) and exchange rate risk hedging (Enterprises).

Market risk monitoring is ensured by assessing the proper performance of controls and risk management activities, as well as compliance with the management limits on the portfolios of the individual Banks.

OPERATIONAL RISK

The Cariparma FriulAdria Group uses the definition of operational risk envisaged in the Basel II International Convergence of Capital Measurement and Capital Standards, prepared by the Basel Committee on Banking Supervision.

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties or punitive damages resulting from supervisory actions, as well as private settlements.

To consolidate and enhance control of operational risk, the Group has pursued:

- full ongoing compliance with regulatory requirements for the use of the Traditional Standardized Approach (TSA) for the calculation of supervisory capital as prescribed by Basel 2;
- such a monitoring of risks and losses so as to adopt a management-oriented approach, especially in terms of risk mitigation initiatives;
- the achievement of compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of supervisory capital.

CONTROLS

Governance of internal control tools is the responsibility of the following bodies:

- “Internal Control Committee”: it is engaged in coordinating control functions (Permanent Controls, Compliance, Periodic Controls), as well as in assessing internal control devices taken as a whole, in accordance with the procedures adopted by Crédit Agricole S.A at Group level;
- “Credit risk Committee”: it monitors and assesses development of and historical data on the cost of risk and produces estimates and forecasts. it audits the main risk dossiers. it examines and assesses the documentation produced by the Legal and Credit Divisions of the Companies in the Group,
- relating to both impaired loans and performing loans, as well as other documentation produced by the Risk Management and Permanent Controls Departments;
- “ALM, Market and Financial Risk Committee”: it is responsible for Asset Liability Management choices. Moreover, it is engaged in monitoring and controlling all the issues relating to market, liquidity and interest rate risks. Specifically, it has the following tasks: a) submitting risks policies to the Boards of Directors of the Group Banks for approval; b) proposing limits on interest rate and liquidity risks and adopting limits for market risk; c) analyzing the periodic reporting on risk controls assessing the relevant results; d) issuing a summary of the results of monitoring and controlling activities on interest rate, liquidity and market risks;
- “Operational Risk Committee”: it approves guidelines and action plans on operational risks (except Compliance), and monitors control results and activities; it governs continuity of operations for the Group.

BASEL 2: PROGRESS MADE

The Cariparma FriulAdria Group has set a procedure to adopt Basel 2 advanced metrics for the calculation of first-pillar risks (credit risk and operational risk) consistently with the guidelines of the Parent Company Crédit Agricole S.A., in order to improve, develop and integrate risk management in corporate processes.

▸ Audit

The Audit department is in charge of third-degree (periodic) controls. Its intervention scope includes all organizational structures and processes of all the Companies in the Cariparma FriulAdria Group: the distribution network, central structures, Information Technology departments and the main suppliers of outsourced services.

The Parent Company’s Audit department functionally reports to the CEO of the Cariparma FriulAdria Group and hierarchically to the Audit Department of Crédit Agricole S.A. the internal audit units of the subsidiary companies in the Cariparma FriulAdria Group report hierarchically to the Parent Company’s Audit department.

The Audit department of the Parent Company:

- governs and coordinates the internal audit units of the companies in the Cariparma FriulAdria Group, setting the targets and operating plans of the Group’s audit, consistently with the guidelines and the directives issued by the Parent Company Crédit Agricole S.A.;
- ensures that periodic controls are carried out on processes and organizational units of all the Companies in the Cariparma FriulAdria Group, through a constant and independent monitoring action on the regular performance of operations, to prevent or detect the onset of problem and risk situations or behaviours;
- assesses effectiveness of the internal control system as a whole and its suitability to ensure effectiveness and efficiency of corporate processes, protection of assets value, prevention of losses, reliability and integrity of accounting and management data, compliance of operations with both the policies set by the corporate governance bodies and with internal and external regulations;
- carries out investigations and assessments for the reconstruction of facts or events deemed particularly significant (e.g. significant from an economic, legal standpoint), also to ascertain any liability on the part of employees;
- informs systematically and promptly the Senior Management, Corporate Bodies and the Parent Company Crédit Agricole S.A.. with which it is in constant contact, of the activities carried out.

The methods and tools used comply with the model set forth by the Parent Company Crédit Agricole S.A. Specifically, preliminary analyses are performed of the risks that are inherent to the various areas, followed by, based on the analyses results and the subsequent priorities, the preparation of the annual audit plan.

Audit missions are organized to ensure full coverage of the reference scope within a maximum of 3 years for the distribution network units and of 5 years for units of other departments. Any issues detected are systematically communicated to the corporate departments concerned and specific recommendations prepared: the implementation of these recommendations and the improvements actually achieved are assessed with follow-up interventions. The Audit department periodically assesses also the implementation status of the recommendations issued during control interventions performed by the Italian Supervisory Bodies and by the Audit Department of Crédit Agricole.

Among these missions carried out in 2010, the following should be noted:

- an intervention by the Bank of Italy targeting the "Governance and management systems for exposures to credit and operational risks";
- an intervention by the *Inspection Générale* of Crédit Agricole for the pre-validation of "Basel 2" tool on Retail credit risk and for the audit of progress made in the system for the management of operational risks.

In 2010, the internal audit unit of the Cariparma FriulAdria Group carried out the missions shown in the following Table:

Perimeter	Distribution network	Central structures	Total
Cariparma	217	28	245
FriulAdria	78	5	83
Calit	-	3	3
GROUP	**295**	**36**	**331**

The comparisons provided by the interventions underline a situation of operational regularity and an improvment in comparison to the preceding years it is due to a great attention to the management risk to the respect of the laws and from the application of the controls.

▸ Compliance

The Compliance unit designs and sets the policies for the prevention of compliance risks, within the Cariparma FriulAdria Group, to prevent breaches of laws, regulations, self-regulation codes and professional and ethical practices, both Italian and of the Crédit Agricole Group, included in the compliance scope. Based on the results of the controls made, the units concerned are supported to identify the actions that can develop complying behaviours and fill any organizational and procedural gaps.

In 2010, this department was continually enhanced, through an organizational revision and development of the dedicated structure and available tools.

Specifically, in 2010 responsibilities for compliance risk control and management and the relating prevention policies concerned '"*money-laundering, counter-terrorism, embargos, freezing*", mainly with the starting of the campaign for proper assessment of customers (Know Your Customer), with the rationalization of the management Signalling of Suspicious Operations (SOS) and reduction of the processing times of the same and the activation of a computerized tool (FMF) to filter international payment flows.

With regard to "*Mifid and regulation on investment services*", the Compliance department has taken part in the process to optimize customer profiling methodologies and the suitability/appropriateness control systems. It also contributed to the release to the distribution network of the computerized tool for advisory services to customers "personal financial planning" and to the planning for compliance with CONSOB level 3. With regard to the "Market Abuse Directive" the unit performed permanent controls aimed at preventing abuse of inside information.

Other interventions concerned " remuneration policies and incentives", by assessing the corporate situation based on the European and Italian legislative framework and cooperating in the preparation of the corporate remuneration and incentive system.

The setting of the new transparency governance process was also significantly developed. Specifically, all pre-contractual and contractual documentation was revised for full compliance with the relevant regulations and the corporate roles having responsibility were identified also in terms of adoption of self-regulation initiatives, such as for example Patti Chiari.

The internal organizing procedures were formalized for the implementation of the regulatory requirements provided for in the new instructions issued by the Bank of Italy and this also allowed a new internal control system to be put in use.

All contractual documentation was also subject to many interventions following the entry into force of regulatory provisions on "payment services". On "*usury*", the governance and implementation process was also settled relating to the requirements provided for by the new instructions issued by the Bank of Italy.

The internal supervisory body revised and approved the new Organization, Management and Control model pursuant to Legislative Decree *No. 231 of 8 June 2001* and the Supervisory Body was supported all throughout the year in controlling the Model operation.

With regard to "*insurance intermediation*" all activities were performed to achieve the Bank's compliance with the provisions of ISVAP (Private Insurance Supervisory Institute) Regulation No. 35 of 26 May 2010, including the subsequent revision of all pre-contractual and contractual framework. With regard to "protection of personal data", the Security Planning Document was revised and support was given to the relevant internal structures.

Moreover, the Compliance department takes part, with permanent and validating functions, in the internal interdepartmental committee for product approval, in the "*process for the assessment of products and activities performed by the Bank and directly impacting customers*".

As to "training", specifically for the compliance scope, this department closely cooperated with the Human Resources Department to prepare training programmes, to validate teaching materials, directly teaching and training staff in the department structure, with the purpose of increasing said staff's competences and sensitivity to detect risk early warnings.

In the first half of 2010, the Board of Directors approved the new "*Group Compliance Policy*" that envisaged control on the performance of the following activities:

- definition of Compliance Permanent Controls system and plan, as well as the indicators of non-compliance risk (2nd level 2nd degree);
- monitoring of performance of Compliance Permanent Controls and indicators of non-compliance risk, also using tests to assess effectiveness of the risk-mitigation actions.

Within the scope of the new project "*Group Integrated Controls Systems*", the model for compliance to regulations, activated in the second half of 2010, envisaged a greater integration of the Compliance department with other control units of the Bank, specifically:

- with the Risk Management and Permanent Controls department and the Manager in charge (2nd degree 2nd level controls) to control adequacy and effectiveness of the management processes for the relevant risks;
- with the Audit Department (3rd degree controls) which periodically audits processes and reference models.

▸ Communication

In 2010, the operations of this department were focused on the start-up and implementation of the new internal communication tools – Galileo portals and new intranet, webTV on demand – as synergic parts of a single Communication mix complying with an interactive communication logic, designed to put the human resource at the centre of communication so that the role plaid is that of an actor and not a simple spectator of communication.

The webTV has been renewed. The new on-demand format, a database that is always available to and usable by our resources and a format restyling and reorganization of the programme schedule led to an increase in audience from 4,000 to 8,000 and to a balanced presence of the various departments and Banks in the Group.

The Galileo portal and Cariparma and FriulAdria intranets have been increasingly qualified as reference information means and useful work tools, thanks to a constant updating, news on activities and projects that are priorities for the Group, to the supply of service tools and support to operations and to two-way communication means.

In 2010, a significant event took place for the Cariparma FriulAdria Group: a new market position aiming at emphasizing shared and highly distinctive elements, such as our community-centred vocation, proximity to customers and the key element of relations.

This new position has found its natural prospect in the launch of a new pay-off - "APERTI AL TUO MONDO"/ "OPEN TO YOUR WORLD" – a message that from now on will be included in all communications to customers and to all other stakeholders - from shareholders to employees, institutions and suppliers – emphasizing the Group's will to go beyond its traditional scope to open up to people's life and enter their world to get to know them, listen to them and understand their needs. Hence, also a new graphic format for the branch posters, for all Banks in the Group, designed to emphasize this core message with real life images; almost snapshots that convey an immediate and direct insight of reality and people, to create empathy and an impact in the reference targets. The graphic design also include the new feature of the "green accent" aiming at emphasizing the belonging to the Crédit Agricole Group and its international breadth. This image change will accompany the launch of a new Group brand book, tailored on the brand identity of the three Group banks. 2010 was a year of extensive preparation, in view of 2011 important challenges: the acquisition of Cassa di Risparmio di La Spezia and of 96 branches mainly located in Lombardy, Lazio, Tuscany and Veneto, with which the Group will reach a total of over 900 branches, thus ranking 7th among the leading Italian banks.

▸ Strategic plan and corporate development

At the end of 2010, the Cariparma FriulAdria Group started to define the strategic guidelines for the next three-year period, based on the analysis of the economic factors that have characterized and will characterize the market and that could cause a decrease in profits compared with the pre-crisis figures. These factors can be summarized as follows:

- the changed market conditions, which caused persistent macroeconomic weakness and uncertainty, along with forecasts of limited economic growth (change in GDP +0.8% in 2011 and +1.4% in 2013), with effects on credit quality;

- more sophisticated customers' requirements, and a demographic developments highly impacting the customer base, such as population ageing and larger migration inflows;
- the increasing pressure put by the regulators, not only with regard to urgent capital requirements, but also to consumer protection, whose effects impacted negatively the Banks' Income Statements, causing a contraction of financial/commission income and an increase in compliance costs, with the risk of revenues compression;
- the traditional competitors' initiatives (mainly playing on "prices) and the increasing presence of non-traditional players (on-line banks, new non-banking operators, etc…).

Moreover, the new size of the Cariparma FriulAdria Group, after the acquisition of Carispezia and of the former Intesa Sanpaolo branches, is optimal for a structured intervention on the "banking business" model and allowed IT targets to be redefined.

The impact of these factors led the Cariparma FriulAdria Group to making the products/services it supplied more distinctive, to defining new service/operating models for customers, in order to improve future income and its value-generating ability, mostly through a cost to serve that is more suited to the present and future situation.

A factor that concerns all the above-mentioned strategic guidelines and that will steer the Group's operations in the next three-year period is the adoption of the values of the Crédit Agricole Group, which are reflected in the Cariparma FriulAdria Group by aiming at becoming a Corporate Social Responsibility benchmark pursuing a sustainable growth and reconciling the business ("make a profit") with a community and social aspect ("be a profit"). All this is to be translated in a different way of doing banking business, making the Group's distinctive position of being "Open to your world" recognizable by the market.

▸ Community

Code of ethics and internal Code of conduct

In 2010, the Cariparma FriulAdria Group adopted the Code of Ethics and revised the Internal Code of Conduct to ensure that the activities performed comply with the current regulations abiding by the fair competition, fairness and transparency principles in its relations with employees, shareholders, business and financial partners. These provisions are completed with the "Crédit Agricole Group's Rules for Ethical behaviour ", which are an integral part of the same.

Both codes set forth the principles, duties and responsibilities which the Group commits to fulfil and respect in its relations with its stakeholders and with all those that contribute in the pursue of the corporate objectives, as well as with all subjects that are impacted by the Group's activities, either directly or indirectly (customers, shareholders, employees, suppliers, institutions, the environment, the entire community).

The Codes describe the general rules of conduct which the Group follows to ensure the creation of value that is sustainable over time and to preserve its reputation based on trust and reliability. The Code of Ethics is based on the following principles: integrity, responsibility, transparency, respect for diversity, commitment and professional competence, confidentiality, trust.

The Codes also establish the conduct principles to be used in external relations (with customers, shareholders, suppliers, the public administration, public bodies, political and union organizations, media) which can be summarized as compliance with law, independence of any type of conditioning, abidance by the transparency, integrity, fairness and equity values.

Moreover, the conduct principles to be followed for internal relations are set, which are informed by the enhancement of the employees' professionalism and commitment, fully respecting the dignity of all.

A positive work environment of mutual trust is fostered, which allows all employees to express their individuality and to enhance interpersonal relations, contributing in achieving a sense of participation, belonging and team spirit, focussing on compliance with the rules and management of risks, especially in a long-term perspective.

The Code of Ethics and the Internal Code of Conduct, with any future revision, were approved by the Board of Directors of the Parent Company of the Cariparma FriulAdria Group, upon proposal by the Chief Executive Officer, after consulting the legal representatives of the Companies in the Group. The periodic revision of the Codes falls with Compliance Department of Cariparma, in its capacity as the Parent Company.

In the first half of 2010, the Code of Ethics was circulated to all employees and was the subject of appropriate training so as to become common heritage by favouring its sharing.

▸ Other information

Internal Customer Satisfaction

Complying with a strict management of processes and logics of good corporate operations, among others, a tool was designed and activated to measure the quality of the service supplied by the Group's Central Departments.

The Internal Customer Satisfaction can be defined as the "ability of a company to create an effective teamwork involving the different teams in the company and consists in monitoring, assessing and measuring the quality of the services provided by the various corporate departments to their internal customers.

The process key targets are:

- contributing to the creation of a corporate culture increasingly focussed on the requirements of internal customers;
- identifying an ICS Index linked to the assessment of managerial capabilities and to the variable remuneration system.

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

Questionnaires are designed to collect a rating on the service-supplying departments, bases on a scale from 1 to 7, on five different survey areas:

- reliability: ability to supply services accurately, completely and correctly;
- ability to respond: ability to supply a quick and effective service;
- capability: having the professional capabilities required to supply the service;
- communication: ability to listen to others and to be understood;
- politeness: respect and consideration for the other person's needs.

This process was started in 2009 and further developed in 2010. It substantiates that both Group Banks rank well above the adequacy threshold (4.0): in particular Cariparma achieved an average rating of 4.5, while FriulAdria of 5.0, and the overall rating for the Group is 4.6.

Complaints

In 2010, complaints from customers were 1,546, strongly decreasing compared with the previous year (-53.3%); of these, 508 were admitted. The Cariparma FriulAdria Group has a low rate of complaints over the total number of customers: in 2010, this rate was 0.01%.

The breakdown of complaints received in 2010 by type is as follows:

	Complaints 2010		Complaints 2009		
Breakdown of complaints by type	quantity	%	quantity	%	Change
Credit cards and debit cards	109	7%	995	30%	-89%
Securities	418	27%	683	21%	-39%
Loans and receivables	110	7%	128	4%	-14%
Mortgage loans	164	11%	328	10%	-50%
Current accounts/deposits	408	26%	604	18%	-32%
Insurance products	19	1%	36	1%	-47%
Wages/pensions	3	0%	6	0%	-50%
Other	309	20%	528	16%	-41%
Privacy	6	0%	4	0%	50%

The breakdown of complaints by reason is as follows:

	Complaints 2010		Complaints 2009		
Breakdown of complaints by reason	quantity	%	quantity	%	Change
Transaction performance	496	32%	940	28%	-47%
Communications and information to customers	278	18%	445	13%	-38%
Terms applied and conditions	141	9%	335	10%	-58%
Frauds and loss	122	8%	1,095	33%	-89%
Other	509	33%	497	15%	2%

All complaints are filed in a specific database which allows them to be monitored. The Complaint Unit is responsible to provide the customers concerned with an exhaustive and accurate feedback for each received complaint. Pursuant to the regulations in force, the Group shall deal with complaints by 30 days from receipt, with the exception of those relating investment services for which the term is 90 days. In case of no reply, customers may refer to the Banking and Financial Arbitrator (BFA) or to the Banking Ombudsman for disputes relating to Investment Services.

Inspection by the Bank of Italy

In 2010, the Bank of Italy carried out an inspection at the Parent Company Cariparma, in order to assess the adequacy of the loan management and control systems, of process of management of credit risks and operational risks.

In accordance to the results of this inspection, the Parent Company has already implemented or is implementing the recommended adjustments and improvements.

Audit Committee for Internal Control

Supervisory regulations on Banks' corporate organization and governance recommend setting up of committees within the BoD by larger-size or highly-structured banks.

Therefore, considering the present size of the Parent Company, in compliance with the above-mentioned secondary regulation and with the Articles of Association, in 2010 the Board of Directors set up an Audit Committee for Internal Control within the same Board.

This Committee has the task of providing the Board of Directors with advice and proposals on risk management, the accounting computerized system and the internal control system, in order to ensure an efficient and effective control system.

This Committee has the target to increase effectiveness of a control system, ensuring a sound and prudent management of the Bank, protection of equity, efficiency and effectiveness of corporate transactions, reliability of financial information, full compliance with laws and regulations, as well as customer protection.

The Committee consists of three non-executive and independent Directors. The Chairperson of the Board of Auditors shall also take part in the Committee works.

▸ Performance of consolidated companies

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

Banca Popolare FriulAdria is subject to the control and coordination of Cariparma, which has a 79.1% shareholding. The remaining stake in FriulAdria consist of diffuse shareholding.

The difficult situation of real economy impacting 2009 continued also in 2010. In Italy, recovery has been slower than in other European countries and private consumptions have been waek due to the continuing uncertainty on the labour market. In this situation, the Bank's performance was achieved thanks to the optimization of the distribution network structure and to the streamlining of the organization: the sound operating profit was achieved through a selective search for opportunities in intermediation activities, an effective Asset Liability Management (ALM) and an effective control of operating expenses.

The net operating profit for the year came to €120.3 million from the €119.8 million of the previous year, up by 0.4%. This was achieved by rationalizing costs, which improved the Bank's management efficiency, and by keeping net operating revenues stable, despite the spread reduction and investors' caution due to the uncertainty resulting from the crisis of financial markets. An effective and rigorous cost management policy allowed a slight contraction in operating expenses to be achieved (-0.4%). Operating expenses came to €178.8 million compared with the €179.6 million in 2009. The cost-income ratio, that is the ratio of net operating expenses to net operating revenues, came to 59.8% compared with 60.0% in 2009.

The good operating profit, which reflects the Bank' ability to generate income with its core business, is therefore significant. As already mentioned, this was also due to the implementation of some important projects and activities in 2010. These included the new organizational model for the Network, as well as the change and enhancement of some processes relating to loan control and granting, to compliance control and to commercial business.

In a difficult economic situation, thanks to a rigorous policy in terms of provisions, the provisioning rate [1] came to 0.72% in 2010 from 96% in 2009. In this regard, loan writedowns showed a significant and material contraction of €14.3 million, that is to say a 24.4% decrease, from the €58.8 million in 2009 to €44.4 million in 2010.

2010 net profit came to €48.2 million, an increase by 18.2% from the €40.8 million of the previous year, and ROE [2] came to 8% (compared with 6.86% in 2009). The capital ratios were high, with Tier 1 coming to 8.8% and the total capital ratio to 8.9%. All this substantiates the constant pursue by the Bank of a sustainable profitability, resulting from the continuous focus on expenses, revenues, liquidity, soundness and low risk profile.

(1) Provisioning rate: ratio of net impairment adjustments of loans to total loans to customers (Item 70 Balance Sheet).

(2) Ratio of net profit to weighted-average share capital, share premium, valuation reserves and reserves established with retained earnings.

Income statement	31.12.2010	31.12.2009	Changes	
			Total	%
Net interest income	183,644	196,326	-12,682	-6.5%
Net commission income	95,603	89,991	5,612	6.2%
Dividends	402	778	-376	-48.3%
Net gain (loss) on trading activities	18,172	13,856	4,316	31.1%
Other operating revenues (expenses)	1,227	(1,517)	2,744	n.s.
Net operating revenues	299,048	299,434	-386	-0.1%
Operating expenses	(178,794)	(179,602)	-808	-0.4%
Net operating profit	120,254	119,832	422	0.4%
Provisions for contingencies and liabilities	(1,344)	1,157	2,501	n.s.
Net impairment adjustments of loans	(44,449)	(58,758)	-14,309	-24.4%
Net profit	48,180	40,775	7,405	18.2%
Balance Sheet Figures				
Loans to customers	6,154,466	6,116,512	37,954	0.6%
Net financial assets/liabilities held for trading	24,529	48,117	-23,588	-49.0%
Financial assets available for sale	1,317,115	979,441	337,674	34.5%
Net loans to banks	-	-	-	-
Equity investments	2,882	2,532	350	13.8%
Property, plant and equipment and intangible assets	137,965	134,219	3,746	2.8%
Total net assets	7,951,289	7,526,519	424,770	5.6%
Funding from customers	5,473,070	5,550,798	-77,728	-1.4%
Indirect funding from customers	5,437,624	5,250,440	187,184	3.6%
of which: asset management	2,803,605	2,561,120	242,485	9.5%
Net due to banks	1,459,132	989,299	469,833	47.5%
Equity	638,347	655,175	-16,828	-2.6%
Operating structure				
Number of employees (a)	1,628	1,651	-23	
Average number of employees (b)	1,562	1,602	-40	
Number of branches	194	192	2	

(a) *The number of employees hired with employment contract at the end of the financial year does not include atypical workers, directors and auditors; no adjustments have been made for active or passive secondments.*

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

The activity of Crédit Agricole Leasing Italia S.r.l. (Calit)

Crédit Agricole Leasing Italia is a leasing company subject to the control and coordination of Cariparma. Cariparma has a 85% shareholding in CALIT and the remaining stake is held by Crédit Agricole Leasing.

In 2010 the lease market grew after having significantly decreased for two consecutive years; the new intermediated volumes increased by 4.6% after a 32.9% decrease in 2009, which followed a 20.8% decrease in 2008.

In 2010 the company consolidated its positioning on the market, confirming its ranking among the leading leasing companies with a market share of 2% thanks to 2,576 new contract for a total amount of €550.1 million, up by 7% in terms of numbers and down by 5.4% in terms of volumes.

Also in 2010, the renewable energy sector was particularly significant. In the year 53 new contracts were entered into for a financed amount of €114.7 million.

The breakdown of 2010 commercial performance by product is given in the Table below:

	No. of contracts	Difference 2010/2009	Contract value *(euro/1000)*	Difference 2010/2009	% weight of value
Equipment	1,105	-10.0%	182,179	-19.5%	33.1%
Motor vehicles	1,270	33.7%	54,819	23.9%	10.0%
Real estate	201	-12.2%	313,057	0.8%	56.9%
TOTAL	**2,576**	**7.0%**	**550,055**	**-5.4%**	**100.0%**

INCOME STATEMENT AGGREGATES

Net operating revenues amounted to €26.6 million, up by 42.4% over 2009, mainly driven by net interest income (+€6.7 million) which benefited from both the increase in volumes and from market rates that were more favourable than in 2009.

Operating expenses increased by 2.4%, mainly due to the staff increase; the average staff expenses (also including staff seconded to the company) increased from the €49.3 of 2009 to €54.2 in 2010.

The Cost-Income ratio came to 34.3%, significantly improving compared with 47.7% in 2009, thanks to the increase in net operating revenues and the control of operating expenses.

The Cost of Risk came to €14.1 million, up by 19.7% over the previous year, still affected by the difficult economic situation. The Cost of Risk accounted for 53.1% of net operating revenues (63.3% in 2009) and for 80.9% of operating profits, compared with 2009 when it was higher than the operating profit. The Cost of Risk accounted for 0.8% of average loans, in line with the 2009 figure.

BALANCE SHEET AGGREGATES

Loans to customers were mainly generated from financial leasing transactions and amounted to €1,817.4 million, up by 9.6% over 2009; total loans account for 98.5% of total assets.

Net impaired loans came to €108 million and represent 5.7% of total lending as recognized in the financial statements and 5.9% of loans to customers. The relating writedowns came to a total of €17.8 million and represented 14.1% of the book value of loans.

Specifically, bad debts had a coverage ratio of 17.4%, while substandard loans a coverage ratio of 14.8% (in both cases the realizable value of the relating assets was not considered).

The ratio of net bad debts to net loans to customers came to 4.0%. Collective writedowns made on uniform categories of performing loans came to a total of €5.6 million and ensured a coverage ratio for said loans of 0.3%.

Debt came to €1,818.4 million and consisted mainly of amounts due to Banks for loans totalling €1,803.9 million (of which €1,292.1 million for loans received from the controlling company Cariparma).

As at 31 December 2010, the company's equity, including the net profit for the year, was €64.3 million, up by €1 million over the previous year.

Management report

Financial Statement	31.12.2010	31.12.2009	Changes Total	Changes %
Income statement				
Net interest income	22,801	16,041	6,760	42.1%
Net commission income	1,015	504	511	101.4%
Other operating revenues (expenses)	2,745	2,104	641	30.5%
Net operating revenues	26,561	18,649	7,912	42.4%
Operating expenses	(9,109)	(8,897)	-212	2.4%
Net operating profit	17,452	9,752	7,700	79.0%
Provisions for contingencies and liabilities	(994)	-	-994	n.s.
Net impairment adjustments of loans	(13,119)	(11,795)	-1,324	11.2%
Net profit	1,050	(2,572)	3,622	-140.8%
Balance Sheet				
Loans to customers	1,817,403	1,657,515	159,888	9.6%
Property, plant and equipment and intangible assets	1,960	2,263	-303	-13.4%
Total net assets	1,920,809	1,679,929	240,880	14.3%
Net due to banks	1,744,026	1,582,877	161,149	10.2%
Equity	64,265	63,305	960	1.5%
Operating structure				
Number of employees	56	52	4	7.7%
Average number of employees	54.2	49.3	5	9.9%

Structure ratios	31.12.2010	31.12.2009
Structure rations		
Net loans/Total net assets	98.5%	98.7%
Profitability ratios		
Net interest income / Net operating revenues	85.8%	86.0%
Cost / income	34.3%	47.7%
Net gain (loss) / Equity (Return on Equity)	1.7%	-3.9%
Net profit (loss) for the year pertaining to shareholders of the parent company	0.1%	-0.2%
Risk ratios		
Net bad debts / Net loans to customers	4.0%	1.5%
Net impaired loans / Net loans to customers	5.9%	4.3%
Cost of risk / Net operating revenues	53.1%	63.3%
Risk cost (b) / Operating profit	80.9%	121.0%
Productivity ratios (income statement)		
Operating expenses / No. of employees (average)	168.1	180.5
Operating expenses / No. of employees (average)	490.1	378.3
Productivity ratios		
Loans to customers / No. of employees (average)	33,531.4	33,621.0

The activity of Crédit Agricole Vita S.p.A. (CA VITA)

Crédit Agricole Vita S.p.A. is an insurance company, which is subject to the control and coordination of Crédit Agricole Assurances Italia Holding S.p.A. Crédit Agricole Assurances Italia Holding S.p.A. has a 50.01% shareholding in CA VITA and Cariparma S.p.A. a 49.99% shareholding.

Crédit Agricole Vita provides the customers of Cariparma and FriulAdria, which are the selling networks, with a wide range of products for both individuals and enterprises, as well as pension and social security opportunities.

As at 31 December 2010, Crédit Agricole Vita's gains/losses (before taxes), calculated based on the International Accounting Standards IAS/IFRS for its consolidation into Cariparma FriulAdria Banking Group, came to €27.7 million, while net gains/losses (after taxes) came to €15.4 million.

With regard to financial management, given the performance of the financial markets during the year and as at the year closure, impairment on available-for-sale shares came to €7.7 million and fair value losses on securities recognized at fair value in the income statement came to €1.1 million.

Total premiums recognized in the year amounted to €1,771 million, of which:

- €1,480 million consisted on insurance premiums (IFRS 4 and IAS 39 with profit sharing), that can be attributed for 87% to separate-accounts-linked products and, for the remaining portion almost entirely to index-linked products;
- €291 million relating to financial products without profit sharing, which can be almost entirely attributed to unit-linked products;

Net funding for all types of products, calculated as the difference between collected premiums and severance payments made, came to €1,222 million Euro.

Liabilities linked to commitments to customers totalled €6,464 million, of which:

- insurance technical reserves (IFRS 4 and IAS 39 with profit sharing), mainly connected to index-linked products, Separate-Accounts-linked products and to temporary pure life insurance policies, amounting to €5,531 million;
- liabilities relating to financial products without profit sharing, mainly unit-linked products and open-end pension fund amounting to €850 million.

In order to ensure the required capital ratios and to support the Company's operations and growth, in July 2010 the shareholders resolved a capital contribution for a total of €12 million. Specifically, Cariparma paid its share of said contribution (amounting to €6 million) in August 2010.

Again with regard to capitalization and for the above-described purposes, on 8 December 2010, the Company entered into a contract for a subordinated loan with Crédit Agricole Assurances for a nominal amount of €40 million; Crédit Agricole Assurances paid its portion of the capital contribution in December 2010.

The capital requirement to be met at the end of the year, pursuant to Legislative Decree No. 209/2005, was estimated as being €188 million, for which the Company has resources available for €217 million, therefore with a coverage ratio of approximately 116%.

Reconciliation of Parent Company equity and net profit and consolidated equity and net profit

	31.12.2010	
	Equity	of which: Net profit (loss) for the period
Balances in Parent Company accounts	**3,870,199**	**241,574**
Effect of consolidation of subsidiaries	20,994	33,131
Effect of equity method accounting of significant equity investments	(9,365)	5,349
Dividends received in the period	-	(40,006)
Other changes	(1,100)	29
BALANCES IN CONSOLIDATED ACCOUNTS	**3,880,728**	**240,077**

▸ Outlook

Overview

At the end of 2010, the Italian economy slowed down after the progressive acceleration in the first half year which was driven by exports. A weak growth in households' expenses combined with a reduction in public demand continued to affect our growth. Therefore, for 2011 a slight slowdown is forecasted in the already limited 2010 growth, with a lower contribution of foreign demand and investments which is not expected to be offset by private and public domestic demand.

Inflation is expected to increase, over 2%, driven by the quick increase in international commodity prices, without reviving fears of an inflation spiral. High government debt, exceeding 120% of the GDP, is expected to negatively affect our recovery making interventions to support the economy difficult and making Italy more vulnerable by the interest rate trend.

The still weak recovery of the economy is expected to impact the financial and lending aggregates, with a still limited increase in loans to customers and a decrease in funding due to a rearrangement of savings into more appealing investment alternatives, especially assets under management products.

The still limited growth of the economy expected for 2011 should entail an essential stability in loan performance, even though with an acceleration of the enterprise component offsetting a lower performance of households. Lending demand by enterprises is expected to concern mainly the short-term segment, which is more sensitive to economic recovery. Conversely, the lending demand for home mortgage loans is expected to slow down slightly, after the good 2010 performance. Credit quality is expected to remain critical, with an increase of non-performing loans still high even though slowing down. However, the weight of these loans to total loans of the Banks is expected to worsen further next year. The improvement in the economic situation, usually, produces effects on credit quality after a time-delay.

As to funding, after a strong decrease in current accounts in 2010, which reflected the rearrangement of savings into more appealing investment forms, in 2011 funding from customers is expected to be less fluctuating than in the last few years. After the contraction in 2010, bonds are expected to grow, even though at a slow pace. Overall, tension on public securities market is expected to strengthen competition in funding and to favour reallocation of savings to investment forms giving higher yields.

Assets under management by the banking channel, funds and asset management, is expected to grow at steadier paces thanks to investors' demand for more interesting yields, which is expected to favour extension of investment time horizons and a subsequent rearrangement of retail portfolio. Insurance funding is expected to keep growing at a high rate. Income statements of Italian banks are expected to be affected by the continuing weakness of the economy, with low interest rates and a worsening in credit quality. Net interest income is expected to recovery moderately in 2011, due to the limited increase in lending and funding with customers and to a persisting limited interest rate range. Revenues from services, which, in 2010, partially offset the decline in interest revenues, are expected to continue to grow, thanks to the customers' returning interest for assets under management/administration and to the contribution of traditional banking business. The expected performances described above should lead to a progressive increase in revenues starting from 2011.

The still weak growth in revenues will require focus on cost control by the Banks, without penalizing the necessary investments in the various segments of operations. Staff expenses are expected to remain essentially stable benefiting from the improvements in efficiency achieved in the last years. The cost-income ratio is expected to remain higher than it was before the crisis, due to the low performance of revenues. Adjustments on loans are expected to gradually decrease, even though remaining high.

Sector profits are expected to improve even though remaining lower than those before the crisis and generating limited profitability. To meet the challenges resulting from an increasingly uncertain market situation and from the increased competition, the Cariparma FriulAdria Group aims at consolidating and expanding its geographical presence further increasing its branch network. In 2011, the Group will acquire a new Bank, Carispezia, as well as 96 branches from Intesa Sanpaolo. With these new acquisitions, the Group will have a network consisting of 900 branches, ranking 7th among Italian banking groups.

The new 2011-2013 Strategic Plan, currently being prepared, aims at setting the development paths and guidelines to be referred to by a Group that was set up only a few years ago but that already ranks among the leading Italian banking groups. The Group, with its new size, wants to reconfirm its mission as proximity bank, with strong roots in the community, focussed on the increasingly complex demand from households and enterprises, benefitting from being part of a leading international banking network.

The guidelines set forth in the new Strategic Plan, which profoundly reconsiders how to do banking business, are the following:

- revision of the model for services to customers in a multichannel perspective aiming at meeting in a customized way the requirements of the various types of customers;
- enhancing its corporate banking role as part of the network of a leading international group;
- renewal of the operating platform with a complete revision of processes;
- consolidating its governance and risk management structure, also by means of a new governance model;
- fine-tuning of the strategy and processes of capital management, which is a key factor for Group soundness.

Risks and uncertainties

Referring to other parts of the Notes to the Financial Statements, a detailed examination of the risks and uncertainties to which the Group companies are exposed and the relevant techniques for the mitigation of the same, it is here possible to emphasize, briefly, that the Group and its management are quite aware that sustainable development and growth are unavoidably achieved also by a careful analysis of the risks to which the same is exposed, of the relevant uncertainties in terms of impacts caused by the risks on the balance-sheet, income-statement and financial structure, and by procedures for the management and reduction of risks to acceptable levels.

Therefore and in compliance with the regulatory provisions, both relating to the sector the Group companies belong to and pursuant to Legislative Decree No. 178 of 2 November 2008, the current trend of financial and real economy in its entirety, as well as the measures and choices of monetary and real economy that will continue being adopted by supernational bodies and state government to fight the crisis still today unescapable, are certainly important factors that shall lead all financial operators to adopt growth and development policies focused on safeguarding and protection of all stakeholders' interests, without neglecting that institutional role that the Group as such has both as for support of the economic and social texture of its enterprise clients and for the enhancing of that key development factor that consists of savings.

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

INTERNAL CONTROL SYSTEM

Consistently with provisions of corporate law and with the Bank of Italy's supervisory provisions, the Group, implementing the guidelines issued by Crédit Agricole S.A. and by Cariparma's and FriulAdria's Board of Directors, adopted an internal control system designed for a constant monitoring of the main risks relating to the core activities, to be able to guarantee a corporate management which is sound, proper and consistent with the set targets, as well as in line with the reference models and with the best practices existing at national and international level.

Cariparma's and FriulAdria's Internal Control System involves the Collective Bodies, the Control departments, the Supervisory Body, the Independent Auditors and Senior Management, as well as all staff.

It should be noted that, since 2007, the Cariparma FriulAdria Group has progressively conformed the Internal Control System to Crédit Agricole's model, consistently with the French legislation, which is applicable to the latter, as well as with the Italian law applicable to Cariparma and FriulAdria.

The control system is based on two procedures:

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

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

In 2010, the Parent Company started a process for the methodological revision and integration of control tools, scheduling a progressive mapping of corporate processes and putting in use the Integrated Controls System designed to facilitate exchange of information and synergies between control departments, in order to increase risk control.

COLLECTIVE BODIES

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

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

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

The subsidiary company's Boards of Directors adopted the "risk policies" for risk management and mitigation approved by the Parent Company's Board of Directors; moreover, the Board identifies and assigns responsibilities to the various corporate structures and departments, so that the respective duties are clearly assigned and potential conflicts of interests are prevented. Cariparma's Chief Executive Officer is assigned the responsibility to periodically assess the function, efficiency and effectiveness of the system for risk management and control, periodically submitting said assessment results to the Board of Directors, promptly adopting, if necessary, suitable correction measures in case shortcomings or anomalies are detected.

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

CONTROL DEPARTMENTS

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

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

Risks and Permanent Controls

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

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

Compliance

Compliance has the mission to guarantee compliance with the legal requirements relating to banking and financial activities, with the professional and ethical standards and practices and with those of Crédit Agricole S.A. Group with the target of putting the customer's interests first, market integrity, the prevention of money-laundry and market abuses, protection of the Group companies, employees and senior management against the risk of fines, financial losses and reputational damage.

Manager in Charge

The Manager in charge certifies with a specific report on the Financial Statements for the year, on the Interim Condensed Financial Statement and on the Consolidated Financial Statement, the adequacy and actual application of the administrative and accounting procedures for the preparation of the Financial Statements and of the Consolidated Financial Statements, of any other financial communication, as well as the correspondence of accounting books' and records.

To issue this certification the Manager in Charge checks the adequacy and effectiveness of the internal Control System relating to the financial reporting:

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

▸ Internal Audit

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

▸ Statutory audit of the accounts

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

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

The Shareholders' General Meetings of Cariparma, Fiuladria and Calit have assigned the statutory audit task to the Reconta Ernst & Young S.p.A. Company.

Corporate social responsibility

In a situation of general economic crisis, the Cariparma FriulAdria Group enhanced and developed its approach to Corporate Social responsibility. This commitment is strongly supported by the Parent Company Crédit Agricole, a leading bank that is renowned for its commitment to the environment and sustainability.

The Cariparma FriulAdria Group deems strategically important the ability to virtuously combine the creation of economic value with the internal and external stakeholders' expectations.

The Group Code of Ethics, which embodies all principles, duties and responsibilities that the Group assumes towards the stakeholders, explicitly sets forth the objective to supply a transparent and punctual reporting on the organization and activities performed, by publishing the Corporate Social responsibility Report.

Substantiating its innovation ability and true social commitment, the Cariparma FriulAdria Group was well placed at the annual contest "Bank and Community", promoted by AIFin, in the following categories:

- 1st place in the category "Initiatives for education and training" with the Guida Sicura (*safe driving*) project;
- 2nd place in the category "Social initiatives" with the *Rimesse collettive* project, in cooperation with the University of Parma, with the purpose of facilitating the contribution of Senegal migrants to the development of their country of origin;
- 2nd place in the category "2009 Corporate responsibility report".

Following this placing, the Cariparma FriulAdria Group also ranked second in the general list of the Special Award "Banca territoriale dell'anno" (Community Bank of the Year) for *its ability to do traditional banking business*.

Certification of the Consolidated Financial Statements pursuant to Article 154 bis of Legislative Decree No. 58/98

CARIPARMA
CRÉDIT AGRICOLE

1. The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Débourdeaux, Senior Manager in charge of the preparation of the company accounting statements of Cassa di Risparmio di Parma & Piacenza S.p.A., hereby certify, considering also the provisions of Article 154-bis, paragraphs 3 and 4, of legislative decree No. 58 of 24 February 1998:
- the adequacy in relation to the company's characteristics and
- the actual application

of the administrative and accounting procedures for the formation of the Consolidated Financial Statement during the course of the 2010 financial year.

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

3. The undersigned certify also that:

3.1 the report Consolidated Financial Statement as at 31 December 2010:

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

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

f) furnishes a true and correct representation of the capital, economic and financial situation of the Issuer.

3.2 The management report includes a reliable analysis on the management trend and performance, as well as of the issuer's situation and a description of the major risks and uncertainties to which it is exposed.

Parme,Italy 23 march 2011

PIERRE DÉBOURDEAUX
Senior Manager in charge of the preparation
of the Company accounting statements

GIAMPIERO MAIOLI
Chief Executive Officer

Mod. 50.3119.77

Cassa di Risparmio di Parma e Piacenza S.p.A. Sede Legale Via Università 1 43100 Parma Telefono 0521.912111
Telex 530297 CARIPR I Telex 530420 RISPAR I Capitale Sociale € 785.065.789,00 i.v. Iscritta al Registro Imprese di Parma, Codice Fiscale e Partita Iva n. 02113530345 Aderente al Fondo Interbancario di Tutela dei Depositi Iscritta all'Albo delle Banche al n. 5435 Capogruppo del Gruppo Bancario Cariparma Friuladria iscritto all'Albo dei Gruppi Bancari Soggetta all'attività di Direzione e Coordinamento di Crédit Agricole S.A.

Report of the Board of Auditors on the Separate Annual Report and Financial Statements and on the Consolidated Annual report and Financial Statements as at 31 December 2010

Dear Shareholders,

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

▸ Supervisory activity

In 2010, the Board of Auditors performed its supervisory activity as envisaged by the above-mentioned decrees and provisions, also considering the standards of conduct recommended by the Italian National Association of Chartered Accountants. The Board supervised:

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

Moreover, the above-mentioned Legislative Decree No. 39 of 27 January 2010, Article 19, has introduced significant developments in the functions of the Board of Auditors, providing for, in public interest bodies - including banks (pursuant to Article 16 of the above-mentioned Legislative Decree) -, the setting up of an Internal Control Committee, which, under the second paragraph of the same Article "… is the Board of Auditors". Therefore, pursuant to Article 19, first paragraph, the Board of Auditors, supervised:

a) the financial reporting process;

b) the effectiveness of the internal control, internal audit and risk management systems;

c) the statutory audit of annual separate and consolidated accounts;

d) the independency of the statutory auditor or of the statutory audit company, specifically regarding the provision of non-audit services to the body subject to the statutory audit of accounts.

Moreover, the Board of Auditors hereby states that on …., the same Board received the Independent Auditors' reports on the Separate Financial Statements and on the consolidated Financial Statements as at 31 December 2010. These reports do not contain any remarks nor disclosure requirements. On the same date, the Board also received the report pursuant to Article 19, paragraph 3, of Legislative Decree No. 39/2010, which does not show any significant shortcomings in the internal control system relating to the financial reporting process. Finally, the Board ascertained that the Independent Auditors published on their website, the annual transparency report, pursuant to Article 18 of the above-mentioned Legislative Decree No. 39 of 27 January 2010, by the envisaged deadlines. The Independent Auditors also sent to the Board of Auditors the annual confirmation of independence pursuant to Article 17, paragraph 9, letter a of the above-mentioned Legislative Decree 39/2010. In 2010, specifically from 6 April 2010, date of its report on 2009 Annual Report and Financial Statements, to today's date, 40 meetings of the Board of Auditors were held (as substantiated by the Register of the Board of Auditors' meetings). In order to perform all activities summarized above, the Board of Auditors:

- supervised the effectiveness and function of the overall internal control system, specifically through periodical and constant meetings with the Risk Management and Permanent Controls Department, the Auditing Department, the Compliance Department and with the Senior Manager in charge of the preparation of the accounting documents, and by obtaining copy of the reports prepared by the various Corporate Bodies and Committees in charge of governance and control;
- supervised the compliance of the Internal Capital Adequacy Assessment Process (ICAAP) with the requirements provided for by the regulations. It is stated that the Board of Directors resolved on this matter at the BoD meeting of 28 April 2010 (approving the document by the title "Supervisory Review – ICAAP Report"). Moreover, the Board acquired significant information from the relevant Departments – specifically, from the Risk Management and Permanent Controls Division, at the periodical meetings;

Report of the Board of Auditors

- it monitored, specifically at the meetings with the corporate bodies held on 3 June 2010, 15 October 2010 and 9 February 2011, the progress made on internal control and compliance projects relating to the Integrated Controls System, money-laundering, Mifid, usury and transparency, Campania project;
- it worked in coordination with the the statutory audit Company, Reconta Ernst & Young S.p.A.: to this end periodical meetings were held, both upon examination of the preliminary quarter data, and at further meetings aimed at exchanging data and information that were significant for the performance of the respective duties and for the analysis of the results of the work made by the same Independent Auditors. As to this, it should be noted that the latter has never communicated to the Board, neither on said occasions nor with other means, any detection of faults or problems and/or inadequacy;
- the Board also worked in closed coordination with the Board of Auditors of the subsidiary companies, also through meetings held with the respective control bodies. At said meetings, no matters to be submitted to the attention of the Controlling Company's shareholders emerged;
- the members of the Board of Auditors attended all General Meetings, all meetings of the Board of Directors and of the Executive Committee. It is stated that these meetings were held in compliance with the Articles of Association and with the law, and it can be reasonably assured that the resolutions were in compliance with the law and with the Company's Articles of Association and that were not blatantly hazardous, in conflict of interests or such as to jeopardize the corporate equity;
- thanks both to the above-mentioned attendance at the meetings of the Board of Directors and of the Committees and at meetings with the senior management (Chief Executive Officer, Co-General Manager, Deputy General Manager), the Board obtained from the Directors information on the company general performance and outlook, as well as on the transactions that were most significant due to their size or features and were carried out by the Company;
- it operated in coordination, also through specific meetings and contacts, with the Supervisory Body appointed pursuant to Legislative Decree 231/01;
- in particular at the meetings of the BoD and of the Executive Committee, it supervised intra-group transactions and transactions with related parties. With regard to this, as described in "part H" of the Notes to the Financial Statements, and as confirmed by the Managers engaged in the relevant Functions during the meetings held for the purpose, the Board acknowledges that, in identifying the related parties, the Company complied with the instructions of IAS 24, as well as with the "Regulation on related-party transactions" adopted with CONSOB resolution No. 17221 of 12 March 2010 and subsequent amendments and additions, also by approving, at the BoD meeting held on 24 November 2010, the new "Regulation on transactions with related parties";
- it ensured its presence, through the attendance of the Chairperson and of one Standing Auditor, at the meetings of both Cariparma and Group Credit Committees;
- it participated, represented by the Chairperson, in the meetings of the Internal Control Audit Committee, which was set up by the Board of Directors on 16 December 2010.

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

- with minutes dated 9 July 2010, considering the Bank of Italy communication dated 28 October 2009 on "Remuneration and incentive systems", pursuant to Article 2389, paragraph 3, of the Italian Civil Code, expressed its opinion on the proposal for the Chief Executive Officer's remuneration;
- with minutes dated 24 November 2010, the Board expressed favourable opinion, pursuant to Article 136 of the Consolidated Law on Banking, on the procedure prepared by Cariparma Independent Directors on related parties, approved by the BoD on the same date, which also provided for the adoption of the new "Regulation on transactions with related parties" that was required after Consob resolution No. 17221 of 12 March 2010;
- with a note submitted to the BoD on 16 con December 2010, the Board of Auditors expressed its remarks on the "assessment of adequacy of the Compliance Department;
- with minutes dated 14 January 2011, to enhance the Compliance Function, expressed favourable opinion, also pursuant to item 5 of the Bank of Italy's Supervisory regulations No. 688006 of 10 July 2007, on the appointment of Cristina Rossi as Manager in charge of the Central Compliance Department;
- with minutes dated 2 March 2011, the Board gave its opinion on the unit issue price of 47,945,831 shares (amounting to a total of €8.00 each - of which €1.00 as par value and €7,00 as share premium) relating to the transfer of 70 branches from Intesa San Paolo S.p.A. and 11 branches from Cassa di Risparmio di Firenze S.p.A.;
- with minutes dated 11 March 2011, the Board of Auditors issued its remarks on the activities performed in 2010 by the Compliance Department, the Risk Management and Permanent Controls Department and by the Audit Department, analyzing the respective reports pursuant to Articles 16 paragraph 3, 13 paragraph 3 and 14 paragraph 1 of the joint Consob-Bank of Italy Regulation of 29 October 2007 and Consob Resolution No. 17297 of 28 April 2010;
- on the same date, the Board of Auditors fulfilled the requirements on self-assessment of the same Board, as provided for in the additions to the Articles of Association, which became necessary to adjust to the Bank of Italy Supervisory Provisions Concerning Banks' Organization and Corporate Governance (Measure No. 264010 of 4 March 2008) and were approved by the Extraordinary General Meeting held on 24 June 2009.

In 2010, the Company carried on the adjustment process of its own structures, with particular reference to Central Departments.

The undersigned Board, within the scope of its above-mentioned supervisory duties, systematically monitored these activities, suggesting to continue the implementation of structures and processes suitable for the role and size of Cariparma Banking group.

In 2010 and up to date, no notifications were received pursuant to Article 2408 of the Italian Civil Code.

▸ Separate Annual Report and Financial Statements and Consolidated Annual Report and Financial Statements.

The Annual Report and Financial Statements as at 31 December 2010 are regulated by the rules set forth in Legislative Decree No. 38 of 28 February 2005 and in the Bank of Italy's Circular No. 262 of 22 December 2005, as revised on 18 November 2009, and were prepared in compliance with IAS/IFRS.

With reference to the documentation that is a substantial part of the Annual Report and Financial Statements in question, the Board states that the Financial Statement figures as at 31 December 2010 have been compared to those relating to the previous year.

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

With specific regard to the Consolidated Financial Statements as at 31 December 2010, it is here stated that they are regulated by the provisions of Legislative Decree No. 38 of 28 February 2005 and of the Bank of Italy's Circular No. 262 of 22 December 2005, as revised on 18 November 2009, and they were prepared in compliance with IASs and relating interpretations by IFRIC endorsed by the European Commission, as provided for in Community Regulation No. 1606 of 19 July 2002.

As explained by your Directors in the Consolidated Management Report on operations, the scope of consolidation consists, in addition to the Parent Company Cariparma, of the subsidiaries Banca Popolare Friuladria S.p.a., Crédit Agricole Leasing Italia S.r.l., and of Mondo Mutui Cariparma S.r.l., which, even though not formally controlled, was also consolidated on a line-item basis, pursuant to SIC 12.

In this regard, it should be noted that a complex process for the Group's expansion is currently under way, which, as better explained by the Directors in the above-mentioned Consolidated Management Report, falls within the scope of the agreement for the transfer from the Intesa San Paolo Group to the Cariparma Group of a branch network including between 150 and 200 branches. As already mentioned, on 2 March 2011, the Board of Auditors issued its opinion on the congruity of the issue price of the new shares, pursuant to Article 2441, paragraph 6, of the Italian Civil Code, relating to the transfer of 70 branches from Intesa San Paolo S.p.A. and of 11 branches from CR Firenze S.p.A.".

With regard to the Separate Annual Report and Financial Statements and to the Consolidated Annual Report and Financial Statements as at 31 December 2010, the Board of Auditors audited compliance with the rules, accounting standards, methods and criteria set forth in the Notes to the Financial Statements. Specifically, the Board carried out the envisaged control activities on the proper conduct of the Board of Directors with regard to the correct application of the provisions concerning both the technical preparation of the consolidated financial statements and the delimitation of the consolidation scope.

With regard to the Consolidated Financial Statements as at 31 December 2010, being given all the above, we hereby inform you that we supervised on the general layout of the same, on their general compliance with the law as to their preparation and layout and, on this topic, no particular remarks are to be made. Moreover, compliance with the rules on the preparation of the management report was audited.

▸ Conclusions

Dear Shareholders,

given all the above, having considered that the information received to date from the Company Reconta Ernst & Young S.p.a., which is in charge of the statutory audit of the accounts of Risparmio di Parma e Piacenza S.p.a. as at 31 December 2010 has conveyed no remarks or disclosure requirements and having also considered, as stated above, the information obtained to date from the Senior Manager in charge of the accounting documentation, in his report pursuant to Article 154 bis of the Italian Consolidated Finance Law, which does not show significant shortcomings or problems, we hereby express our favourable opinion on the approval of the Financial Statements for 2010, of the Management Report on Operations, as well as on the approval of the proposal for the allocation of the profit for the year, which have been submitted by the Board of Directors for your approval.

Parma, Italy, 25 March 2011

The Board of Auditors

(Marco Ziliotti)

(Paolo Alinovi)

(Angelo Gilardi)

(Giovanni Ossola)

(Umberto Tosi)

Report of the Independent Auditors

Reconta Ernst & Young S.p.A.
Via della Chiusa, 2
20123 Milano

Tel. (+39) 02 722121
Fax (+39) 02 72212037
www.ey.com

Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(Translation from the original Italian text)

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

1. We have audited the consolidated financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. and its subsidiaries (formerly known as the "Cariparma FriulAdria Group", now the "Cariparma Crédit Agricole Group") as of and for the year ended December 31, 2010, comprising the balance sheet, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Cassa di Risparmio di Parma e Piacenza S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

   The consolidated financial statements of the prior year are presented for comparative purposes. As described in the explanatory notes, management has restated certain comparative data related to the prior year with respect to the data previously presented, on which we issued our auditor's report dated April 2, 2010. We have examined the methods used to restate the comparative financial data and the information presented in the explanatory notes in this respect, for the purpose of expressing our opinion on the consolidated financial statements as of and for the year ended December 31, 2010.

3. In our opinion, the consolidated financial statements of the Cariparma FriulAdria Group at December 31, 2010 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the Cariparma FriulAdria Group for the year then ended.

ERNST & YOUNG

4. The management of Cassa di Risparmio di Parma e Piacenza S.p.A. is responsible for the preparation of the Management Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Management Report and the specific section on Corporate Governance and the Company's Ownership Structure regarding the information included therein in compliance with art. 123-bis paragraph 2, letter b) of Legislative Decree n. 58 of February 24, 1998, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Management Report and the information reported therein in compliance with article 123-bis paragraph 2, letter b) of Legislative Decree n. 58 of February 24, 1998,in the specific section of the report, are consistent with the consolidated financial statements of the Cariparma FriulAdria Group as of December 31, 2010.

Milan, March 25, 2011

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

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

Assets		31.12.2010	31.12.2009 (*)
10.	Cash and cash equivalents	214,900	220,398
20.	Financial assets held for trading	299,335	388,956
30.	Financial assets carried at *fair value*	-	-
40.	Financial assets available for sale	7,185,080	3,896,348
60.	Loans to banks	4,629,496	3,969,680
70.	Loans to customers	30,406,621	28,932,934
80.	Hedging derivatives	400,028	285,866
90.	Value adjustment of financial assets subject to macro hedging (+/-)	-	-
100.	Equity investments	119,975	134,999
110.	Reinsurers' share of technical reserves	-	-
120.	Property, plant and equipment	389,823	349,426
130.	Intangible assets	1,432,969	1,445,734
	of which: goodwill	*1,151,534*	*1,151,534*
140.	Tax assets	638,020	621,886
	(a) current	257,622	296,036
	(b) deferred	380,398	325,850
150.	Non-current assets or groups of assets being divested	-	-
160.	Other Assets	622,876	526,892
TOTAL ASSETS		**46,339,123**	**40,773,119**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

Liabilities and shareholders' equity		31.12.2010	31.12.2009 (*)
10.	Payables due to banks	11,078,000	5,518,909
20.	Due to clients	18,114,794	17,740,325
30.	Securities issued	11,181,460	11,633,764
40.	Financial liabilities held for trading	283,939	320,050
60.	Hedging derivatives	22,899	16,108
70.	Adjustment of financial liabilities hedged generically (+/-)	77,273	76,037
80.	Tax liabilities	290,239	314,743
	(a) current	*219,975*	*234,337*
	(b) deferred	*70,264*	*80,406*
100.	Other liabilities	1,014,227	1,017,739
110.	Employee severance benefits	133,418	131,190
120.	Provisions for liabilities and contingencies	105,213	125,082
	(a) retirement and similar liabilities	*22,374*	*22,567*
	(b) other provisions	*82,839*	*102,515*
140.	Valuation reserves	(109,661)	57,431
170.	Reserves	870,772	474,894
180.	Share premium reserve	2,094,474	2,094,474
190.	Share capital	785,066	785,066
210.	Minority interests (+/-)	156,933	161,594
220.	Net profit (Loss) for the period (+/-)	240,077	305,713
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**46,339,123**	**40,773,119**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

CONSOLIDATED INCOME STATEMENT

Items		31.12.2010	31.12.2009 (*)
10.	Interest income and similar revenues	1,265,490	1,371,552
20.	Interest expense and similar charges	(346,779)	(399,948)
30.	**Net interest income**	**918,711**	**971,604**
40.	Commission income	522,226	496,024
50.	Commission expense	(19,298)	(20,335)
60.	**Net commission income**	**502,928**	**475,689**
70.	Dividends and similar revenues	1,636	2,157
80.	Net gain (loss) on trading activities	22,536	23,943
90.	Net gain (loss) on hedging activities	2,699	9,439
100.	Gain (loss) on disposal or repurchase of:	33,677	3,059
	a) loans	*(8,803)*	*(7,685)*
	b) financial assets available for sale	*46,427*	*8,307*
	c) financial assets held to maturity	-	-
	d) financial liabilities	(3,947)	2,437
120.	**Gross income**	**1,482,187**	**1,485,891**
130.	Net impairment adjustments of:	(198,811)	(190,716)
	a) loans	*(201,579)*	*(187,616)*
	b) financial assets available for sale	*(118)*	*(513)*
	c) financial assets held to maturity	-	-
	d) other financial transactions	*2,886*	*(2,587)*
140.	**Profit (loss) from financial operations**	**1,283,376**	**1,295,175**
170.	**Profit (loss) from financial operations and insurance undertakings**	**1,283,376**	**1,295,175**
180.	Administrative expenses:	(939,719)	(933,058)
	a) staff expenses	*(533,406)*	*(519,497)*
	b) other administrative expenses	*(406,313)*	*(413,561)*
190.	Net provisions for liabilities and contingencies	(26,605)	(14,583)
200.	Net adjustments of property, plant and equipment	(27,061)	(26,376)
210.	Net adjustments of intangible assets	(45,743)	(40,704)
220.	Other operating revenues (expenses)	148,979	140,061
230.	**Operating expenses**	**(890,149)**	**(874,660)**
240.	Gain (loss) from equity investments	5,350	26,114
250.	Gains (losses) from property, plant and equipment and intangible assets measured at fair value at fair value	-	-
260.	Value adjustments of goodwill	-	-
270.	Gain (loss) on disposal of investments	2,191	34
280.	**Gain (loss) before tax on continuing operations**	**400,768**	**446,663**
290.	Income tax for the period on continuing operations	(151,901)	(134,347)
300.	**Profit (loss) after tax on continuing operations**	**248,867**	**312,316**
310.	Profit (loss) after tax of groups of assets/liabilities under disposal	-	-
320.	**Net profit (loss) for the period**	**248,867**	**312,316**
330.	**Net profit (loss) pertaining to minority interests**	**(8,790)**	**(6,603)**
340.	**PROFIT (LOSS) FOR THE PERIOD PERTAINING TO THE PARENT COMPANY**	**240,077**	**305,713**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Items		31.12.2010	31.12.2009(*)
10.	**Profit (loss) for the period**	**248,867**	**312,316**
	Other income after tax		
20.	Financial assets available for sale	(145,530)	28,224
30.	Property, plant and equipment	-	-
40.	Intangible assets	-	-
50.	Hedging of foreign investments	-	-
60.	Cash flow hedges	(1,122)	(1,643)
70.	Exchange rate differences	-	-
80.	Disposal groups	-	-
90.	Actuarial gains (losses) on defined-benefit plans	(6,453)	5,435
100.	Share of valuation reserves on equity investments accounted for using the equity method	(16,976)	18,407
110.	**Total other income components after tax**	**(170,081)**	**50,423**
120.	**COMPREHENSIVE INCOME (ITEM 10+110)**	**78,786**	**362,739**
130.	**CONSOLIDATED COMPREHENSIVE INCOME PERTAINING TO MINORITY INTERESTS**	**3,065**	**7,974**
140.	**CONSOLIDATED COMPREHENSIVE INCOME PERTAINING TO THE PARENT COMPANY**	**75,721**	**354,765**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 31 DECEMBER 2010

	Share capital: Ordinary shares	Share premium Reserve	Reserves:		Valuation Reserves	Net profit (loss) for the period	Equity
			Income	Other			
Equity of the Group at 31.12.2009 (*)	**785,066**	**2,094,474**	**475,493**	**(599)**	**57,431**	**305,713**	**3,717,578**
Minority interests at 31.12.2009 (*)	**34,367**	**85,628**	**28,680**	**4**	**6,312**	**6,603**	**161,594**
Allocation of net profit for previous period							
Reserves			129,730			(129,730)	-
Dividends and other allocations						(182,586)	(182,586)
Changes in the period							
Changes in reserves				262,500			262,500
Equity transactions							
Charity			1,000				1,000
Consolidation adjustments			2,440		(3,732)		(1,292)
Shares and rights on shares of the Parent Company							
Granted to employees and directors				81			81
Comprehensive income					(170,081)	248,867	78,786
GROUP EQUITY AT 31.12.2010	**785,066**	**2,094,474**	**608,790**	**261,982**	**(109,661)**	**240,077**	**3,880,728**
MINORITY INTERESTS AT 31.12.2010	**34,367**	**85,628**	**28,553**	**4**	**(409)**	**8,790**	**156,933**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 31 DECEMBER 2009

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity (*)
Group equity as at 31.12.2008	**785,066**	**2,094,474**	**463,192**	**(6,558)**	**14,270**	**294,919**	**3,645,363**
Total shareholders' equity of minority interests as at 31.12.2008	**34,843**	**87,368**	**29,579**	**4**	**5,041**	**10,108**	**166,943**
Allocation of net profit for previous period							
Reserves			12,653			(12,653)	
Dividends and other allocations						(292,374)	(292,374)
Changes in the period							
Equity transactions							
Charity			1,500				1,500
Other changes							
Consolidation adjustments	(476)	(1,740)	(2,751)		(113)		(5,080)
Reclassify equity investment valuations				5,878	(5,878)		
Shares and rights on shares of the Parent Company							
Granted to employees and directors				81			81
Comprehensive income					50,423	312,316	362,739
GROUP EQUITY AT 31.12.2009	**785,066**	**2,094,474**	**475,493**	**(599)**	**57,431**	**305,713**	**3,717,578**
MINORITY INTERESTS AT 31.12.2009	**34,367**	**85,628**	**28,680**	**4**	**6,312**	**6,603**	**161,594**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

CONSOLIDATED CASH FLOW STATEMENT

	31.12.2010	31.12.2009 (*)
A. Operating activities		
1. Operations	**899,376**	**685,573**
- net profit (loss) for the period (+/-)	240,077	305,713
- gains (losses) on financial assets held for trading and financial assets/liabilities carried at *fair value* (-/+)	(12,057)	(14,240)
- gains (losses) on hedging activities (-/+)	5,606	993
- net impairment adjustments (+/-)	193,291	181,849
- net adjustments of property, plant and equipment and intangible assets (+/-)	72,804	67,080
- net provisions for liabilities and contingencies and other costs/revenues (+/-)	26,605	14,583
- unpaid taxes and duties (+)	151,901	134,347
- other adjustments (+/-)	221,149	(4,752)
2. Liquidity generated/absorbed by financial assets	**(5,930,875)**	**(3,863,860)**
- financial assets held for trading	101,678	245,520
- financial assets available for sale	(3,506,759)	(2,279,422)
- loans to banks: On demand	(57,440)	339,109
- loans to banks: other loans	(602,376)	(483,128)
- loans to customers	(1,718,103)	(1,685,164)
- other assets	(147,875)	(775)
3. Liquidity generated/absorbed by financial liabilities	**5,038,298**	**3,526,549**
- due to banks: On demand	(58,216)	(114,603)
- due to banks: other payables	5,617,307	1,838,205
- due to customers	374,469	2,016,017
- securities issued	(437,859)	802,606
- financial liabilities held for trading	(36,111)	6,853
- other liabilities	(421,292)	(1,022,529)
NET LIQUIDITY GENERATED/ABSORBED BY OPERATING ACTIVITIES	**6,799**	**348,262**
B. Investing activities		
1. Liquidity generated by	**9,095**	**2,275**
- sale of equity investments	-	10
- dividends from equity investments	1,636	2,157
- sale of financial assets held to maturity	-	-
- sales of property, plant and equipment	7,459	108
- sale of intangible assets	-	-
- disposal of business units	-	-
2. Liquidity absorbed by	**(102,306)**	**(74,667)**
- purchase of equity investments	3,398	(3,053)
- purchases of financial assets held to maturity	-	-
- purchases of property, plant and equipment	(72,726)	(19,803)
- purchases of intangible assets	(32,978)	(51,811)
- acquisition of business units	-	-
NET LIQUIDITY GENERATED/ABSORBED BY INVESTING ACTIVITIES	**(93,211)**	**(72,392)**
C. Funding		
- issues/purchases of treasury shares	-	-
- issues/purchases of capital instruments	262,500	-
- dividend distribution and other	(181,586)	(278,943)
NET LIQUIDITY GENERATED/ABSORBED BY FUNDING	**80,914**	**(278,943)**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	**(5,498)**	**(3,073)**

KEY: (+) generated (–) absorbed

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

RECONCILIATION

Financial Statement items	31.12.2010	31.12.2009 (*)
Cash and cash equivalents at beginning of period	220,398	223,471
Total net liquidity generated/absorbed during the period	(5,498)	(3,073)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**214,900**	**220,398**

KEY: (+) generated (–) absorbed

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

Notes to the consolidated financial statements

Part A Accounting policies

A.1 GENERAL INFORMATION

Section 1 - Declaration of conformity with international accounting standards

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

The IAS/IFRS in force and endorsed as at 31 December 2010 were applied (including the interpretation documents called SIC and IFRIC) as endorsed by the European Commission and detailed in the specific schedule attached to this Financial Report.

The financial statements and tables in the notes have been prepared using the format set out in Circular No. 262 of 22 December 2005, "Bank financial statements: format and rules for the preparation of bank financial statements", issued by the Bank of Italy exercising the powers provided for in Article 9 of Legislative Decree No. 38/2005 as revised on 18 November 2009.

Section 2 - General preparation principles

The Consolidated Financial Statements consist of the Balance Sheet, the Income Statement, Statement of Comprehensive Income, Statement of changes in equity, Cash Flow Statement and the Notes to the Financial Statements, and also includes a Directors' Report on operations, on the financial results achieved as well as on the performance of the Cariparma FriulAdria Group and the Corporate Governance Report.

In accordance with Article 5 of Legislative Decree No. 38/2005, the Financial Statement was drawn up using the Euro as accounting currency, while in the financial statements and in the Notes, as well as in the Management Report, the amounts are expressed in thousands of Euro, where not otherwise specified.

The Consolidated Financial Statements have been prepared in accordance with IAS 1 and the specific accounting standards endorsed by the European Commission and described in part A 2 of the Notes, as well as with the general assumptions contained in the "Framework for preparation and presentation of the Financial Statement" issued by the IASB.

No exceptions were made in applying the IASs/IFRSs.

As to the corporate continuity underlying the Financial Statements, it is believed that the Group will continue to operate in the foreseeable future. Accordingly, the Consolidated Financial Statement as at 31 December 2010 was prepared on a going-concern basis. In the light of the disclosures required by IFRS 7 concerning the risks to which the Group is exposed, appropriate information has been provided in the report on operations and the notes to the financial statements, specifically Section E.

The notes to the financial statements also contain information on impairment testing of equity investments, securities available for sale and intangible assets (including goodwill).

The financial statements and the Notes also contain comparative figures for the period ended as at 31 December 2009, as well as those for the year under review. In particular, as described in Section 5 – Other aspects, the figures as at 31 December 2009 have been restated following the change in recognition criteria for actuarial profits and losses relating to defined-benefit plans after the termination of the employment relation: employee severance benefits and defined-benefit pension plan.

Use of estimates and assumptions in preparing the annual financial statements

In preparing the annual financial statements, the Bank used estimates and assumptions that could have an impact on the amounts recognized in the balance sheet and income statement, as well as the disclosures concerning the assets and liabilities reported in the financial statements. Subjective assessments were made and available information was used in arriving at these estimates. By their very nature, the estimates and assumptions used may vary from year to year. The present amounts recognized in the financial statements may therefore differ, perhaps significantly, in future periods due to changes in the subjective assessments used.

The main areas in which subjective assessments by management are required are as follows:

- quantifying impairment losses for loans and receivables and, in general, other financial assets;
- determining the fair value of financial instruments used for reporting purposes;
- using measurement models to determine the *fair value* of financial instruments not listed on active markets;
- assessing the adequacy of the value of goodwill and other intangible assets;
- quantifying staff expenses and provisions for liabilities and contingencies;
- making estimates and assumptions concerning the recoverability of deferred tax assets.

The descriptions of the accounting policies that apply to the primary categories reported in the financial statements provide detailed information on the major assumptions made and subjective assessments used in preparing the financial statements.

Contents of the financial statements

BALANCE SHEET AND INCOME STATEMENT

The balance sheet and income statement contain items, sub-items and further information (the “of which” for items and sub-items) and comply with the templates supplied by the Bank of Italy with Circular No. 262 of 22 December 2005, revised on 18 November 2009. In order to facilitate understanding of the figures, the statements are given in full including also the items with no amounts for the reporting year, nor for the previous year. In the Income Statement, revenues are set forth without a sign, while cost figures are set forth in parenthesis.

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income consist of items showing the changes in the value of the assets recognized in the year offsetting the valuation reserves, net of the related tax effect. As for the Balance Sheet and the Income Statement, the items with no amounts for the reporting year, nor for the previous one, have been stated also. Negative amounts are set forth in parenthesis.

STATEMENT OF CHANGES IN EQUITY

To facilitate reading of the figures, the rows and columns of the statement of changes in equity were inverted with respect to the same statement prepared in accordance with Bank of Italy Circular No. 262/2005 as revised on 18 November 2009. The statement shows the composition and movements of the shareholders’ equity items during the reporting year and in the previous one, broken down into share capital (ordinary shares and savings shares), capital reserves, income reserves, comprehensive income and net profit or loss. The value of treasury shares is deducted from equity. No equity instruments other than ordinary shares have been issued.

CASH FLOW STATEMENT

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

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

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

Contents of the notes to the financial statements

The notes to the financial statements contain the information required by Circular No. 262/2005 (1st revision of 18 November 2009) issued by the Bank of Italy, as well as further information required by the international accounting standards. In accordance with the instructions provided in the circular, tables that show items for which no amounts were reported for either the present period or the previous period need not be reported. However, the tables provided herein include those items for which no figures were reported for either the present period or the previous period.

In the tables relating to Income statement items, revenues are set forth without a sign, while cost figures are set forth in parenthesis.

▶ Section 3 – scope and method of consolidation

Scope of consolidation

In addition to the Parent Company, Cassa di Risparmio di Parma e Piacenza S.p.A., hereinafter referred to as Cariparma, the scope of consolidation is represented by the subsidiaries and associated companies identified below. Also the special-purpose entities/special-purpose vehicles (SPE/SPV) have been included, when the requirements are met, also independently of the existence of a majority shareholding (SIC 12 – Consolidation – Special Purpose Entities).

Subsidiaries are companies in which the Parent Company, 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 subsidiary or to determine the financial and operating policies of the same (controlling influence).

Joint ventures are those in which the voting rights and control of its business activities are shared equally, directly or indirectly, between the Parent Company and another non-Group company.

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, despite holding less than 20% of the voting rights, due to specific legal ties such as being party to a shareholders' agreement.

Methods of consolidation

Full consolidation involves the line-by-line aggregation of the balance sheet and income statement items.

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

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

Acquisitions of businesses are recognized using the purchase method provided for under IFRS 3 applied starting from the date of acquisition, or from the moment in which control of the company is effectively achieved. Profit or losses of a subsidiary acquired during the period are included in the Consolidated Financial Statements starting from the date of acquisition.

Equity method accounting involves initially recognizing the equity investment at cost and subsequently adjusting the value based on the percentage of the shareholders' equity of the equity investment held. The difference between the value of the equity investment and the shareholders' equity of that portion held are included in the book value of the equity investment.

The Group's share of the subsidiary's profit or loss for the period is recognized under a specific item in the income statement.

The other major consolidation operations include:

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

The financial statements of the Parent Company and of the other consolidated companies refer to 31 December 2010. Where necessary – and with the exception of marginal instances – any financial statements prepared on the basis of other accounting policies are adjusted to conform with the Group's accounting policies. In a few marginal instances, the companies do not apply the IAS/IFRS and, therefore, for said companies it was assessed that the IAS/IFRS application would not have caused significant effects on the Consolidated Financial Statements of the Cariparma FriulAdria Group.

1. EQUITY INVESTMENTS IN SUBSIDIARY COMPANIES BOTH EXCLUSIVELY AND JOINTLY

The following table shows the equity investments included within the scope of consolidation, indicating:

- the type of control/connection;
- the shareholder;
- percentage of voting rights held by the shareholder.

Company name	Registered office	Type of relationship(1)	Equity investment		% Actual votes available
			Investor	%holding	
A. Company					
Parent Company					
Cassa di Risparmio di Parma e Piacenza S.p.A.	Parma				
A1. Consolidated on a line-by-line basis					
1. Banca Popolare FriulAdria S.p.A.	Pordenone	1	Cariparma S.p.A.	79.11%	79.11%
2. Crédit Agricole Leasing Italia S.r.l.	Milan	1	Cariparma S.p.A.	85.00%	85.00%
3. MondoMutui Cariparma S.r.l. (2)	Milan	4	Cariparma S.p.A.	19.00%	19.00%
A2. proportionately consolidated					

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

2. OTHER INFORMATION

In the Consolidated Financial Statements as at 31 December 2010 also the Company MondoMutui Cariparma S.r.l. was consolidated, since it is a special-purpose entity (SPE) whose activities are practically carried out exclusively in the interest of the Parent Company with reference to its specific corporate requirements so that the same Parent Company benefits from the SPE's operaitons (SIC 12).

On 9 March 2011, the Bank of Italy, with measure No. 213900711, issued the required authorization to amend the Company's Articles of Association, relating to the Group name, which, therefore, has been changed to "Gruppo Bancario Cariparma Crédit Agricole" (Cariparma Crédit Agricole Banking Group) as resolved by the Extraordinary General Meeting held on 16 March 2011 and entered into the Company Register of Parma on 18 March 2011.

▸ Section 4 – Events subsequent to the balance-sheet date

On 17 December 2010, the Bank of Italy authorized Crédit Agricole S.A. and Cassa di Risparmio di Parma & Piacenza to acquire a controlling shareholding in Cassa di Risparmio della Spezia SpA.

The acquisition from the Intesa SanPaolo Group of 79.99% of the share capital of Cassa di Risparmio della Spezia was finalized on 3 January 2011 with all legal effects starting from the same date.

In the consolidated management report, the transaction, scheduled for 2011 is exhaustively described, which, as well as the acquisition of the above-mentioned equity investment, will also increase our branch network since it includes the transfer of branches from Intesa Sanpaolo.

▸ Section 5 - Other aspects

Change of the accounting policy

In 2010, the Group companies aligned with the accounting policies of the controlling company Crédit Agricole S.A. with regard to the recognition in the Financial Statements of actuarial profits and losses relating to defined-benefit plans after the termination of the employment relation. It was opted to recognize these in equity, and not in the Income Statement (IAS 19).

The main effects of this change on profits or losses for 2009 are set forth below.

STATEMENT OF CHANGES IN EQUITY

Shareholders' equity (as per Consolided Financial Statement at 31.12.2009)	**3,717,578**
Reserves	**-**
Valuation Reserves (item 140 Liabilities)	5,258
Profit (Loss) for the period (item 220 Liabilities)	(5,258)
Final shareholders' equity (at 31.12.2009 restated)	**3,717,578**

CHANGES IN THE INCOME STATEMENT

Net profit for the financial year (as per Consolidated Financial Statement at 31.12.2009)	**310,971**
Changes	**(5,258)**
Administrative expenses: a) staff expenses (item 180)	(7,497)
Income tax for the financial year on current operations (item 290)	2,062
Net profit pertaining tominority interest	177
Final net profit (at 31.12.2009 restated)	**305,713**

Similarly, the positive effects on the income statements of previous years can be quantified as a total (net of tax effects) of 7,910 thousands of Euro.

Business combinations and other corporate operations

No business combinations were carried out in 2010.

On 31 July 2010, the Parent Company increased its equity investment in Mondo Mutui Cariparma S.r.l., from 4% to 19%. This is a special-purpose entity established in 2009 pursuant to law 130/99, with the aim of performing a self- securitization transaction.

Securitization

The self-securitization transaction started by Cariparma in 2009 to create available "eligible" assets at the European Central Bank, to have liquidity reserves available.

The structure of the transaction envisaged that Cariparma would transfer to MondoMutui Cariparma S.r.l. (special-purpose entity established pursuant to Law 130/1999)(1) the receivables deriving from performing house mortgage loans contracts for which LTV ratio must not exceed 80% secured by first mortgage, originated and already disbursed by Cariparma. The bank, in turn, fully subscribed the securities issued by the "special-purpose entity" (hence the term "internal" securitization i.e. without involving the market), whose "senior" tranche, accepted for trading at the Luxembourg stock exchange, is considered a reserve of liquidity as it can be used, when needed, for open market transaction with the ECB or used as collateral with the same bank.

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

In the Notes to the financial statements – Part E – Section 3 – Liquidity Risk, the breakdown of subscribed financial assets and ABS securities is given in Table "1. Distribution of financial assets and liabilities by residual maturity – Currency: Euro", as confirmed by the Bank of Italy with communication of August 2010 (Supervisory Bulletin No.8, August 2010 – 11.3).

Auditing

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

(1) At the end of 2010 Cariparma had a 19% equity investment in MondoMutui Cariparma S.r.l., having exercised the option held towards Structured Finance Management Italy (company specializing in corporate servicing). The other shareholder is Stichting Pavia (foundations set up in compliance with the Dutch Law) which has a 81% shareholding.

A.2 - INFORMATION ON THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

The accounting policies and relevant interpretations used in the preparation of the Financial Statements as at 31 December 2010 are the same used in the preparation of the 2009 financial statements, with the exception of recognition in the financial statements of the actuarial profits and losses relating to defined-benefit plans after the termination of the employment relation. Moreover, the accounting policies used have been completed by the provisions of the IFRSs as endorsed by the European Union up to 31 December 2010, whose application is mandatory starting from 2010. In particular:

Standards, amendments or interpretations	Endorsement date	Date of first application
Annual amendment aiming at improving IFRS 5, which regards subsidiaries that are the object of a sale plan involving loss of control of a subsidiary and the resulting amendment to IFRS 1.	23 January 2009 (EC No. 70/2009)	1st January 2010
IAS 27 revision relating to the Consolidated and Separate Financial Statements.	3 June 2009 (EC No. 494/2009)	1st January 2010
IFRS 3 revision relating to business combinations.	3 June 2009 (EC No. 495/2009)	1st January 2010
Amendment to IAS 39: eligible hedged items; clarifications on the application of hedge accounting to the inflation component of financial instruments.	September 15 2009 (EC No. 839/2009)	1st January 2010
IFRS1 revision, on first-time adoption of international financial reporting standards.	25 November 2009 (EC No. 1136/2009) and 23 June 2010 (EC No. 550/2010)	1st January 2010
Improvements to IFRS 2, 5 and 8; to IAS 1, 7, 17, 36, 38 and 39; to IFRIC 9 and 16.	23 March 2009 (EC No. 243/2010)	1st January 2010
Amendment to IFRS 2, share-based payment transaction and incorporate guidance previously included in IFRIC 8 and 11.	23 March 2010 (EU No. 244/2010)	1st January 2010
IFRIC 12 interpretation, relating to service concession agreements.	25 March 2009 (EU No. 254/2009)	1st January 2010
IFRIC 16 interpretation, relating to hedges of a net investment in a foreign operation.	4 June 2009 (EU No. 460/2009)	1st January 2010
IFRIC 15 interpretation, relating agreements for the construction of real estate.	22 July 2009 (EC No. 636/2009)	1st January 2010
IFRIC 17 interpretation relating to distribution of non–cash assets to owners".	26 November 2009 (EC No. 1142/2009)	1st January 2010
IFRIC 18 interpretation, relating the transfer of assets from Customers.	27 November 2009 (EC No. 1164/2009)	1st January 2010

1. Financial assets held for trading

Classification

This category consists of debt and equity securities and the positive value of derivatives contracts held for trading. Derivatives contracts include derivatives embedded in complex financial instruments that have been recognized separately because:

- their financial and risk characteristics are not strictly correlated with the characteristics of the underlying contract;
- the embedded instruments, even when separated, satisfy the definition of derivative;
- hybrid instruments to which they belong are not valued at fair value with the relevant changes recorded in the Profit and Loss Account.

Recognition

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

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

Any derivative contracts embedded in complex contracts that are not strictly correlated with the host instrument and that meet the requirements to be classified as derivative contracts are separated from the host contract and recognized at fair value.

Measurement

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

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

Equity securities and derivatives on equity securities, for which it not possible to determine a fair value accurately using the above guidelines, are recognized at cost.

Derecognition

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

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained.

Conversely, if the company retains even a portion of control, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in value of the assets transferred and to changes in the related cash flows.

Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

▸ 2. Financial assets available for sale

Classification

This category includes financial assets that are not otherwise classified as “loans and receivables”, “financial assets held for trading” or “financial assets held to maturity”.

In addition to bonds that are not held for trading and are not classified among “financial assets held to maturity” or “loans and receivables”, this item includes shareholdings not held for trading and not qualifying as subsidiary, associate or joint venture, including private equity and private equity funds investments, as well as the share of syndicated loans subscribed that have been held for sale since inception.

Recognition

Available-for-sale financial assets are initially recognized at the settlement date for debt and equity securities and at the disbursement date in the case of loans.

The financial assets are initially recognized at *fair value*, including direct transaction costs or revenues. If, in those cases allowed by accounting standards, recognition occurs as a result of reclassification from “assets held to maturity”, they are recognized at the *fair value* at the time of transfer.

Measurement

Following initial recognition, “Assets available for sale” are measured at fair value, with the recognition in the income statement of the interests calculated based on the effective rate of return, whereas the gains and losses resulting from changes in the fair value are recognized in a specific equity reserve until the the asset is derecognized or an impairment is recognized. Upon disposal or recognition of an impairment loss, the accumulated gains or losses are taken, in whole or in part, to the Income Statement. Fair value is determined using the criteria adopted for “financial assets held for trading”.

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

Financial assets available for sale undergo impairment testing to determine whether there is objective evidence of impairment. Where impairment is found, the amount of the loss is measured as the difference between the purchase cost and fair value net of any losses already recognized in the Income Statement.

For capital securities, a fair value decrease by over 30% below the book value or for a period over 6 months is considered evidence of impairment.

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

For equity instruments this writeback is recognized in equity.

Loan restructuring transactions entailing the partial or complete conversion into equity instruments classified in the category of financial assets available for sale

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

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

Derecognition

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

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, if the company retains even a portion of control, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in value of the assets transferred and to changes in the related cash flows. Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

▸ 3. Financial assets held to maturity

Classification

This category includes debt securities with fixed or determinable payments and fixed maturity that the Company has the intention and ability to hold to maturity. If, following a change in such intention or ability, it is no longer appropriate to continue to classify an investment as "held to maturity", it is reclassified under "Financial Assets available for sale".

Financial assets are initially recognized at the settlement date.

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

Measurement

Following initial recognition, financial assets held to maturity are measured at amortized cost using the effective interest rate method.

Gains and losses relating to assets held to maturity are recognized in the income statement at the moment in which the asset is derecognized or has incurred an impairment loss, as well as through the amortization of the difference between the book value and the amount repayable upon maturity.

Assets held to maturity are subject to impairment testing to determine whether there is objective evidence of impairment. Where impairment is found, the amount of this loss is measured as the difference between the book value of the asset and the present value of estimated future cash flows, discounted using the original effective interest rate. The amount of the loss is recognized in the income statement. If the reasons for the impairment should be removed subsequent to the recognition of the impairment loss, a writeback is taken to the income statement. The amount of the writeback shall not in any event exceed the amortized cost that the financial instrument would have had in the absence of the prior writedown.

Derecognition

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

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

Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

▸ 4. Loans and receivables

Classification

Loans and receivables include loans to customers and banks, whether disbursed directly or acquired from third parties, with fixed or determinable payments, that are not listed on an active market and are not originally classified as “Financial Assets available for sale”.

This category also includes trade receivables, repurchase transactions, and securities purchased through subscription or private placements, with fixed or determinable payments, that are not listed on an active market.

Recognition

Loans and receivables are initially recognized at the date of signing, which usually coincides with the disbursement date at fair value. The fair value of the financial instrument is equal to the amount disbursed, or subscription price, including costs and revenues directly attributable to the individual loan and determinable from the inception of the transaction, even if settled at a later time. The initially recognized amount does not include costs to be reimbursed by the debtor or that can be characterized as normal administrative overhead costs, despite having the above characteristics.

Measurement

Following initial recognition, loans and receivables are measured at amortized cost. The amortized cost equals the amount at which a financial asset is measured at initial recognition, decreased by principal repayments, plus or minus the cumulative amortization – using the effective interest rate method – of any difference between the initial amount and the maturity amount (usually relating to costs and revenues directly attributable to the individual position). The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the loan in respect of principal and interest to the amount disbursed including costs and revenues attributable to the loan. This accounting treatment, using a financial logic, allows the cost/revenue economic impact to be distributed over the expected remaining life of the loan.

The amortized cost method is not used for short-term loans (below 12 months) as the effect of discounting can be considered negligible. Short-term loans are valued at historic cost. The same approach is adopted for loans without a specified maturity or subject to revocation.

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

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

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

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

The writedown is recognized in the income statement.

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

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

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. This is performed for categories of loans with uniform credit risk profiles, while the related loss percentages are estimated using the probability of default (PD) and the loss given default (LGD) observable at the date of measurement which enable estimation of any latent impairment loss. This measurement also takes into account the risks associated with the counterparty's country of residence.

Collective impairment losses are taken to the income statement.

Derecognition

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

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, loans and receivables are derecognized where no form of control over the instrument has been retained. Conversely, if the company retains even a portion of control, the loan or receivable continues to be recognized to the extent of the continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in the related cash flows. Finally, loans and receivables sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

▸ 5. Financial assets carried at fair value

The Group has not exercised the fair value option. In other words, the Group has not opted to measure financial assets at fair value, taking any change in such value to the income statement, of financial assets except in those cases for which IAS 39 requires the application of fair value criterion owing to their specific functional purpose.

Therefore, only financial assets held in the trading book, subject to fair value hedging and fair value hedging derivatives are measured at fair value with recognition of the result of measurement in the income statement.

▸ 6. Hedging

Types of hedges

Hedging transactions are used to neutralize potential losses occurring on a given item or group of items attributable to a given risk where the risk event should occur.

The following types of hedges are used:

- fair value hedges: these are used to hedge exposures to changes in the fair value (attributable to different types of risk) of assets and liabilities or portions thereof, groups of assets and liabilities, irrevocable commitments and portfolios of financial assets and liabilities, including core deposits, as permitted by IAS 39 as endorsed by the European Commission;
- cash flow hedges: these are used to hedge exposures to changes in future cash flows from assets and liabilities recognized in the Financial Statement, from irrevocable commitments;
- hedges of an investment in a foreign operation: these are used to hedge risks of an investment in a foreign operation denominated in a foreign currency.

Measurement

Hedging derivatives are measured at fair value. Specifically:

- in the case of fair value hedging, changes in the fair value of the hedged item are offset by changes in the fair value of the hedging instrument. This offset is recognized by reporting changes in value in the income statement, both for the hedged item and for the hedging instrument. Any difference that may arise, representing the partial ineffectiveness of the hedge, represents the net financial effect;
- in the case of cash flow hedging, changes in the fair value of the derivative instrument are recognized in equity as to the effective portion of the hedge, and in the income statement only when, with regard to the hedged item, there is a change in the cash flows to be offset;
- hedges of an investment in a foreign operation are treated in the same way as cash flow hedges.

The derivative instrument is considered a hedge where there is formal documentation of the relationship between the hedged item and the hedging instrument and where it is effective at inception and throughout its life. The effectiveness of the hedge depends on the degree to which changes in the fair value of the hedged instrument or the relative expected cash flows are offset by changes in that of the hedging instrument. Accordingly, the actual effectiveness is gauged by comparing the above-mentioned changes, taking into account the intention of the company at the inception of the hedge. A hedge is judged effective when changes in the fair value (or the cash flows) of the hedging instrument almost entirely - i.e. within an interval of between 80% and 125% - offset changes in the value of the hedged item for the hedged risk factor.

Effectiveness is assessed at the end of each year, or interim period, using:

- prospective tests, which justify the application of hedge accounting, since they demonstrate the expected effectiveness of the hedge;
- retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how actual results deviate from the perfect hedge;
- any ineffective hedge produced by economic circumstances that are expected to return to normal as confirmed by prospective tests are not taken into account.

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

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

Macrohedging may not be used for a net amount including assets and liabilities.

Macrohedging is deemed to be highly effective if, along with the fair value hedge, both at inception and during the hedge, changes in the fair value of the hedged amount are offset by the changes in the fair value of the hedging derivative, within a range of between 80% and 125%.

▸ 7. Equity investments

Recognition, classification and measurement

This item includes interests in associates and joint ventures.

Joint ventures are companies in which the voting rights and the control of its business activities are shared equally, directly or indirectly, between the Parent Company and another party. Joint ventures also include equity investments in which, despite the lack of equal voting rights, control over the business activities and the strategic policies of the equity investment is shared with other parties under contractual agreements. Associates are companies in which the Company exercises a significant influence, holding, directly or indirectly, at least 20% of the voting rights (including “potential” voting rights as defined above) or having the power to participate in determining its financial and operating policies, despite holding less than 20% of the voting rights, owing to specific legal ties, such as being party to a shareholders’ agreement.

Significant influence is not ascribed to interests of more than 20%, in which the Company holds only property rights to a portion of the return on the investments, and does not have a say in management policies and can exercise governance rights only to the extent necessary to protect its interests. This item includes also any equity investments in enterprises held for merchant banking activities, if the equity investment is such as to make them subject to significant influence.

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

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

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

▸ 8. Property, plant and equipment

Classification

The “Property, plant and equipment” item includes land, buildings used in operations, investment property, technical plants, furniture, furnishings and equipment of any type. This item includes assets that are used in providing goods and services, to be rented to third parties, and used for more than one year.

Recognition

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

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

Measurement

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

Assets are systematically depreciated over their useful life on a straight-line basis, using the following rates of depreciation for the main categories of assets as follows: Office furniture and equipment: 12%; furnishings and sundry equipment: 15%; alarm systems: 30%; motor vehicles: 25%; computer equipment and electronics: 33.33% if the purchase price does not exceed €516.46 euro and 20% if the purchase price is over €516.46 euro. The depreciable value is represented by the cost of the assets since the residual value at the end of the depreciation process is considered negligible.

Buildings are depreciated at a rate based on a useful life of 33 years, which is considered to appropriately represent the deterioration of the assets over time due to use, taking into account any extraordinary maintenance costs, which increase the value of the assets, and ordinary maintenance costs, which maintain the value of the assets for longer periods of time. Tests are however periodically performed to measure the assets' remaining useful life.

The following assets are not depreciated:

- land, whether acquired separately or incorporated in the value of the buildings, since it is has an indefinite useful life. Where its value is incorporated in the value of the building, under the components approach, the land is considered separable form the building. For buildings entirely owned by, and, therefore, fully available to the company, the division of the value of the land and the value of the building is based on appraisals by independent experts;
- works of art, since their useful life cannot be estimated and their value will usually increase over time.

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

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

Derecognition

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

▸ 9. Intangible assets

Classification

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

Recognition and measurement

Intangible assets acquired separately are initially recognized at cost, while those acquired through business combination transactions are carried at fair value as at the acquisition date. After initial recognition, intangible assets are recognized net of the amortization funds and of any writedowns. Intangible assets produced in-house, with the exception of development costs, are not capitalized and are recognized in the income statement for the year in which they were borne.

The useful life of intangible assets is measured as finite or indefinite.

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

The software useful life does not exceed five years. The useful life of intangible assets representing relations with customers has been set at 15 years, based on the time series available on the rate of customer turnover in the retail segment.

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

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

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

Derecognition

Intangible assets are derecognized upon disposal or when no future economic benefits are expected to be generated by the asset. Profits or losses resulting from the derecognition of intangible assets are calculated as the difference between the net disposal revenue and the book value of the intangible asset and are recognized in the income statement for the year in which the derecognition is made.

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

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

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

▸ 11. Current and deferred taxation

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

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

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

Deferred tax assets are calculated using the balance-sheet liability method.

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

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

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

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

▸ 12. Provisions for liabilities and contingencies

Retirement and similar liabilities

The company pension plans, created pursuant to corporate agreements, qualify as "defined-benefit plans". The liability in respect of these plans and relative current service cost are determined on an actuarial basis by applying the projected unit credit method. Under this method, future outlays are projected based on analyses of time series and the demographic curve and the discounting of these cash flows using a market interest rate, as set forth in the relevant tables in the Notes.

Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation. The discount rate used is the average market rate on the date of measurement. The present value of the obligation at the balance-sheet date is further adjusted in the amount of the fair value of any plan assets.

Other provisions

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

Where the time factor is significant, provisions are discounted using current market rates. The accrual is recognized in the Income

Statement and includes the increase in the provision due to the passage of time.

This item also includes long-term employee benefits, the charges for which are determined using the same actuarial criteria described for retirements benefits. Actuarial gains and losses are immediately recognized in full in a specific equity provision.

▸ 13. Debt and securities issued

Classification

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

Recognition

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

The financial liabilities are initially recognized at fair value, which is normally equal to the amounts received or the issue price, plus or minus any additional costs or revenues directly attributable to the transaction. Internal administrative costs are excluded.

Measurement

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

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

Derecognition

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

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

▸ 14. Financial liabilities held for trading

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

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

▸ 15. Financial liabilities carried at fair value

The Cariparma FriulAdria Group has not exercised the fair value option. In other words, the Group has not opted to measure financial liabilities at fair value, taking any change in such value to the income statement, except in those cases for which IAS 39 requires application of the fair value criterion owing to their specific functional purpose. Only financial liabilities held in the trading book, those subject to fair value hedging and derivative hedging contracts are recognized at fair value with recognition of the result of measurement to the income statement.

▸ 16. Foreign currency transactions

Initial recognition

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

Subsequent measurement

At the annual and interim balance-sheet date, foreign currency items are measured as follows:

- monetary items are translated at the exchange rate prevailing at the balance-sheet date;
- non-monetary items measured at historic cost are translated at the exchange rate prevailing at the transaction date;
- non-monetary items measured at fair value are translated using the exchange rate prevailing at balance-sheet date.

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

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

▸ 17. Other information

Leases

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

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

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

Classification of leases

In the initial value of the lease also includes the so-called “initial direct costs”; more in detail, the accounting standard:

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

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

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

The Cariparma FriulAdria Group has also entered into operational lease contracts as Lessee, concerning cars and other operating assets. The payments associated with these operating lease contracts have been recognized in the income statement on a straight-line basis over the duration of the contract.

Insurance Assets and Liabilities

The Consolidated Financial Statements of the Cariparma FriulAdria Group do not include any assets or liabilities bearing insurance risks.

Treasury shares

Treasury shares are deducted from Shareholders’ Equity. Similarly, the original costs of these shares and any gains or losses resulting from their subsequent sale are recognized as changes in Shareholders’ Equity.

Leasehold improvements

The costs of renovating leased property are capitalized in consideration of the fact that, for the duration of the lease, the tenant has control over and enjoys the future economic benefits of the assets. These costs, classified among “Other Assets” as required by Circular No. 262/2005 issued by the Bank of Italy, are depreciated over a period that does not exceed the duration of the lease.

Employee severance benefits

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

Therefore, with reference to the defined benefit scheme component the benefit cost is calculated separately for each scheme using the actuarial unitary credit projection method. Under this method, future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation. The discount rate used is the average market rate on the date of measurement, weighted based on the percentage of the amount paid and advanced, for each deadline, out of the total to be paid and advanced once the entire obligation is extinguished.

The costs to service the plan are recognized under staff expenses, include, for the part at the company, the revaluation based on the reference Istat index for the units matured in the previous year, the interest accrued, while the severance benefit portions accrued in the year, following the supplementary pension plan reform introduced with the 2007 financial act, are entirely appropriated to the " defined-contributions plan".

Starting from 2010, actuarial profit and losses are taken to a specific equity reserve.

Based on the employees' choice, the amounts are allocated to supplementary pension schemes or to the Treasury fund managed by INPS (Italian Social Security Institute). The shares allocated to the defined contribution plan are calculated based based on the contributions due for each year without using any actuarial calculation methods.

Provisions for guarantees and commitments

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

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

Share-based payments

Share-based compensation plans for employees are recognized in the Income Statement, with a corresponding increase in Shareholders' Equity, based on the fair value of the financial instruments allocated at the grant date, divided over the time period covered by the plan.

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

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

Revenue recognition

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

- interest is recognised on an accrual basis using the contractual interest rate or the effective interest rate where the amortized cost method is applied;
- default interest, if any, is recognized in the income statement only upon receipt;
- dividends are recognized in the income statement when their distribution is authorized;
- commissions for revenues from services are recognized, in accordance with the terms of the contract, in the period in which the service is rendered;
- revenues from intermediation in financial instruments, calculated on the basis of the difference between the transaction price and the *fair value* of the financial instrument, are recognized in the Income Statement when the transaction is recognized, if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded. If these amounts cannot be easily determined or the instrument is not highly liquid, the financial instrument is recognized in an amount equal to the transaction price, excluding the commercial margin; the difference between this amount and the fair value is taken to profit or loss over the duration of the transaction through the gradual reduction in the valuation model of the corrective factor reflecting the reduced liquidity of the instrument.

Method for determining fair value

Fair value represents the amount for which an asset (or a liability) could be exchanged in a transaction between independent parties with a reasonable degree of knowledge about market conditions and important facts concerning the asset or liability traded. Underlying the definition of fair value is a presumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The fair value reflects the credit quality of the instrument as it incorporates counterparty risk.

FINANCIAL INSTRUMENTS

Fair value is determined using prices from financial markets, in the case of financial instruments listed in active markets, or using internal measurement for other financial instruments.

A market is considered active if quoted prices, representing effective and regular market transactions occurring during an appropriate reference period, are readily and regularly available from sources such as securities markets, dealers, brokers, industry companies, pricing services or regulatory agencies. Mutual funds, spot exchange transactions, *futures*, options and stocks listed on regulated markets, and bonds, for which at least two "executable" prices on a quotation service with a bid–ask spread that is less than an interval deemed appropriate recognizable on an ongoing basis are considered to be quoted on active markets meeting the above requirements. Finally, hedge funds are also treated as quoted on an active market if they involve the monthly liquidation of units or, where this is not envisaged, if they can be liquidated in a period of no more than four months. Otherwise, all securities, derivatives and hedge funds that do not belong to the above categories are not considered as quoted on an active market.

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

In the case of financial instruments for which the bid-ask spread is immaterial, or for financial assets and liabilities capable of offsetting market risk, a "mid price" is used, i.e. the average market price (on the last day of the reference period) instead of the bid or ask price.

Where there is no active, liquid market, the fair value of financial instruments is defined mainly by using standard valuation techniques designed to establish what the transaction price would have been on the measurement date in an arm's length trade carried out for normal market reasons. In incorporating all the factors that operators would consider in setting the price, development of the valuation models takes into account the time value of money at the risk-free rate, the volatility of the financial instrument, as well as, where applicable, exchange rates, commodity prices and stock prices.

For financial products, for which the fair value is arrived at using valuation techniques and does not guarantee sufficient reliability, the fair value as at the reference date and as communicated by the counterparties with which these transactions have been made, is prudentially used.

The valuation method chosen for a financial instrument is applied consistently over time and may only be altered if significant changes in market conditions or the subjective condition of the issuer of the financial instrument occur.

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

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

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

Share certificates are measured considering the direct transactions, that is, significant transactions on the security registered in a sufficiently short timeframe with respect to the time of measurement and in constant market conditions, the comparable transactions by companies operating in the same sector and supplying the same type of products and services as the associated company being evaluated provides, application of the average of significant stock exchange multiples of companies of a comparable financial size to the financial aggregates of the investee and, finally, analytical financial, profitability and equity valuation methods.

For assets classified as available for sale or for assets and liabilities recognized at cost or amortized cost, the fair value in the financial statements or in the notes is calculated using the following method:

- medium and long-term fixed-rate assets and liabilities are primarily measured by discounting future cash flows. Future cash flows are determined with a risk-neutral approach by using a risk-free interest rate and adjusting contractually envisaged future cash flows to take into account the counterparty's credit risk, represented by the Probability of Default (PD) and the Loss Given Default (LGD);
- a good approximation of the fair value of demand or short-term floating-rate assets and liabilities is represented by the initial carrying value, net of collective or individual writedowns;
- the initial carrying value of floating-rate and short-term fixed-rate securities is deemed a reasonable approximation of the *fair value*, due to the fact that it reflects both the change in rates and the measurement of the credit risk associated with the issuer. An analogous approach is applied in measuring the *fair value* of medium/long-term, fixed-rate securities and structured securities that are hedged for interest rate risk with respect to which the book value determined for hedge accounting purposes already takes into account market risk. For the latter, in determining the fair value reported in the notes to the financial statements, changes in their credit spread were not taken into account, given that they are immaterial;
- for bonds issued object of interest rate risk hedging the book value is calculated based on the hedge accounting without considering the relevant credit *spread*, for non-hedged ones the book value is calculated based on the amortized cost calculation. The latter are set forth in the Notes at fair value using the same measurement techniques already described.

NON-FINANCIAL ASSETS

With regard to real estate, for which the *fair value* is calculated only for the purposes of disclosure in the notes to the financial statements, reference is made to a value primarily based on appraisals by independent experts, considering transactions at current prices in an active market for similar properties in the same geographical area and under the same conditions for leases and other contracts.

Method for calculating amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization, calculated using the effective interest method of any difference between the initial amount and the amount at maturity, and minus any impairment loss.

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability. To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

Subsequent to initial recognition, the amortized cost method makes it possible to allocate revenues and costs pertaining to the instruments over their expected lifetime. The calculation of amortized cost differs depending on whether the financial asset or liability being measured is fixed–rate or floating-rate, and – in the case of a floating rate instrument – whether the variability of the rate is known ahead of time. For fixed-rate instruments, or instruments with fixed rates over specified time periods, future cash flows are measured using the known interest rate (single or variable) over the life of the loan. For floating rate financial assets and liabilities whose variability is not known ahead of time (e.g. because it is linked to an index), cash flows are determined using the last known rate. Each time the rate is changed, the amortization schedule is recalculated, as is the effective rate of return over the entire useful life of the instruments, i.e. through maturity. Any adjustments are recognized as expense or income in the income statement. Amortized cost is calculated for loans and receivables, financial assets held to maturity, financial assets available for sale, debt and securities issued.

Financial assets and liabilities traded on an arm's length basis are initially recognized at fair value, which normally corresponds to the amount received or paid, including, for instruments measured at amortized cost, directly attributable transaction costs and commissions.

Transaction costs are incremental internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument that cannot be charged to the customer. These commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for retrocession, failure to use a credit line, early repayment, underwriting, facility and arrangement. In addition, not considered in the amortized cost calculation are the amortized costs that the Bank would sustain independently of the transaction (for example, administrative costs, recording fees, correspondence), nor those that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as commissions for services received for activities carried out relating to structured finance deals that would however have been received independently of the resulting lending transactions and, intercompany costs and revenues.

With particular reference to loans, costs attributable to the financial instrument include commissions payable to distribution channels, payments for consultancy/assistance to the organisation and/or participation in syndicated loans, costs incurred for loans acquired by subrogation and finally up-front commissions relating to loans issued at rates higher than market rates; while the income considered in the calculation of depreciated costs are up-front commissions for loans disbursed at lower-than-market rates, commission for participating in syndicated transactions and brokerage fees linked to commissions paid by intermediation companies. As to securities not classified as held for trading, transaction costs include commissions on contracts with stock*brokers* operating in Italian markets, commissions paid to intermediaries operating in foreign stock and bond markets based on a prepared schedule of commissions. The amortized cost does not include stamp duties, as these are deemed immaterial.

With regard to securities issued, amortized cost is calculated taking into account commissions for placing bonds paid to third parties, amounts paid to stock exchanges and fees paid to auditors for work done on each individual issue, while excluding commissions paid to rating agencies, legal fees and fees paid to advisors and auditors to annually update the financial reports, costs for using indexes and commissions that arise during the lifespan of the bond issued.

Following initial recognition, they are measured at amortized cost reporting that the effective interest rate is higher or lower than nominal rate. Finally, structured assets or liabilities not measured at fair value through the income statement are also measured at amortized cost, with the embedded derivative recognized separately from the host financial instrument.

Hedged financial assets and liabilities for which changes in fair value with respect to the hedged risk are recognized in the income statement are not measured at amortized cost. However, the financial instrument is once again measured at amortized cost where the hedge terminates. From that moment, previously recognized changes in *fair value* are amortized, calculating the new effective interest rate that takes account of the value of the loan adjusted for the fair value of the hedged item, through the originally scheduled expiry of the hedge. Moreover, as stated previously in the section on measuring loans and receivables, debt and securities issued, the amortized cost method does not apply to short-term financial assets and liabilities since the impact of discounting is negligible, nor to loans without a specified maturity or loans subject to revocation.

Methods for determining impairment losses

FINANCIAL ASSETS

At every balance-sheet date, financial assets not classified among “Financial Assets held for trading” undergo impairment testing to determine whether there is objective evidence that the book value of the assets is not fully recoverable.

Impairment exists where there is objective evidence of a reduction in future cash flows compared with the original estimates following the occurrence of specific events. The loss must be capable of being reliably measured and must be correlated with actual, not merely expected, events.

Impairment is measured individually for financial assets that show specific evidence of impairment, and collectively for financial assets for which individual measurement is not required or for which individual measurement has not produced a writedown.

Loans to customers and loans to banks subject to individual assessment include those classified as bad debts, substandard loans, restructured loans or loans past due in accordance with the Bank of Italy’s definitions, and consistent with IAS/IFRS.

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

Expected cash flows take account of expected recovery times, the estimated realizable value of any security, as well as the costs likely to be incurred to recover the claim. Cash flows from loans for which recovery is expected in the short-term are not discounted, since the impact of the time factor is deemed immaterial.

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing.

To this end performing loans are subdivided into categories with uniform credit risk profile, referred to as “rating classes”, and the scope of application is defined by identifying “sensitive” loans, considered as loans that implicitly include the possibility of incurred losses. The sensitive loan selection process excludes loans disbursed during the past 12 months but includes renewals of existing credit lines. The collective impairment value of sensitive loans is, therefore, calculated applying the percentage expressing the probability of default assigned to the rating class, considering also the residual life of the loan (maturity) and the loss given default rate, defined in a perspective of Basel 2 prudential supervision. The loss given default rate is, moreover, further corrected by a sector coefficient, established based on the run-off rates published by the Bank of Italy. The impairment loss measurement also takes into account the risk associated with the counterparty’s country of residence.

Moreover, for shares, objective evidence of impairment is deemed found in the presence of one of the following signals: rating downgrading by over 2 classes, a market capitalization significantly lower than the Shareholders’ Equity, start of implementation of a debt restructuring plan, a significant negative change in Shareholders’ Equity.

Please, see the relevant section of the notes for information on how fair value is calculated.

OTHER NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets are subject to impairment testing if there is evidence that the book value of the asset cannot be recovered. The recoverable value is determined for each single asset, except in case this asset generates cash flows that are not widely independent of those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently written-down to the recoverable value. The recoverable value is determined with reference to the fair value of the asset, excluding disposal costs, or value in use, if calculable and higher than the fair value.

The fair value of property is mainly determined on the basis of appraisals by independent experts. The appraisal is updated whenever there is a change in the property market trend that could affect the validity of the previous estimates and, in any case, every three years. Impairment losses are recognized only when the fair value or value in use of the asset is lower than its book value for three consecutive years.

For other tangible fixed assets and intangible fixed assets (other than goodwill), the Group establishes use value as the current value of the estimated future cash flows using a discounting rate before-taxes reflecting the market valuations (the current cost of money and the asset specific risks).

Method for preparing segment information

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

- Retail + Private;
- Corporate;
- Calit - Crédit Agricole Leasing Italia S.r.l.;
- remaining business.

In comparison to the preceding financial year, the segment reporting has been seen again, underlining consequently Calit in a separate segment, the informative of the financial year 2009 has been restated following the same method.

For segment reporting purposes Financial Statement figures have been used.

A.3 FAIR VALUE REPORTING

A.3.1 Inter-portfolio transfers

In 2010 no inter-portfolio transfers were made.

A.3.2 Fair value hierarchy

A.3.2.1 Accounting portfolios: breakdown by fair value level

Financial assets/liabilities carried at fair value	31.12.2010			31.12.2009		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets held for trading	15,717	179,804	103,814	45,964	181,177	161,815
2. Financial assets carried at fair value	-	-	-	-	-	-
3. Financial assets available for sale	7,016,965	-	168,115	3,721,873	5,784	168,691
4. Hedging derivatives		400,028		-	285,866	-
TOTAL	**7,032,682**	**579,832**	**271,929**	**3,767,837**	**472,827**	**330,506**
1. Financial liabilities held for trading	5	179,172	104,762	7	172,624	147,419
2. Financial liabilities carried at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	22,899	-	-	16,108	-
TOTAL	**5**	**202,071**	**104,762**	**7**	**188,732**	**147,419**

Financial instruments classification

ASSET SECURITIES

Level 1

All securities measured using prices (without adjustments) on active markets.

Level 2

All securities measured based on prices in non-active markets or in active markets for similar instruments (but not identical), as well as all the securities measured with the Group's internal pricing standard models, whose parameters can be observed directly on the market.

Level 3

All securities measured on non-observable market bases.

In this case, securities are measured based on estimates and assumptions by the assessor, derived from data collected over time or based on trend assumptions, or using the measurement communicated by qualified market operators.

LIABILITY SECURITIES

Level 1

All securities measured using prices (without adjustments) on active markets.

Level 2

All securities measured with the Group's standard pricing models whose parameters can be observed directly on the market.

Level 3

All securities measured on non-observable market bases.

LISTED DERIVATIVES

Level 1

All derivatives measured using market prices (without adjustments) in active markets.

OTC DERIVATIVES

Level 2

All securities measured with the Group's standard pricing models whose parameters can be observed directly on the market.

Level 3

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

A.3.2.2 Annual changes in financial assets carried at fair value level 3

	Financial assets			
	held for trading	carried at fair value	available for sale	hedging
1. Opening balance	**161,815**	**-**	**168,691**	-
2. Increases	**23,554**	**-**	**2,054**	-
2.1 Purchases	2,984	-	433	-
2.2 Profits recognized in:		-	-	-
2.2.1 Income Statement	20,553	-	-	-
- of which: Capital gains	20,426	-		-
2.2.2 Shareholders' equity	X	X	876	-
2.3 Transfers from other categories	2	-	-	-
2.4 Other increases	15	-	745	-
3. Decreases	**81,555**	**-**	**2,630**	-
3.1 Sales	5,843	-	-	-
3.2 Redemptions	44,532	-	2,125	-
3.3 Losses recognized in:	-	-	-	-
3.3.1 Income Statement	18,116	-	37	-
- of which Capital losses	18,107	-	37	-
3.3.2 Shareholders' equity	X	X	468	-
3.4 Transfers to other categories	13,027	-	-	-
3.5 Other decreases	37	-	-	-
4. Closing balance	**103,814**	**-**	**168,115**	-

A.3.2.3 Annual changes in financial liabilities carried at fair value level 3

	Financial liabilities		
	held for trading	carried at fair value	hedging
1. Opening balance	**147,419**		
2. Increases	**14,960**	**-**	**-**
2.1 Issues	2,408	-	-
2.2 Losses recognized in:			
2.2.1 Income Statement	12,552	-	-
- of which: capital losses	12,552	-	-
2.2.2 Shareholders' equity	X	X	-
2.3 Transfers from other categories	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**57,617**	-	-
3.1 Redemptions	39,587	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognized in:			
3.3.1 Income Statement	14,468	-	-
- of which capital gains	14,468	-	-
3.3.2 Shareholders' equity	X	X	-
3.4 Transfers to other categories	3,562	-	-
3.5 Other decreases	-	-	-
4. Closing balance	**104,762**	**-**	**-**

▸ A.3.3 Information on "day one profit/loss"

Not applicable to Group.

Part B Information on the consolidated balance sheet

ASSETS

Section 1 – Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: composition

	31.12.2010	31.12.2009
a) Cash	214,900	220,398
b) Demand deposits with Central Banks	-	-
TOTAL	**214,900**	**220,398**

Section 2 – Financial assets held for trading – Item 20

2.1 Financial assets held for trading: composition by type

	31.12.2010			31.12.2009		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance-sheet assets						
1. Debt securities	**6,278**	**3,884**	**1,478**	**8,118**	**11,293**	**16,599**
1.1 Structured Securities	5	108	598	16	3,419	6,697
1.2 Other debt securities	6,273	3,776	880	8,102	7,874	9,902
2. Equity securities	**2**	**9**	**17**	**2**	**-**	**27**
3. Units in collective investment undertakings	**9,431**	**-**	**304**	**37,736**	**-**	**572**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	**15,711**	**3,893**	**1,799**	**45,856**	**11,293**	**17,198**
B. Derivatives						
1. Financial Derivatives	**6**	**175,911**	**102,015**	**107**	**200,009**	**114,493**
1.1 Trading	6	175,911	102,015	107	200,009	114,493
1.2 Associated with fair value option	-	-	-	-	-	-
1.3 Other	-	-	-	-	-	-
2. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Trading	-	-	-	-	-	-
2.2 Associated with fair value option	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-
Total B	**6**	**175,911**	**102,015**	**107**	**200,009**	**114,493**
TOTAL (A+B)	**15,717**	**179,804**	**103,814**	**45,963**	**211,302**	**131,691**

2.2 Financial assets held for trading: composition by debtor/issuer

	31.12.2010	31.12.2009
A. On-balance-sheet assets		
1. Debt securities	**11,640**	**36,010**
a) Governments and central banks	6,269	7,660
b) Other public entities	-	-
c) Banks	5,267	28,118
d) Other issuers:	104	232
2. Equity securities	**28**	**29**
a) Banks	26	25
b) Other issuers:	2	4
- insurance companies	2	2
- financial companies	-	-
- non-financial companies	-	2
- other	-	-
3. Units in collective investment undertakings	**9,735**	**38,308**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total A	**21,403**	**74,347**
B. Derivatives		
a) Banks		
fair value	94,847	79,062
b) Customers		
fair value	183,085	235,547
Total B	**277,932**	**314,609**
TOTAL (A+B)	**299,335**	**388,956**

The item O.I.C.R. (Collective Investment Undertaking) consists mainly of share funds.

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

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**36,010**	**29**	**38,308**	**-**	**74,347**
B. Increases	**1,623,532**	**39,952**	**604**	**-**	**1,664,088**
B1. Purchases	1,617,268	39,927	164	-	1,657,359
B2. Fair Value gains	903	-	29	-	932
B3. Other changes	5,361	25	411	-	5,797
C. Decreases	**1,647,902**	**39,953**	**29,177**	**-**	**1,717,032**
C1 Sales	1,640,931	39,952	28,918	-	1,709,801
C2. Redemptions	-	-	-	-	-
C3. Fair Value losses	294	-	259	-	553
C4 Transfers to other portfolios	-	-	-	-	-
C5. Other changes	6,677	1	-	-	6,678
D. CLOSING BALANCE	**11,640**	**28**	**9,735**	**-**	**21,403**

▸ Section 4 – Financial assets available for sale – Item 40

4.1 Financial assets available for sale: composition by type

	31.12.2010			31.12.2009		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**7,015,334**	**-**	**47,706**	**3,721,172**	**5,783**	**48,587**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	7,015,334	-	47,706	3,721,172	5,783	48,587
2. Equity securities	**1,631**	**-**	**119,989**	**701**	**-**	**120,105**
2.1 Carried at fair value	1,631	-	55,969	701	-	56,085
2.2 Carried at cost	-	-	64,020	-	-	64,020
3. Units in collective investment undertakings	**-**	**-**	**420**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**7,016,965**	**-**	**168,115**	**3,721,873**	**5,783**	**168,692**

The main equity securities carried at cost are: Bank of Italy (book value €63,448 thousand whose fair value is equal to the cost, because there is no market, even a secondary one, and the common measuring methods may not be used, given the particular kind of business), Consorzio Agrario Provinciale di Parma (book value €572 thousand whose fair value is equal to the historic cost because there is no distribution of profits, due to their co-operative company status, and in case of settlement only the share capital is refunded) and Consorzio Agrario Provinciale Piacenza Scrl. (book value €453.26, whose fair value is equal to the historic cost because there is no distribution of profits, due to their co-operative company status, and in case of settlement only the share capital is refunded).

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

	31.12.2010	31.12.2009
1. Debt securities	**7,063,040**	**3,775,542**
a) Governments and central banks	7,015,334	3,721,172
b) Other public entities	350	350
c) Banks	-	5,783
d) Other issuers:	47,356	48,237
2. Equity securities	**121,620**	**120,806**
a) Banks	75,603	75,603
b) Other issuers	46,017	45,203
- insurance undertakings	-	-
- financial companies	24,732	24,743
- non-financial companies	21,285	20,460
- other	-	-
3. Units in collective investment undertakings	**420**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other issuers	-	-
TOTAL	**7,185,080**	**3,896,348**

4.3 Available-for-sale financial assets hedged specifically/(micro-hedged)

At the end of 2010, there were 2,422 million securities hedged specifically/micro hedged for interest rate risk and 647 million with price risk hedge.

4.4 Financial assets available for sale: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**3,775,542**	**120,806**	**-**	**-**	**3,896,348**
B. Increases	**6,051,819**	**1,565**	**420**	**-**	**6,053,804**
B1. Purchases	5,880,574	1,437	420	-	5,882,431
B2. Fair value gains	109	67	-	-	176
B3. Writebacks	-	61	-	-	61
- recognized through income statement	-	X	-	-	-
- recognized through equity	-	61	-	-	61
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	171,136	-	-	-	171,136
C. Decreases	**2,764,321**	**751**	**-**	**-**	**2,765,072**
C1 Sales	2,359,388	-	-	-	2,359,388
C2. Redemptions	2,124	-	-	-	2,124
C3. Fair Value losses	252,368	633	-	-	253,001
C4. Writedowns for impairment	-	118	-	-	118
- recognized through income statement	-	-	-	-	-
- recognized through equity	-	118	-	-	118
C5 Transfers to other portfolios	-	-	-	-	-
C6. Other changes	150,441	-	-	-	150,441
D. CLOSING BALANCE	**7,063,040**	**121,620**	**420**	**-**	**7,185,080**

▸ Section 6 – Loans to banks - Item 60

6.1 Loans to banks: composition by type

	31.12.2010	31.12.2009
A. Claims on central banks	**450,056**	**545,168**
1. Fixed-term deposits	-	-
2. Reserve requirement	450,056	545,168
3. Repurchase agreements	-	-
4. Other	-	-
B. Loans to banks	**4,179,440**	**3,424,512**
1. Current accounts and demand deposits	137,963	80,523
2. Fixed-term deposits	1,423,851	744,903
3. Other financing	393,487	70,539
3.1 Repurchase agreements	377,863	5,375
3.2 Finance leases	-	-
3.3 Other	15,624	65,164
4. Debt securities	2,224,139	2,528,547
4.1 Structured securities	-	-
4.2 Other debt securities	2,224,139	2,528,547
TOTAL (BOOK VALUE)	**4,629,496**	**3,969,680**
TOTAL (FAIR VALUE)	**4,629,983**	**3,970,274**

At the end of 2010, no impaired loans to banks were recorded.

6.2 Loans to banks subject to specific hedge/micro hedge

At the end of 2010 there were no loans to banks subject to specific hedge/micro hedge.

6.3 Finance leases

At the end of 2010 there were no loans to banks resulting from finance lease transactions.

► Section 7 – Loans to banks - Item 70

7.1 Loans to customers: composition by type

	31.12.2010		31.12.2009	
	Performing	Impaired	Performing	Impaired
1. Current accounts	4,432,845	194,111	3,586,414	136,845
2. Repurchase agreements	-	-	-	-
3. Mortgage loans	17,086,393	737,530	16,858,386	583,436
4. Credit cards, personal loans and loans repaid by automatic deductions from wages	775,050	22,790	832,727	21,007
5. Finance leases	1,580,559	105,459	1,583,982	70,549
6. Factoring	-	-	-	-
7. Other transactions	5,345,070	121,834	5,011,213	82,995
8. Debt securities	4,980	-	165,380	-
8.1 Structured securities	-	-	-	-
8.2 Other debt securities	4,980	-	165,380	-
TOTAL (BOOK VALUE)	**29,224,897**	**1,181,724**	**28,038,102**	**894,832**
TOTAL (FAIR VALUE)	**29,627,113**	**1,181,724**	**28,378,202**	**894,832**

7.2 Loans to customers: composition by type

	31.12.2010		31.12.2009	
	Performing	Impaired	Performing	Impaired
1. Debt securities:	**4,980**	**-**	**165,380**	**-**
a) Governments	-	-	-	-
b) Other public entities	-	-	-	-
c) Other issuers	4,980	-	165,380	-
- non-financial companies	-	-	-	-
- financial companies	4,980	-	-	-
- insurance undertakings	-	-	165,380	-
- other	-	-	-	-
2. Loans to:	**29,219,917**	**1,181,724**	**27,872,722**	**894,832**
a) Governments	441	2	17,280	1
b) Other public entities	171,967	140	185,764	155
c) Other	29,047,509	1,181,582	27,669,678	894,676
- non-financial companies	18,039,331	746,685	17,461,380	578,759
- financial companies	830,652	30,010	821,380	2,110
- insurance undertakings	87,273	1	3,093	1
- other	10,090,253	404,886	9,383,825	313,806
TOTAL	**29,224,897**	**1,181,724**	**28,038,102**	**894,832**

7.3 Loans to customers: assets hedged specifically/micro hedged

	31.12.2010	31.12.2009
1. Loans with specific fair value hedges	**92,563**	**110,380**
a) interest rate risk	92,563	110,380
b) exchange rate risk	-	-
c) credit risk	-	-
d) multiple risks	-	-
2. Loans with specific cash flow hedges:	**-**	**-**
a) interest rate risk	-	-
b) exchange rate risk	-	-
c) other	-	-
TOTAL	**92,563**	**110,380**

7.4 Finance leases

	Total 2010					
				Minimum payments		
				Capital share		
	Gross impaired exposures	Specific writedowns	Net impaired exposure		of which residual value guaranteed	Interest share
demand	-	-	-	-	-	-
up to 3 months	9,478	(1,738)	7,740	54,272	-	16,339
over 3 months						
up to 1 year	14,217	(3,513)	10,704	161,001	-	45,449
over 1 year	-	-	-	-	-	-
up to 5 year	13,808	(1,670)	12,138	608,153	-	170,353
more than 5 years	45,834	(7,212)	38,622	759,650	-	185,441
indefinite unspecified	39,910	(3,655)	36,255	2,745	-	-
TOTAL	**123,247**	**(17,788)**	**105,459**	**1,585,821**	**-**	**417,582**
Writedowns						
specific	-	-	-	-	-	-
collective	-	-	-	(5,262)	-	-
NET TOTAL	**123,247**	**(17,788)**	**105,459**	**1,580,559**	**-**	**417,582**

Leasing (or financial lease) is a contract by which a subject (user) asks the leasing company (grantor) to purchase (or have made) an item by a manufacturer or Seller (Supplier) to enjoy its use, against the payment of a period fee. Crédit Agricole Leasing Italia Srl financial lease contracts envisage that the user, at the close of the set contract duration, and provided that the same has fulfilled all obligations assumed, has the right to choose to:

- acquire the ownership of the asset against payment of a pre-set price;
- return the asset object of the contract.

Gross investment		Total 2009					
			Minimum payments			Gross investment	
			Capital share				
	of which residual value not guaranteed	Impaired exposure		of which residual value guaranteed	Interest share		of which residual value not guaranteed
-	-	-	-	-	-	-	-
80,089	342	711	55,024	-	16,201	71,936	2,142
220,667	4,100	1,860	153,951		44,844	200,655	4,109
-	-	-	-	-	-	-	-
792,314	47,485	5,851	571,241	-	165,700	742,792	43,164
990,925	208,300	11,759	793,932	-	175,336	981,027	176,284
42,655	-	60,725	13,534	-	-	74,259	-
2,126,650	**260,227**	**80,906**	**1,587,682**	**-**	**402,081**	**2,070,669**	**225,699**
-	-	(10,357)	-	-	-	-	-
-	-	-	(3,700)	-	-	-	-
2,126,650	**260,227**	**70,549**	**1,583,982**	**-**	**402,081**	**2,070,669**	**225,699**

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

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

SALE AND LEASE-BACK

A sale and leaseback transaction is carried out by signing a lease contract, on the same asset. Loans resulting from leaseback contracts, which for Crédit Agricole Leasing Italia S.r.l. have no particular features in contractual clauses, except possibly in the ones relating to the regulation of the Supplier role (identifiable with the user) amounted to €219.8 million.

▸ Section 8 – Hedging derivatives - Item 80

8.1 Hedging derivatives: composition by type of hedge and levels

	FV (31.12.2010)			NV (31.12.2010)	FV (31.12.2009)			NV (31.12.2009)
	L1	L2	L3		L1	L2	L3	
A) Financial derivatives	**-**	**400,028**	**-**	**14,407,229**	**-**	**285,866**	**-**	**4,814,974**
1) Fair value	-	400,028	-	14,407,229	-	285,866	-	4,814,974
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) *Fair value*	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
TOTAL	**-**	**400,028**	**-**	**14,407,229**	**-**	**285,866**	**-**	**4,814,974**

Key:
FV = fair value;
NV = notional value;
L1 = Level 1;
L2 = Level 2;
L3 = Level 3.

8.2 Hedging derivatives: composition by hedged portfolio and by type of hedge

	Fair value						Cash flows		Investments in foreign operations
	Specific					Generic	Specific	Generic	
	interest rate risk	exchange rate risk	credit risk	price risk	multiple risks				
1. Financial assets available for sale	21,318	-	-	41,714	-	X	-	X	X
2. Loans	-	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other transactions	X	X	X	X	X	X	X	X	-
TOTAL ASSETS	**21,318**	**-**	**-**	**41,714**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	207,824	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	129,172	-	-	X
TOTAL LIABILITIES	**207,824**	**-**	**-**	**-**	**-**	**129,172**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

Section 10 – Equity investments - Item 100

10.1 Equity investments in subsidiaries, joint-ventures or companies subject to significant influence: information on investments

	Registered office	Type of relationship	Equity investment Investor	% holding	% of votes
A. Companies subject to significant influence					
1. Crédit Agricole Vita S.p.A.	Parma	associate	Cariparma	49.99	x
2. Ca-Agroalimentare S.p.A.	Parma	associate	Cariparma	26.32	x
			FriulAdria	10.53	x
3. Greenway Società Agricola a.r.l.	Camino al Tagliamento (UD)	associate	FriulAdria	35.00	x
3. Glassfin S.r.l.	San Vito al Tagliamento (PN)	associate	FriulAdria	31.66	x

10.2 Equity investments in subsidiaries, joint-ventures or companies subject to significant influence: accounting data

	Total Assets	Total Revenue	Profit (loss)	Equity	Book value	Fair value
A. Companies accounted for with equity method	**5,444,860**	**1,939,319**	**67,638**	**288,585**	**119,975**	**-**
A.1 Joint ventures						
A.2 Companies subject to significant influence						
1. Crédit Agricole Vita S.p.A.	5,346,142	1,938,750	68,237	194,094	110,843	-
2. Ca-Agroalimentare S.p.A.	94,956	458	(604)	94,398	8,750	-
3. Greenway Società Agricola a.r.l.	n/a	n/a	n/a	n/a	350	-
4. Glassfin S.r.l.	3,762	111	5	93	32	-

The results shown are carried from the most recent financial report approved by each company.

10.3 Equity investments: changes for the period

	31.12.2010	31.12.2009
A. Opening balance	**134,999**	**91,123**
B. Increases	**15,556**	**126,912**
B.1 Purchases	7,601	82,996
B.2 Writebacks	-	-
B.3 Revaluations	-	43,906
B.4. Other changes	7,955	10
C. Decreases	**30,580**	**83,036**
C.1 Sales	-	40
C.2 Writedowns	-	-
C.3. Other changes	30,580	82,996
D. Closing balance	**119,975**	**134,999**
E. Total Revaluations	**-**	**-**
F. Total writedowns	**-**	**-**

10.5 Commitments in respect of companies subject to significant influence

At the end of 2010, the remaining commitment to the company CA Agro-Alimentare amounted to €26.25 million.

▸ Section 12 – Property, plant and equipment - Item 120

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

	31.12.2010	31.12.2009
A. Operating assets		
1.1 owned	**381,522**	**340,951**
a) land	101,690	103,571
b) buildings	228,514	172,732
c) movables	17,221	20,327
d) electrical plant	5,016	7,511
e) other	29,081	36,810
1.2 acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) movables	-	-
d) electrical plant	-	-
e) other	-	-
Total A	**381,522**	**340,951**
B. Investment property		
2.1 owned	**8,301**	**8,475**
a) land	2,993	2,988
b) buildings	5,308	5,487
2.2 acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
Total B	**8,301**	**8,475**
TOTAL (A+B)	**389,823**	**349,426**

12.3 Operating property, plant and equipment: changes for the period

	Land	Buildings	Furnishings	Electronic equipment	Other	Total
A. Opening gross balance	**103,571**	**325,140**	**85,578**	**49,802**	**151,037**	**715,128**
A.1 Total net writedowns	-	152,408	65,251	42,291	114,227	374,177
A.2 Opening net balance	**103,571**	**172,732**	**20,327**	**7,511**	**36,810**	**340,951**
B. Increases	**3,079**	**64,270**	**1,206**	**918**	**3,694**	**73,167**
B.1 Purchases	3,079	55,700	1,206	918	3,694	64,597
B.2 Capitalized improvement costs	-	4,614	-	-	-	4,614
B.3 Writebacks	-	-	-	-	-	-
B.4. Fair value gains recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7. Other changes	-	3,956	-	-	-	3,956
C. Decreases	**4,960**	**8,488**	**4,312**	**3,413**	**11,423**	**32,596**
C.1 Sales	-	364	-	1	26	391
C.2 Depreciation	-	7,931	4,264	3,344	11,326	26,865
C.3 Writedowns for impairment recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Fair value losses recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) investment property	-	-	-	-	-	-
b) discontinuing operations	-	-	-	-	-	-
C.7. Other changes	4,960	193	48	68	71	5,340
D. Closing net balance	**101,690**	**228,514**	**17,221**	**5,016**	**29,081**	**381,522**
D.1 Total net writedowns	-	160,238	69,538	45,944	125,304	401,024
D.2 Closing gross balance	**101,690**	**388,752**	**86,759**	**50,960**	**154,385**	**782,546**
E. Carried at cost	-	-	-	-	-	-

12.4 Investment property, plant and equipment: changes for the period

	31.12.2010	
	Land	Buildings
A. Opening balance	**2,988**	**5,487**
B. Increases	**5**	**17**
B.1 Purchases	5	-
B.2 Capitalized improvement costs	-	17
B.3 fair value gains recognized in	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from operating assets	-	-
B.7. Other changes	-	-
C. Decreases	**-**	**196**
C.1 Sales	-	-
C.2 Depreciation	-	196
C.3 fair value losses	-	-
C.4 Writedowns for impairment	-	-
C.5 Negative exchange rate differences	-	-
C.6 Transfers to other assets portfolios	-	-
a) operating assets	-	-
b) discontinuing operations	-	-
C.7. Other changes	-	-
D. Closing balance	**2,993**	**5,308**
E. Carried at fair value	**5,386**	**10,414**

▸ Section 13 – Intangible assets – Item 130

13.1 Intangible Assets: composition by type of asset

	31.12.2010		31.12.2009	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**1,151,534**	**X**	**1,151,534**
A.1.1 pertaining to parent company shareholders	X	1,151,534	X	1,151,534
A.1.2 minority interests	X	-	X	-
A.2 Other intangible assets	**281,435**	**-**	**294,200**	**-**
A.2.1 Assets carried at cost:	281,435	-	294,200	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	281,435	-	294,200	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
TOTAL	**281,435**	**1,151,534**	**294,200**	**1,151,534**

The cost of intangible fixed assets with finite life is amortized at on a straight-line basis over the useful life of the asset, which, for software, does not exceed five years. The useful life of intangible assets representing relations with customers has been set at 15 years, based on the time series available on the rate of customer turnover in the retail segment.

13.2 Intangible Assets: changes for the period

		Other intangible assets: internally generated		Other intangible assets: other		
	Goodwill	with finite life	with indefinite life	with finite life	with indefinite life	Total
A. Opening balance	**1,151,534**	**-**	**-**	**427,581**	**-**	**1,579,115**
A.1 Total net writedowns	-	-	-	133,381	-	133,381
A.2 Opening net balance	**1,151,534**	**-**	**-**	**294,200**	**-**	**1,445,734**
B. Increases	**-**	**-**	**-**	**33,117**	**-**	**33,117**
B.1 Purchases	-	-	-	33,117	-	33,117
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Writebacks	X	-	-	-	-	-
B.4. Fair value gains:		-	-	-	-	-
- equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6. Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**45,882**	**-**	**45,882**
C.1 Sales	-	-	-	-	-	-
C.2 Writedowns	-	-	-	45,743	-	45,743
- Depreciation and amortization	X	-	-	45,743	-	45,743
- Writedowns:	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Fair value losses recognized in:		-	-	-	-	-
- equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
C.4 Transfer to discontinuing operations	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6. Other changes	-	-	-	139	-	139
D. Net closing balance	**1,151,534**	**-**	**-**	**281,435**	**-**	**1,432,969**
D.1 Total net writedowns				179,303		179,303
E. Gross closing balance	**1,151,534**	**-**	**-**	**460,738**	**-**	**1,612,272**
F. Carried at cost	-	-	-	-	-	-

13.3 Other Information

IMPAIRMENT TESTING ON INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

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

Their duration has been set at 15 years, based on the time series available on customer turnover rates for the retail segment.

At the end of 2010, it was verified that the value of each of the elements making up the intangible assets, calculated as current value of future cash flows, was still higher than the financial statement value and in particular:

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

Therefore, the overall value of intangible assets was found to be higher than the financial statement value (at 31 December 2010 equal to €68,345 thousand for Banca Popolare FriulAdria, to €123,224 thousand for the 180 Cariparma branches and to €12,251 thousand for the 29 Banca Popolare FriulAdria branches, for a total of €203,820 thousand).

As required by IAS/IFRS, the goodwill generated through the purchase of Banca Popolare FriulAdria, of the 180 Cariparma branches and 29 Banca Popolare FriulAdria branches (made in 2007) and Calit (made in 2009) was tested for impairment. The goodwill paid in relation to the four transactions described above was allocated as follows:

CGU	Goodwill *(€/thousand)*
Retail +Private channel	1,063,703
Enterprises +Corporate Channel	64,592
Calit channel	23,239

These CGUs, identified in line with the level at which goodwill is monitored for the purpose of the internal management audit, are not broader than the operating sectors identified for Segment reporting purposes. The use value of each CGU has been determined according to the method adopted by Crédit Agricole Group S.A., i.e. using the Discounted Cash Flows method and compared with its absorbed assets. The model adopted for calculating future financial flows, starting with 2010, consists of three stages:

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

The financial flows (after taxes) thus determined were then discounted back at a rate (ke) calculated using the Capital Asset Pricing Model (risk-free rate plus the product of beta and risk premium) and equal to 9.2% (after taxes), in line with the one used for the previous financial year.

In both cases the calculation produced a CGU value higher than the corresponding accounting value of the CGU.

It was also observed that this result was obtained even with changes (within a reasonable range of oscillation) of the elements making up the discount rate. In particular, for the sensitivity analysis, the ke rate was subjected to oscillations (due to the changes in risk-free rate, in beta and in risk premium) between 6.6% and 9.7%.

The result of the sensitivity analysis was also positive.

▸ Section 14 – Tax assets and tax liabilities – Item 140 of assets and Item 80 of liabilities

14.1 Deferred tax assets: composition

	31.12.2010
A. Deferred tax assets:	**380,398**
A1. Receivables (including securitization)	74,337
A2 Other financial instruments	62,006
A3. Goodwill	205,746
A4. Long-term costs	337
A5. Property, plant and equipment	6,952
A6. Provisions for liabilities and contingencies	18,454
A7. Entertainment expenses	38
A8. Staff expenses	10,214
A9. Tax losses	-
A10. Unused tax credits to be deducted	-
A11 Other	2,314
B. Offset against deferred tax liabilities	**-**
C. Net deferred tax assets	**380,398**

14.2 Deferred tax liabilities: composition

	31.12.2010
A. Gross deferred tax liabilities:	**70,264**
A1. Capital gains spreading	519
A2. Goodwill	90
A3. Property, plant and equipment	22,352
A4. Financial instruments	13,424
A5. Staff expenses	247
A6 Other	33,632
B. Offset against deferred tax assets	**-**
C. Net deferred tax liabilities	**70,264**

14.3 Changes in deferred tax assets (recognized in income statement)

	31.12.2010	31.12.2009
Opening balance	**325,686**	**294,873**
Increases	**45,779**	**98,704**
2.1 Deferred tax assets recognized during the period	45,034	95,515
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
b) due to change in accounting policies	-	-
d) other	45,034	95,515
2.2 New taxes or increases in tax rates	92	-
2.3 Other increases	653	3,189
Decreases	**53,200**	**67,891**
3.1 Deferred tax assets derecognized during the period	47,552	50,227
a) reversals	47,385	50,227
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	167	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	5,648	17,664
CLOSING BALANCE	**318,265**	**325,686**

The other increases and decreases under points 2.3 and 3.3 include the increases or decreases resulting from the more accurate recognition of deferred tax assets after the group filed its income tax return. The related balancing item is not represented by income statement items, but by current tax liabilities.

14.4 Changes in deferred tax liabilities (recognized in income statement)

	31.12.2010	31.12.2009
1. Opening balance	**62,474**	**87,549**
2. Increases	**2,331**	**2,709**
2.1 Deferred tax liabilities recognized during the year	501	953
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	501	953
2.2 New taxes or increases in tax rates	18	-
2.3 Other increases	1,812	1,756
3. Decreases	**4,285**	**27,784**
3.1 Deferred taxes derecognised in the financial year	938	2,789
a) reversals	938	2,789
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	3,347	24,995
4. CLOSING BALANCE	**60,520**	**62,474**

The other increases and decreases under points 2.3 and 3.3 include the increases or decreases resulting from the more accurate recognition of deferred tax assets after the group filed its income tax return. The related balancing item is not represented by income statement items but rather by current tax liabilities.

14.5 Changes in deferred tax assets (recognized in shareholders' equity)

	31.12.2010	31.12.2009
1. Opening balance	**164**	**246**
2. Increases	**62,051**	**-**
2.1 Deferred tax assets recognized during the period	62,051	-
a) in respect of previous years	-	-
b) due to change in accounting policies	419	-
c) other	61,632	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**82**	**82**
3.1 Deferred tax assets derecognized during the period	82	82
a) reversals	82	82
b) writedowns for supervening non-recoverability	-	-
b) due to change in accounting criteria	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	-	-
4. CLOSING BALANCE	**62,133**	**164**

14.6 Changes in deferred tax liabilities (recognized in shareholders' equity)

	31.12.2010	31.12.2009
1. Opening balance	**17,932**	**5,116**
2. Increases	**21,818**	**13,705**
2.1 Deferred tax liabilities recognized during the year	21,812	13,705
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	21,812	13,705
2.2 New taxes or increases in tax rates	6	-
2.3 Other increases	-	-
3. Decreases	**30,006**	**889**
3.1 Deferred taxes derecognised in the financial year	30,006	889
a) reversals	30,006	889
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	-	-
4. CLOSING BALANCE	**9,744**	**17,932**

▸ Section 16 – Other assets - Item 160

16.1 Other assets: composition

	31.12.2010	31.12.2009
Sundry debits in process	90,261	83,101
Sundry receivables for foreign exchange transactions	51	6
Stamp duty and other assets	5	5
Items being processed	180,796	141,513
Uncapitalized accrued income	9,420	6,165
Prepaid expenses not allocated to other items	27,516	15,477
Protested bills and checks	2,744	7,131
Leasehold improvements	14,542	20,962
Tax advances paid on behalf of third parties	17,544	67,033
Sundry items	279,997	185,499
TOTAL	**622,876**	**526,892**

LIABILITIES

Section 1 – Due to banks - Item 10

1.1 Due to banks: composition by type

	31.12.2010	31.12.2009
1. Due to central banks	**-**	**324,213**
2. Due to banks	**11,078,000**	**5,194,696**
2.1 Current accounts and demand deposits	86,446	144,662
2.2 Fixed-term deposits	2,722,172	91,093
2.3 Financing	8,269,382	4,958,686
2.3.1 Repurchase agreements	7,506,587	3,281,274
2.3.2 Other	762,795	1,677,412
2.4 Liabilities in respect of commitments to repurchase own equity instruments	-	-
2.6 Other payables	-	255
TOTAL	**11,078,000**	**5,518,909**
Fair value	**11,078,000**	**5,518,909**

1.2 Breakdown of item 10 “Due to Banks”: subordinated liabilities

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value
Subordinated deposit	17.12.2008	17.12.2018	5 equal installments as from December 2014	3-month Euribor + 334 bp	Euro	250,000	250,424

Section 2 – Due to customers – Item 20

2.1 Due to customers: composition by type

	31.12.2010	31.12.2009
1. Current accounts and demand deposits	17,961,232	17,430,282
2. Fixed-term deposits	23,944	25,651
3. Loans	31,053	219,389
3.1 Repurchase agreements	30,825	219,127
3.2 Other	228	262
4. Liabilities in respect of commitments to repurchase own equity	-	-
5. Other payables	98,565	65,003
TOTAL	**18,114,794**	**17,740,325**
Fair value	**18,114,794**	**17,740,325**

▸ Section 3 – Securities issued - Item 30

3.1 Securities issued: composition by type

	31.12.2010				31.12.2009			
	Financial statement value	Fair value			Financial statement value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	10,259,039	-	10,284,225	-	10,475,669	-	10,511,388	-
1.1 structured	110,092	-	111,767	-	107,823	-	110,495	-
1.2 other	10,148,947	-	10,172,458	-	10,367,846	-	10,400,893	-
2. Other securities	922,421	-	-	922,421	1,158,095	-	-	1,158,095
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	922,421	-	-	922,421	1,158,095	-	-	1,158,095
TOTAL	**11,181,460**	**-**	**10,284,225**	**922,421**	**11,633,764**	**-**	**10,511,388**	**1,158,095**

3.2 Breakdown of item 30 “Securities issued”: subordinated securities

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	up to 30/06/2012 5%; after that 50% 6-month Euribor + 1%	Euro	77,250	77,825
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	5% fixed	Euro	222,750	228,616

3.3 Securities issued: securities hedged specifically/micro hedged

At the end of 2010, there were 5,067 million of securities covered by specific interest rate risk hedge.

▸ Section 4 – Financial liabilities held for trading - Item 40

4.1 Financial liabilities held for trading: composition by type

	31.12.2010					31.12.2009				
		FV					FV			
	NV	Level 1	Level 2	Level 3	FV (*)	NV	Level 1	Level 2	Level 3	FV (*)
A. On-balance-sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-		-	-	-	-	
3.1 Bonds	-	-	-	-		-	-	-	-	
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other	-	-	-	-		-	-	-	-	
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial Derivatives		5	179,172	104,762			7	289,906	30,137	
1.1 Trading	X	5	178,820	104,762	X	X	7	283,108	30,137	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	352	-	X	X	-	6,798	-	X
2. Credit derivatives		-	-	-			-	-	-	
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B		**5**	**179,172**	**104,762**			**7**	**289,906**	**30,137**	
TOTAL (A+B)	**X**	**5**	**179,172**	**104,762**	**X**	**X**	**7**	**289,906**	**30,137**	**X**

Key:
FV = fair value;
FV = fair value calculated excluding changes in value resulting from an alteration in the issuer's credit rating after the date of issue;*
NV = nominal value or notional value.

Section 6 – Hedging derivatives - Item 60

6.1 Hedging derivatives: composition by type of hedge and level

	Fair value (31.12.2010)			Notional value (31.12.2010)	Fair value (31.12.2009)			Notional value (31.12.2009)
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A) Financial derivatives	**-**	**22,899**	**-**	**2,333,905**	**-**	**16,108**	**-**	**996,549**
1) Fair value	-	22,899	-	2,333,905	-	16,108	-	996,549
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
TOTAL	**-**	**22,899**	**-**	**2,333,905**	**-**	**16,108**	**-**	**996,549**

6.2 Hedging derivatives: composition by hedged portfolio and by type of hedge

	Fair value						Cash flows		Investments
	Specific					Generic	Specific	Generic	
	interest rate risk	Exchange rate risk	Credit Risk	Price risk	Multiple risks				
1. Financial assets available for sale	5,171	-	-	-	-	X	-	X	X
2. Loans	8,437	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other transactions	X	X	X	X	X	X	X	X	-
TOTAL ASSETS	**13,608**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	8,919	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	372	-	-	X
TOTAL LIABILITIES	**8,919**	**-**	**-**	**-**	**-**	**372**	**-**	**-**	
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	X	-	-

▸ Section 7 – Adjustment of financial liabilities subject to macro hedging – Item 70

7.1 Adjustment of hedged financial liabilities

	31.12.2010	31.12.2009
1. Positive adjustment of financial liabilities	81,341	76,250
2. Negative adjustment of financial liabilities	4,068	213
TOTAL	**77,273**	**76,037**

7.2 Liabilities hedged generically against interest rate risk: composition

	31.12.2010	31.12.2009
Financial liabilities	8,328,631	1,726,787

▸ Section 8 – Tax liabilities – Item 80

See section 14 in assets.

▸ Section 10 – Other liabilities - Item 100

10.1 Other liabilities: composition

	31.12.2010	31.12.2009
Trade payables	68,316	148,281
Amounts due to third parties	205,605	175,989
Credit transfers ordered and being processed	76,980	162,151
Amounts payable to tax authorities on behalf of third parties	54,234	59,776
Advances on loans	580	583
Adjustments for illiquid items	176,527	212,651
Credits and items being processed	136,928	91,962
Staff costs	64,256	66,701
Guarantees and commitments	5,962	22,607
Sundry items and deferred income not allocated to other items	224,839	77,038
TOTAL	**1,014,227**	**1,017,739**

▸ Section 11 – Employee severance benefits - Item 110

11.1 Employee severance benefits: changes for the period

	31.12.2010	31.12.2009
A. Opening balance	**131,190**	**141,786**
B. Increases	**9,744**	**4,537**
B.1 Provision for the period	2,269	3,953
B.2. Other changes	7,475	584
C. Decreases	**7,516**	**15,133**
C.1 Severance payments	7,322	8,470
C.2. Other changes	194	6,663
D. Closing balance	**133,418**	**131,190**
TOTAL	**133,418**	**131,190**

▸ Section 12 – Provisions for liabilities and contingencies - Item 120

12.1 Provisions for liabilities and contingencies: composition

	31.12.2010	31.12.2009
1 Company pension plans	22,374	22,567
2. Other provisions for liabilities and contingencies	82,839	102,515
2.1 legal disputes	45,999	46,837
2.2 staff expenses	20,992	31,008
2.3 other	15,848	24,670
TOTAL	**105,213**	**125,082**

12.2 Provisions for liabilities and contingencies: changes for the period

	31.12.2010	
	Pension plans	Other provisions
A. Opening balance	**22,567**	**102,515**
B. Increases	**2,526**	**38,095**
B.1 Provision for the period	-	36,823
B.2 Changes due to passage of time	1,002	1,086
C.2 Changes due to changes in the discount rate	-	182
B.4. Other changes	1,524	4
C. Decreases	**2,719**	**57,771**
C.1 Use during the year	2,719	49,611
C.2 Changes due to changes in the discount rate	-	28
C.3. Other changes	-	8,132
D. Closing balance	**22,374**	**82,839**

12.3 Definited . benefit company pension plains

12.3.1 DESCRIPTION OF PROVISIONS

The defined-benefit pension plan section relates solely to employees of the Parent Company who have already retired.

The plan is funded by a provision accrued by the Group, determined based on the mathematical reserve, certified annually by an independent actuary.

12.3.2 CHANGES FOR THE PERIOD

Increases and decreases in the provision are shown in table 12.2 in the pension plan column.

12.3.3 CHANGES FOR THE PERIOD IN PLAN ASSETS AND OTHER INFORMATION

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

12.3.4 RECONCILIATION BETWEEN THE PRESENT VALUE OF THE PROVISION, THE PRESENT VALUE OF PLAN ASSETS AND THE ASSETS AND LIABILITIES RECOGNIZED IN THE BALANCE SHEET

The difference between present value of the defined-benefit obligation and the fair value of the plan assets amounts to €22,374 thousand; therefore, liabilities recognised in the balance sheet amount to €22,374 thousand.

12.3.5 DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS

The following essential assumptions have been made:

- annual inflation rate: 2% fixed for the entire projection term;
- annual rate of growth of supplementary pensions: 1.75% fixed for the entire projection term;
- annual rate of growth of supplementary pensions: 0.00% fixed for the entire projection term;
- annual rate of growth of INPS pensions: 1.75% fixed for the entire projection term.

Relating to the demographic base, the measurement was developed by adopting the assumptions of survival of 2006 ISTAT mortality tables.

As to the financial base, the measurement refers to the yield curve for AA-rated European corporate securities.

12.4 Provisions for liabilities and contingencies - other

Item 2.3 of Table 12.1 incorporates amounts set aside to protect, despite the lack of a legal obligation, customers who engaged in transactions involving derivatives and insurance policies that have suffered from the impact of the world financial crisis.

In 2010, the Cariparma Group received two notices of Registration Tax payment from the Inland Revenue Service, with which the Financial Administration has requalified the transactions - as sale of a company - by which, in 2007, Cariparma and FriulAdria increased their structure with the transfer of branches from Intesa Sanpaolo S.p.A. Later the shares received were transferred by the transferee to the institutional shareholders of the two banks for a countervalue of Euro 1,194 million and Euro 136 million, respectively. The Group took part in the payment of the registration tax proportional to the value of the transferred shares, together with the other main subjects that are, on various grounds, involved in these transactions and have received the same payment notice, as requested by the Inland Revenues Service, for a total amount of €40 million, as set forth in the specific legislation on registration tax assessment. Together with the other subjects who are parties in the transaction, the bank has started a specific legal action against the Inland Revenue Service, opposing these requests. In the light of specific opinions from important legal counsels, no provision has been made for this purpose.

In 2010 the subsidiary BPFA also received a Notice of assessment and an Official Tax Audit Report regarding repurchase agreements made between 2005 and 2007 involving English and Luxembourgish securities. The recourse, which today could be quantified at approximately €5.5 million taxes, plus penalties and interest, would concern the partial non-recognition of the foreign tax credit relating to withholding tax paid abroad.

An Official Tax Audit Report was also received by Cariparma regarding a possible charge for a non-recourse factoring transaction performed in 2005, which could give rise to a payment request for taxes amounting to approximately €5.5 million, plus penalties and interest.

In this case too, no provision has been made for this purpose, on the basis of specific opinions from important legal counsels.

▸ Section 15 - Shareholders' equity - Items 140, 160, 170, 180, 190, 200 and 220

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

The Parent Company's share capital , fully paid-in, consists of 785,065,789 ordinary shares.

There are no treasury shares.

15.2 Share capital - Number of shares of the Parent Company: changes for the period

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

15.3 Share capital: other information

The nominal unit value of the 785,065,789 ordinary shares is €1.

15.4 Income reserves: other information

	Amounts
Legal reserve	99,277
Reserves established in bylaws	489,952
Reserve under Art. 13 Leg. Dec. 124/93 (*)	314
Other reserves	17,381
TOTAL INCOME RESERVES	**606,924**
Reserve from share-based payments (**)	1,348
Payments for share capital increase	262,500
TOTAL	**870,772**

(*) Reserve formed pursuant to Art.13 of Legislative Decree 124/93 to take advantage of tax relief on the portions of the severance benefits designated for supplementary pension plans.

(**) Reserve recognizing the increase in equity resulting from payments based on shares of the controlling company Crédit Agricole SA. made to employees and directors.

► Section 16 - Minority interests - Item 210

16.1 Share capital: composition and changes for the period

	31.12.2010	31.12.2009 (*)
1. Share capital	34,367	34,367
2. Share premium reserve	85,628	85,628
3. Reserves	28,557	28,684
4. (Treasury Shares)	-	-
5. Valuation reserves	409	6,312
6. Equity instruments	-	-
7. Net profit (loss) pertaining to minority interests	8,790	6,603
TOTAL	**156,933**	**161,594**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

OTHER INFORMATION

1. Guarantees issued and commitments

Transactions	31.12.2010	31.12.2009
1) Financial guarantees issued	**1,074,591**	**1,103,062**
a) Banks	252,173	255,576
b) Customers	822,418	847,486
2) Commercial guarantees issued	**845,410**	**871,503**
a) Banks	23,985	37,651
b) Customers	821,521	833,852
3) Irrevocable commitments to disburse funds	**565,499**	**694,017**
a) Banks	99,952	132,092
i) certain use	99,952	132,092
ii) uncertain use	-	-
b) Customers	465,547	561,925
i) certain use	30,919	30,978
ii) uncertain use	434,628	530,947
4) Commitments underlying credit derivatives: sales of protection	**-**	**-**
5) Assets pledged as collateral for third-party debts	**-**	**-**
6) Other commitments	**115,773**	**103,265**
TOTAL	**2,601,369**	**2,771,847**

2. Assets pledged as collateral for own liabilities and commitments

Portfolio	31.12.2010	31.12.2009
1. Financial assets held for trading	6,255	6,488
2. Financial assets recognized at fair value	-	-
3. Financial assets available for sale	7,481,460	3,446,293
4. Financial assets held to maturity	-	-
5. Loans to banks	30,810	107,566
6. Loans to customers	-	-
7. Property, plant and equipment	-	-

▸ 3. Information on operating leases

Operating leases - lessee - IAS 17 art. 35 - letter a/b

Future minimum payments due *under* non-cancellable leases	< 1 year	1<> 5 years	> 5 years	unspecified maturity	Total
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant - hardware	-	-	-	-	-
Electronic plant - other	-	-	-	-	-
Other - vehicles (including automobiles)	2,151	2,769	-	-	4,920
Other - office machinery	237	57	-	-	294
Other - telephones (fixed and mobile)	-	-	-	-	-
Other - other	-	-	-	-	-
Software	-	-	-	-	-
TOTAL	**2,388**	**2,826**	**-**	**-**	**5,214**

Operating leases - lessee - ias 17 art. 35 - letter c

Expenses for 2010	Minimum payments	Potential lease installments	Subletting payments	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant - hardware	-	-	-	-
Electronic plant - other	-	-	-	-
Other - vehicles (including automobiles)	2,326	805	-	3,131
Other - office machinery	406	-	-	406
Other - telephones (fixed and mobile)	-	-	-	-
Other - other	-	-	-	-
Software	-	-	-	-
TOTAL	**2,732**	**805**	**-**	**3,537**

Operating leases - lessee - ias 17 art. 35 - letter d

Description of contracts	Criteria for determining lease installments	Renewal or purchase option	Indexing clause
Other - vehicles (including automobiles)	Installment determined on basis of brand, model, engine size and accessories of each vehicle and including additional services	Customer may request contract extension at prefixed installment	
Other - office machinery	Photocopiers: fixed monthly payment for each machine Franking machine: fixed monthly payment	Photocopiers: purchase option at end of each year Franking machine: tacit renewal every year unless terminated	

▸ 5. Management and intermediation services

	Amounts
1. Trading on behalf of customers	-
a) purchases	-
1. settled	-
2. not yet settled	-
b) sales	-
1. settled	-
2. not yet settled	-
2. Asset management	**1,176,966**
a) individual	1,176,966
b) collective	-
3. Custody and administration of securities	-
a) third-party securities on deposit: held as part of depository	-
bank services (excluding asset management)	
1. securities issued by consolidated companies	-
2. other securities	-
b) other third-party securities on deposit (excluding asset management): other	39,227,423
1. securities issued by consolidated companies	10,980,444
2. other securities	28,246,979
c) third-party securities deposited with third parties	38,560,874
d) securities owned by bank deposited with third parties	9,734,179
4. Other transactions	-

Part C Information on the consolidated income statement

▸ Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar revenues: composition

	Debt securities	Loans	Other transactions	31.12.2010	31.12.2009
1. Financial assets held for trading	296	-	-	296	2,508
2. Financial assets recognized at fair value	-	-	-	-	-
3. Financial assets available for sale	168,215	-	-	168,215	75,728
4. Financial assets held to maturity	-	-	-	-	-
5. Loans to banks	45,534	21,830	-	67,364	95,159
6. Loans to customers	4,418	903,418	-	907,836	1,117,476
7. Hedging derivatives	X	X	121,294	121,294	80,154
8. Other Assets	X	X	485	485	527
TOTAL	**218,463**	**925,248**	**121,779**	**1,265,490**	**1,371,552**

1.2 Interest income and similar revenues: differences on hedging transactions

	31.12.2010	31.12.2009
A. Positive differences on hedging transactions	238,091	205,609
B. Negative differences on hedging transactions	(116,797)	(125,515)
C. BALANCE (A-B)	**121,294**	**80,094**

1.3 Interest income and similar revenues: other information

1.3.1 INTEREST INCOME ON FOREIGN-CURRENCY FINANCIAL ASSETS

At the end of 2010, interest income on foreign-currency financial assets came to €4,701 thousands.

1.3.2 INTEREST INCOME ON FINANCE LEASE TRANSACTIONS

At the end of 2010, interest income on financial lease transactions came to €45,060 thousands.

1.4 Interest expense and similar charges: composition

	Debts	Securities	Other Transactions	31.12.2010	31.12.2009
1. Due to central banks	(1,450)	X	-	(1,450)	(191)
2. Due to banks	(60,163)	X	-	(60,163)	(68,962)
3. Due to customers	(53,387)	X	(12)	(53,399)	(69,453)
4. Securities issued	X	(231,597)	-	(231,597)	(260,878)
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities carried at *fair value*	-	-	-	-	-
7. Other liabilities and provisions	X	X	(170)	(170)	(404)
8. Hedging derivatives	X	X	-	-	(60)
TOTAL	**(115,000)**	**(231,597)**	**(182)**	**(346,779)**	**(399,948)**

1.6 Interest expense and similar charges: other information

1.6.1 INTEREST EXPENSE ON FOREIGN-CURRENCY LIABILITIES

At the end of 2010, interest expense on foreign-currency financial assets came to €1,513 thousand.

Section 2 - Commissions – Items 40 and 50

2.1 Commissions income: composition

	31.12.2010	31.12.2009
a) guarantees issued	**11,705**	**10,756**
b) credit derivatives	-	-
c) management, intermediation and advisory services:	**214,869**	**204,595**
1. trading in financial instruments	-	-
2. foreign exchange	4,998	4,740
3. portfolio management	9,365	9,060
3.1. individual	9,365	9,060
3.2. collective	-	-
4. custody and administration of securities	6,938	8,822
5. depository services	-	-
6. securities placement	83,138	72,331
7. order collection	10,788	11,927
8. advisory services	94	126
8.1 in respect of investments	-	116
8.1 in respect of financial structure	94	10
9. distribution of third-party services	99,548	97,589
9.1. asset management	285	274
9.1.1. individual	-	-
9.1.2. collective	285	274
9.2 insurance products	99,008	95,745
9.3 other	255	1,570
d) collection and payment services	**40,603**	**41,659**
e) servicing activities for securitizations	-	-
f) services for factoring transactions	-	-
g) tax collection services	**-**	**-**
h) management of multilateral exchange systems	-	-
i) keeping and managing current accounts	**164,431**	**175,007**
j) other services	**90,618**	**64,007**
TOTAL	**522,226**	**496,024**

2.2 Commission expense: composition

	31.12.2010	31.12.2009
a) guarantees received	**(1,273)**	**(1,030)**
b) credit derivatives	-	-
c) management and intermediation services:	**(2,789)**	**(4,056)**
1. trading in financial instruments	(36)	(121)
2. foreign exchange	-	-
3. asset management:	(1,281)	(1,088)
3.1 own portfolio	-	-
3.2 third-party portfolio	(1,281)	(1,088)
4. custody and administration of securities	(922)	(750)
5. placement of financial instruments	(550)	(2,097)
6. off-premises distribution of securities, products and services	-	-
d) collection and payment services	**(4,658)**	**(5,252)**
e) other services	**(10,578)**	**(9,997)**
TOTAL	**(19,298)**	**(20,335)**

▸ Section 3 - Dividends and similar revenues - Item 70

3.1 Dividends and similar revenues: composition

	31.12.2010		31.12.2009	
	Dividends	Income from units in collective investment undertakings	Dividends	Income from units in collective investment undertakings
A Financial assets held for trading	5	-	24	136
B. Financial assets available for sale	1,631	-	1,997	-
C. Financial assets carried at *fair value*	-	-	-	-
D. Equity investments	-	X	-	X
TOTAL	**1,636**	**-**	**2,021**	**136**

▶ Section 4 - Net gain (loss) on trading activities – Item 80

4.1 Net gain (loss) on trading activities: composition

	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gain [(A+B) - (C+D)]
1. Financial assets held for trading	**975**	**5,013**	**(503)**	**(258)**	**5,227**
1.1 Debt securities	932	3,924	(503)	(95)	4,258
1.2 Equity securities	-	1	-	(2)	(1)
1.3 Units in collective investment undertakings	43	353	-	(2)	394
1.4 Financing	-	-	-	-	-
1.5 other	-	735	-	(159)	576
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Other financial assets and liabilities: exchange rate differences	**X**	**X**	**X**	**X**	**1,518**
4. Derivatives	**195,376**	**268,024**	**(183,791)**	**(264,243)**	**15,791**
4.1 Financial derivatives:	195,376	268,024	(183,791)	(264,243)	15,791
- on debt securities and interest rates	191,532	262,737	(179,321)	(258,908)	16,040
- on equity securities and equity indices	-	-	(34)	-	(34)
- on foreign currencies and gold	X	X	X	X	425
- other	3,844	5,287	(4,436)	(5,335)	(640)
4.2 Credit derivatives	-	-	-	-	-
TOTAL	**196,351**	**273,037**	**(184,294)**	**(264,501)**	**22,536**

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

5.1 Net gain (loss) on hedging activities: composition

	31.12.2010	31.12.2009
A. Gain on:		
A.1 Fair *value hedges*	132,184	172,513
A.2 Hedged financial assets (*fair value*)	21,360	3,801
A.3 Hedged Financial liabilities (*fair value*)	45,066	23,120
A.4 Cash flow hedges	-	-
A.5 Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)	**198,610**	**199,434**
B. Loss on:		
B.1 Fair *value hedges*	(81,034)	(125,083)
B.2 Hedged financial assets (*fair value*)	(91,325)	(2,742)
B.3 Hedged financial liabilities (*fair value*)	(23,552)	(62,170)
B.4 Cash flow hedges	-	-
B.5 Assets and liabilities in foreign currencies	-	-
Total expense on hedging activities (B)	**(195,911)**	**(189,995)**
C. NET GAIN (LOSS) ON HEDGING ACTIVITIES (A-B)	**2,699**	**9,439**

▸ Section 6 - Gain (loss) on disposal or repurchase - Item 100

6.1 Gain (Loss) on disposal or repurchase: composition

	31.12.2010			31.12.2009		
	Gains	Losses	Net profit	Gains	Losses	Net profit
Financial assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to customers	326	(9,129)	(8,803)	482	(8,167)	(7,685)
3. Financial assets available for sale	50,118	(3,691)	46,427	8,307	-	8,307
3.1 Debt securities	50,118	(3,691)	46,427	4,085	-	4,085
3.2 Equity securities	-	-	-	4,222	-	4,222
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Financing	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
TOTAL ASSETS	**50,444**	**(12,820)**	**37,624**	**8,789**	**(8,167)**	**622**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	2,248	(6,195)	(3,947)	3,436	(999)	2,437
TOTAL LIABILITIES	**2,248**	**(6,195)**	**(3,947)**	**3,436**	**(999)**	**2,437**

▸ Section 8 - Net impairment adjustments - Item 130

8.1 Net impairment adjustments of loans: composition

	Writedowns (1)			Writebacks (2)					
	Specific			Specific		Portfolio			
	Writeoffs	Other	Portfolio	A	B	A	B	31.12.2010	31.12.2009
Loans to banks	-	-	-	-	-	-	1	1	(1)
- loans	-	-	-	-	-	-	1	1	(1)
- debt securities	-	-	-	-	-	-	-	-	-
B. Loans to customers	(5,520)	(275,310)	(16,961)	11,577	46,268	-	38,366	(201,580)	(187,615)
- loans	(5,520)	(275,310)	(16,961)	11,577	46,268		38,366	(201,580)	(187,615)
- debt securities	-	-	-	-	-	-	-	-	-
C. TOTAL	**(5,520)**	**(275,310)**	**(16,961)**	**11,577**	**46,268**	**-**	**38,367**	**(201,579)**	**(187,616)**

Key:
A= from interest
B= other writebacks

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

	Writedowns (1)		Writebacks (2)			
	Specific		Specific			
	Writeoffs	Other	A	B	31.12.2010	31.12.2009
A Debt securities	-	-	-	-	-	-
B. Equity securities	-	(118)	X	X	(118)	(513)
C. Quote OICR	-	-	X	-	-	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. TOTAL	**-**	**(118)**	**-**	**-**	**(118)**	**(513)**

Key
A= from interest
B= other writebacks

8.4 Net impairment adjustments of other financial instruments: composition

	Writedowns (1)			Writebacks (2)					
	Specific			Specific		Portfolio			
	Writeoffs	Other	Portfolio	A	B	A	B	31.12.2010	31.12.2009
A. Guarantees issued	(2,295)	(858)	(84)		3,036		3,087	2,886	(2,587)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. TOTAL	**(2,295)**	**(858)**	**(84)**	**-**	**3,036**	**-**	**3,087**	**2,886**	**(2,587)**

Key:
A= from interest
B= other writebacks

▸ Section 11 - Administrative expenses – Item 150

11.1 Staff expenses: composition

	31.12.2010	31.12.2009 (*)
1) Employees	**(532,059)**	**(517,675)**
a) wages and salaries	(381,098)	(366,543)
b) social security contributions	(99,533)	(97,749)
c) severance benefits	(175)	(1,594)
d) pensions	-	(52)
e) allocation to employee severance benefit provision	(2,459)	(3,382)
f) allocation to provision for retirement and similar liabilities:	(1,002)	(931)
- defined contribution	-	-
- defined benefit	(1,002)	(931)
g) payments to external pension funds:	(35,320)	(34,542)
- defined contribution	(35,320)	(34,542)
- defined benefit	-	-
h) costs in respect of agreements to make payments in own equity instruments	-	-
i) other employee benefits	(12,472)	(12,882)
2) Other personnel	**619**	**122**
3) Directors and auditors	**(1,966)**	**(1,944)**
4) Retired personnel	-	-
TOTAL	**(533,406)**	**(519,497)**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

11.2 Average number of employees by category:

	31.12.2010
Employees:	7,279
a) senior management	104
b) junior management	2,894
1) other employees	4,281
Other personnel	57

The number of employees takes into account the employees seconded to other entities and other staff seconded to the group. The figure for other personnel refers solely to non-employees.

11.3 Defined-benefit company pension plans: total costs

	31.12.2010	31.12.2009 (*)
Provision for the year	-	-
Changes due to passage of time	(1,002)	(931)
TOTAL	**(1,002)**	**(931)**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

11.4 Other employee benefits

This item represents costs for non-occupational insurance policies, interest released as a result of the discounting-back of the solidarity fund, other fringe benefits and payments to the bank employees' recreational club.

11.5 Other administrative expenses: composition

	31.12.2010	31.12.2009
Direct and indirect taxes	(68,108)	(70,032)
Data processing	(27,309)	(44,224)
Facility rental and management	(49,533)	(48,490)
Professional consulting services	(23,558)	(23,631)
Telephone, postal charges and couriers	(15,042)	(17,276)
Telephone and data transmission	(9,651)	(10,286)
Legal expenses	(3,382)	(2,471)
Property maintenance	(2,414)	(2,546)
Furnishing and plant maintenance	(9,942)	(13,045)
Marketing, development and entertainment	(9,516)	(16,346)
Transportation	(13,900)	(16,048)
Lighting, heating and air conditioning	(11,109)	(13,831)
Office supplies, printed material, print subscriptions, photocopying, etc	(6,851)	(4,307)
Staff training expenses and reimbursements	(9,520)	(10,720)
Security	(4,545)	(5,368)
Information and title searches	(5,023)	(5,024)
Insurance	(92,159)	(86,647)
Cleaning	(5,681)	(6,185)
Leasing of other property, plant and equipment	(5,210)	(1,426)
Management of archives and document handling	(997)	(641)
Reimbursement of costs to Group companies	(25,679)	(14,587)
Sundry expenses	(7,184)	(430)
TOTAL	**(406,313)**	**(413,561)**

▸ Section 12 – Net provisions for liabilities and contingencies - Item 190

12.1 Net provisions for liabilities and contingencies: composition

The provision of €26,605 thousand is composed of €7,605 thousand for revocatory actions, €19,000 thousand for non-lending-related disputes.

▸ Section 13 – Net adjustments/writebacks of property, plant and equipment: Item 200

13.1 Net adjustments of property, plant and equipment: composition

	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Property, plant and equipment:				
A.1 Owned	(27,061)	-	-	(27,061)
- Operating assets	(26,852)	-	-	(26,852)
- Investment property	(209)	-	-	(209)
A.2 acquired under financial leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
TOTAL	**(27,061)**	**-**	**-**	**(27,061)**

▸ Section 14 - Net adjustments/writebacks of intangible assets – Item 210

14.1 Net adjustments of intangible assets: composition

	Amortization (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Intangible assets				
A.1 Owned	(45,743)	-	-	(45,743)
- Generated internally by the Bank	-	-	-	-
- Other	(45,743)	-	-	(45,743)
A.2 Acquired under financial leases	-	-	-	-
TOTAL	**(45,743)**	**-**	**-**	**(45,743)**

Section 15 - Other operating revenues (expenses)- Item 190

15.1 Other operating expenses: composition

	31.12.2010	31.12.2009
Expenses for financial lease transactions	(2,749)	(2,008)
Amortization of expenditure for leasehold improvements	(8,235)	(9,087)
Other charges	(7,298)	(7,103)
TOTAL	**(18,282)**	**(18,198)**

15.2 Other operating income: composition

	31.12.2010	31.12.2009
Rental income and recovery of expenses on real estate	522	536
Revenues on financial lease contracts	1,783	1,180
Recovery of taxes and duties	61,241	63,208
Recovery of insurance costs	92,466	86,405
Recovery of other expenses	5,101	4,035
Other income	6,148	2,895
TOTAL	**167,261**	**158,259**

▸ Section 16 - Gain (loss) on equity investments - Item 240

16.1 Gain (loss) on equity investments: composition

	31.12.2010	31.12.2009
1. Joint ventures		
A. Gains	-	-
1. Revaluations	-	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other income	-	-
B. Losses	-	-
1. Writedowns	-	-
2. Impairments	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net profit	**-**	**-**
2. Companies under significant influence		
A. Gains	5,350	26,114
1. Revaluations	-	-
2. Gains on disposal	-	10
3. Writebacks	-	-
4. Other income	5,350	26,104
B. Losses	-	-
1.Writedowns	-	-
2. Impairments	-	-
3. Losses on disposal	-	-
4. Other charges	**-**	**-**
Net profit	**5,350**	**26,114**
TOTAL	**5,350**	**26,114**

▸ Section 18 - Value adjustments of goodwill – Item 260

18.1 Value adjustments of goodwill: composition

No value adjustments of goodwill were recognized in the financial statements.

▸ Section 19.1 - Gain (loss) on disposal of investments: - Item 270

19.1 Gain (loss) on disposal of investments: composition

Income components/Sectors	31.12.2010	31.12.2009
A. Land and buildings	2,197	35
- Gains on disposal	2,197	35
- Losses on disposal	-	-
B. Other assets	(6)	(1)
- Gains on disposal	2	-
- Losses on disposal	(8)	(1)
NET PROFIT	**2,191**	**34**

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

20.1 Income tax for the period on continuing operations: composition

	31.12.2010	31.12.2009 (*)
1. Current taxes (-)	(155,176)	(188,954)
2. Changes in current taxes from previous periods (+/-)	150	1,315
3. Reduction of current taxes for the period (+)	2,952	3,669
4. Change in deferred tax assets (+/-)	(2,259)	45,290
5. Change in deferred tax liabilities (+/-)	2,432	4,333
6. INCOME TAXES FOR THE PERIOD (-) (-1+/-2+3+/-4+/-5)	**(151,901)**	**(134,347)**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

20.2 Reconciliation of theoretical tax liability and actual tax liability recognized

	31.12.2010
Net profit before tax on continuing operations	400,768
THEORETICAL TAXABLE INCOME	**400,768**

	31.12.2010
Income tax - Theoretical tax liability	(122,554)
- Effect of revenues that do not form taxable income	-
- Effect of income already subject to taxation	(311)
- Effect of fully or partially non-deductible expenses	15,951
Income tax – actual tax liability	**(106,914)**
- **Effect of realignment under Law 244/2007**	**-**
- **Tax on realignment gain under Decree Law 185/2008**	**-**
- **Effect of recovery of future taxes on realignment gain under Decree Law 185/2008**	**-**
- **Effect of tax credits and deduction**	**1,991**
Effect of consolidation entries	**2,949**
IRAP - Theoretical tax liability	(21,052)
- Effect of revenues/expenses that do not form taxable income	(50,589)
- Effect of other changes	21,714
IRAP - Actual tax liability	**(49,927)**
ACTUAL TAX LIABILITY RECOGNIZED	**(151,901)**
Of which: actual tax liability on continuing operations	(151,901)

▸ Section 22 - Net profit (loss) pertaining to minority interests: - Item 330

22.1 Breakdown of item 330 “net profit (loss) pertaining to minority interests”

The net profit (loss) pertaining to minority interests came to €8,790 thousand and is entirely attributable to Banca Popolare FriulAdria S.p.A. and Crédit Agricole Leasing Italia S.r.l..

▸ Section 24 – Earnings per share

24.1 Average number of ordinary shares of diluted capital

The Parent Company’s capital is comprised of 785,065,789 shares with a par value of €1 each.

Part D Consolidated comprehensive income

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

		Gross amount	Income tax	Net amount
10.	**Net profit (loss) for the period**	**X**	**X**	**248,867**
	Other income components			
20.	**Financial assets available for sale:**	**(214,497)**	**68,967**	**(145,530)**
	a) changes in *fair value*	(169,284)	54,408	(114,876)
	b) reversal to income statement	(45,213)	14,559	(30,654)
	- writedowns for impairment	81		81
	- profit/loss for realization	(45,294)	14,559	(30,735)
	c) other changes	-	-	-
30	**Property, plant and equipment**	**-**	**-**	**-**
40.	**Intangible assets**	**-**	**-**	**-**
50.	**Hedging of foreign investments:**	**-**	**-**	**-**
	a) changes in *fair value*	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
60.	**Cash flow hedges:**	**(1,636)**	**514**	**(1,122)**
	a) changes in *fair value*	-	-	-
	b) reversal to income statement	(1,636)	514	(1,122)
	c) other changes	-	-	-
70.	**Exchange rate differences:**	**-**	**-**	**-**
	a) changes in *fair value*	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
80.	**Disposal groups:**	**-**	**-**	**-**
	a) changes in *fair value*	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
90.	**Actuarial gains (losses) on defined-benefit plans**	**(8,901)**	**2,448**	**(6,453)**
100.	**Share of valuation reserve on equity investments accounted for by equity method:**	**(16,976)**	**-**	**(16,976)**
	a) changes in *fair value*	-	-	-
	b) reversal to income statement	-	-	-
	- writedowns for impairment	-	-	-
	- profit/loss for realization	-	-	-
	c) other changes	(16,976)		(16,976)
110.	**Total for other income components**	**(242,010)**	**71,929**	**(170,081)**
120.	**Comprehensive income (Item 10+110)**	**(242,010)**	**71,929**	**78,786**
130.	**Consolidated comprehensive income pertaining to minority interests**	**X**	**X**	**3,065**
140.	**Consolidated comprehensive income pertaining to the Parent Company**	**X**	**X**	**75,721**

Part E Risks and risk management policies

Section 1: Risks of the Banking Group

The Cariparma FriulAdria Group deems risk management and control very important, as conditions to ensure a reliable and sustainable generation of value and, consequently, the bank's financial soundness and reputation.

Cariparma is the operating Parent Company, both as coordinator and as a commercial bank with its own distribution network, and is engaged in overall risk guidance and control. The Group companies benefit from the functions controlled by the Parent Company and operate on reference areas.

The guidelines on exposure to risks are set by the risk strategy approved by the Parent Company Crédit Agricole, which provides for, specifically for credit risk, operational risk, market risks and other risks, compliance with Basel II requirements.

Organizational structures have been created to engage in risk measurement and to integrate the same in the Group governance and operations. Said structures are supported by specific Committees, among which are the Internal Control Committee and Risk Committees.

Risk Committees, with different scopes such as Credit Risk, Operational Risk, Financial Risk, are responsible for designing and formalizing risk management policies, for structuring and assigning tasks and responsibilities to corporate bodies and departments, for monitoring risk trends and steering the relevant action plans, consistently with the Group's risk appetite and with the guidelines issued by the Parent Company Crèdit Agricole and endorsed by the Board of Directors.

The Basel 2 Project

The Crédit Agricole Group has set a procedure to adopt Basel 2 advanced metrics for the calculation of first-pillar risks (first of all, credit risk and operational risk) consistently for all the Banks in the Group., in order to improve, develop and integrate risk management in corporate processes.

The Basel 2 Project for the Cariparma Group has been structured, since 2007, based on the following preconditions that have also been its guidelines:

- creation of a control system for the integrated management of risks of the two Group Banks, Cariparma and FriulAdria, enabling and supporting the joint risk measurement and integration process (also by means of shared IT systems and processes);
- constant control and support by the Crèdit Agricole Group in the provision of methods and tools to steer the regulatory requirements (i.e. methods supporting corporate and operational credit risks, permanent control processes);
- creation of a strong project structure subdivided by responsibility scopes incorporating the periodic monitoring of progress (Progress made Committees, Guidance Committees), supported in the Program Management by a leading independent advisors.

To ensure higher compliance with the regulations issued by the Bank of Italy, Cariparma BoD, at the meeting held on 30 June 2010, assigned full responsibility for internal validation of the risk measurement and management systems relating to the Basel 2 project for the Cariparma FriulAdria Group to the Validation and Data Quality Unit, replacing the "Validation and Data Quality" Group Committee, which had been set up in a previous phase of the project.

This development in corporate governance has led to the redefinition of the relations between local internal and Group control departments with reference to Basel 2. Specifically, the CAsa Group continues controlling the development of models based on the guidelines issued by a collective body (CNM). The above-mentioned Validation and Data Quality Unit controls validation as a whole (models, processes, IT) – in compliance with the Italian regulation – with Crédit Agricole SA supervising its activities, in order to ensure consistency of the methods used with the Group framework.

Internal Control System

In accordance with the relevant regulations in force and with the guidelines issued by the Parent Company Credit Agricole SA, the internal control system of the Cariparma FriulAdria Group is so structured as to ensure detection, measurement and assessment over time of the risks associated to the performance of the corporate operations.

The internal control system is based on two methods of control: permanent control and periodic control.

Permanent Control is ensured:

- at first degree, by the operators or by the hierarchy within the unit, or by the automated transaction-processing systems, which carry out the transaction or start the process subject to control (e. g. branch operator);
- at second degree – first level, by agents other than those that have started the transaction, but authorized to operate (e.g. back office);
- at second degree – second level, by agents exclusively engaged in specialized top-level permanent controls (controls on credit risk,

accounting audits, non-compliance, etc.), without operating tasks involving risk-taking.

Periodic control (called "third-degree control") refers to the regular auditing of all activities (including permanent control and non-compliance control) by the audit unit, both based on documentary evidence and on site.

The internal control tool adopted by the Cariparma FriulAdria Group results from a process involving:

- the definition of the scope of control and the areas of responsibility of the different payers appointed;
- the identification pf the main risk zones, based on the risk mapping, and implementation of the classification of operating activities, decision-making powers and controls;
- performance of permanent controls at the different degrees and level envisaged, monitoring a correct application of the procedures and the detection of any early warnings;
- the performance of the periodic control by the Internal Audit Unit;
- the implementation of an appropriate reporting to corporate bodies and senior management engaged in governance and control functions.

The internal control system is designed based on an internal regulation that, based hierarchically on the Governance Documentation, extends to the operating rules that govern processes, activities and controls.

The Cariparma FriulAdria Group has three independent control structures that, within its control scope and based on the relevant tasks, ensure constant control on all corporate operations and the risks generated by the same: the Risk Management and Permanent Controls Department and the Compliance Department, which are responsible for second-degree – second level control, the Internal Audit Unit, which is responsible for third-degree control.

RISK MANAGEMENT AND PERMANENT CONTROLS DEPARTMENT

The Risk Management and Permanent Controls Department of the Cariparma FriulAdria Group ensures full monitoring of risks and permanent controls through specialized units within the department, dedicated to monitoring and control of credit, concentration and counterparty risks, financial risks and operational risks, audits of the accounts and the financial information to be published, to the control of business continuity plans, IT systems security and physical security.

The Risk Management and Permanent Controls Department is independent of any management and decision-making funciton entailing risk-taking: this independence is ensured by the organizational placement that provides for direct functional reporting to the Chief Executive Officer of the Cariparma FriulAdria Group and by hierarchically reporting to the Group Risk Management Department of the Parent Company Crédit Agricole SA..

The Risk Management and Permanent Controls Departments of the subsidiaries hierarchically report to the Risk Management and Permanent Controls Department of the Parent Company Cariparma and, through continuous coordination and guide, ensure the implementation and constant revision of the respective internal control scope, following the Group guidelines and methods and providing the holding structure with a systematic information flow.

1.1 – Credit risk

QUALITATIVE DISCLOSURES

General aspects

Lending is the core business of the Group, which aims at constantly expanding throughout the country to the extent compatible with a risk management strategy focussed on the most attractive geographical areas, customer segments and sectors of economic activity.

This strategy, which is agreed with the controlling company, Crédit Agricole S.A., consists of identifying risk ceilings (sector and individual concentration risk limits, etc.) and ensuring that they are consistent with the Group's budget targets and business plan. The Group continued to improve credit quality by means of constant monitoring of the loan portfolio, which entails verifying that the agreed risk strategy is being implemented, with a focus on major risk exposures.

Credit risk management policies

Organisational aspects

The assumption of credit risk is governed by a framework resolution that has been adopted by the Boards of Directors of the individual banks and companies in the Cariparma FriulAdria Group. The resolution matches the levels of operating powers and decision-making authority to the levels of exposure to counterparties and the associated direct and indirect risks relating to the counterparties' membership of a given economic group, the technical form of the loan granted, the diversification of risk and the rating assigned to the counterparty by the bank's internal rating system.

The lending process is regulated within a system of phased internal controls that delineate the criteria for managing risk profiles, determine the activities to be carried out to ensure the criteria are properly applied, identify the units responsible for these activities and develop the procedures to support them. The division into phases and the assignment of the activities to different organizational structures are intended to enhance the functionality of the process, both as regards its capacity to achieve objectives (process effectiveness) and its capacity to attain them at an appropriate cost (process efficiency).

The reliability of the applicant is assessed in the loan application processing phase, which has the objective of assessing the counterparty's creditworthiness, the risk of the transaction and consistency of the expected return on the transaction with the risks taken, as well as the sustainability – also in the future -of the credit risk taken.

Specifically the principles of the loan application processing in the Cariparma FriulAdria Group are the relevant information on the present and future solvency of the counterparty, the valuation of any guarantees provided by the counterparty, the examination of the specific characteristics of the transaction (amount, technical form, maturity and use to which the funds will be put), the application of a price that guarantees the profitability of the loan is proportionate to the risk assumed, uniform rules of conduct and methods for assessment.

At the loan processing phase, the results from the *rating* system, where available, and the related estimates of default are given great weight because because they are essential elements of any complete assessment of a customer. The loan application processing phase produces a final assessment of the counterparty's creditworthiness which integrates also qualitative information, the importance of which increases in proportion to the size of the counterparty and the amount being sought.

The loan application is accepted based on a decision-making powers system approved by the Board of Directors of each Bank, while credit lines do not become available to the borrower until after the completion of all phases provided for in the resolution (with particular regard to the acquisition, verification and valuation of the guarantees, conditions precedent, covenants...).

The loan disbursement process is governed by:

- a system of limits that ensures compatibility between the risk taken and the Group's risk appetite;
- a system that distributes decision-making powers based on the magnitude of the counterparty risk so that the level of responsibility for loans corresponds to the potential loss.

After the loan has been granted and disbursed, the position is reviewed on a temporal basis, at regular intervals or some other agreed schedule, or in response to an alert from/initiative of dedicated functions (for example loan monitoring function). Review of credit lines is performed by assessing that the counterparty and the counterparty's sureties remain solvent, ascertaining the continuing compliance of the guarantees pledged (legal certainty, the ease of liquidation and the consistency of their value with the size of the exposures), verifying compliance with the risk concentration limits, checking that the information and data stored in database are up to date and examining the causes of any change in the counterparty's risk rating.

In the Cariparma FriulAdria Group, the revision process support decisions on whether to renew or revoke credit lines, or whether to start a new processing phase. The revision may also be performed automatically, using an efficient control system, for positions that, on the basis of a rigorous examination of specific indicators, can be deemed as being low risk.

The Cariparma FriulAdria Group has implemented a continuous monitoring of loan positions and relevant guarantees, which permits the timely detection of any problems and, thus, helps to maintain a high quality of the loan portfolio. Management of problem loans is performed through specific organization structure and using a management model that is based on alerts and on evidence from monitoring tools used on performing loans, as well as on a series of loan management rules calibrated with reference to the default classification envisaged under supervisory regulations (*past-due*, substandard loan, restructured loan e bad debts). These rules govern the transfer of exposures to the appropriate functions.

The organization structure, procedures and tools on which the management of problem exposures is based, ensure that initiatives and measures to restore performing status are promptly taker, or swift recovery actions if the relationship cannot be maintained.

Management, measurement and control systems

To measure credit risk, the Group uses rating models that differ according to the segment (economic sector and size) to which the counterparty belongs. These models yield a score which summarizes the counterparty's creditworthiness in a *rating*, which reflects the probability of default over one-year time horizon.

Consistently with the guidelines issued by Crédit Agricole S.A., the Group has developed all risk measurement models for Retail customers in-house (rating, probability of default (PD), Loss Given Default (LGD) and exposure at default (EaD) models), in compliance with the controlling company's general principles, and has adopted the rating models developed by Crédit Agricole S.A. for Corporate customers, shared by all the Group at an international level. The models of both segments are used for management purposes by the whole Group, including the subsidiary CALIT, ensuring uniformity of loan processing and credit risk measurement.

The new rating models were developed at the end of 2008 and improved in 2010 to make them more consistent with the actual risk profile of the counterparties, which has changed due to the current economic crisis (review on recent years and concomitant recalibration). These activities have entailed a concomitant adjustment of the pre-existing procedures, processes and systems that had been added to the risk metrics used before.

In 2010, the first complete cycle of internal validation was performed, which is a necessary pre-condition to apply for the Bank of Italy's authorization to use internal ratings for notification purposes. This activity was particularly focussed on assessing performance, parameter calibration, stress testing and proper operation of systems for measurement and management of corporate processes risks.

Moreover, the quality of the data stored in the credit datawarehouse was validated, with reference to the provisions of Basel 2 First Pillar.

With regard to the full management use of Basel 2 risk metrics for lending processes, PEF (electronic loan application process) includes the so-called "lending strategies" to be applied to all Retail customers (both individuals and small business) to create "streamlined paths" in processing loan applications in case of low risk customers and loan products. The Group's lending policies have also been revised to better consider the changed macroeconomic situation.

In 2010, a new ratio for the monitoring of loan performance was put in use, which envisages inputting of the performance rating combined with a series of other early-warning indicators, to which expert criteria assign seriousness thresholds and weights. This model monthly produces an information summary on the risk profile of every customer of the Group. The quantitative scores yielded by this monitoring model, sorted based on synthesis requirements, are available at all branches and central departments and are used in loan monitoring processes.

In 2010, the method to determine loan collective writedown was consolidated, based on Crédit Agricole S.A. guidelines. In 2010, the restructuring and production of Group management reporting continued and has its institutional presentation at the quarterly meetings of the Credit Risk Committee.

This document analyses the credit quality of the single entities in the Group, as well as the Risk Exposures developments, on the basis of the main regulation and management guiding principles: the regulatory segmentation of customers, product types, sales structure and customer segments and sub-segments. Not only is credit risk, subdivided into its main components, namely default and migration risk, measured based on its impact on the Income Statement (credit risk cost) and on the Balance Sheet (absorbed supervisory capital), but it is also dealt with in terms of its possible future developments using a "stress scenario" estimating its possible impact according to assumptions of impairment-related migration to worse credit profile statuses.

Management reporting monitors loan coverage policies and also has the task of informing senior management of the performance of the risk summary indicators (performance ratings, early warning, other key risk indicators) so that the action plans necessary to minimize or prevent risk can be better and promptly arranged.

Risk mitigation techniques

The Group reduces credit risk with ancillary agreements or adopting instruments and techniques that ensure the effective mitigation of the risk. Particular attention is given to securing and managing guarantees through the definition of and compliance with general and specific requirements, and to updating the value of the guarantees.

The great preponderance of the retail segment and the substantial increase in mortgage loans in recent years are factors that, also from a Basel 2 perspective, have enabled the Bank to benefit considerably from risk mitigation, which had a notable effect on the weighting of assets in calculating supervisory capital.

Impaired financial assets

The procedures for the management and control of impaired loans are organized on the basis of a number of key principles:

- the use of multiple indicators to identify problems, diversified by customer segment depending on the definition of default used (the risk level of a single counterparty and economic group, PD, the different levels of identification beginning with positions overlimit by more than 30-60 days);
- the use of the PD estimate to support decision-making;
- the diversification of processes depending on the customer's level of risk.

In the light of the definition of default in use since the adoption of Crédit Agricole S.A.'s models for the Corporate segment (according to which a position past-due by 90 days is considered impaired), the loan monitoring and control procedures allow the position to be identified during the first phase of limit-exceeding. As regards the Retail segment, the technical and organizational techniques vary in accordance with the seriousness of the problem, using the definition of default provided for under the Italian law. With regard to this, the rules to identify impaired position have been revised so that the Bank's operations comply with the definition of "incaglio oggettivo", a particular form of substandard loan, envisaged in the Bank of Italy provisions. In addition to periodic specific evaluations of recovery value, the management process for impaired positions also involves:

- verifying whether the counterparty is capable of recovering financial health and, consequently, restoring the relationship;
- the acquisition of supplementary guarantees, whether security interests in property or unsecured sureties ;
- the preparation of loan workout plans and monitoring of full implementation;
- the enforcement and/or court-ordered acquisition of guarantees.

QUANTITATIVE DISCLOSURES

A. Credit Quality

A.1 IMPAIRED AND PERFORMING POSITIONS: STOCKS, WRITEDOWNS, CHANGES AND DISTRIBUTION

A.1.1 Distribution of financial assets by portfolio and credit quality (book values)

	Banking Group					Other companies		
	Bad debts	Substandard loans	Restructured positions	Past due positions	Other Assets	Impaired	Other	Total
1. Financial assets held for trading	736	10,130	234	5,096	273,376	-	-	289,572
2. Financial assets available for sale	47,356	-	-	-	7,015,684	-	-	7,063,040
3. Financial assets held to maturity	-	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	4,629,484	-	12	4,629,496
5. Loans to customers	420,739	342,917	68,994	349,074	29,224,897	-	-	30,406,621
6. Financial assets recognized at fair value	-	-	-	-	-	-	-	-
7. Financial assets being divested	-	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	400,028	-	-	400,028
TOTAL 31.12.2010	**468,831**	**353,047**	**69,228**	**354,170**	**41,543,469**	**-**	**12**	**42,788,757**
TOTAL 31.12.2009	**250,893**	**387,368**	**1,250**	**270,975**	**36,404,143**	**-**	**12**	**37,314,641**

Available-for-sale financial assets classified as bad debt are “Index linked” policies with embedded securities issued by Glitnir banki hf, which was wound up by the ruling of the District Court of Reykjavik dated 22 November 2010.

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

	Impaired assets			Performing			
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	Total (net exposure)
A.1 Banking Group							
1. Financial assets held for trading	20,258	4,061	16,197	X	X	273,375	289,572
2. Financial assets available for sale	47,356	-	47,356	7,015,684	-	7,015,684	7,063,040
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	4,629,484	-	4,629,484	4,629,484
5. Loans to customers	1,936,921	755,197	1,181,724	29,337,601	112,704	29,224,897	30,406,621
6. Financial assets recognized at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	400,028	400,028
Total A	**2,004,535**	**759,258**	**1,245,277**	**40,982,769**	**112,704**	**41,543,468**	**42,788,745**
B. Other consolidated companies							
1. Financial assets held for trading	-	-	-	X	X	-	-
2. Financial assets available for sale	-	-	-	-	-	-	-
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	12	-	12	12
5. Loans to customers	-	-	-	-	-	-	-
6. Financial assets recognized at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	-	-
Total B	**-**	**-**	**-**	**12**	**-**	**12**	**12**
TOTAL 31.12.2010	**2,004,535**	**759,258**	**1,245,277**	**40,982,781**	**112,704**	**41,543,480**	**42,788,757**
TOTAL 31.12.2009	**1,472,746**	**562,260**	**910,486**	**35,919,797**	**136,474**	**36,404,155**	**37,314,641**

Performing loans to customers: Analysis of age of past-due loans

	Exposures subject to collective agreement renegotiation			Other performing exposures		
	Gross exposure	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure
1. Non past-due exposures	1,302,524	5,898	1,296,626	26,784,258	99,559	26,684,699
2. Up to 30 year	91,016	434	90,582	575,470	2,002	573,468
3. From 31 to 60 days	41,923	317	41,606	262,561	979	261,582
4. From 61 to 90 days	9,453	46	9,407	92,134	384	91,750
5. From 91 to 180 days	15,520	137	15,383	97,637	2,593	95,044
6. More than 180 days	7,681	29	7,652	57,423	325	57,098
TOTAL 31.12.2010	**1,468,117**	**6,861**	**1,461,256**	**27,869,483**	**105,842**	**27,763,641**

Detailed disclosure, as specified by the Bank of Italy with the letter of 17 February 2011, *states the age of performing loans,* calculated considering the entire exposure of counterparties that, as at the reference date, had at least one loan past-due but did not meet the requirements to be included among impaired loans under Bank of Italy Circular No. 272. If there are more than one loan past-due for the same counterparty the loans past-due by the longer period of time.

A.1.3 Banking group - On-balance-sheet and off-balance-sheet exposure to banks: gross and net values

	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. On-balance-sheet exposures				
a) Bad debts	2,180	1,451	X	729
b) Substandard loans	-	-	X	-
c) Restructured positions	-	-	X	-
d) Past due positions	-	-	X	-
f) Other assets	4,634,023	X	-	4,634,023
Total A	**4,636,203**	**1,451**	**-**	**4,634,752**
B. Off-balance-sheet exposures				
a) Impaired	-	-	X	-
b) Other	835,941	X	104	835,837
Total B	**835,941**	**-**	**104**	**835,837**
TOTAL A+B	**5,472,144**	**1,451**	**104**	**5,470,589**

A.1.4 Banking group - On-balance-sheet exposures to banks: changes in gross impaired positions

	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening gross exposure	**-**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**2,180**	**-**	**-**	**-**
B.1 from performing loans	2,180	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 to performing loans	-	-	-	-
C.2 writeoffs	-	-	-	-
C.3 collections	-	-	-	-
C.4 assignments	-	-	-	-
C.5 transfers to other categories of impaired positions	-	-	-	-
C.6 other decreases	-	-	-	-
D. Closing gross exposure	**2,180**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.5 Banking group - On-balance-sheet exposures to banks: changes in total adjustments of loans

	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Total opening adjustments	**-**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**1,451**	**-**	**-**	**-**
B.1 writedowns	-	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	1,451	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 writebacks from valuations	-	-	-	-
C.2 writebacks from collections	-	-	-	-
C.3 writeoffs	-	-	-	-
C.4 transfers to other categories of impaired positions	-	-	-	-
C.5 other decreases	-	-	-	-
D. Total closing adjustments	**1,451**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.6 Banking Group – On-balance-sheet and off-balance sheet exposures to customers: gross and net values

	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. On-balance-sheet exposures				
A.1 Banking Group				
a) Bad debts	1,003,366	535,271	X	468,095
b) Substandard loans	553,467	210,549	X	342,918
c) Restructured positions	73,369	4,373	X	68,994
d) Past due positions	354,077	5,003	X	349,074
f) Other assets	36,359,655	X	112,704	36,246,951
Total A	**38,343,934**	**755,198**	**112,704**	**37,476,032**
B. Off-balance-sheet exposures				
B.1 Banking Group				
a) Impaired	28,665	3,346	X	25,319
b) Other	2,424,421	X	6,248	2,418,173
Total B	**2,453,086**	**3,346**	**6,248**	**2,443,492**
TOTAL A+B	**40,797,020**	**758,544**	**118,952**	**39,919,524**

A.1.7 Banking group - On-balance-sheet exposure to customers: changes in gross impaired positions

	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening gross exposure	**643,693**	**540,059**	**4,272**	**265,963**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**437,902**	**500,176**	**70,025**	**748,592**
B.1 from performing loans	95,812	271,365	69,523	696,210
B.2 transfers from other categories of impaired positions	322,954	166,386	-	1,374
B.3 other increases	19,136	62,425	502	51,008
C. Decreases	**78,229**	**486,768**	**928**	**660,478**
C.1 to performing loans	235	101,686	-	443,951
C.2 writeoffs	32,562	4,957	13	147
C.3 collections	42,908	53,249	915	48,253
C.4 assignments	1,434	-	-	-
C.5 transfers to other categories of impaired positions	274	322,312	-	168,127
C.6 other decreases	816	4,564	-	-
D. Closing gross exposure	**1,003,366**	**553,467**	**73,369**	**354,077**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.8 Banking group - On-balance-sheet exposure to customers: changes in total adjustments of loans

	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Total opening adjustments	**392,800**	**157,632**	**3,022**	**5,701**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**199,796**	**160,957**	**1,517**	**6,356**
B.1 writedowns	125,989	156,418	884	4,313
B.2 transfers from other categories of impaired positions	73,740	3,247	380	105
B.3 other increases	67	1,292	255	1,938
C. Decreases	**57,325**	**108,040**	**166**	**7,054**
C.1 writebacks from valuations	18,474	13,296	153	1,807
C.2 writebacks from collections	7,185	16,294	-	331
C.3 writeoffs	31,303	3,792	13	147
C.4 transfers to other categories of impaired positions	82	73,799	-	3,591
C.5 other decreases	281	859	-	1,178
D. Total closing adjustments	**535,271**	**210,549**	**4,375**	**5,003**
- of which: exposures assigned but not derecognized	-	-	-	-

A.2 CLASSIFICATION OF EXPOSURES ON THE BASIS OF EXTERNAL AND INTERNAL RATING GRADES

A.2.1 Banking Group - Distribution of on-balance-sheet exposures and off-balance-sheet exposures by external rating grades

	External rating grades							
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Not rated	Total
A. On-balance-sheet exposures	**23,294**	**2,193,702**	**1,323,645**	**3,085,947**	**644,420**	**537,254**	**34,302,523**	**42,110,785**
B. Derivatives	**-**	**14,737**	**14,448**	**27,247**	**3,303**	**3,359**	**614,866**	**677,960**
B.1 Financial Derivatives	-	14,737	14,448	27,247	3,303	3,359	614,866	677,960
B.2 Credit derivatives	-	-	-	-	-	-	-	-
C. Guarantees issued	**-**	**664,924**	**178,437**	**214,478**	**21,370**	**41,416**	**799,472**	**1,920,097**
D. Commitment to disburse	**-**	**13,294**	**12,322**	**44,594**	**16,286**	**29,978**	**449,025**	**565,499**
TOTAL	**23,294**	**2,886,657**	**1,528,852**	**3,372,266**	**685,379**	**612,007**	**36,165,886**	**45,274,341**

The above distribution by rating grades refers to assessments made by Cerved Group S.p.A. (Ecai recognized by the Bank of Italy).

The “not rated” column includes exposures with parties for which a Cerved *rating* is not available.

A.2.2 Distribution of on-balance-sheet exposures and off-balance-sheet exposures by internal rating (book values)

	Internal rating *grades* (mapped to S&P scale)					
	from AAA to BBB+	from BBB to BBB-	from BB+ to B	from B- to D	Not rated	Total
A. On-balance-sheet exposures	**10,223,055**	**5,937,399**	**7,132,904**	**2,434,403**	**16,383,024**	**42,110,785**
B. Derivatives	**24,945**	**38,064**	**53,783**	**43,274**	**517,894**	**677,960**
B.1 Financial Derivatives	24,945	38,064	53,783	43,274	517,894	677,960
B.2 Credit derivatives	-	-	-	-	-	-
C. Guarantees issued	**528,547**	**466,004**	**502,346**	**36,589**	**386,611**	**1,920,097**
D. Commitment to disburse	**150,571**	**109,785**	**117,896**	**55,300**	**131,947**	**565,499**
TOTAL	**10,927,118**	**6,551,252**	**7,806,929**	**2,569,566**	**17,419,476**	**45,274,341**

Distribution by rating class given below refers to Cariparma FriulAdria Group internal models.

The column “Without rating” mainly shows exposures to banks, public bodies and sovereign states for which internal *rating* models are not available.

Excluding counterparties without rating, there is a concentration in the Investment Grade classes (from AAA to BBB-), equal to 63% of the total number, while 28% falls within the BB+/BB class and 9% in the B-/D class.

A.3 DISTRIBUTION OF SECURED EXPOSURES BY TYPE OF GUARANTEE

A.3.2 Banking group - Secured exposures to customers

	Net value of exposure	Collateral (1)		
		Land and buildings	Securities	Other assets
2. Secured on-balance-sheet exposures:	**22,898,752**	**22,835,023**	**446,897**	**575,541**
2.1 fully secured	20,317,160	21,958,035	357,519	274,663
- of which impaired	876,716	746,929	4,509	5,683
2.2 partially secured	2,581,592	876,988	89,378	300,878
- of which impaired	135,518	57,237	1,147	6,350
2. Secured off-balance-sheet exposures:	**899,026**	**297,774**	**58,123**	**46,668**
2.1 fully secured	700,654	281,065	38,621	29,623
- of which impaired	5,016	15	866	539
2.2 partially secured	198,372	16,709	19,502	17,045
- of which impaired	4,508	-	103	50

B. Distribution and concentration of credit exposures

B.1 BANKING GROUP - ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO CUSTOMERS BY SECTOR (BOOK VALUE)

	Governments			Other public entities			Financial companies		
	Net exposure	Specific value adjust-ments	Portfolio value adjust-ments	Net exposure	Specific value adjust-ments	Portfolio value adjust-ments	Net exposure	Specific value adjust-ments	Portfolio value adjust-ments
A. On-balance sheet exposures									
A.1 Bad debts	-	-	X	-	-	X	1,433	3,321	X
A.2 Substandard loans	2	2	X	140	33	X	1,493	4,855	X
A.3 Restructured positions	-	-	X	-	-	X	26,286	495	X
A.4 Past due positions	-	-	X	-	-	X	799	7	X
A.5 Other	7,022,044	X	-	172,317	X	3	830,277	X	8,686
Total A	**7,022,046**	**2**	**-**	**172,457**	**33**	**3**	**860,288**	**8,678**	**8,686**
B. Off-balance-sheet exposures									
B.1 Bad debts	-	-	X	-	-	X	25	26	X
B.2 Substandard loans	-	-	X	5	-	X	8	9	X
B.3 Impaired Assets	-	-	X	-	-	X	34	-	X
B.4 Other	52,192	X	-	19,116	X	-	30,256	X	10
Total B	**52,192**	**-**	**-**	**19,121**	**-**	**-**	**30,323**	**35**	**10**
TOTAL (A+B) 31.12.2010	**7,074,238**	**2**	**-**	**191,578**	**33**	**3**	**890,611**	**8,713**	**8,696**
TOTAL (A+B) 31.12.2009	**3,753,930**	**1**	**-**	**193,775**	**11**	**-**	**877,805**	**2,228**	**10,146**

Unsecured guarantees (2)										Total (1)+(2)
Credit					Other guarantees					
	Other derivatives									
CLN	Governments and central banks	Other public entities	banks	Other	Governments and central banks	Other public entities	banks	Other		
-	**-**	**-**	**-**	**-**	**-**	**65,438**	**47,769**	**3,780,467**	**27,751,135**	
-	-	-	-	-	-	65,284	6,981	3,267,214	25,929,696	
-	-	-	-	-	-	71	15	118,906	876,113	
-	-	-	-	-	-	154	40,788	513,253	1,821,439	
-	-	-	-	-	-	-	234	20,388	85,356	
-	**-**	**-**	**-**	**-**	**-**	**100**	**5,233**	**395,120**	**803,018**	
-	-	-	-	-	-	100	4,993	345,843	700,245	
-	-	-	-	-	-	-	-	3,598	5,018	
-	-	-	-	-	-	-	240	49,277	102,773	
-	-	-	-	-	-	-	-	1,684	1,837	

Insurance undertakings			Non-financial companies			Other		
Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments
47,357	23	X	296,430	481,483	X	122,875	50,444	X
-	-	X	250,461	160,437	X	90,822	45,222	X
-	-	X	42,708	3,880	X	-	-	X
-	-	X	157,088	2,989	X	191,187	2,007	X
87,273	X	-	18,039,431	X	80,368	10,095,609	X	23,647
134,630	**23**	**-**	**18,786,118**	**648,789**	**80,368**	**10,500,493**	**97,673**	**23,647**
-	-	X	4,410	363	X	121	8	X
-	-	X	13,084	2,590	X	267	330	X
-	-	X	7,083	19	X	282	1	X
26,713	X	7	2,192,847	X	6,152	97,049	X	79
26,713	**-**	**7**	**2,217,424**	**2,972**	**6,152**	**97,719**	**339**	**79**
161,343	**23**	**7**	**21,003,542**	**651,761**	**86,520**	**10,598,212**	**98,012**	**23,726**
245,440	**23**	**77**	**20,461,880**	**486,647**	**111,159**	**9,799,947**	**76,471**	**25,336**

B.2 BANKING GROUP - ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO CUSTOMERS BY GEOGRAPHICAL AREA (BOOK VALUE)

	North-Western Italy		North-Eastern Italy		Central Italy		Southern Italy and Isles	
	Net exposure	Adjustments value adjustment	Net exposure	Adjustments value adjustment	Net exposure	Adjustments value adjustment	Net exposure	Adjustments value adjustment
A. On-balance-sheet exposures								
A.1 Bad debts	164,486	211,572	230,295	246,582	52,496	45,753	20,817	28,927
A.2 Substandard loans	94,574	70,717	177,483	92,181	29,009	13,481	38,050	28,332
A.3 Restructured positions	6,103	3,393	52,714	600	10,177	380	-	-
A.4 Past due positions	143,046	1,900	121,059	1,711	46,623	820	38,309	572
A.5 Other	10,501,140	42,709	13,939,730	52,736	7,800,182	10,353	1,801,338	6,121
Total	**10,909,349**	**330,291**	**14,521,281**	**393,810**	**7,938,487**	**70,787**	**1,898,514**	**63,952**
B. Off-balance-sheet exposures								
B.1 Bad debts	944	4	894	382	2,688	10	30	-
B.2 Substandard loans	937	975	12,033	1,229	342	663	51	63
B.3 Impaired Assets	706	9	5,871	10	726	1	97	1
B.4 Other	657,503	1,202	1,400,600	3,818	301,629	1,062	44,935	78
Total	**660,090**	**2,190**	**1,419,398**	**5,439**	**305,385**	**1,736**	**45,113**	**142**
TOTAL (A+B) 31.12.2010	**11,569,439**	**332,481**	**15,940,679**	**399,249**	**8,243,872**	**72,523**	**1,943,627**	**64,094**
TOTAL (A+B) 31.12.2009	**12,103,523**	**270,647**	**15,770,147**	**331,655**	**5,492,238**	**58,371**	**1,776,624**	**42,756**

B.3 BANKING GROUP – ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO BANKS BY GEOGRAPHICAL AREA (BOOK VALUE)

	Italy		Other European countries		America		Asia		Rest of the world	
	Net expo-sure	Total value adjust-ments	Net expo-sure	Total value adjust-ments	Net expo-sure	Total value adjust-ments	Net expo-sure	Total value adjust-ments	Net expo-sure	Total value adjust-ments
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	729	1,451	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured positions	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other	628,619	-	3,982,272	-	16,769	-	3,347	-	3,016	-
Total	**628,619**	**-**	**3,983,001**	**1,451**	**16,769**	**-**	**3,347**	**-**	**3,016**	**-**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets:	-	-	-	-	-	-	-	-	-	-
B.4 Other	386,339	-	417,223	-	16,192	-	11,625	96	4,458	8
Total	**386,339**	**-**	**417,223**	**-**	**16,192**	**-**	**11,625**	**96**	**4,458**	**8**
TOTAL 31.12.2010	**1,014,958**	**-**	**4,400,224**	**1,451**	**32,961**	**-**	**14,972**	**96**	**7,474**	**8**
TOTAL 31.12.2009	**1,088,342**	**-**	**3,601,354**	**19**	**28,078**	**3**	**34,679**	**12**	**4,255**	**1**

B.4 LARGE RISKS

No position existing as at 31.12.2010 had a large risk profile. As at 31 December 2010, positions having major risk profile, so assessed based on the joint instructions of Circular No. 263 of 27 December 2006 (7th revision of 28 January 2011) and of the provisions issued with letter of 2 March 2011, posted the following figures:

- a1) a total nominal amount of €4,480,278 thousand;
- a2) a total weighted amount of 0;
- b) they were 1 in total.

C. Securitization and asset disposals

C.1.7 BANKING GROUP - SERVICER - COLLECTIONS FROM SECURITIZED CREDITS AND REFUND OF SECURITIES ISSUED BY THE SPECIAL-PURPOSE ENTITY

Servicer	Special-purposse vehicle	Securitized assets (end of period figure)		Credit collections in the financial year		% share of refunded securities (end of period figure)					
						senior		mezzanine		junior	
		impaired	Perfor-ming	impaired	Perfor-ming	Impaired assets	perfor-ming assets	Impaired assets	perfor-ming assets	Impaired assets	perfor-ming assets
Cariparma	MondoMutui S.r.l	52,425	3,727,322	2,131	583,402						

C.1.8 BANKING GROUP - SUBSIDIARY SPECIAL-PURPOSE ENTITIES

As at 31 December 2010, the Parent Company Cariparma was carrying out a so-called "internal" securitization transaction, transferring receivables deriving from home mortgage loans contracts for which the LTV ratio must not exceed 80% secured by first mortgage. As at 31 December 2010, the residual debt of securitized loans amounted to €3,780 million.

Following the loans securitization, the Parent company has subscribed all of the securities issued by the special-purpose entity.

The "senior" tranche securities have been accepted for trading at the Luxembourg Stock Exchange, with a nominal value of €3,945 million.

The "senior" tranche (Aaa rating - Moody's Investor Services) is characterized by "tier-1 assets", as defined and identified in the monetary policy regulations for open market transactions with the European Central Bank. The "junior" tranche is unrated and amounts to nominal €390 million.

C.2 ASSET DISPOSALS

C.2.1 Financial assets assigned but not derecognized

	Financial assets held for trading			Financial assets recognized at fair value			Financial assets available for sale		
	A	B	C	A	B	C	A	B	C
A. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**6,919,705**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	6,919,705	-	-
2. Equity securities	-	-	-	-	-	-	-	-	-
3. Units in collective investment	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**X**	**X**	**X**	**X**	**X**	**X**
TOTAL 31.12.2010	**-**	**-**	**-**	**-**	**-**	**-**	**6,919,705**	**-**	**-**
of which impaired	-	-	-	-	-	-	-	-	-
TOTAL 31.12.2009	**-**	**-**	**-**	**-**	**-**	**-**	**3,279,942**	**-**	**-**
of which impaired	-	-	-	-	-	-	-	-	-

Key: A = financial assets surrended entirely recognized (Balance sheet value)
B = financial assets surrended partially recognized (Balance sheet value)
C = financial assets surrended partially recognized (Entire value)

C.2.2 Financial liabilities in respect of financial assets assigned but not derecognized

	Financial assets held for trading	Financial assets carried at *fair value*	Financial assets available for sale:	Financial assets held to maturity	Loans to banks	Loans to customers	Total
1. Due to customers	**-**	**-**	**-**	**-**	**13,930**	**-**	**13,930**
a) in respect of assets fully recognized	-	-	-	-	13,930	-	13,930
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	**-**	**-**	**7,195,996**	**-**	**-**	**-**	**7,195,996**
a) in respect of assets fully recognized	-	-	7,195,996	-	-	-	7,195,996
b) in respect of assets partially recognized	-	-	-	-	-	-	-
3. Securities issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) in respect of assets fully recognized	-	-	-	-	-	-	-
b) in respect of assets partially recognized	-	-	-	-	-	-	-
TOTAL 31.12.2010	**-**	**-**	**7,195,996**	**-**	**13,930**	**-**	**7,209,926**
TOTAL 31.12.2009	**-**	**-**	**3,281,274**	**-**	**213,008**	**324,213**	**3,818,495**

Financial assets held to maturity			Loans to banks			Loans to customers			Total	
A	B	C	A	B	C	A	B	C	31.12.2010	31.12.2009
-	**-**	**-**	**13,886**	**-**	**-**	**-**	**-**	**-**	**6,933,591**	**7,733,233**
-	-	-	13,886	-	-	-	-	-	6,933,591	3,492,851
X	X	X	X	X	X	X	X	X	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-	-	-	4,240,382
X	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**-**	**-**
-	**-**	**-**	**13,886**	**-**	**-**	**-**	**-**	**-**	**6,933,591**	**-**
-	-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**212,909**	**-**	**-**	**4,240,382**	**-**	**-**	**-**	**7,733,238**
-	-	-	-	-	-	**313**	**-**	**-**	**-**	**313**

D. Banking Group - Credit risk measurement models

1.2 MARKET RISK

1.2.1 Interest rate risk and price risk- supervisory trading book

QUALITATIVE DISCLOSURES

General aspects

Market risk is generated by the positions held by the Group banks in the supervisory trading book.

The supervisory trading book of the individual banks is composed of:

- positions managed centrally by the Parent Company (operational portfolio and treasury portfolio) measured at fair value;
- the trading book comprising securities, derivatives, funds and foreign currency positions acquired for commercial purposes.

Management and measurement of market risks

Organisational aspects

The market risk in the Group's trading book is managed as part of each bank's risk policies, which set the criteria for managing risk profiles, determine the activities to be carried out to ensure the criteria are properly applied, identify the units responsible for these activities and delineate the procedures to support them.

Investment policy

The investment policy is designed to implement short- and long-term strategic guidelines and to quantify the resources to be allocated to financial investments in the trading book of each bank.

Exposure

The Group does not engage in significant trading on own account in financial and capital markets. Nevertheless, it has positions deriving from its placement and trading activities on behalf of customers, as well as positions in investment funds.

Risk measurement

The risk measurement phase consists in the construction of metrics that indicate risks in respect of investments in financial instruments. In particular, market risks are determined with reference to:

- the market value of the financial instruments. The value must be market to market;
- the variables underlying the financial instruments that influence their value (interest rates, share prices, exchange rates, etc.);

- the sensitivity of the market value of financial instruments to variations in the value of above-mentioned underlying variables;
- the volatility (i.e. the expected change over a given period of time) of the variables underlying the financial instruments;
- the desired level of protection (the confidence interval, i.e. the probability of the estimates being accurate).

Risk control

Risk monitoring activities are the responsibility of the Risks and Permanent Controls Department, which is responsible for:

- enforcing the operating limits on the trading books of the individual banks;
- ensuring the adequacy and functionality of the finance process;
- ensuring compliance with approved risk management rules and criteria;
- ensuring the proper functioning of activities and controls to protect against risks;
- the presence of any critical issues to be resolved swiftly.

QUANTITATIVE DISCLOSURES

1. Supervisory Trading Portfolio: distribution by residual maturity (repricing date) of the on-balance-sheet financial assets and liabilities and financial derivatives

CURRENCY: US DOLLAR

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**136,901**	**70,002**	**59,919**	**14,054**	**-**	**27**	**-**
3.1 With underlying security	-	574	188	114	38	-	27	-
- Options	-	146	188	114	-	-	-	-
+ long positions	-	73	94	57	-	-	-	-
+ short positions	-	73	94	57	-	-	-	-
- Other	-	428	-	-	38	-	27	-
+ long positions	-	214	-	-	19	-	18	-
+ short positions	-	214	-	-	19	-	9	-
3.2 Without underlying security	-	136,327	69,814	59,805	14,016	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	136,327	69,814	59,805	14,016	-	-	-
+ long positions	-	68,783	35,098	29,903	7,008	-	-	-
+ short positions	-	67,544	34,716	29,902	7,008	-	-	-

CURRENCY: POUND STERLING

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspe-cified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	1	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	1	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**19,278**	**10,056**	**12**	**-**	**-**	**8**	**-**
3.1 With underlying security	-	25	4	12	-	-	8	-
- Options	-	8	4	12	-	-	-	-
+ long positions	-	4	2	6	-	-	-	-
+ short positions	-	4	2	6	-	-	-	-
- Other	-	17	-	-	-	-	8	-
+ long positions	-	8	-	-	-	-	-	-
+ short positions	-	9	-	-	-	-	8	-
3.2 Without underlying security	-	19,253	10,052	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	19,253	10,052	-	-	-	-	-
+ long positions	-	9,463	5,012	-	-	-	-	-
+ short positions	-	9,790	5,040	-	-	-	-	-

CURRENCY: SWISS FRANK

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspe-cified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**51,858**	**7,346**	**424**	**13,436**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	12	-	-	-	-
- Options	-	-	-	12	-	-	-	-
+ long positions	-	-	-	6	-	-	-	-
+ short positions	-	-	-	6	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	51,858	7,346	412	13,436	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	51,858	7,346	412	13,436	-	-	-
+ long positions	-	25,979	3,679	206	6,718	-	-	-
+ short positions	-	25,879	3,667	206	6,718	-	-	-

CURRENCY CANADIAN DOLLAR

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspe-cified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**26,337**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	26,337	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	26,337	-	-	-	-	-	-
+ long positions	-	13,166	-	-	-	-	-	-
+ short positions	-	13,171	-	-	-	-	-	-

CURRENCY: JAPAN YEN

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**9,510**	**-**	**1,234**	**276**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	9,510	-	1,234	276	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	9,510	-	1,234	276	-	-	-
+ long positions	-	4,703	-	627	138	-	-	-
+ short positions	-	4,807	-	607	138	-	-	-

CURRENCY: EURO

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**3,420**	**8,760**	**139**	**-**	**17**	**726**	**1**
1.1 Debt securities	-	3,420	8,760	139	-	17	726	1
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	3,420	8,760	139	-	17	726	1
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	-	-	-	-	-	-	-	-
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**26,457**	**6,399,309**	**2,394,490**	**1,093,614**	**4,628,273**	**988,228**	**287,312**	**-**
3.1 With underlying security	400	119,574	105,350	1,793	2,649	220	30	-
- Options	-	160	218	142	-	-	-	-
+ long positions	-	80	109	71	-	-	-	-
+ short positions	-	80	109	71	-	-	-	-
- Other	400	119,414	105,132	1,651	2,649	220	30	-
+ long positions	50	60,239	52,655	751	933	110	15	-
+ short positions	350	59,175	52,477	900	1,716	110	15	-
3.2 Without underlying security	26,057	6,279,735	2,289,140	1,091,821	4,625,624	988,008	287,282	-
- Options	26,057	1,490	17,145	15,425	641,612	204,268	32,442	-
+ long positions	722	744	8,572	7,698	333,165	102,117	16,201	-
+ short positions	25,335	746	8,573	7,727	308,447	102,151	16,241	-
- Other	-	6,278,245	2,271,995	1,076,396	3,984,012	783,740	254,840	-
+ long positions	-	3,159,214	1,152,357	536,488	1,957,620	390,919	127,420	-
+ short positions	-	3,119,031	1,119,638	539,908	2,026,392	392,821	127,420	-

CURRENCY: OTHER CURRENCIES

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**5,287**	**5,379**	**90**	**287**	**-**	**-**	**-**
3.1 With underlying security	-	295	18	-	287	-	-	-
- Options	-	8	18	-	-	-	-	-
+ long positions	-	4	9	-	-	-	-	-
+ short positions	-	4	9	-	-	-	-	-
- Other	-	287	-	-	287	-	-	-
+ long positions	-	144	-	-	143	-	-	-
+ short positions	-	143	-	-	144	-	-	-
3.2 Without underlying security	-	4,992	5,361	90	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	4,992	5,361	90	-	-	-	-
+ long positions	-	2,450	2,670	45	-	-	-	-
+ short positions	-	2,542	2,691	45	-	-	-	-

2. Supervisory Trading Portfolio: distribution of exposures in equity securities and equity indices in the main national markets

	Listed						Unlisted
	Italy	Germany	France	Switzerland	Great Britain	Rest of the world	
A. Equity securities	**2**	**-**	**-**	**-**	**-**	**-**	**26**
- long positions	2	-	-	-	-	-	26
- short positions	-	-	-	-	-	-	-
B. Unsettled transactions in equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
C. Other derivatives on equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
D. Derivatives on equity indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-

1.2.2. Interest rate and price risk – banking book

QUALITATIVE DISCLOSURES

General aspects

Asset Liability Management typically refers to the positions in the banking book and focuses mainly on fixed-rate positions and liquidity. Fluctuations in interest rates impact the profits of the Group by reducing both net interest income and gross income, and also affect capital by causing changes in the net present value of future cash flows.

Interest rate risk, therefore, refers to all on-balance-sheet and off-balance-sheet transactions, excluding the supervisory trading book.

Organisational aspects

The governance model adopted by the Group delegated the management of interest rate risk to the Financial Management Department of Cariparma, which is responsible for risk management for the entire Italian banking group, on the basis of the guidelines set out by the Controlling Company Crédit Agricole S.A.

The Market Risks and ALM Committee, which includes the Banks' top management and representatives of the main departments of the Cariparma Group and Crédit Agricole S.A. involved, validated the methods to measure exposures to interest rate risk, analyses the reporting supplied by the Financial Management Department and Risk Management and Permanent Controls Department and resolves on any interventions to be carried out by the Financial Management Department in accordance with the Risk Strategy set with Casa Comité Risque du Groupe.

Risk policy and management

Risk management policy is designed to implement short- and long-term strategies to identify and quantify interest rate risk by defining a cumulative gap by maturity, and to manage that position with a view to maximizing profitability while complying with the limits set by Crédit Agricole S.A.

Risk control

Cariparma's Department of Risks and Permanent Controls independently oversees the interest-rate-risk control system used by the individual banks and the Group, ensuring that it remains compatible with the risk measurement model developed in compliance with operational and regulatory requirements. Specifically, as part of the tasks assigned to it, the Department:

- checks the risk measurement and stress testing models in line with the guidelines of the Supervisory Body and Crédit Agricole S.A.;
- validates, updates and maintains the risk measurement models;
- notifies the Board of Directors of the individual banks and Crédit Agricole SA if risk ceilings have been breached since its last communication and recommends corrective action, also based on the opinion of the Financial Management Department.

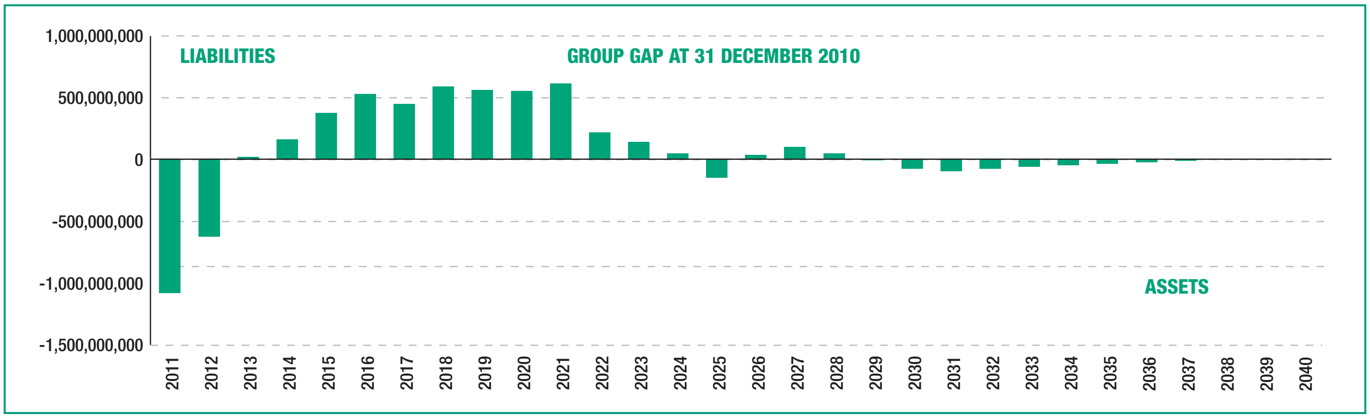
Risk measurement: Methodological aspects

For measuring and managing interest rate risk, the Group adopted an interest-gap-based model, according to which, at each future maturity date, the gap resulting from fixed-rate assets and liabilities existing on that date. To calculate the fixed-rate cumulative gap, sources of exposure to interest rate risk must be previously identified by a full analysis of the financial statements, as well as the stable component of demand items, the estimate of the effects of the "optionality" that is implicit in some banking book positions (early repayment of loans), the estimated maturities of some balance sheet items that do not have certain contractual maturity, in line with the proprietary models of the Parent Company Crédit Agricole.

In line with the instructions of Crédit Agricole S.A., a set of limits for the gaps was defined, which represents the maximum acceptable level of risk for the Group. These limits are calculated with reference to a series of risk indicators that measure the impact of a change in interest rates on equity, gross income and gross operating margin. The Market Risk and ALM Committee proposes the limits to the Group Risk Management Committee of Crédit Agricole S.A., and the proposed limits are subsequently submitted for approval to the Board of Directors of the banks.

To measure exposure to interest rate risk, the Group scope considered includes the data relating to the two Banks, Cariparma and FriulAdria, as well as those relating to CALIT (Crédit Agricole Leasing Italia S.r.l.)

The following chart shows the gap of the Cariparma FriulAdria Group (including CALIT) at 31 December 2010.



The table below reports the impacts of an interest rate shock of minus 200 basis points, the scenario that would have the greatest effect on the Group's gap structure.

The impacts as at 31 December 2010 are measured using three different indicators: the relative change in equity (FP ratio), the relative changes in gross income (PNB ratio), the relative change in the gross operating profit (RBE ratio). The first indicator measures the capacity of assets to absorb the shock over the long term, while the second and third measure the effects of the shock on performance.

	Shock 200bp (max value +/-) In %
EQUITY	**2,886**
Impact	1.3%
PNB	**1,496**
Impact	1.4%
RBE	**638**
Impact	3.4%

Fair Value Hedging

The purpose of hedging interest rate risk is to immunize the banking book from changes in the fair value of funding and loans caused by movements in the yield curve and to lower the volatility of cash flows relating to a given asset or liability. In particular, fixed-rate bonds were micro-hedged (specific hedges) and the fixed-rate gaps shown in the internal model were macro-hedged (generic hedges). The hedges were established with the purchase of interest rate swaps, which were used both for micro and macro hedging, as well as with the purchase of Italian and French fixed-rate securities for the purpose of natural hedge.

Pursuant to IASs, the effectiveness of the hedges was assessed by the Financial Management Department, which carries out periodic effectiveness tests and maintains formal documentation for every hedging transaction.

Cash flow hedging

None.

QUALITATIVE DISCLOSURES

1. Banking book: distribution of financial assets and liabilities by residual maturity (repricing date)

CURRENCY: US DOLLAR

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspe-cified maturity
1. On-balance-sheet assets	**61,454**	**239,542**	**5,394**	**1,245**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	22,969	49,017	364	-	-	-	-	-
1.3 Loans to customers	38,485	190,525	5,030	1,245	-	-	-	-
- current accounts	6,021	2	-	180	-	-	-	-
- other loans	32,464	190,523	5,030	1,065	-	-	-	-
- with early redemption option	3,225	14,477	2,489	201	-	-	-	-
- other	29,239	176,046	2,541	864	-	-	-	-
2. On-balance-sheet liabilities	**306,016**	**4,692**	**448**	**747**	**-**	**-**	**-**	**-**
2.1 Due to customers	120,452	-	-	-	-	-	-	-
- current accounts	113,939	-	-	-	-	-	-	-
- other payables	6,513	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	6,513	-	-	-	-	-	-	-
2.2 Due to banks	185,564	4,692	448	747	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	185,564	4,692	448	747	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**231**	**77,193**	**122**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	231	77,193	122	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	231	77,193	122	-	-	-	-	-
+ long positions	-	38,651	122	-	-	-	-	-
+ short positions	231	38,542	-	-	-	-	-	-

CURRENCY: POUND STERLING

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**4,752**	**20,028**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	3,728	9,526	-	-	-	-	-	-
1.3 Loans to customers	1,024	10,502	-	-	-	-	-	-
- current accounts	679	-	-	-	-	-	-	-
- other loans	345	10,502	-	-	-	-	-	-
- with early redemption option	-	972	-	-	-	-	-	-
- other	345	9,530	-	-	-	-	-	-
2. On-balance-sheet liabilities	**24,524**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	15,228	-	-	-	-	-	-	-
- current accounts	14,780	-	-	-	-	-	-	-
- other payables	448	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	448	-	-	-	-	-	-	-
2.2 Due to banks	9,296	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	9,296	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**18,820**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	18,820	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	18,820	-	-	-	-	-	-
+ long positions	-	9,410	-	-	-	-	-	-
+ short positions	-	9,410	-	-	-	-	-	-

CURRENCY: SWISS FRANK

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**13,824**	**29,876**	**13,269**	**621**	**548**	**70**	**-**	**213**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,503	-	-	-	-	-	-	-
1.3 Loans to customers	12,321	29,876	13,269	621	548	70	-	213
- current accounts	198	-	-	-	-	-	-	-
- other loans	12,123	29,876	13,269	621	548	70	-	213
- with early redemption option	1,224	75	-	-	-	-	-	-
- other	10,899	29,801	13,269	621	548	70	-	213
2. On-balance-sheet liabilities	**45,148**	**356**	**12,796**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	5,472	-	-	-	-	-	-	-
- current accounts	5,255	-	-	-	-	-	-	-
- other payables	217	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	217	-	-	-	-	-	-	-
2.2 Due to banks	39,676	356	12,796	-	-	-	-	-
- current accounts	-	356	-	-	-	-	-	-
- other payables	39,676	-	12,796	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**40,306**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	40,306	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	40,306	-	-	-	-	-	-
+ long positions	-	20,153	-	-	-	-	-	-
+ short positions	-	20,153	-	-	-	-	-	-

CURRENCY: CANADIAN DOLLAR

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**3,506**	**125**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	2,847	-	-	-	-	-	-	-
1.3 Loans to customers	659	125	-	-	-	-	-	-
- current accounts	659	-	-	-	-	-	-	-
- other loans	-	125	-	-	-	-	-	-
- with early redemption option	-	125	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**3,417**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	3,417	-	-	-	-	-	-	-
- current accounts	3,416	-	-	-	-	-	-	-
- other payables	1	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

CURRENCY: JAPAN YEN

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**5,056**	**3,491**	**9**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,256	-	-	-	-	-	-	-
1.3 Loans to customers	3,800	3,491	9	-	-	-	-	-
- current accounts	156	-	-	-	-	-	-	-
- other loans	3,644	3,491	9	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	3,644	3,491	9	-	-	-	-	-
2. On-balance-sheet liabilities	**8,450**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	1,408	-	-	-	-	-	-	-
- current accounts	1,406	-	-	-	-	-	-	-
- other payables	2	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	2	-	-	-	-	-	-	-
2.2 Due to banks	7,042	-	-	-	-	-	-	-
- current accounts	75	-	-	-	-	-	-	-
- other payables	6,967	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**30**	**14,020**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	30	14,020	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	30	14,020	-	-	-	-	-	-
+ long positions	-	7,025	-	-	-	-	-	-
+ short positions	30	6,995	-	-	-	-	-	-

CURRENCY: EURO

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**11,626,993**	**17,079,438**	**2,789,639**	**2,529,954**	**2,110,866**	**1,546,179**	**3,603,457**	**392,859**
1.1 Debt securities	7,148,135	1,634,988	661,801	350	-	-	-	47,356
- with early redemption option	-	-	-	-	-	-	-	-
- other	7,148,135	1,634,988	661,801	350	-	-	-	47,356
1.2 Loans to banks	107,355	853,785	42,426	1,500	500,567	600,033	-	29
1.3 Loans to customers	4,371,503	14,590,665	2,085,412	2,528,104	1,610,299	946,146	3,603,457	345,474
- current accounts	3,225,125	194,079	186,368	190,148	571,739	222,016	8,993	-
- other loans	1,146,378	14,396,586	1,899,044	2,337,956	1,038,560	724,130	3,594,464	345,474
- with early redemption option	80,693	390,715	29,427	14,062	302,711	82,777	14,268	-
- other	1,065,685	14,005,871	1,869,617	2,323,894	735,849	641,353	3,580,196	345,474
2. On-balance-sheet liabilities	**27,963,487**	**2,001,840**	**1,310,390**	**1,715,424**	**6,030,965**	**909,130**	**5**	**14,191**
2.1 Due to customers	17,933,995	22,382	42	1,387	150	16	5	6,629
- current accounts	17,461,515	-	-	1,317	-	-	-	-
- other payables	472,480	22,382	42	70	150	16	5	6,629
- with early redemption option	-	-	-	-	-	-	-	-
- other	472,480	22,382	42	70	150	16	5	6,629
2.2 Due to banks	9,940,809	835,171	23,376	-	-	-	-	7,562
- current accounts	54,396	-	-	-	-	-	-	-
- other payables	9,886,413	835,171	23,376	-	-	-	-	7,562
2.3 Debt securities	11,816	1,144,287	1,286,972	1,714,037	6,030,815	909,114	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	11,816	1,144,287	1,286,972	1,714,037	6,030,815	909,114	-	-
2.4 Other liabilities	76,867	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	76,867	-	-	-	-	-	-	-
3. Financial Derivatives	**4,700**	**18,015,513**	**3,322,676**	**1,575,593**	**6,570,515**	**2,817,179**	**1,196,675**	**-**
3.1 With underlying security	-	683,228	-	-	-	-	670,068	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	683,228	-	-	-	-	670,068	
+ long positions	-	683,228	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	670,068	-
3.2 Without underlying security	4,700	17,332,285	3,322,676	1,575,593	6,570,515	2,817,179	526,607	-
- Options	-	-	5,000	-	5,002	-	-	-
+ long positions	-	-	2,500	-	2,501	-	-	-
+ short positions	-	-	2,500	-	2,501	-	-	-
- Other	4,700	17,332,285	3,317,676	1,575,593	6,565,513	2,817,179	526,607	-
+ long positions	-	4,887,564	2,153,211	1,448,868	5,657,749	1,922,385	-	-
+ short positions	4,700	12,444,721	1,164,465	126,725	907,764	894,794	526,607	-

CURRENCY: OTHER CURRENCIES

	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**6,492**	**2,342**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	5,811	2,201	-	-	-	-	-	-
1.3 Loans to customers	681	141	-	-	-	-	-	-
- current accounts	681	-	-	-	-	-	-	-
- other loans	-	141	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	141	-	-	-	-	-	-
2. On-balance-sheet liabilities	**6,699**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	3,183	-	-	-	-	-	-	-
- current accounts	2,810	-	-	-	-	-	-	-
- other payables	373	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	373	-	-	-	-	-	-	-
2.2 Due to banks	3,516	-	-	-	-	-	-	-
- current accounts	3	-	-	-	-	-	-	-
- other payables	3,513	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**10,186**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	10,186	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	10,186	-	-	-	-	-	-
+ long positions	-	5,093	-	-	-	-	-	-
+ short positions	-	5,093	-	-	-	-	-	-

1.2.3 Exchange rate risk

QUALITATIVE DISCLOSURES

The Group does not engage in foreign exchange trading on own account, and has no assets or liabilities that are not hedged against exchange rate risk. Consequently, there are no exposures apart from residual positions in respect of activities carried out to meet customer requirements in both the spot and forward markets.

These residual positions are nonetheless monitored daily.

QUANTITATIVE DISCLOSURES

1. Distribution by currency of assets, liabilities and derivatives

	Currencies					
	US Dollar	Pound Sterling	Japan Yen	Canadian Dollar	Swiss Frank	Other currencies
A. Financial Assets	**307,839**	**24,782**	**8,556**	**3,631**	**58,421**	**8,834**
A.1 Debt securities	-	2	-	-	-	-
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	72,347	13,254	1,256	2,847	1,503	8,012
A.4 Loans to customers	235,492	11,526	7,300	784	56,918	822
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**3,743**	**685**	**128**	**137**	**757**	**483**
C. Financial Liabilities	**311,899**	**24,524**	**8,450**	**3,418**	**58,299**	**6,701**
C.1 Due to banks	191,447	9,296	7,042	-	52,828	3,516
C.2 Due to customers	120,452	15,228	1,408	3,418	5,471	3,185
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**1,532**	**248**	**10**	**56**	**206**	**507**
E. Financial derivatives	**280,409**	**29,329**	**11,020**	**26,337**	**73,069**	**10,613**
- Options	448	24	-	-	12	26
+ long positions	224	12	-	-	6	13
+ short positions	224	12	-	-	6	13
- Other	279,961	29,305	11,020	26,337	73,057	10,587
+ long positions	140,791	14,475	5,468	13,166	36,582	5,165
+ short positions	139,170	14,830	5,552	13,171	36,475	5,422
TOTAL ASSETS	**452,597**	**39,954**	**14,152**	**16,934**	**95,766**	**14,495**
TOTAL LIABILITIES	**452,825**	**39,614**	**14,012**	**16,645**	**94,986**	**12,643**
Difference (+/-)	**(228)**	**340**	**140**	**289**	**780**	**1,852**

1.2.4 Derivative Instruments

QUALITATIVE DISCLOSURES

A. Financial Derivatives

A.1 SUPERVISORY TRADING BOOK: END-OF-PERIOD AND AVERAGE NOTIONAL AMOUNTS

	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**11,750,631**	**-**	**11,474,597**	**-**
a) Options	4,639,113	-	3,152,575	-
b) Swaps	7,111,518	-	8,322,022	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**88,342**	**-**	**88,881**	**-**
a) Options	88,342	-	88,881	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**520,895**	**-**	**556,112**	**-**
a) Options	112,266	-	73,565	-
b) Swaps	-	-	-	-
c) Forward contracts	408,629	-	482,547	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**30,972**	**-**	**26,202**	**-**
5. Other underlying assets	**-**	**-**	**96**	**-**
TOTAL	**12,390,840**	**-**	**12,145,888**	**-**
AVERAGE VALUES	**12,063,530**	**-**	**9,928,852**	**-**

A.2 BANKING BOOK: END-OF-PERIOD AND AVERAGE NOTIONAL AMOUNTS

A.2.1 Hedging

	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**16,741,648**	**-**	**5,811,524**	**-**
a) Options	2,500	-	2,500	-
b) Swaps	16,055,920	-	5,809,024	-
c) Forward contracts	683,228	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
TOTAL	**16,741,648**	**-**	**5,811,524**	**-**
AVERAGE VALUES	**12,191,540**	**-**	**6,043,527**	**-**

A.2.2 Other derivatives

	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**2,500**	**-**	**2,500**	**-**
a) Options	2,500	-	2,500	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
TOTAL	**2,500**	**-**	**2,500**	**-**
AVERAGE VALUES	**2,500**	**-**	**2,500**	**-**

A.3 FINANCIAL DERIVATIVES: POSITIVE GROSS FAIR VALUE - BREAKDOWN BY PRODUCT

Underlying assets/Type of derivatives	Positive fair value			
	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	**277,908**	**-**	**314,415**	**-**
a) Options	48,733	-	31,025	-
b) Interest rate swaps	219,868	-	271,430	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	6,798	-	9,409	-
f) Futures	-	-	-	-
g) Other	2,509	-	2,551	-
B. Banking book - hedging	**400,029**	**-**	**285,866**	**-**
a) Options	352	-	366	-
b) Interest rate swaps	357,963	-	285,500	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	41,714	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - Other derivatives	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
TOTAL	**677,937**	**-**	**600,281**	**-**

A.4 FINANCIAL DERIVATIVES: NEGATIVE GROSS FAIR VALUE - BREAKDOWN BY PRODUCT

	Negative Fair value			
	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory Trading Portfolio	**283,576**	**-**	**319,660**	**-**
a) Options	48,457	-	30,141	-
b) Interest rate swaps	225,952	-	278,085	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	6,817	-	9,629	-
d) Futures	-	-	-	-
e) Other	2,350	-	1,805	-
B. Banking book - hedging	**22,898**	**-**	**16,108**	**-**
a) Options	-	-	-	-
b) Interest rate swaps	22,898	-	16,108	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
C. Banking book - Other derivatives	**352**	**-**	**366**	**-**
a) Options	352	-	366	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
TOTAL	**306,826**	**-**	**336,134**	**-**

A.5 OVER-THE-COUNTER DERIVATIVES - SUPERVISORY TRADING BOOK: NOTIONAL AMOUNTS, POSITIVE AND NEGATIVE GROSS FAIR VALUE BY COUNTERPARTY - CONTRACTS NOT INCLUDED IN COMPENSATION AGREEMENTS

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional amount	-	28,462	5,583,189	1,022,773	-	4,442,991	673,216
- positive fair value	-	525	90,063	10,119	-	162,671	4,120
- negative fair value	-	104	204,968	19,064	-	34,897	14,269
- future exposure	-	137	38,151	4,209	-	13,820	633
2) Equity securities and equity indices							
- notional amount	-	-	44,346	-	-	-	43,996
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	207	-	-	-	203
3) Exchange rate and gold							
- notional amount	-	-	262,701	-	-	241,483	16,710
- positive fair value	-	-	3,422	-	-	4,226	253
- negative fair value	-	-	4,464	-	-	2,905	554
- future exposure	-	-	2,897	-	-	2,733	121
4) Other assets							
- notional amount	-	-	17,598	-	-	13,375	-
- positive fair value	-	-	1,357	-	-	1,152	-
- negative fair value	-	-	1,705	-	-	646	-
- future exposure	-	-	1,760	-	-	1,337	-

A.7 OVER-THE-COUNTER DERIVATIVES – BANKING BOOK: NOTIONAL AMOUNTS, POSITIVE AND NEGATIVE GROSS FAIR VALUE BY COUNTERPARTY - CONTRACTS NOT INCLUDED IN COMPENSATION AGREEMENTS

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional amount	-	-	16,705,027	36,621	-	-	2,500
- positive fair value	-	-	400,028	1	-	-	-
- negative fair value	-	-	22,271	627	-	-	352
- future exposure	-	-	80,392	149	-	-	-
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
4) Other assets							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

A.9 RESIDUAL MATURITY OF OTC FINANCIAL DERIVATIVES: NOTIONAL VALUES

	Up to 1 year	More than 1 year to 5 years	More than 5 years	Total
A. Supervisory Trading Portfolio	**3,173,997**	**6,045,275**	**3,171,568**	**12,390,840**
A.1 Financial derivatives on debt securities and interest rates	2,643,099	5,935,964	3,171,568	11,750,631
A.2 Financial derivatives on equity securities and equity indices	6,759	81,583	-	88,342
A.3. Financial derivatives on exchange rates and gold	493,167	27,728	-	520,895
A.4 Financial derivatives on other values	30,972	-	-	30,972
B. Banking book	**7,265,563**	**6,162,513**	**3,316,072**	**16,744,148**
B.1 Financial derivatives on debt securities and interest rates	7,265,563	6,162,513	3,316,072	16,744,148
B.2 Financial derivatives on equity securities and equity indices	-	-	-	-
B.3. Financial derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
TOTAL 31.12.2010	**10,439,560**	**12,207,788**	**6,487,640**	**29,134,988**
TOTAL 31.12.2009	**4,738,883**	**10,080,550**	**3,140,477**	**17,959,910**

1.3 Banking group – liquidity risk

QUALITATIVE DISCLOSURES

General aspects, management and measurement of liquidity risk

General aspects

The Cariparma FriulAdria Group has an independent Group Treasury in line with the standard of the Crédit Agricole S.A. Group.

The Group Treasury has the following tasks:

- centralized management of short-term liquidity of the Group banks;
- directly fulfilling the Group's reserve obligations provided for by the Central Bank;
- ensuring availability of the funds required by the Group Banks to meet payment obligations;
- keeping relations with the Bank of Italy for the issues relating to treasury activities, payment system, monetary policy transactions and reporting on Group liquidity;
- optimizing the management of available resources;
- compliance with liquidity limits set for single instrument and counterparty.

Organisational aspects

The governance model adopted by the Group delegates the management of liquidity risk to the Financial Management Department of Cariparma, which is responsible for risk management for the entire Italian banking group and follows the guidelines set down by the Crédit Agricole S.A. Group.

To measure exposure to liquidity risk, the Group scope considered includes the data relating to the two Banks, Cariparma and FriulAdria, as well as those relating to CALIT (Credit Agricole Leasing Italia S.r.l.)

The Parent Company:

- is responsible for the liquidity policy;
- manages funding;
- manages liquidity risk;

for all Group entities.

The governance model set up for liquidity risk management processes is defined by the Board of Directors by assigning powers and the relating tasks to the relevant Departments.

The Financial Management Department is responsible for the measurement, management and monitoring of liquidity, while the Department of Risk Management and Permanent Controls is responsible for controlling the relating risk.

Risk management and control: methodological aspects

The model adopted for liquidity management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.

To measure short-term exposure to liquidity risk, the maturity mismatch approach has been used, in accordance with the guidelines set down by the Group and with supervisory instructions.

Exposures to risk are identified through the following analysis phases:

- calculation of the Group's counterbalancing capacity (eligible assets for refinancing with the Central Bank, easily liquidated assets, other balance-sheet assets);
- definition of limits by maturity (assessing that the cumulative net cash flow gap is lower than the total counterbalancing capacity for every time bucket).

A material aspect of operating liquidity management is defining a short-term refinancing limit (LCT - Limite Court Terme) that is calibrated using Crédit Agricole S.A. methods and aimed at ensuring a liquidity surplus over a time horizon of one year in a stressed market. LCT sets the short-term refinancing structure imposing a "non-concentration" on shorter maturities. This limit is recalibrated every six months based on the Group operating figures supplied by Crédit Agricole SA.

More in general, the Cariparma FriulAdria Group essentially balances funding and loans.

Risk control

The Department of Risk Management and Permanent Controls daily monitors the operating liquidity ratios. In case the limits are exceeded, reporting to the Senior Management is envisaged, as well as a workout plan agreed on with the management functions.

QUANTITATIVE DISCLOSURES

1. Distribution of financial assets and liabilities by residual maturity

CURRENCY: US DOLLAR

	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspe-cified
On-balance-sheet assets	**61,458**	**62,704**	**13,634**	**94,632**	**68,571**	**5,394**	**1,246**	**-**	**-**	**43**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	61,458	62,704	13,634	94,632	68,571	5,394	1,246	-	-	43
- banks	22,965	48,645	-	-	371	364	-	-	-	-
- customers	38,493	14,059	13,634	94,632	68,200	5,030	1,246	-	-	43
On-balance-sheet liabilities	**129,280**	**5,242**	**12,458**	**91,417**	**64,103**	**4,586**	**1,239**	**-**	**-**	**-**
B.1 Deposits and current accounts	111,555	5,242	12,356	89,132	61,798	4,138	492	-	-	-
- banks	-	5,242	12,356	89,132	61,798	2,246	-	-	-	-
- customers	111,555	-	-	-	-	1,892	492	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	17,725	-	102	2,285	2,305	448	747	-	-	-
Off-balance-sheet transactions	**3,130**	**91,590**	**8,665**	**39,510**	**78,026**	**80,704**	**61,687**	**14,209**	**2**	**-**
C.1 Financial Derivatives with exchange of principal	-	17,125	8,495	39,510	71,585	70,003	59,920	14,015	2	-
- long positions	-	9,147	4,257	19,763	35,810	35,192	29,961	7,008	2	-
- short positions	-	7,978	4,238	19,747	35,775	34,811	29,959	7,007	-	-
C.2 Financial derivatives without exchange of principal	2,387	-	-	-	-	-	-	-	-	-
- long positions	1,268	-	-	-	-	-	-	-	-	-
- short positions	1,119	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	2,619	-	-	2,619	-	-	-	-	-
- long positions	-	2,619	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	2,619	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	231	71,846	-	-	109	122	-	-	-	-
- long positions	-	35,923	-	-	109	122	-	-	-	-
- short positions	231	35,923	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	512	-	170	-	3,713	10,579	1,767	194	-	-

CURRENCY: POUND STERLING

	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspe-cified
On-balance-sheet assets	**4,752**	**9,538**	**-**	**9,803**	**687**	**-**	**-**	**2**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	2	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	4,752	9,538	-	9,803	687	-	-	-	-	-
- banks	3,728	9,526	-	-	-	-	-	-	-	-
- customers	1,024	12	-	9,803	687	-	-	-	-	-
On-balance-sheet liabilities	**10,741**	**-**	**4,192**	**9,296**	**137**	**94**	**51**	**-**	**-**	**-**
B.1 Deposits and current accounts	10,305	-	4,192	9,296	137	94	51	-	-	-
- banks	-	-	-	9,296	-	-	-	-	-	-
- customers	10,305	-	4,192	-	137	94	51	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	436	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**19,538**	**462**	**5,409**	**12,689**	**10,054**	**12**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	718	462	5,409	12,689	10,054	12	-	-	-
- long positions	-	205	219	2,708	6,344	5,013	6	-	-	-
- short positions	-	513	243	2,701	6,345	5,041	6	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	18,820	-	-	-	-	-	-	-	-
- long positions	-	9,410	-	-	-	-	-	-	-	-
- short positions	-	9,410	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

CURRENCY: SWISS FRANK

	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspeci-fied
On-balance-sheet assets	**13,838**	**1,274**	**5,048**	**3,531**	**10,452**	**376**	**1,967**	**9,929**	**11,859**	**205**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	13,838	1,274	5,048	3,531	10,452	376	1,967	9,929	11,859	205
- banks	1,503	-	-	-	-	-	-	-	-	-
- customers	12,335	1,274	5,048	3,531	10,452	376	1,967	9,929	11,859	205
On-balance-sheet liabilities	**5,472**	**19,674**	**4,801**	**2,756**	**12,802**	**12,796**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	5,255	19,674	4,801	2,756	12,802	12,796	-	-	-	-
- banks	-	19,674	4,801	2,756	12,802	12,796	-	-	-	-
- customers	5,255	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	217	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**44,964**	**492**	**4,283**	**42,429**	**7,346**	**424**	**13,436**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	7,057	492	4,283	40,030	7,346	424	13,436	-	-
- long positions	-	3,595	246	2,144	19,994	3,679	212	6,718	-	-
- short positions	-	3,462	246	2,139	20,036	3,667	212	6,718	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	37,907	-	-	2,399	-	-	-	-	-
- long positions	-	20,153	-	-	-	-	-	-	-	-
- short positions	-	17,754	-	-	2,399	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

CURRENCY: CANADIAN DOLLAR

	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspe-cified
On-balance-sheet assets	**3,506**	**-**	**10**	**5**	**111**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	3,506	-	10	5	111	-	-	-	-	-
- banks	2,847	-	-	-	-	-	-	-	-	-
- customers	659	-	10	5	111	-	-	-	-	-
On-balance-sheet liabilities	**3,417**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	3,416	-	-	-	-	-	-	-	-	-
- banks	-	-	-	-	-	-	-	-	-	-
- customers	3,416	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	1	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**5**	**-**	**-**	**26,332**	**-**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	5	-	-	26,332	-	-	-	-	-
- long positions	-	-	-	-	13,166	-	-	-	-	-
- short positions	-	5	-	-	13,166	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

CURRENCY: JAPAN YEN

	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified
On-balance-sheet assets	**5,057**	**-**	**-**	**676**	**2,815**	**9**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	5,057	-	-	676	2,815	9	-	-	-	-
- banks	1,256	-	-	-	-	-	-	-	-	-
- customers	3,801	-	-	676	2,815	9	-	-	-	-
On-balance-sheet liabilities	**1,483**	**6,967**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	1,481	6,967	-	-	-	-	-	-	-	-
- banks	75	6,967	-	-	-	-	-	-	-	-
- customers	1,406	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	2	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**30**	**14,774**	**-**	**230**	**8,526**	**-**	**1,234**	**276**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	784	-	230	8,496	-	1,234	276	-	-
- long positions	-	340	-	115	4,248	-	627	138	-	-
- short positions	-	444	-	115	4,248	-	607	138	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	13,990	-	-	-	-	-	-	-	-
- long positions	-	6,995	-	-	-	-	-	-	-	-
- short positions	-	6,995	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	30	-	-	-	30	-	-	-	-	-
- long positions	-	-	-	-	30	-	-	-	-	-
- short positions	30	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

CURRENCY: EURO

	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspe-cified
On-balance-sheet assets	**4,297,522**	**174,124**	**143,954**	**447,517**	**1,724,709**	**1,185,233**	**3,094,204**	**12,165,641**	**17,757,250**	**849,548**
A.1 Government securities	-	-	-	-	-	6	177,017	2,237,745	4,606,833	-
A.2 Other debt securities	8	-	-	-	200,761	175	408,544	1,473,737	351,004	48,437
A.3 Units in collective investment undertakings	10,155	-	-	-	-	-	-	-	-	-
A.4 Loans	4,287,359	174,124	143,954	447,517	1,523,948	1,185,052	2,508,643	8,454,159	12,799,413	801,111
- banks	103,152	2,207	-	2,531	494,375	42,046	5,704	405,520	600,033	450,085
- customers	4,184,207	171,917	143,954	444,986	1,029,573	1,143,006	2,502,939	8,048,639	12,199,380	351,026
On-balance-sheet liabilities	**18,039,034**	**41,822**	**535,178**	**1,059,886**	**8,620,542**	**1,991,874**	**2,177,406**	**6,319,667**	**1,220,484**	**-**
B.1 Deposits and current accounts	17,879,740	-	450,321	567,684	1,567,138	28,364	38,084	200,289	235,525	-
- banks	52,414	-	450,321	566,145	1,557,318	26,401	35,075	200,170	235,505	-
- customers	17,827,326	-	-	1,539	9,820	1,963	3,009	119	20	-
B.2 Debt securities	16,702	41,822	84,857	152,379	960,505	1,284,572	1,712,007	5,994,691	829,949	-
B.3 Other liabilities	142,592	-	-	339,823	6,092,899	678,938	427,315	124,687	155,010	-
Off-balance-sheet transactions	**561,213**	**151,615**	**11,340**	**373,408**	**601,158**	**155,210**	**229,541**	**1,027,049**	**552,198**	**1**
C.1 Financial Derivatives with exchange of principal	-	141,086	11,326	363,429	528,379	92,847	61,519	26,229	41,716	1
- long positions	-	70,905	5,667	338,048	449,434	46,261	30,753	13,106	32	-
- short positions	-	70,181	5,659	25,381	78,945	46,586	30,766	13,123	41,684	1
C.2 Financial derivatives without exchange of principal	561,213	10,529	14	9,979	72,779	62,363	168,022	1,000,820	510,482	-
- long positions	277,608	7,001	-	5,820	47,497	41,655	109,293	675,827	224,391	-
- short positions	283,605	3,528	14	4,159	25,282	20,708	58,729	324,993	286,091	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

As at 31 December 2010, the residual debt of securitized loans amounted to €3,782 million.

Following the loans securitization, two securities (Senior and Junior) have been fully subscribed, having the following characteristics:

- Senior with a nominal value of €3,945 million maturity 31.01.2058 linked to EUR 6M+0.35;
- Junior with a nominal value of €390 million maturity 31.01.2058 linked to EUR 6M+0.6+variable rate.

To ensure liquidity for coupons payment to the Special Purpose Vehicle, the Parent Company has entered into an *Interest Rate Swap* transaction with the Special Purpose Vehicle for a notional value of €3,945 million with maturity on 31.01.2058; the amortization of the derivative reflects the amortization of the Senior security and the first amortization instalment is scheduled on 30.07.2011.

CURRENCY: OTHER CURRENCIES

	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified
On-balance-sheet assets	**6,492**	**2,201**	**-**	**141**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	6,492	2,201	-	141	-	-	-	-	-	-
- banks	5,811	2,201	-	-	-	-	-	-	-	-
- customers	681	-	-	141	-	-	-	-	-	-
On-balance-sheet liabilities	**3,188**	**1,140**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	2,815	1,140	-	-	-	-	-	-	-	-
- banks	3	1,140	-	-	-	-	-	-	-	-
- customers	2,812	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	373	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**11,512**	**2,012**	**1,006**	**944**	**5,379**	**90**	**287**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,324	2,012	1,006	944	5,379	90	287	-	-
- long positions	-	617	1,006	503	472	2,679	45	143	-	-
- short positions	-	707	1,006	503	472	2,700	45	144	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	6,166	-	-	-	-	-	-	-	-
- long positions	-	3,083	-	-	-	-	-	-	-	-
- short positions	-	3,083	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	4,022	-	-	-	-	-	-	-	-
- long positions	-	2,011	-	-	-	-	-	-	-	-
- short positions	-	2,011	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

1.4 Banking group – operational risks

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of operational risks

The Cariparma FriulAdria Group uses the definition of operational risk envisaged in the Basel II International Convergence of Capital Measurement and Capital Standards, prepared by the Basel Committee on Banking Supervision. Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties or punitive damages resulting from supervisory actions, as well as private settlements.

To consolidate and enhance control of operational risk, the Group has pursued:

- full ongoing compliance with the requirements set out in the regulations relating to the use of the Traditional Standardized Approach (TSA) for the measurement of supervisory capital as prescribed by Basel II;
- a considerable improvement in the monitoring of risks and losses with a view to adopting a management-oriented approach, with particular regard to risk mitigation initiatives;
- the progressive achievement of compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of supervisory capital.

ORGANISATIONAL ASPECTS

Risk management for the Group is the responsibility of Cariparma's Risk Management and Permanent Controls Department, which follows the guidelines of the Risk Management and Permanent Controls Department of the controlling company Crédit Agricole S.A. Therefore, the risk management units of the other banks in the Italian Group hierarchically report to the Risk Management and Permanent Controls Department of Cariparma, while they functionally report to their respective senior management. This has the objective of achieving uniform guidelines and risk management.

In complying with supervisory regulations, the Group formalized the roles and responsibilities of the corporate bodies and functions involved in the management of operational risks. The governance model envisages the use of a centralized system of operational risk management and tight coordination with the Permanent Control activities, also with a view to achieving synergies with the Compliance Unit.

RISK POLICY AND MANAGEMENT

The Group has adopted a model that encompasses not only a process of operational risk management (pursuant to the guidelines of Crédit Agricole S.A.) that is structured and governed by the Group's central function, but also a specialized decentralized role (MRO, Manager des Risques Opérationnels - Operational Risk Manager), whose task is to support the central function in activities relating to operations and risk management and mitigation.

The Board of Directors approved the roles and responsibilities of the company functions involved in the management of operational risk, in accordance with both the provisions of Circular No. 263 of 2006 of the Bank of Italy ("New regulations for the prudential supervision of banks") and the directives of the controlling company Crédit Agricole S.A.

The updating of the process for the management and control of operational risk to comply with the guidelines of Crédit Agricole S.A. and the adoption of the same general methods as the Group was done with a view to meeting the required standards for the adoption of Advanced Measurement Approaches (AMA).

RISK MITIGATION

The Group has implemented a policy of operational risk mitigation, by means of:

- an annual Action Plan, approved by the Board of Directors, which contains all the initiatives, aimed at minimizing the main existing operational risks, which the persons in charge of the various corporate processes have deemed necessary through a specific Self Risk Assessment;
- insurance policies to offset the impact of unexpected losses: to this end, a special structure was set up and tasked with, among other things, assessing and managing insurance policies;
- the establishment of an interdepartmental desk to prevent frauds and select and monitor service contracts;
- the introduction, based on the proposals of the above-mentioned desk, of specific measures for physical and logical security;
- the development of a new series of permanent controls both at branches and central departments aimed at targeted control of those processes with specific weaknesses.

RISK MANAGEMENT

The process of operational risk management is divided into the following macro-phases:

- the identification and classification of risks and losses and their recording in the accounts where necessary;
- the updating of risk and loss data;
- assessment and measurement of risk profile;
- monitoring and production of reports;
- identification of mitigation actions.

As well as a Loss Data Collection structured process, in the above phases the following processes are also applied:

- self-assessment of exposure to operational risks (scenario analysis);
- the examination and qualitative assessment of the operating environment in relation to risk factors.

Each of these processes entails processing information using a predefined method and specific support tools.

RISK CONTROL

The Operational Risk Committee has been set up, which is a Group corporate body with decision-making powers, and consists of the main Corporate Functions. This Committee is responsible for:

- approving guidelines and action plans on operational risks (except Compliance);
- monitoring results and control activities; specifically:
  - periodically validating process mapping and the consequent mapping of operational risks;
  - periodically validating the identification of risk scenarios being measured during the scenario analysis process;
  - making decisions on fraud mitigation;
  - assessing and approving the "Aversion matrix" for quality analysis of risks.
- govern business continuity for the Cariparma FriulAdria Group. The relevant responsibilities include:
  - validating the scope of critical processes to be submitted to business continuity measures and relating particularly significant changes;
  - validating business continuity strategies, in compliance with the applicable supervisory regulations.

Moreover, the Committee:

- approves physical and IT security policies;
- defines the role and responsibilities of the Person in charge of IT Systems Security;
- is the reference centre for the Group Interdepartmental Desks and Fraud Prevention Unit;
- informs, through the Risks and Permanent Control Department Manager, the Internal Control Committee of the decisions made.

The Internal Control Committee is tasked with assessing the adequacy of the system and the quality of the controls it performs, while the correct functioning of system itself is the responsibility of the senior management.

The methodologies for the management of operational risks are determined by the Group Risk Management and Permanent Controls Department of Crédit Agricole S.A., and implemented at local level. The strategies and policies of the operational risk management system approved by the Board of Directors, are therefore consistent with the regulatory prescriptions of the supervisory authorities and the guidelines of Crédit Agricole S.A.

LOSS DATA

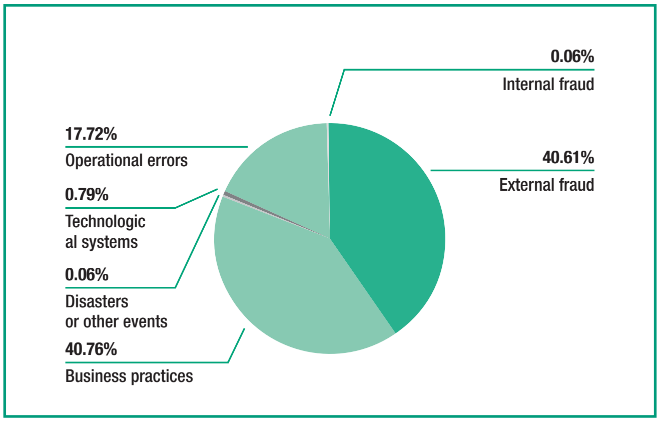
Currently, quantitative data are entirely managed and analysed, to different levels of granularity and detail, using an event classification scheme that conforms with the rules set out in Basel II Framework and the requirements of the supervisory authorities and Crédit Agricole S.A. The basic structure is as follows:

- **Internal fraud**: losses due to deliberate acts committed by at least one party internal to the Bank and causing economic loss to the Bank;
- **External fraud**: losses due to deliberate acts committed exclusively by parties external to the Bank, generally for the purpose of personal gain.
- **Employment practices and workplace safety**: losses relating to the relations between the company and its staff or to the failure of the workplace to meet health and safety standards. These include liabilities arising from accidents to employees in company offices or vehicles;
- **Business practices**: losses arising from an unintentional or negligent failure to deliver services and products to customers (including fiduciary requirements and requirements of adequate information on investments), or due to defects in the design or properties of products/models/contracts. These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector;
- **Disasters or other events**: losses caused by natural disasters or human action that damage company resources (tangible or intangible assets, persons, etc.) and/or service interruptions or other events (including improper conduct/illegal acts by third-party companies that damage the company). The category also includes liabilities arising from political changes and retroactive changes in legislation and tax.
- **Technological systems and services**: losses arising from the malfunctions, logical or structural defects in technological and other support systems;
- **Execution, delivery and process management**: losses arising from unintentional errors in the management of operational and support assets or caused by counterparties other than customers and suppliers.

To report consolidated loss data, the Group has adopted a new IT application especially designed to facilitate the adoption of advanced methods, and has also adopted specific tools and models developed directly by Crédit Agricole.

QUANTITATIVE DISCLOSURES

With reference to the sources of operational risk, the chart below shows the distribution of net losses (gross losses net of recoveries other than insurance-related ones) by type of event in 2010, compiled according to the classification system described above.



INFORMATION TO THE PUBLIC

Information pursuant to supervisory regulations at Title IV, Chapter 1 of Bank of Italy Circular No. 263 of 27 December 2006 is published on the Parent Company website at www.cariparma.it.

This information consists solely of tables 3 and 4 relating to information on the composition of the Regulatory Capital and Capital Adequacy, as the Cariparma FriulAdria Group is controlled by a credit institution parent company with headquarters in the EU and conditions pursuant to Section II, point 1 of the above chapter of the regulations apply.

Part F Information on consolidated shareholders' equity

▸ Section 1 – Shareholders' equity

A. Qualitative disclosures

The capital management policy of the Cariparma FriulAdria Group is aimed at maintaining the level of resources needed at any time to cope with the risks undertaken.

B. Quantitative disclosures

B.1 CONSOLIDATED SHAREHOLDERS' EQUITY: BREAKDOWN BY TYPE OF ENTERPRISE

The consolidated shareholders' equity at end 2010 breaks down as follows:

	Banking group	Insurance undertakings	Other companies	Elisions and adjustments from consolidation	31.12.2010
Share capital	969,119	-	12	(149,698)	819,433
Share premium reserve	2,504,672	-	-	(324,570)	2,180,102
Reserves	903,710	-	-	(4,381)	899,329
Equity instruments	-	-	-	-	-
(Treasury Shares)	-	-	-	-	-
Valuation reserves:	(95,494)	-	-	(14,576)	(110,070)
Financial assets available for sale	(94,709)	-	-	(11,173)	(105,882)
Property, plant and equipment	-	-	-	-	-
Intangible assets	-	-	-	-	-
Hedging of foreign investments	-	-	-	-	-
Cash flow hedges	234	-	-	-	234
Exchange rate differences	-	-	-	-	-
Disposal groups	-	-	-	-	-
Actuarial gains (losses) pertaining to defined-benefit pension plans	(1,019)	-	-	1	(1,018)
Shares of valuation reserves pertaining to subsidiaries accounted for with equity method	-	-	-	(3,404)	(3,404)
Special revaluation laws	-	-	-	-	-
Profit (loss) for the period (+/-) of group and minority interest	290,804	-	-	(41,937)	248,867
EQUITY	**4,572,811**	**-**	**12**	**(535,162)**	**4,037,661**

B.2 VALUATION RESERVES FOR FINANCIAL ASSETS AVAILABLE FOR SALE: COMPOSITION

	Banking group		Insurance undertakings		Other companies		Elisions and adjustments from consolidation		31.12.2010	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	19,330	(128,922)	-	-	-	-	(40)	-	19,290	(128,922)
2. Equity securities	15,248	(365)	-	-	-	-	(11,133)	-	4,115	(365)
3. Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-
TOTAL	**34,578**	**(129,287)**	**-**	**-**	**-**	**-**	**(11,173)**	**-**	**23,405**	**(129,287)**
TOTAL (31.12.2009)	**54,278**	**(3,457)**	**-**	**-**	**-**	**-**	**(6,655)**	**-**	**47,623**	**(3,457)**

B.3 VALUATION RESERVES FOR FINANCIAL ASSETS AVAILABLE FOR SALE: CHANGES FOR THE PERIOD

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1. Opening balance	**37,114**	**7,052**	**-**	**-**
2. Increases	**63,114**	**147**	**-**	**-**
2.1. Fair *value gains*	46,792	66	-	-
2.2 Reversal to income statement of negative reserves:	760	81	-	-
- for impairment	-	81	-	-
- for realization	760	-	-	-
2.3. Other changes	15,562	-	-	-
3. Decreases	**209,860**	**3,449**	**-**	**-**
3.1 Fair *value losses*	170,340	201	-	-
3.2 Impairment losses	-	-	-	-
3.3 Reversal to income statement of positive reserves: for realization	34,214	-	-	-
3.4. Other changes	5,306	3,248	-	-
4. Closing Balance	**(109,632)**	**3,750**	**-**	**-**

▸ Section 2 – Supervisory capital and capital ratios

2.1 Scope of application of the regulations

Supervisory capital, minimum capital requirements and the consequent capital ratios were determined on the basis of the provisions of Bank of Italy Circular No. 263 of 27 December 2006 (7th revision of 28 January 2011) "New regulations for the prudential supervision of banks" and Circular No. 155 of 18 December 1991 (13th revision of 9 February 2011) "Instructions for the preparation of reports on supervisory capital and capital ratios". As at 31 December 2010, the scope of consolidation for the supervisory calculations includes the Parent Company Cariparma, Banca Popolare FriulAdria and the leasing company Crédit Agricole S.r.l. The consolidation scope that is relevant for prudential calculations does not include the figures relating to the Insurance Company CA Vita Compagnia di Assicurazione S.p.A., to the company Crédit Agricole Agro-Alimentare S.p.A, which are consolidated using the equity method for financial reporting purposes, but are not included in the banking group, as well as the figures relating to the company MondoMutui Cariparma S.r.l, which is consolidated on a line-item basis pursuant to SIC 12, but also not included in the banking group.

2.2 Regulatory capital

A. QUALITATIVE DISCLOSURES

1. Tier 1 capital

Tier 1 capital is composed of high quality components (share capital, reserves, share premium accounts and net profit for the period) pertaining to the shareholders of the Parent Company and minority interests, appropriately adjusted for intangible assets. It does not include any innovative or non-innovative capital instruments. The Group reduced the value of Tier 1 capital by partially deducting the net tax benefit recognized 2008 and 2009 Income Statements subsequent to the alignment of the tax value of goodwill with its book value pursuant to Law Decree No. 185/2008. A deduction was made equal to 50% of the value of equity investments in banking and financial companies: Bank of Italy and CA Agro- Alimentare S.p.A. The increase in the value of the investment in CA Vita Compagnia di assicurazione S.p.A., recognized as from 20 July 2006, is deducted by 50%. The amount of this equity investment prior to 20 July 2006 is deducted in full from the sum of Tier 1 and Tier 2 Capital.

2. Tier 2 Capital

Tier 2 capital is reduced by the deduction of the remaining 50% of the elements deducted for Tier 1 capital, namely the equity investments in the Bank of Italy and e CA Agro-Alimentare S.p.A. and the increase in the value of the investment in CA Vita Compagnia di assicurazione S.p.A. that have been made since 20 July 2006.

In accordance with the supervisory provisions issued by the Bank of Italy with regulation of 18 May 2010 by the title “Tier 1 capital - prudential filters”, the Cariparma FriulAdria Group has opted, as envisaged in the above-mentioned regulation, to entirely neutralize both capital losses and capital gains resulting from debt securities held in the “Available-for-sale financial assets” (AFS) portfolio, issued by central governments of EU Member States.

This option was chosen to prevent an unjustified volatility of the supervisory capital, which could be determined by sudden changes in the securities quotations that are not linked to durable changes in the issuers’ creditworthiness. This also enables a partial alignment to the principles already followed by the holding company, Crédit Agricole. The Bank of Italy has been informed of this choice, as well as of the commitment by all the companies in the Group to apply this approach uniformly, continuously in time and on all securities of this type, starting from 30 June 2010.

3. Tier 3 Capital

To date, no Tier 3 instruments have been issued.

B. QUANTITATIVE DISCLOSURES

	31.12.2010	31.12.2009
A. Tier 1 capital prior to the application of prudential filters	**2,570,197**	**2,190,488**
B. Tier 1 prudential filters:	50,970	58,015
B1 - positive IAS/IFRS prudential filters (+)	-	236
B2 - negative IAS/IFRS prudential filters (-)	50,970	58,251
C. Tier 1 Capital including deductible elements (A+B)	**2,519,227**	**2,132,473**
D. Elements to be deducted from Tier 1 capital	66,587	62,963
E. Total Tier 1 capital (TIER 1) (C-D)	**2,452,640**	**2,069,510**
F. Tier 2 capital prior to the application of prudential filters	**569,445**	**596,779**
G. Tier 2 prudential filters:	10,233	22,890
G1 - positive IAS/IFRS prudential filters (+)	-	-
G2 - negative IAS/IFRS prudential filters (-)	10,233	22,890
H. Tier 2 capital including deductible elements (F+G)	**559,212**	**573,889**
I. Elements to be deducted from Tier 2 capital	66,587	62,962
L. Total Tier 2 capital (TIER2) (H-I)	**492,625**	**510,927**
M. Items to be deducted from Tier 1 and Tier 2 capital	58,917	58,917
N. Supervisory capital (E + L - M)	**2,886,348**	**2,521,520**
O. TIER 3 capital	-	-
P. Supervisory Capital including TIER3 (N + O)	**2,886,348**	**2,521,520**

The following table details outstanding subordinated liabilities, indicating the portion eligible for inclusion in Tier 2 capital.

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value	Amount eligible for inclusion in Tier 2 capital
Subordinated deposit	17.12.2008	17.12.2018	5 equal installments as from December 2014	3-month Euribor + 334 bp	Euro	250,000	250,424	250,000
Subordinated deposit	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30/06/2016	up to 30/06/2012 5%; after that 50% 6-month Euribor + 1%	Euro	77,250	77,825	77,250
Subordinated deposit	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30/06/2016	5% fixed	Euro	222,750	228,616	222,750

2.3 Capital adequacy

A. QUALITATIVE DISCLOSURES

Compliance with minimum capital requirements is checked by calculating the ratio of supervisory capital, as computed above, to total risk-weighted assets calculated in accordance with the provisions of Bank of Italy Circular No. 263 of 27 December 2006 (7th update of 28 January 2011) “New regulations for the prudential supervision of banks” and Circular No. 155 of 18 December 1991 (13th update of 9 February 2011) “Instructions for the preparation of reports on supervisory capital and capital ratios”.

The resulting Tier Total Ratio at 31 December 2010 was in compliance with the thresholds specified in supervisory regulations. This result was also due to a specific Group policy that favours the distribution of net profit to shareholders provided the regulatory limits are met.

B. QUANTITATIVE DISCLOSURES

Categorie/Valor	Non-weighted amounts		Weighted amounts/requirements	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
A. Risk assets				
A.1 Credit and counterparty risk	**53,873,708**	**45,312,605**	**25,660,595**	**24,936,881**
1. Standardized approach	53,873,708	45,312,605	25,660,595	24,936,881
2. *IRB* approach	-	-	-	-
2.1 Foundation	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitizations	-	-	-	-
B. Capital requirements				
B.1 Credit and counterparty risk	**-**	**-**	**2,052,847**	**1,994,950**
B.2 Market risk			**6,363**	**14,957**
1. Standardized method	-	-	6,363	14,957
2. Internal models	-	-	-	-
3. Concentration risk	-	-	-	-
B.3 Operational risk			**197,490**	**189,277**
1. Basic indicator approach	-	-	3,027	2,482
2. Standardized approach	-	-	194,463	186,795
3. Advanced measurement approach	-	-	-	-
B.4 Other prudential requirements	**-**	**-**	**-**	**-**
B.5 Other measurement elements	**-**	**-**	**-**	**-**
B.6 Total prudential requirements	**-**	**-**	**2,256,700**	**2,199,184**
C. Exposures and capital adequacy ratios				
C.1 Risk-weighted assets	**-**	**-**	**28,208,749**	**27,489,811**
C.2 Tier 1 capital/risk-weighted assets *(Tier 1 capital ratio)*	**-**	**-**	**8.69 %**	**7.53 %**
C.3 Supervisory capital including TIER 3/risk-weighted assets *(Total capital ratio)*	**-**	**-**	**10.23 %**	**9.17 %**

Part G Business combinations

In the year, no business combinations were finalized.

In the consolidated management report, among significant events occurred in the year, exhaustive information has been given on the agreements reached for the transfer to the Crédit Agricole Group by the Intesa Sanpaolo Group, of a cluster of branches and an equity interest in Cassa di Risparmio della Spezia, which will be finalized in 2011.

Part H Transactions with related parties

On 24 November 2010, Cariparma Board of Directors approved the "Regulation for transactions with related parties" that has the purpose of regulating transactions with related parties in the companies making up the Cariparma FriulAdria Group, by identifying rules that are suitable to ensure transparency as well as material and procedural fairness, as required by the present reference legislation.

This Regulation consists of:

- a general part setting forth the reference legislation, definitions and scope of application;
- a part describing the procedure adopted for transactions with related parties;
- a final part on operations;

and sets the scope of the natural and legal persons qualifying as related parties for financial reporting purposes on the basis on the provisions of IAS 24, applied appropriately to the specific organizational and governance structure of the Bank.

Related parties are considered the following:

- the controlling company Crédit Agricole;
- any other shareholders that, directly or indirectly, including through shareholders' agreements, exercise a significant influence on the Bank;
- direct and indirect subsidiaries;
- associates and companies under common control;
- Directors and Senior Managers with strategic responsibilities (Directors, Auditors, General Managers and Senior Managers directly reporting to top officers);
- other related parties:

  a) members of the immediate families of Directors, Auditors and General Managers, as well as companies controlled by or associated with Directors, Auditors, General Managers or their immediate family;

  b) members of the immediate families of other key management personnel, as well as companies controlled by or associated with such managers or their immediate family members;
- the Pension Plan.

1. Information on the remuneration of key management personnel

In the light of the above-mentioned Regulation, key management personnel includes managers having the direct and indirect power and the responsibility over the planning, management and control of the Group's operations, including Directors and the members of control bodies.

The remuneration of Directors and Auditors is established with specific resolutions passed by the Shareholders' General Meeting.

	31.12.2010
Short-term employee benefits	16,543
Benefits subsequent to severance from employment	434
Other long-term benefits	-
Employee severance benefits	1,200
Share-based payments (Stock options)	81

2. Related-party transactions

Transactions with related-parties are carried out as part of the ordinary operations of the Bank on an arm's length basis and, in any case, only after a reciprocal assessment of their economic benefits.

During the year, the Group did not carry out any atypical or unusual transactions, with related parties or other parties, whose size or features might have jeopardized the protection of corporate assets and the interests of minority shareholders.

Type of related parties	Financial assets held for trading	Financial assets available for sale	Loans to customers	Banks receivable	Due to customers	Due to banks	Guarantees issued
Holding company	-	-	-	3,557,818	-	2,939,345	-
Entities exercising significant influence on company	-	-	-	72,354	10,032		-
Associates	-	47,356	4,565	-	198,938	-	76
Directors and key management personnel	-	-	1,978	-	4,431	-	-
Other related parties	35,055	7,179	288,490	359,298	153,364	7,532,117	13,838
TOTAL	**35,055**	**54,535**	**295,033**	**3,989,470**	**366,765**	**10,471,462**	**13,914**

Part I Share-based payments

No share-based payments were made during the year.

Part L Segment reporting

Operation and Income by business segment

Data relating to operation and income by business segment are given in compliance with IFRS 8 - Operating Segments - using the management reporting approach.

The Cariparma FriulAdria Group operates through an organizational structure that includes: Retail and Private Banking channels for retail customers and enterprises belonging to the small business segment; Enterprise and Corporate channels for larger-sized companies.

Segment reporting also includes data relating to the operations and income of Calit, set forth in a specific segment.

The channel "Other" has a residual nature and is not an aggregation of other segments specifically detected; specifically, this channel includes entities that have not been assigned to the other channels, also due to the specificity of the operations detected, such as the operations pertaining to the central staff functions.

As at 31 December 2010, the Retail and Private Banking channels of the Cariparma FriulAdria Group came to €1,205.8 million, accounting for approximately 73.9% of total operating income. With €244.1 million, the Corporate and Enterprise channels accounted for approximately 15.0% of total operating income.

Year-on-year, the contribution of Retail and Private Banking channels to the Bank's total income decreased by approximately 4.0%. The contribution of the Corporate and Enterprise channels also decreased, with the relevant weight down by 1.3%.

With regards to expenses, as at 31 December 2010, the Retail and Private Banking channels reached €891.0 million, accounting for approximately 72.0% of total expenses. With €137.1 million, the Corporate and Enterprise channels accounted for approximately 11.1% of total expenses.

Year-on-year, the percentage weight of the Retail and Private Banking channels on the Bank's total operating expenses increased by 2.2%, while the weight of the Corporate and Enterprise channels decreased by approximately 1.3%.

Assets by segment are made up of loans to customers and property, plant and equipment and intangible assets that can be allocated directly to the operating segments. Specifically referring to intangible assets, these data included also goodwill of the 202 former Intesa branches, transferred to FriulAdria and Calit, allocated to the relevant segments.

Specifically, as at 31 December 2010, assets of the Retail and Private Banking channels accounted for approximately 43.9% of the Bank's assets, while the Corporate and Enterprise channels accounted for approximately 21.8% of these assets.

This aggregate also includes Calit assets that accounted for approximately 4.2% of the Bank's assets.

Liabilities by segment are made up of direct funding from customers which can be directly allocated to the operating segments.

Specifically, as at 31 December 2010, liabilities of the Retail and Private Banking channels accounted for approximately 54,5% of the liabilities of the Group, while Corporate and Enterprise channels accounted for approximately 7,9% of these liabilities.

In accordance with IFRS 8, we specify that the Group's business operations are essentially carried out in the Italian national territory, they are not subject to periodic management reporting on the performances distinguishing by foreign geographical areas. The Group has not achieved revenues resulting from transactions with single external customers for amounts exceeding 10% of the revenues recognized in the financial statements.

Segment information as at 31 December 2010

	Retail and Private	Corporate and Enterprises	Calit	Other	Total
External operating revenues					
Net interest income	654,482	167,116	23,584	73,529	918,711
Net commission income	444,045	67,673	(2,145)	(6,645)	502,928
Gain (loss) on trading activities	13,975	8,578	(6)	(11)	22,536
Dividends	-	-	-	1,636	1,636
Other net operating revenues	93,264	698	2,834	88,559	185,355
TOTAL OPERATING REVENUES	**1,205,766**	**244,065**	**24,267**	**157,068**	**1,631,166**
Impairment adjustments of loans	(104,634)	(83,759)	(13,119)	(67)	(201,579)
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-	2,768	2,768
staff expenses, administrative expenses and depreciation/amortization	(774,262)	(53,333)	(9,193)	(175,735)	(1,012,523)
Provisions for risks	(1,404)	-	(994)	(24,207)	(26,605)
TOTAL EXPENSES	**(880,300)**	**(137,092)**	**(23,306)**	**(197,241)**	**(1,237,939)**
Gain (loss) on disposal of investments	-	-	-	2,191	2,191
RESULT BY SEGMENT	**325,466**	**106,973**	**961**	**(37,982)**	**395,418**
Share of profit of associates pertaining to Group	5,350	-	-	-	5,350
PROFIT BEFORE TAX	**330,816**	**106,973**	**961**	**(37,982)**	**400,768**
Taxes	(119,792)	(39,339)	(1,520)	8,750	(151,901)
PROFIT FOR THE PERIOD	**211,024**	**67,634**	**(559)**	**(39,232)**	**248,867**
Assets and liabilities					
Assets by segment	20,320,908	10,080,955	1,859,793	590,632	32,852,288
Equity investments in associates	-	-	-	119,975	119,975
Unallocated assets	-	-	80,627	13,286,233	13,366,860
TOTAL ASSETS	**20,320,908**	**10,080,955**	**1,940,420**	**13,996,840**	**46,339,123**
Liabilities by segment	25,267,749	3,644,152	6,950	377,404	29,296,255
Unallocated liabilities	-	-	606,748	16,436,120	17,042,868
TOTAL LIABILITIES	**25,267,749**	**3,644,152**	**613,698**	**16,813,524**	**46,339,123**

Segment information as at 31 December 2009

	Retail and Private	Corporate and Enterprises	Calit	Other	Total
External operating revenues					
Net interest income	751,744	198,211	16,256	5,393	971,604
Net commission income	411,596	59,440	(2,693)	7,346	475,689
Gain (loss) on trading activities	12,978	6,872	-	4,093	23,943
Dividends	-	-	-	2,157	2,157
Other net operating revenues	90,088	605	2,214	59,652	152,559
TOTAL OPERATING REVENUES	**1,266,406**	**265,128**	**15,777**	**78,641**	**1,625,952**
Impairment adjustments of loans	(86,394)	(89,404)	(11,795)	(23)	(187,616)
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-	(3,100)	(3,100)
staff expenses, administrative expenses and depreciation/amortization	(757,110)	(58,565)	(9,035)	(175,428)	(1,000,138)
Provisions for risks	2,122	(965)	-	(15,740)	(14,583)
TOTAL EXPENSES	**(841,382)**	**(148,934)**	**(20,830)**	**(194,291)**	**(1,205,437)**
Gain (loss) on disposal of investments	-	-	-	34	34
RESULT BY SEGMENT	**425,024**	**116,194**	**(5,053)**	**(115,616)**	**420,549**
Share of profit of associates pertaining to Group	26	-	-	26,088	26,114
PROFIT BEFORE TAX	**425,050**	**116,194**	**(5,053)**	**(89,528)**	**446,663**
Taxes	(164,488)	(45,422)	443	75,120	(134,347)
PROFIT FOR THE PERIOD	**260,562**	**70,772**	**(4,610)**	**(14,408)**	**312,316**
Assets and liabilities					
Assets by segment	19,326,967	9,701,409	1,600,550	626,048	31,254,974
Equity investments in associates	-	-	-	134,999	134,999
Unallocated assets	-	-	3,685	9,379,461	9,383,146
TOTAL ASSETS	**19,326,967**	**9,701,409**	**1,604,235**	**10,140,508**	**40,773,119**
Liabilities by segment	25,536,070	3,399,253	6,709	432,056	29,374,088
Unallocated liabilities	-	-	788,978	10,610,053	11,399,031
TOTAL LIABILITIES	**25,536,070**	**3,399,253**	**795,687**	**11,042,109**	**40,773,119**

Reporting of fees paid for auditing and other services pursuant to the Italian Civil Code, Article 2427 paragraph 16-bis)

Fees owed for the activities of:	31.12.2010
statutory audit of annual accounts	688,112
other auditing services	523,543
services other than account auditing	199,200
TOTAL	**1,410,855**

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Report and Financial Statements of Cariparma

Financial highlights and ratios

Financial highlights (*)	31.12.2010	31.12.2009 (°)	Change Total	Change %
***Income statement** (thousands of euros)*				
Net interest	722,774	765,497	-42,723	-5.6
Net commission	409,252	388,391	20,861	5.4
Dividends	41,241	41,210	31	0.1
Net gain (loss) on trading activities	49,550	34,560	14,990	43.4
Other operating revenues (expenses)	(10,238)	(11,698)	-1,460	-12.5
Net operating revenues	1,212,579	1,217,960	-5,381	-0.4
Operating expenses	(661,430)	(652,599)	8,831	1.4
Operating profit	551,149	565,361	-14,212	-2.5
Provisions for liabilities and contingencies	(24,267)	(15,740)	8,527	54.2
Net impairment adjustments of loans	(161,220)	(138,099)	23,121	16.7
Net profit	241,574	295,735	-54,161	-18.3
***Balance sheet** (thousands of euros)*				
Loans to customers	23,734,083	22,132,889	1,601,194	7.2
Net financial assets/liabilities held for trading	5,161	29,141	-23,980	-82.3
Financial assets available for sale	5,939,717	2,924,782	3,014,935	
Net loans to banks	-	588,290	-588,290	-100.0
Equity investments	1,147,792	1,140,541	7,251	0.6
Property, plant and equipment and intangible assets	1,151,754	1,120,713	31,041	2.8
Total net assets	33,112,217	29,039,085	4,073,132	14.0
Net due to banks	4,266,866	-		100.0
Funding from customers	23,882,912	24,182,905	-299,993	-1.2
Indirect funding from customers	37,596,918	37,567,840	29,078	0.1
of which: asset management	*13,704,043*	*13,209,348*	*494,695*	*3.7*
Shareholders' equity	3,870,199	3,666,648	203,551	5.6
Operating structure				
Number of employees	5,934	5,992	-58	-1.0
Average number of employees	5,699	5,739	-40	-0.7
Number of branches	537	537	-	-

(*) Income statement and balance sheet figures are drawn from the reclassified financial statements shown on pages 211 and 221.

(°) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension scheme.

Financial highlights and ratios

Ratios	31.12.2010	31.12.2009
Structure ratios (*)		
Loans to customers/Total net assets	71.7%	76.2%
Direct customer deposits/Total net assets	72.1%	83.3%
Asset management/Total indirect funding	36.4%	35.2%
Loans to customers/Direct customer deposits	99.4%	91.5%
Total assets/Shareholders' Equity (leverage)	10.0	9.2
Profitability ratios (*) (°)		
Net interest income/Net operating revenues	59.6%	62.9%
Net commissions income/Net operating revenues	33.8%	31.9%
Cost/income	54.5%	53.6%
Net income/Average equity (ROE) (a)	6.4%	8.1%
Net profit/Total assets (ROA)	0.6%	0.9%
Net profit/Risk-weighted assets	1.1%	1.5%
Risk ratios (*)		
Net bad debts/Net loans to customers	1.1%	0.7%
Loan writedowns/Net loans to customers	0.7%	0.6%
Cost of risk (b)/Operating profit	33.7%	26.9%
Net bad debts/Total regulatory capital (c)	8.1%	5.6%
Net impaired loans/Net loans to customers	3.5%	2.6%
Impairment adjustments of loans/Gross impaired loans	38.7%	40.5%
Productivity ratios (*) (°) (economic)		
Operating expenses/No. of employees (average)	116.1	113.7
Operating revenues/No. of employees (average)	212.8	212.2
Productivity ratios (*) (capital)		
Loans to customers/No of employees (average)	4,164.6	3,856.6
Direct customer deposits/No of employees (average)	4,190.7	4,213.8
Capital ratios		
Tier 1 capital (d)/Risk-weighted assets	13.0%	11.8%
Total regulatory capital (e)/Risk-weighted assets	15.0%	13.9%
Risk-weighted assets *(thousands of euro)*	21,854,390	21,048,122

(*) The Ratios are based on the income statement and balance sheet figures of the reclassified financial statements shown on pages 211 and 221.

(°) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension scheme.

(a) Ratio of net profit to weighted average share capital, share premium, valuation reserves and reserves established with retained earnings.

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

(c) Tier-1 capital plus revaluation reserves with application of prudential filters, net of investment property and equity investments exceeding the threshold set by supervisory regulations.

(d) Paid-up share capital, share premium and reserves established with retained earnings less treasury shares, goodwill and intangible assets, including application of the prudential filters required under supervisory regulations.

Management Report

FINANCIAL PERFORMANCE

Income statement reclassification

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

The reclassifications concerned the following:

- the recovery of the time value component on loans, reported under net interest income, rather than net impairment adjustments of loans, since this arises directly from applying the amortized cost method when there are no change in expected future cash flows;
- net gains (losses) on trading activities and the net gains (losses) on hedging activities have been reallocated to net gain (loss) on trading activities;
- gains and losses on the sale or repurchase of available-for-sale financial assets and financial liabilities have been reallocated to net gain (loss) on trading activities;
- the recovery of expenses, taxes and duties has been posted as a direct reduction of administrative expenses, rather than being reported under other operating revenues/expense;
- net impairment adjustments of available-for-sale financial assets have been reported under other operating revenues/expense;
- net impairment adjustments of other financial transactions, relating mainly to guarantees and commitments, have been moved to net impairment adjustments of loans.

The figures presented below are expressed in thousands of euros.

▸ Reclassified income statement

	31.12.2010	31.12.2009 (*)	Changes Total	Changes %
Net interest	722,774	765,497	-42,723	-5.6
Net commission income	409,252	388,391	20,861	5.4
Dividends	41,241	41,210	31	0.1
Gain (loss) on trading activities	49,550	34,560	14,990	43.4
Other operating revenues (expenses)	(10,238)	(11,698)	-1,460	-12.5
Net operating revenues	**1,212,579**	**1,217,960**	**-5,381**	**-0.4**
Staff expenses	(424,214)	(410,567)	13,647	3.3
Administrative expenses	(178,129)	(188,570)	-10,441	-5.5
Depreciation and amortization	(59,087)	(53,462)	5,625	10.5
Operating expenses	**(661,430**	**(652,599**	**8,831**	**1.4**
Operating profit	**551,149**	**565,361**	**-14,212**	**-2.5**
Net provisions for liabilities and contingencies	(24,267)	(15,740)	8,527	54.2
Net adjustments of loans	(161,220)	(138,099)	23,121	16.7
Gain (loss) on financial assets held to maturity and other investments	-	34	-34	
Profit before tax on continuing operations	**365,662**	**411,556**	**-45,894**	**-11.2**
Income tax for the period on continuing operations	(124,088)	(115,821)	8,267	7.1
PROFIT (LOSS) FOR THE PERIOD	**241,574**	**295,735**	**-54,161**	**-18.3**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

▸ Quarterly developments in the reclassified income statement

Items	2010				2009 (*)			
	4th quarter	3rd quarter	2nd quarter	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
Net interest income	190,658	182,733	177,067	172,316	172,181	181,225	200,469	211,622
Net commission income	106,605	102,511	103,975	96,161	112,816	103,984	92,513	79,078
Dividends	7	-	41,234	-	-	21	41,054	135
Net gain (loss) on trading activities	11,933	19,250	13,756	4,611	6,533	4,102	15,282	8,643
Other operating revenues (expenses)	(2,273)	(2,117)	(3,119)	(2,729)	(3,235)	(2,546)	(2,871)	(3,046)
Net operating revenues	**306,930**	**302,377**	**332,913**	**270,359**	**288,295**	**286,786**	**346,447**	**296,432**
Staff expenses	(113,658)	(101,985)	(102,592)	(105,979)	(103,261)	(92,832)	(107,991)	(106,483)
Administrative expenses	(55,471)	(41,482)	(41,119)	(40,057)	(49,565)	(51,429)	(48,716)	(38,860)
Depreciation/amortization	(16,674)	(15,629)	(13,695)	(13,089)	(17,299)	(13,397)	(11,995)	(10,771)
Operating expenses	**(185,803)**	**(159,096)**	**(157,406)**	**(159,125)**	**(170,125)**	**(157,658)**	**(168,702)**	**(156,114)**
Operating profit	**121,127**	**143,281**	**175,507)**	**111,234**	**118,170**	**129,128**	**177,745)**	**140,318**
Net provisions for liabilities and contingencies	(11,745)	(2,425)	(5,786)	(4,311)	(4,050)	(5,385)	(3,799)	(2,506)
Net adjustments of loans	(39,701)	(46,283)	(38,280)	(36,956)	(31,740)	(36,674)	(34,216)	(35,469)
Gain (loss) from financial assets held to maturity and other investments	-	-	-	-	34	-	2	(2)
Profit before tax on continuing operations	**69,681**	**94,573**	**131,441**	**69,967**	**82,414**	**87,069**	**139,732**	**102,341**
Income tax for the period on continuing operations	(20,340)	(38,386)	(36,633)	(28,729)	(19,993)	(28,722)	(30,495)	(36,611)
PROFIT (LOSS) FOR THE PERIOD	**49,341**	**56,187**	**94,808**	**41,238**	**62,421**	**58,347**	**109,237**	**65,730**

(*) *Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.*

▸ Reconciliation between the official and reclassified income statements

	31.12.2010	31.12.2009 (*)	Notes to financial statement part C
Net interest	**722,774**	**765,497**	
30. Interest margin	716,097	762,672	
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	6,677	7,115	Tav 8.1 b
90. Net gain (loss) on hedging activities, of which interest adjustment on *bonds and AFS securities*	-	(4,290)	
Net commissions = item 60	**409,252**	**388,391**	
Dividends = item 70	**41,241**	**41,210**	
Net gain (loss) on trading activities	**49,550**	**34,560**	
80. Net gain (loss) on trading activities	18,093	16,803	
90. Net gain (loss) on hedging activities	(1,270)	7,413	
90. Net gain (loss) on hedging activities, of which interest adjustment on *bonds and AFS securities*	-	4,290	
100. Gain (loss) on the disposal or repurchase of: b) financial assets available for sale	36,792	4,222	
100. Gain (loss) on the disposal or repurchase of: d) financial liabilities	(4,065)	1,832	
Other operating revenues (expenses)	**(10,238)**	**(11,698)**	
190. Other operating revenues (expenses)	139,051	134,116	
Less: recovery of expenses	(149,171)	(145,301)	Tav 13.2
130. Net impairment adjustments of: b) financial assets available for sale	(118)	(513)	
Net operating revenues	**1,212,579**	**1,217,960**	
Staff expenses = 150 a)	**(424,214)**	**(410,567)**	
Administrative expenses	**(178,129)**	**(188,570)**	
150. Administrative expenses: b) other administrative expenses	(327,300)	(333,871)	
190. Other operating revenues/expenses: recovery of expenses	149,171	145,301	Tav 13.2
Depreciation and amortization	**(59,087)**	**(53,462)**	
170. net adjustments of property, plant and equipment	(20,890)	(20,262)	
180. Net adjustments of intangible assets	(38,197)	(33,200)	
Operating expenses	**(661,430)**	**(652,599)**	
Operating profit	**551,149**	**565,361**	
Goodwill value adjustments	**(24,267)**	**(15,740)**	
Net provisions for liabilities and contingencies = Item 160	**(161,220)**	**(138,099)**	
100. Gain/loss on the disposal of: a) loans	(8,803)	(7,685)	
130. Net impairment adjustments of: a) loans	(148,380)	(123,737)	
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	(6,677)	(7,115)	Tav 8.1 b
130. Net impairment adjustments of: d) other financial transactions	2,640	438	
Net adjustments of other assets	**-**	**34**	
130. Net impairment adjustments of: b) financial assets available for sale	-	34	
Profit before tax on continuing operations	**365,662**	**411,556**	
Income tax on continuing operations = item 260	(124,088)	(115,821)	
PROFIT (LOSS) FOR THE PERIOD	**241,574**	**295,735**	

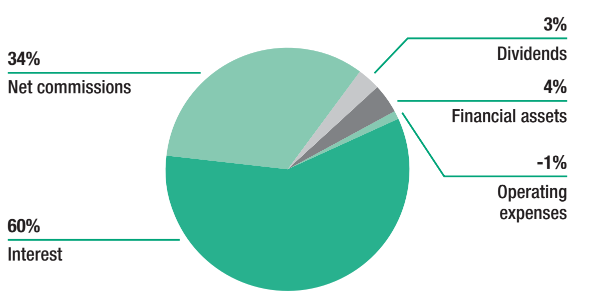
(*) *Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.*

▸ Net operating revenues

The performance of net operating revenues was affected by the uncertainties in the general economic situation, which was characterized by a moderate increase in the GDP, a limited recovery of investments, an essential stagnation in consumptions and a continuing high unemployment rate.

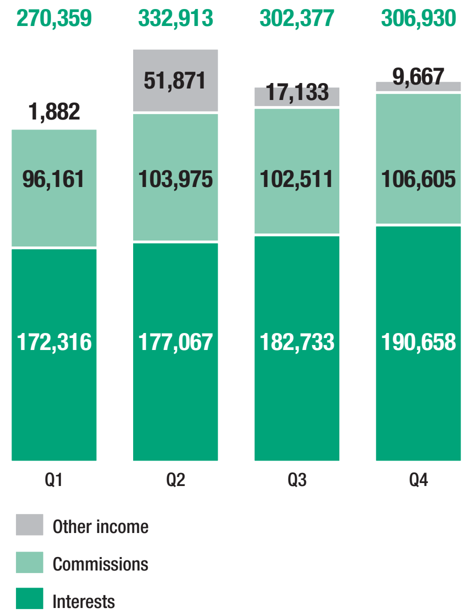
Net operating revenues amounted to €1,212.6 million, slightly decreasing by €5.4 million (-0-4%) compared to the previous year and, therefore, were essentially stable. This benefited from the positive performance of net commission, which rose by €20.9 million (+5.4%), as well as from the performance of trading activities, which increased by €15 million (+43.4%). These increases offset the decrease of net interest income by €42.7 million (-5.6%), which were affected by the low interest rates. Operating revenues/expenses also showed a decrease in net expenses.

NET OPERATING REVENUES



Revenues grew progressively quarter-on-quarter, net of dividends, coming to over €300 million in the second half of the year, showing a better performance than that recorded in the last two quarters of the previous year. The positive performance of revenues benefited from the progressive growth in interest income, from the increase in net commissions, as well as from the strong increase in gains from trading activities.

QUATERLY DEVELOPMENT IN REVENUES



▸ Net interest income

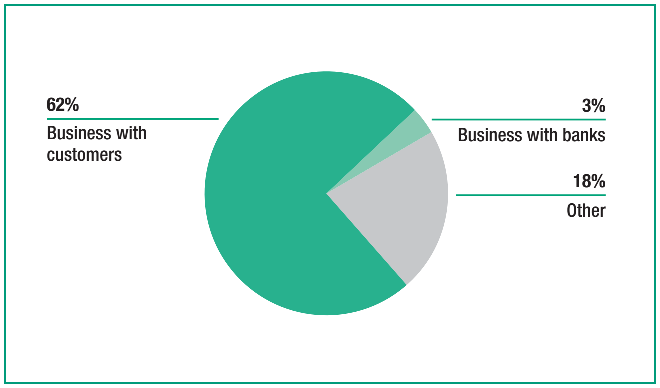
	31.12.2010	31.12.2009	Changes Total	Changes %
Business with customers	655,411	794,303	-138,892	-17.5
Business with banks	20,306	77,223	-56,917	-73.7
Securities issued	(207,216)	(237,299)	-30,083	-12.7
Differences on hedging derivatives	116,052	81,204	34,848	42.9
Financial assets held for trading	13	1,515	-1,502	-99.1
Financial assets available for sale	138,093	48,594	89,499	
Other net interest	115	-43	158	
NET INTEREST	**722,774**	**765,497**	**-42,723**	**-5.6**

Net Interest income came to €722.8 million, down by €42.7 million (-5.6%) compared with the previous year. This decrease was mainly due to the virtual lifting of unauthorized overdraft fees, which became effective in the second half of last year and which brought the relevant item almost to zero for 2010.

The performance of net Interest income was also affected by the decline of the customer component (including securities issued) by €169 million due to a further spread contraction resulting from low interest rates. The interbank component also decreased, down by €56.9 million (-73.7%) due to greater volumes of funding.

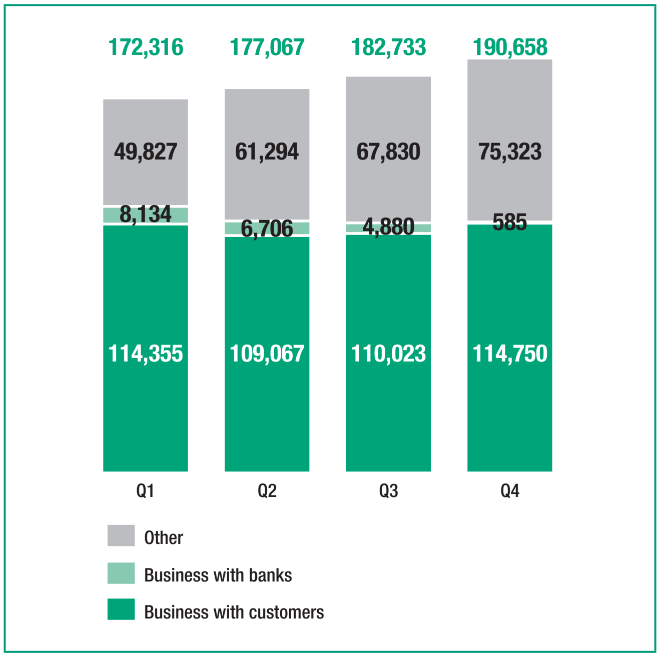
Interest income on available-for-sale financial assets grew significantly, rising from €48.6 to €138.1 million after the purchase of government securities, as well as differences on hedging derivatives.

NET INTEREST



As to time, net Interest income showed a significant increase in the second half of the year, mainly due to the held-for-trading securities component, which was affected by the progressive purchase of government securities.

QUATERLY DEVELOPMENT IN INTEREST INCOME



▸ Dividends

Dividends from equity investments amounted to €41.2 million, remaining stable compared to the previous year. This amount resulted for €29 million from the dividends distributed by Banca Popolare FriulAdria on earnings generated in 2009, for €11 million by CA Vita and for €1.2 million by the Bank of Italy.

▸ Net commission income

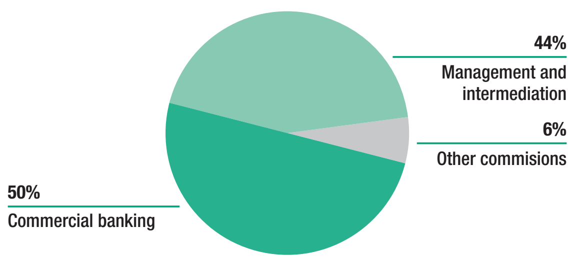
			Changes	
	31.12.2010	31.12.2009	Total	%
↘ guarantees issued	8,069	7,608	461	6.1
↘ collection and payment services	28,244	28,765	-521	-1.8
↘ current accounts	145,896	135,616	10,280	7.6
↘ debit and credit card services	25,262	24,823	439	1.8
Commercial banking business	**207,471**	**196,812**	**10,659**	**5.4**
↘ securities intermediation and placement	81,004	68,987	12,017	17.4
↘ foreign exchange	3,947	3,717	230	6.2
↘ asset management	6,926	6,647	279	4.2
↘ distribution of insurance products	82,316	83,021	-705	-0.8
↘ other intermediation/management commissions	4,773	7,568	-2,795	-36.9
Management, intermediation and advisory services	**178,966**	**169,940**	**9,026**	**5.3**
Tax collection services	**-**	**-**	**-**	**-**
Other net commissions	**22,815**	**21,639**	**1,176**	**5.4**
TOTAL NET COMMISSIONS	**409,252**	**388,391**	**20,861**	**5.4**

Net commission income came to €409.3 million, up by €20.9 million (+5.4%) compared with the previous year. This growth was due to both traditional banking business and management, intermediation and advisory services. The increase in the traditional banking business resulted mainly from the growth in commissions on current accounts in the amount of €10.3 million (+7.6%).

Commissions on management and intermediation also increased thanks to revenues from securities placement, mainly collective investment schemes. Commission on Bancassurance services was essentially stable, where the increase in the non-life products volumes offset almost entirely the decrease in life products volumes. Life insurance funding, overall characterized by greater volumes of placed life insurance products that the previous year, was affected by the sale of less profitable products, in line with the lower risk appetite of customers, as well as with the MiFID.

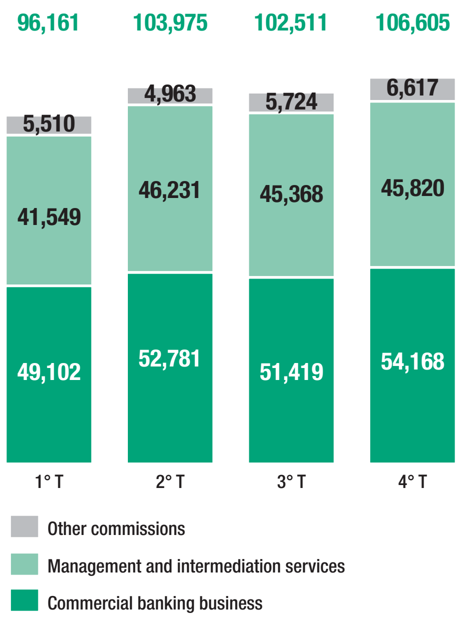
"Other commissions on intermediation/management" also decreased, which include revenues from Crédit Agricole Leasing Italia for €2.7 million and from Eurofactor for €0.3 million.

NET COMMISSION INCOME



Net commission income increased during the year: this was due both to the growth in commissions on current accounts, within the scope of the traditional banking business, and in revenues from intermediation/ securities placement and from insurance revenues distribution, within the scope of management, intermediation and advisory services.

QUATERLY DEVELOPMENT IN COMMISSIONS



▸ Net gain (loss) on trading activities

	31.12.2010	31.12.2009	Changes Total	Changes %
Interest rates	12,969	17,424	-4,455	-25.6
Equities	394	3,417	-3,023	-88.5
Foreign exchange	1,304	967	337	34.9
Commodities	(639)	1,117	-1,756	
Total net gain (loss) on financial assets held for trading	**14,028**	**22,925**	**-8,897**	**-38.8**
Total gain (loss) on hedging activities	**(1,270)**	**7,413**	**-8,683**	
Gain (loss) on disposal of financial assets available for sale	**36,792**	**4,222**	**32,570**	
NET GAIN (LOSS) ON TRADING ACTIVITIES	**49,550**	**34,560**	**14,990**	**43.4**

Trading activities came to €49.6 million, up by €15 million (+43.3%) compared with the previous year. This increase is due to gains on the sale of available-for-sale financial assets, mainly relating to government securities, which came to €36.8 million, up by €32.6 million on the previous year. The result on hedging activities decreased (-€8.7 million), as did the gains on trading activities (-€8.9 million). The latter reduction was mainly due to trading in interest rates (-€4.5 million) and in shares (-€3.0 million).

▸ Other operating revenues (expenses)

Other operating revenues/expenses showed net expenses of €10.2 million, decreasing by €1.5 million over the previous year. This resulted from revenues in the amount of €2.4 million and operating expenses in the amount of €12.7 million, which includes the amortization of leasehold improvement costs and customer refunds.

▸ Operating expenses

	31.12.2010	31.12.2009 (*)	Changes	
			Total	%
↘ wages and salaries	(300,346)	(289,568)	10,778	3.7
↘ social security contributions	(78,014)	(77,391)	623	0.8
↘ other staff expenses	(45,854)	(43,608)	2,246	5.2
Staff expenses	**(424,214)**	**(410,567)**	**13,647**	**3.3**
↘ general operating expenses	(73,945)	(75,903)	-1,958	-2.6
↘ IT services	(39,715)	(37,921)	1,794	4.7
↘ direct and indirect taxes	(54,056)	(55,893)	-1,837	-3.3
↘ facilities management	(40,750)	(40,953)	-203	-0.5
↘ legal and other professional services	(23,346)	(22,913)	433	1.9
↘ advertising and promotion costs	(7,383)	(11,470)	-4,087	-35.6
↘ indirect staff expenses	(7,136)	(9,082)	-1,946	-21.4
↘ other expenses	(80,969)	(79,736)	1,233	1.5
↘ recovery of expenses and charges	149,171)	145,301)	3,870	2.7
Administrative expenses	**(178,129)**	**(188,570)**	**-10,441**	**-5.5**
↘ intangible assets	(38,197)	(33,200)	4,997	15.1
↘ property, plant and equipment	(20,890)	(20,262)	628	3.1
Depreciation and amortization	**(59,087)**	**(53,462)**	**5,625**	**10.5**
OPERATING EXPENSES	**(661,430)**	**(652,599)**	**8,831**	**1.4**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined benefit pension plan.

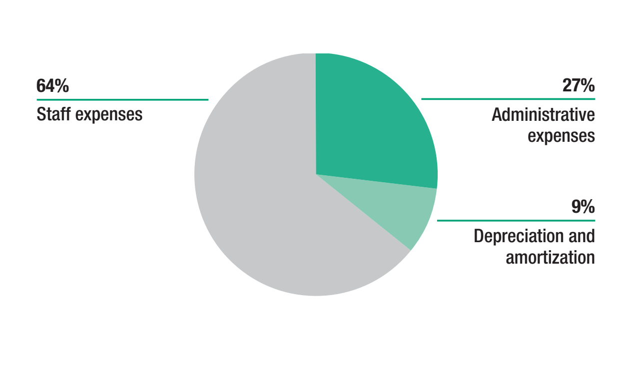
Net operating expenses totalled €661.4 million, up by €8.8 million (+1.4%) over the previous year. The cost/income ratio came to 54.5% compared with 53.5% of the previous year, substantiating the high efficiency level of the Bank. Net of the extraordinary costs met in 2010 by Cariparma for the bank acquisition that is under way, operating expenses would be essentially in line with the previous year, decreasing by 0.2%, while the cost/income ratio would come to 53.7%.

More specifically:

- **staff expenses:** these came to €424.2 million, increasing by €13.6 million (+3.3%) over the previous year. This increase can be mainly attributed to the higher costs resulting from full implementation of remuneration increases in accordance with the national collective bargaining agreement, only partially offset by a staff reduction (54 resources);
- **administrative expenses:** these decreased by €10.4 million (-5.5%) going from the €188.6 million in 2009 to €178.1 million in 2010. This improvement can be attributed to a series of expense items: from advertising (-€4.1 million) to general operating expenses (-€2.0 million) to indirect staff expenses (-€1.9 million) and has been supported by an effective cost management activity aiming at ensuring a correct allocation of costs to strategic expense assets. Administrative expenses also include part of the costs met in 2010 for the acquisition of Carispezia and 96 branches from Intesa Sanpaolo, net of which these expenses would have decreased by further €10 million;

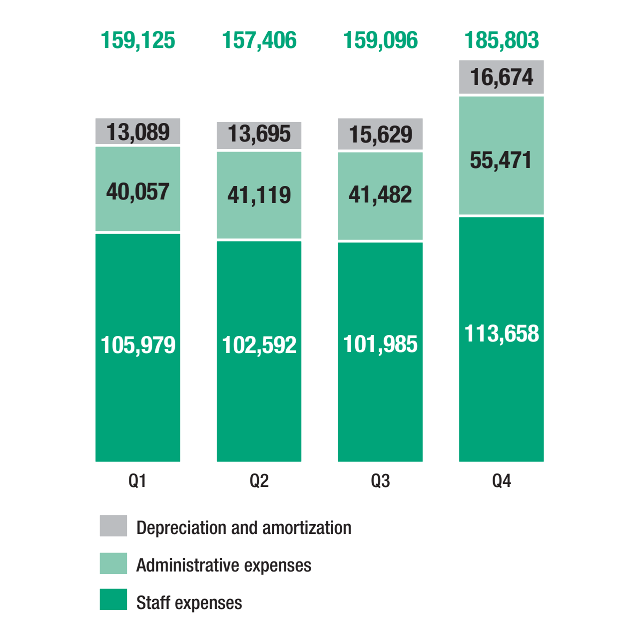
- **depreciation and amortization:** depreciation and amortization came to €59.1 million, up by €5.6 million (+10.5%) over the previous year, after the amortization of investments made in the last years had become fully operational. These are part of an important and structured investment plan aiming at completing the Group's integration process, at making the operating machine more efficient and at developing the business.

OPERATING EXPENSES



The quarterly figures showed an essentially stable performance in the first three quarters and increased in the fourth quarter due to higher staff expenses and higher administrative expenses. The increase in administrative expenses was mainly due to expenses for legal, professional and IT services, which were required for the preparation of the future migration relating to the acquisition of new assets.

QUATERLY DEVELOPMENT IN OPERATING EXPENSES



Net operating profit

Net operating profit profit came to €551.1 million, decreasing by €14.2 million (-2.5%) on the previous year. This decrease was due to the combined effect of the decrease in operating revenues by €5.4 million (-0.4%) and of the increase in operating expenses by €8.8 million (+1.4%). Net of the extraordinary costs met in 2010 for the bank acquisition that is under way, the net operating profit would have come to €562 million, essentially in line with 2009 (-0.8%).

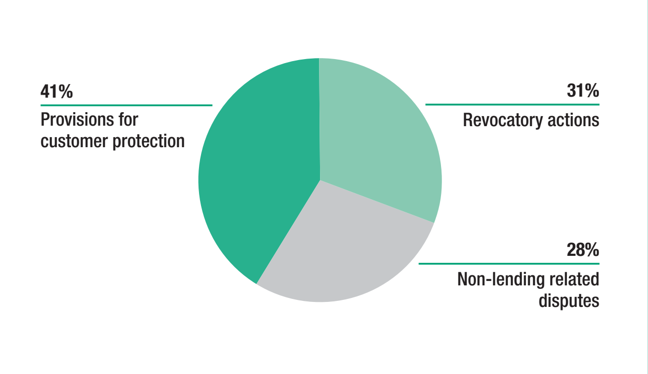
Provisions and other components

Net provisions for liabilities and contingencies

Net provisions for liabilities and contingencies totalled €24.3 million, up by €8.5 million (+54.2%) on 2009. The total includes €7.5 million for provisions for revocatory actions, €6.9 million for non-lending-related disputes and €9.9 million for customer refunds on securities in default.

In comparison with the previous year, the provisions for revocatory actions increased by €3.7 million (+99%) and for non-lending-related disputes by €5.6 million, while the provisions accrued for customer refunds on securities in default decreased.

NET PROVISIONS FOR LIABILITIES AND CONTINGENCIES



Net impairment adjustments of loans

	31.12.2010	31.12.2009	Changes	
			Total	%
↘ bad debts	(70,304)	(69,265)	1,039	1.5
↘ other impaired loans	(105,807)	(65,638)	40,169	61.2
↘ performing loans	12,251	(3,634)	15,885	
Net impairment adjustments of loans	**(163,860)**	**(138,537)**	**25,323**	**18.3**
Net adjustments of guarantees and commitments	2,640	438	2,202	
NET ADJUSTMENTS OF LOANS	**(161,220)**	**(138,099)**	**23,121**	**16.7**

Net impairment adjustments of loans totalled €161.2 million, up by €23.1 million (+16.7%) on the previous year. This increase can be mainly attributed to other loans (substandard loans, restructured loan and past due) whose adjustments grew by €40.2 million (+61,2%) due to the continuing weakness of the genral economic situation. Performing loans recorded a writeback due to the fine-tuning of the new calculation criteria of the collective writedown method for performing loans. The adjustments made were prudential and allowed an adequate coverage of problem loans, in line with the previous year.

Profit before tax on continuing operations

Profit before tax on continuing operations came to €365.7 million, declining by €45.9 million from 2009 (-11.2%). This is after the recognition of provisions and net adjustments in the amount of €185.5 million, of which €24.3 million relating to provisions for liabilities and contingencies.

Income taxes on continuing operations

Current and deferred taxes totalled €124.1 million, a difference of €8.3 million from the €115.8 million registered in the previous year, restated according to uniform criteria, despite the smaller gross profit. In 2009, specific extraordinary tax components linked to the realignment of tax and reporting values of goodwill and to the residual discharge of tax liability in respect of values that were not recognized for tax purposes, which overall brought a benefit of about €31 million. Net of these extraordinary components, the difference in tax burden was mainly due to, on the one hand, a higher regional business tax (IRAP) caused by higher IRAP non-deductible amounts and, on the other hand, to the recovery of a limited surplus in provisions for taxes relating to recent years compared with the taxes actually paid.

▸ Net gain (loss) and comprehensive income

Net profit

Net profit came to €241.6 million, down by €54.2 million, (-18.3%) on the previous year.

Comprehensive income

Items	Gross amount	Income tax	Net amount
1. Profit (loss) for the period	**X**	**X**	**241,574**
Other income after tax			
Financial assets available for sale	(177,645)	57,441	(120,204)
Actuarial gains (losses) on defined-benefit plans	(7,546)	2,075	(5,471)
2. Total other income components	(185,191)	59,516	**(125,675)**
COMPREHENSIVE INCOME (1+2)			**115,899**

Comprehensive income came to €115.9 million, down by 63.9% from the €321.2 million of last year. Comprehensive income consists of the profit for the period and of the changes in assets directly recognized in equity reserves.

This decrease can be mainly ascribed to the reduction in valuation reserves of the securities in the portfolio of "available-for-sale financial assets" which mainly includes fixed-rate government securities held over a long-term to hedge the Bank's interest rate risk. These changes reflected the increase in interest rates in the last months of the year and, even more, the high volatility of sovereign risk of the EU fringe countries, which affected Italy too, even though to a more limited extent.

PERFORMANCE OF BALANCE-SHEET AGGREGATES

Reclassification of the balance sheet

In order to supply a more direct representation of the Company's financial situation, a summary balance sheet has been prepared by suitably aggregating the relevant items. The changes concern:

- presentation of financial assets and liabilities held for trading on a net basis;
- presentation of loans to banks and amounts due to banks on a net basis;
- inclusion of the net value of the fair value hedge derivatives with the respective assets/liabilities being hedged;
- inclusion of the adjustments to financial liabilities hedged collectively in the respective liabilities being hedged;
- grouping of intangible assets and property, plant and equipment into a single aggregate
- inclusion of cash and cash equivalents within the "other assets" residual item;
- grouping in the "funding from customers" item of the "Due to customers" and "Securities Issued" items;
- grouping of specific-purpose provisions (*i.e.* employee severance benefits and provisions for liabilities and contingencies) into a single aggregate.

Reclassified Balance Sheet

Assets	31.12.2010	31.12.2009 (*)	Changes Total	Changes %
Net financial assets/liabilities held for trading	5,161	29,141	-23,980	-82.3
Financial assets available for sale	5,939,717	2,924,782	3,014,935	
Net loans to banks	-	588,290	-588,290	-100.0
Loans to customers	23,734,083	22,132,889	1,601,194	7.2
Equity investments	1,147,792	1,140,541	7,251	0.6
Property, plant and equipment and intangible assets	1,151,754	1,120,713	31,041	2.8
Tax assets	536,428	532,270	4,158	0.8
Other assets	597,282	570,459	26,823	4.7
TOTAL ASSETS	**33,112,217**	**29,039,085**	**4,073,132**	**14.0**

Liabilities and equity	31.12.2010	31.12.2009 (*)	Changes Total	Changes %
Net due to banks	4,266,866	-	4,266,866	100.0
Funding from customers	23,882,912	24,182,905	-299,993	-1.2
Tax liabilities	215,688	233,501	-17,813	-7.6
Other liabilities	679,660	744,271	-64,611	-8.7
Specific-purpose provisions	196,892	211,760	-14,868	-7.0
Share capital	785,066	785,066	-	-
Reserves (net of treasury shares)	2,937,067	2,553,680	383,387	15.0
Valuation reserves	(93,508)	32,167	-125,675	
Net profit (loss) for the period	241,574	295,735	-54,161	-18.3
TOTAL LIABILITIES AND EQUITY	**33,112,217**	**29,039,085**	**4,073,132**	**14.0**

(*) *Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.*

▶ Reconciliation of the official and reclassified balance sheets

Assets	31.12.2010	31.12.2009 (*)
Net financial assets/liabilities held for trading	**5,161**	**29,141**
20. Financial assets held for trading	243,050	285,351
40. Financial liabilities held for trading	(237,889)	(256,210)
Financial assets available for sale	**5,939,717**	**2,924,782**
40. Financial assets available for sale	5,900,410	2,930,531
80. Hedging derivatives (assets): hedging of AFS securities	43,396	-
60. Hedging derivatives (liabilities): hedging of AFS securities	(4,089)	(5,749)
Net loans to banks	**-**	**588,290**
60. Loans to banks	-	4,567,230
10. Due to banks	-	(3,978,940)
Loans to customers	**23,734,083**	**22,132,889**
70. Loans to customers	23,734,083	22,132,889
Equity investments	**1,147,792**	**1,140,541**
100. Equity investments	1,147,792	1,140,541
Property, plant and equipment and intangible assets	**1,151,754**	**1,120,713**
110. Property, plant and equipment	288,917	252,352
120. Intangible assets	862,837	868,361
Tax assets	**536,428**	**532,270**
130. Tax assets	536,428	532,270
Other assets	**597,282**	**570,459**
10. Cash and cash equivalents	160,238	163,348
150. Other Assets	437,044	407,111
TOTAL ASSETS	**33,112,217**	**29,039,085**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

Liabilities and equity	31.12.2010	31.12.2009 (*)
Net due to banks	**4,266,866**	**-**
10. Due to banks	9,252,787	-
60. Loans to banks	(4,973,869)	-
80. Hedging derivatives (assets): liabilities with banks	(11,035)	-
70. Adjustment of financial liabilities hedged generically liabilities with banks	(1,017)	-
Funding from customers	**23,882,912**	**24,182,905**
20. Due to customers	14,284,235	14,018,316
30. Securities issued	9,829,001	10,371,427
80. Hedging derivatives (assets): liabilities with customers	(318,650)	(283,229)
60. Hedging derivatives (liabilities): liabilities with customers	6,985	141
70. Adjustment of financial liabilities hedged generically: liabilities with customers	81,341	76,250
Tax liabilities	**215,688**	**233,501**
80. Tax liabilities	215,688	233,501
Other liabilities	**679,660**	**744,271**
100. Other liabilities	679,660	744,271
Specific-purpose provisions	**196,892**	**211,760**
110. Employee severance benefits	109,831	107,900
120. Provisions for liabilities and contingencies	87,061	103,860
Share capital	**785,066**	**785,066**
180. Share capital	785,066	785,066
Reserves *(net of treasury shares)*	**2,937,067**	**2,553,680**
160. Reserves	842,297	458,910
170. Share premium reserve	2,094,770	2,094,770
Valuation reserves	**(93,508)**	**32,167**
130. Valuation reserves	(93,508)	32,167
Net profit (loss) for the period	**241,574**	**295,735**
200. Net profit (loss) for the period	241,574	295,735
TOTAL LIABILITIES AND EQUITY	**33,112,217**	**29,039,085**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

▸ Operations with customers

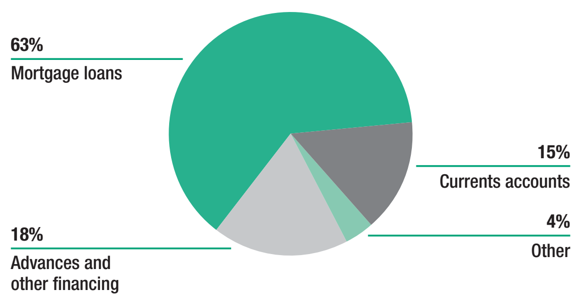
Loans to customers

	31.12.2010	31.12.2009	Changes	
			Total	%
↘ Current accounts	3,496,675	3,582,409	-85,734	-2.4
↘ Mortgage loans	15,013,334	13,735,617	1,277,717	9.3
↘ Advances and other loans	4,388,403	4,249,233	139,170	3.3
↘ Impaired loans	830,691	565,630	265,061	46.9
Loans	**23,729,103**	**22,132,889**	**1,596,214**	**7.2**
Loans represented by securities	**4,980**	**-**	**4,980**	0.0
LOANS TO CUSTOMERS	**23,734,083**	**22,132,889**	**1,601,194**	**7.2**

Loans to customers came to €23,734 million, up by €1,601 million (+7.2%) year-on-year, mainly due to an increase in mortgage loans. More specifically: mortgage loans increased by €1,278 million (+9.3%), whereas current accounts decreased by €86 million (-2.4%) and advances and other financing increased by €139 million (+3.3%). With reference to the mortgage loans performance, which are 63% of loans to customers, over 10,000 new home loans to retail customers for approximately €1,330 million, despite the market being highly competitive and slowing down.

Following the changes for the year, the composition of the loan portfolio was as follows: mortgage loans (63%), advances and other financing (18%), current accounts (15%) and other (4%).

OPERATIONS WITH CUSTOMERS



Credit quality

Items	31.12.2010			31.12.2009		
	Gross exposure	Total writedowns	Net exposure	Gross exposure	Total writedowns	Net exposure
↘ Bad debts	634,268	367,943	266,325	432,373	267,864	164,509
↘ Substandard loans	350,413	148,827	201,586	297,943	110,959	186,984
↘ Restructured loans	59,306	3,271	56,035	3,010	2,145	865
↘ Past-due/overlimit loans	311,218	4,473	306,745	217,526	4,254	213,272
Impaired loans	**1,355,205**	**524,514**	**830,691**	**950,852**	**385,222**	**565,630**
Performing loans	**22,985,910**	**82,518**	**22,903,392**	**21,664,546**	**97,287**	**21,567,259**
TOTAL	**24,341,115**	**607,032**	**23,734,083**	**22,615,398**	**482,509**	**22,132,889**

Problem loans have been affected by the consequences of the economic recession, which caused a worsening of credit quality relating to both households and enterprises. Net of writedowns, impaired loans totalled €831 million, increasing compared with the €566 million of the previous year. In this economic situation, the coverage ratio of problem loans has been kept essentially unchanged compared to the previous year, thus substantiating a prudent credit risk management policy. As at the year end, the weight of problem loans on total net loans was 3.7%; the coverage ratio, calculated as the ratio of total writedowns to gross exposure, was 39%. Net bad debts came to €266 million, equal to 1.2% of loans to customers with a coverage ratio of 58%.

Net substandard loans came to €202 million, had a coverage ratio of 42% and represented 0.9% of the total loan portfolio. Past due/overlimit loans amounted to €307 million, had a coverage ratio of 1.4%, whereas restructured loans came to €59 million with a coverage ratio of 6%. The cumulative total of writedowns for performing loans came to approximately €83 million and represented 0.4% of the nominal value of all performing positions.

Funding from customers

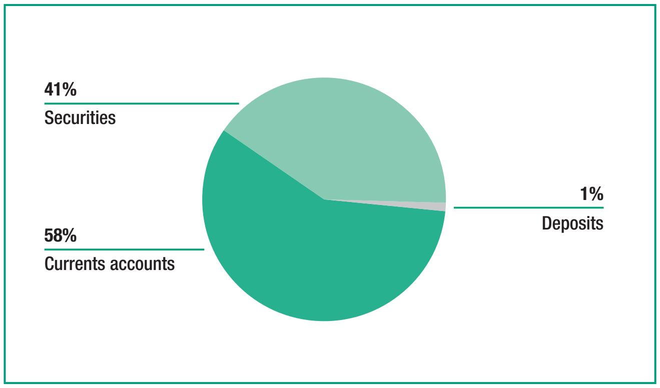
	31.12.2010	31.12.2009	Changes Total	Changes %
↘ Deposits	320,230	343,597	-23,367	-6.8
↘ Current and other accounts	13,897,065	13,494,488	402,577	3.0
↘ Other items	56,908	35,441	21,467	60.6
↘ Repurchase agreements	10,032	144,790	-134,758	-93.1
Due to customers	**14,284,235**	**14,018,316**	**265,919**	**1.9**
Securities issued	**9,829,001**	**10,371,427**	**-542,426**	**-5.2**
Adjustment of financial liabilities hedged generically (+/-)	**81,341**	**76,250**	**5,091**	**6.7**
Net value of associated fair value *hedge derivatives*	**(311,665)**	**(283,088)**	**28,577**	**10.1**
Total direct funding	**23,882,912**	**24,182,905**	**-299,993**	**-1.2**
Indirect funding	**37,596,918**	**37,567,840**	**29,078**	**0.1**
TOTAL FUNDING	**61,479,830**	**61,750,745**	**-270,915**	**-0.4**

Total funding, which represents the total funds intermediated on behalf of customers, came to €61,480 million, essentially unchanged year-on-year (-0.4%), thanks to the slight growth in indirect funding, which offset almost entirely the off-set/set-off the decrease in direct funding.

The performance of total funding has been affected by the extraordinary effect of the tax shield that led to repatriation of funds in 2009; net of this component, in 2010 total funding would have increased year-on-year.

Direct funding came to €23,883 million, slightly decreasing year-on-year (-1.2%). Current accounts increased by €403 million (+3%), thus giving a positive contribution and substantiating the low risk profile assumed by investors that opted for high-liquidity investments. Bond funding decreased by €542 million (-5.2%); the decrease in issued securities can be ascribed to refunds of debenture loans that became due during the year and that have been replaced by new placements to meet the customers' request to renew the investments. These developments have allowed an excellent liquidity level to be kept (loans to customers/direct funding from customers came to 99.4%).

DIRECT FUNDING

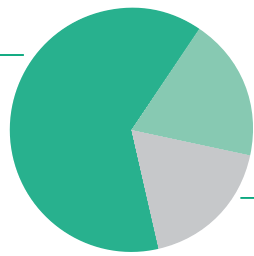


Indirect funding

	31.12.2010	31.12.2009	Changes Total	%
↘ Asset management products	7,096,864	7,319,816	-222,952	-3.0
↘ Insurance products	6,607,179	5,889,532	717,647	12.2
Total assets under management	**13,704,043**	**13,209,348**	**494,695**	**3.7**
Assets under administration	**23,892,875**	**24,358,492**	**-465,617**	**-1.9**
INDIRECT FUNDING	**37,596,918**	**37,567,840**	**29,078**	**0.1**

Indirect funding, which accounts for 61.2% of total funding, came to €37,597 million at market value, up by €29 million (+0.1%) year-on-year, therefore it was essentially stable. Asset management products increased by €495 million, driven by the insurance segment, which reached €6,607 million, up by €718 million (+12.2%) compared with the previous year; assets under management came to €7,096 million, down by €223 million (-3.0%). Assets under administration came to €23,983 million, with a minor decrease (-1.9%).

INDIRECT FUNDING



▸ Other investments

Financial assets available for sale

	31.12.2010	31.12.2009	Changes Total	%
↘ Bonds and other debt securities	5,820,072	2,850,426	2,969,646	
↘ Equity securities and units of collective investment undertakings	4,071	3,741	330	8.8
Securities available for sale	**5,824,143**	**2,854,167**	**2,969,976**	
↘ Equity investments	76,268	76,364	-96	-0.1
Shareholdings available for sale	**76,268**	**76,364**	**-96**	**-0.1**
Net value of associated fair value *hedge derivatives*	**39,306**	**-5,749**	**45,055**	
FINANCIAL ASSETS AVAILABLE FOR SALE	**5,939,717**	**2,924,782**	**3,014,935**	

Financial assets available for sale consist almost totally of bonds and other debt securities available for sale over the short-term as well as of, for more limited amounts, of equity investments and of the net value of associated fair value hedge derivatives. Financial assets available for sale came to €5,940 million, up by €3,015 million year-on-year. This increase was due almost entirely to sovereign bonds used to hedge interest rate risk on funding.

Equity investments

	31.12.2010	31.12.2009	Changes	
			Total	%
Subsidiaries	1,021,646	1,021,646	-	-
Associates	126,146	118,895	7,251	6.1
TOTAL	**1,147,792**	**1,140,541**	**7,251**	**0.6**

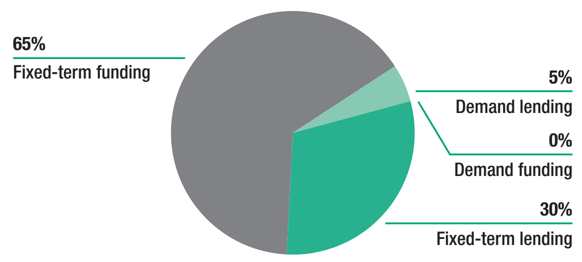
Equity investments came to €1,148 million, up by €7 million compared with 2009, due to the increase in equity investments in associates. Equity investments in subsidiaries, equal to €1,022 million, include Banca Popolare FriulAdria (€943 million) and Crédit Agricole Leasing Italia (€78 million). Equity investments in associates include CA Vita Assicurazioni (€120 million) and CA Agro-alimentare (€6 million), which are both subject to a capital increase.

Net interbank position

	31.12.2010	31.12.2009	Changes	
			Total	%
Loans	695,277	631,063	64,214	10.2
Funding	56,328	9,581	46,747	
Net interbank position – demand	**638,949**	**621,482**	**17,467**	**2.8**
Loans	4,278,592	3,936,167	342,425	8.7
Funding	9,196,459	3,969,359	5,227,100	
Net interbank position – fixed term	**(4,917,867)**	**(33,192)**	**4,884,675**	
Adjustment of financial liabilities hedged generically (+/-)	**1,017**	**-**	**1,017**	**100.0**
Net value of associated fair value *hedge derivatives*	**11,035**	**-**	**11,035**	**100.0**
NET INTERBANK POSITION	**(4,266,866)**	**588,290**	**(4,855,156)**	

The net Interbank position showed a negative balance of €4,267 million compared with the positive balance of €588 million as at 31 December 2009. The negative balance can be attributed to the net fixed-term interbank position, which showed a negative difference of €4,918 million, due to the financing of government securities in portfolio using repurchase agreements. Demand positions showed a positive balance of amounting to €639 million, up by €17.7 million on the previous year.

NET INTERBANK POSITION



Property, plant and equipment and intangible assets

This aggregate includes also the goodwill and intangible assets recognized following the completion of the allocation of the purchase price of the 181 branches acquired from Intesa Sanpaolo in 2007. The goodwill was tested for impairment and no evidence of impairment was found, therefore no writedowns were made.

▸ Specific-purpose provisions

Items	31.12.2010	31.12.2009	Changes Total	%
Employee severance benefits	**109,831**	**107,900**	**1,931**	**1.8**
Provisions for liabilities and contingencies	**87,061**	**103,860**	**-16,799**	**-16.2**
↘ retirement and similar liabilities	22,374	22,567	-193	-0.9
↘ other provisions	64,687	81,293	-16,606	-20.4
TOTAL SPECIFIC-PURPOSE PROVISIONS	**196,892**	**211,760**	**-14,868**	**-7.0**

Specific-purpose provisions totalled €197 million, decreasing by €14.9 million on the previous year. This decrease was due to provisions for liabilities and contingencies, which decreased by €16.8 million and mainly relating to the use of the provisions accrued in the previous year to back transactions carried out by customers, which had been affected by the international financial crisis. Employee severance benefits increased by €1.9 million and came to €110 million.

▸ Equity and Supervisory capital

Equity

Items	31.12.2010	31.12.2009 (*)	Changes Total	%
Share capital	785,066	785,066	-	
Share premium reserve	2,094,770	2,094,770	-	
Reserves	842,297	458,910	383,387	83.5
Valuation reserves of financial assets available for sale	(92,618)	27,586	-120,204	
Actuarial gains (losses) pertaining to defined-benefit pension plans	(889)	4,580	-5,469	
Net profit (loss) for the period	241,574	295,735	-54,161	-18.3
TOTAL EQUITY	**3,870,200**	**3,666,647**	**203,553**	**5.6**

(*) *Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.*

As at 31 December 2010, the book value of equity, including net profit for the year, came to €3,870 million, up by €203.5 million over 31 December 2009. Reserves increased by €383.4 million following both the allocation of €262.5 million for the future capital increase, required for the bank acquisition under way, and the allocation of 2010 net profits to reserves. Conversely, valuation reserves for financial assets available for sale decreased by €120.2 million and valuation reserves for actuarial profits (losses) relating to defined-benefit pension plans.

Supervisory Capital

Supervisory capital and capital ratios	31.12.2010	31.12.2009
Tier 1 capital	2,847,929	2,480,428
Tier 2 capital	490,876	502,081
Deductible elements	58,917	58,917
Supervisory capital	**3,279,888**	**2,923,592**
Credit Risk	1,588,675	1,523,875
Market risk	4,297	11,792
Operational risk	155,379	148,182
Capital requirements (*)	**1,311,263**	**1,262,887**
Excess capital with respect to minimum requirements	**1,968,625**	**1,660,705**
Risk-weighted assets	**21,854,390**	**21,048,122**
Capital ratios %		
Tier 1 Capital/Total risk-weighted assets	13.0%	11.8%
Total capital/Total risk-weighted assets	15.0%	13.9%

(*) Bank of Italy regulations allow banks belonging to Italian groups to reduce prudent capital requirements by 25%.

Supervisory capital totalled €3,280 million: the year-on-year increase was mainly due to the share of 2010 profits which the Board of Directors will propose to the General Meeting not to distribute, as well as to the reserve increase required for the acquisition of new assets. Risk-weighted assets came to €21,795 million, up by €746 million on 2009, mainly resulting from credit risk increase.

All capital ratios have improved year-on-year, substantiating the bank's solidity. The total capital ratio came to 15.1%, increasing from the 13.1% of the previous year; the Tier 1 capital ratio (that is the ratio of Tier 1 capital to total weighted assets) came to 13.0% compared with 11.8% of 2009.

Supervisory capital and the related capital ratios were calculated in accordance with the instructions of the Bank of Italy, adopting the standardized methods for the calculation of risk weighted assets for credit, counterparty risks, as well as for the calculation of operational risks, as done for the previous year. It should also be noted that ratings supplied by an authorized ECAI for loans in the enterprise portfolio.

► Other information

This report includes our remarks on Cariparma performance only. For any other information required by Law, reference is made to the consolidated management report or to the Notes to these financial statements.

Finally, with regard to personal data protection, the periodic revision of the Security Policy Document was carried out, in compliance with the provisions of Article 34 of Legislative Decree No. No. 196 of 30 June 2003, (Code on personal data protection), according to the terms and instructions set forth in item 19 of the Technical Regulation on minimum requirements for security measures (Annex B of the above-mentioned Code).

PROPOSAL TO SHAREHOLDERS

The annual report and financial statements for the year started on 1 January and ended on 31 December 2010, which is hereby submitted for approval by the Ordinary Shareholders' Meeting, include the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, the related explanatory notes and annexes, as well as the accompanying management report.

The proposed allocation of net profit in the amount of €241,574,482 is as follows:

	euro
5% to the legal reserve	12,078,724
To the charity fund	3,000,000
To shareholders in the amount of €0.175 to each of the 785,065,789 ordinary shares	137,386,513
To the extraordinary reserve	89,109,245

Based on this allocation of the net profit for the year, the Company's equity, including income components allocated to the valuation reserves in accordance with the IAS/IFRSs, would be as follows:

	euro
Share capital	785,065,789
Share premium reserve	2,094,769,655
Ordinary reserve	106,293,094
Extraordinary Reserve	572,689,976
Valuation reserves	(93,508,028)
Reserve pursuant to Legislative Decree 124/83	314,374
Other reserves	264,187,684
TOTAL CAPITAL AND RESERVES	**3,729,812,544**

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

CARIPARMA
CRÉDIT AGRICOLE

1. The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Débourdeaux, Senior Manager in charge of the preparation of the company accounting statements of Cassa di Risparmio di Parma & Piacenza S.p.A., hereby certify, considering also the provisions of Article 154-bis, paragraphs 3 and 4, of legislative decree No. 58 of 24 February 1998:

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

of the administrative and accounting procedures for the formation of the Financial Statement during the course of the 2010 financial year.

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

3. The undersigned certify also that:

3.1 the report and financial statements as at 31 December 2010:

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

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

c) furnishes a true and correct representation of the capital, economic and financial situation of the Issuer.

3.2 The management report includes a reliable analysis on the management trend and performance, as well as of the issuer's situation and a description of the major risks and uncertainties to which it is exposed.

Parme, Italy 23 march 2011

PIERRE DEBOURDEAUX
Senior Manager in charge of the preparation
of the Company accounting statements

GIAMPIERO MAIOLI
Chief Executive Officer

Report of the Independent Auditors

ERNST & YOUNG

Reconta Ernst & Young S.p.A.
Via della Chiusa, 2
20123 Milano

Tel. (+39) 02 722121
Fax (+39) 02 72212037
www.ey.com

Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(Translation from the original Italian text)

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

1. We have audited the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of and for the year ended December 31, 2010, comprising the balance sheet, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Cassa di Risparmio di Parma e Piacenza S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

   The financial statements of the prior year are presented for comparative purposes. As described in the explanatory notes, management has restated certain comparative data related to the prior year with respect to the data previously presented, on which we issued our auditor's report dated April 2, 2010. We have examined the methods used to restate the comparative financial data and the information presented in the explanatory notes in this respect, for the purpose of expressing our opinion on the financial statements as of and for the year ended December 31, 2010.

3. In our opinion, the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. at December 31, 2010 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of Cassa di Risparmio di Parma e Piacenza S.p.A. for the year then ended.

4. The management of Cassa di Risparmio di Parma e Piacenza S.p.A. is responsible for the preparation of the Management Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Management Report and the specific section on Corporate Governance and the Company's Ownership Structure, regarding the information included therein in compliance with art. 123-bis paragraph 2, letter b) of Legislative

Decree n. 58 of February 24, 1998, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In our opinion the Management Report and the information reported therein in compliance with article 123-bis paragraph 2, letter b) of the Legislative Decree n. 58 of February 24, 1998 in the specific section of the report are consistent with the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of December 31, 2010.

Milan, March 25, 2011

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

Financial statements

BALANCE SHEET

Assets		31.12.2010	31.12.2009 (*)
10.	Cash and cash equivalents	160,237,886	163,348,298
20.	Financial assets held for trading	243,050,131	285,350,691
30.	Financial assets carried at *fair value*	-	-
40.	Financial assets available for sale	5,900,410,111	2,930,530,731
50.	Financial assets held to maturity	-	-
60.	Loans to banks	4,973,869,206	4,567,229,992
70.	Loans to customers	23,734,083,434	22,132,888,979
80.	Hedging derivatives	373,081,966	283,229,754
90.	Value adjustment of financial assets subject to macro hedging (+/-)	-	-
100.	Equity investments	1,147,791,796	1,140,541,196
110.	Property, plant and equipment	288,916,586	252,351,887
120.	Intangible assets	862,837,123	868,360,769
	of which: goodwill	*662,981,720*	*662,981,720*
130.	Tax assets	536,427,748	532,270,297
	(a) current	214,169,699	254,829,448
	(b) deferred	322,258,049	277,440,849
140.	Non-current assets or groups of assets being divested	-	-
150.	Other Assets	437,043,880	407,111,270
TOTAL ASSETS		**38,657,749,867**	**33,563,213,864**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

Liabilities and shareholders' equity		31.12.2010	31.12.2009 (*)
10.	Due to banks	9,252,786,654	3,978,939,710
20.	Due to customers	14,284,235,235	14,018,316,068
30.	Securities issued	9,829,000,772	10,371,427,158
40.	Financial liabilities held for trading	237,889,431	256,210,309
50.	Financial liabilities carried at *fair value*	-	-
60.	Hedging derivatives	11,075,386	5,890,676
70.	Adjustment of financial liabilities hedged generically (+/-)	80,323,513	76,250,226
80.	Tax liabilities	215,688,266	233,501,356
	(a) current	182,909,440	197,475,218
	(b) deferred	32,778,826	36,026,138
90.	Liabilities in respect of assets being divested	-	-
100.	Other liabilities	679,660,164	744,270,013
110.	Employee severance benefits	109,830,542	107,900,075
120.	Provisions for liabilities and contingencies	87,060,847	103,859,871
	(a) retirement and similar liabilities	22,374,290	22,567,317
	(b) other provisions	64,686,557	81,292,554
130.	Valuation reserves	(93,508,028)	32,167,126
140.	Redeemable shares	-	-
150.	Equity instruments	-	-
160.	Reserves	842,297,159	458,911,103
170.	Share premium reserve	2,094,769,655	2,094,769,655
180.	Share capital	785,065,789	785,065,789
190.	Treasury shares (+/-)	-	-
200.	Net profit (loss) for the period	241,574,482	295,734,729
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**38,657,749,867**	**33,563,213,864**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

INCOME STATEMENT

Items		31.12.2010	31.12.2009 (*)
10.	Interest income and similar revenues	1,010,022,745	1,086,320,558
20.	Interest expense and similar charges	(293,926,172)	(323,648,901)
30.	**Net interest income**	**716,096,573**	**762,671,657**
40.	Commission income	424,119,456	404,059,624
50.	Commission expense	(14,867,104)	(15,668,207)
60.	**Net commission income**	**409,252,352**	**388,391,417**
70.	Dividends and similar revenues	41,240,779	41,210,412
80.	Net gain (loss) on trading activities	18,092,643	16,803,079
90.	Net gain (loss) on hedging activities	(1,269,726)	7,412,629
100.	Gain (loss) on the disposal or repurchase of:	23,923,924	(1,631,064)
	a) loans	(8,803,491)	(7,685,052)
	b) financial assets available for sale	36,792,466	4,222,258
	c) financial assets held to maturity	-	-
	d) financial liabilities	(4,065,051)	1,831,730
110.	Net gain (loss) on financial assets and liabilities carried at *fair value*	-	-
120.	**Gross income**	**1,207,336,545**	**1,214,858,130**
130.	Net impairment adjustments of:	(145,858,142)	(123,812,374)
	a) loans	(148,380,063)	(123,737,304)
	b) financial assets available for sale	(118,300)	(512,811)
	c) financial assets held to maturity	-	-
	d) other financial transactions	2,640,221	437,741
140.	**Profit (loss) from financial operations**	**1,061,478,403**	**1,091,045,756**
150.	Administrative expenses:	(751,514,063)	(744,438,293)
	a) staff expenses	(424,213,664)	(410,568,125)
	b) other administrative expenses	(327,300,399)	(333,870,168)
160.	Net provisions for liabilities and contingencies	(24,267,084)	(15,740,409)
170.	net adjustments of property, plant and equipment	(20,889,835)	(20,262,193)
180.	Net adjustments of intangible assets	(38,197,360)	(33,200,167)
190.	Other operating revenues (expenses)	139,052,872	134,116,848
200.	**Operating expenses**	**(695,815,470)**	**(679,524,214)**
210.	Gain (loss) from 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 disposal of investments	-380	33,781
250.	**Gain (loss) before tax on continuing operations**	**365,662,553**	**411,555,323**
260.	Income tax for the period on continuing operations	(124,088,071)	(115,820,594)
270.	**Profit (loss) after tax on continuing operations**	**241,574,482**	**295,734,729**
280.	**Profit (loss) after tax of groups of assets/liabilities under disposal**	**-**	**-**
290.	**NET PROFIT (LOSS) FOR THE PERIOD**	**241,574,482**	**295,734,729**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

STATEMENT OF COMPREHENSIVE INCOME

Items		31.12.2010	31.12.2009 (*)
10.	**Profit (loss) for the period**	**241,574,482**	**295,734,729**
	Other income after tax		
20.	Financial assets available for sale	(120,204,403)	20,865,578
30.	Property, plant and equipment	-	-
40.	Intangible assets	-	-
50.	Hedging of foreign investments	-	-
60.	Cash flow hedges	-	-
70.	Exchange rate differences	-	-
80.	Disposal groups	-	-
90.	Actuarial gains (losses) on defined-benefit plans	(5,470,752)	4,581,514
100.	Share of Valuation Reserves on equity investments accounted for using the equity method	-	-
110.	**Total other income components after tax**	**(125,675,154)**	**25,447,092**
120.	**COMPREHENSIVE INCOME (ITEM 10+110)**	**(115,899,328)**	**321,181,821**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2010

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Shareholders' equity
Equity at 31.12.2009 (*)	**785,065,789**	**2,094,769,655**	**457,909,487**	**1,001,616**	**32,167,126**	**295,734,729**	**3,666,648,402**
Allocation of net profit for previous period							
Reserves	-	-	120,805,321	-	-	(120,805,321)	-
Dividends and other allocations	-	-	-	-	-	(174,929,408)	(174,929,408)
Changes for the period							
Change in reserves	-	-	-	262,500,000	-	-	262,500,000
Equity transactions							
New issues	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary distribution of dividends	-	-	-	-	-	-	-
Changes in equity instruments	-	-	-	-	-	-	-
Treasury share derivatives	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	80,735	-	-	80,735
Comprehensive income	-	-	-	-	(125,675,154)	241,574,482	115,899,328
EQUITY AT 31.12.2010	**785,065,789**	**2,094,769,655**	**578,714,808**	**263,582,351**	**(93,508,028)**	**241,574,482**	**3,870,199,057**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2009

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Shareholders' equity (*)
Equity at 31.12.2008	**785,065,789**	**2,094,769,655**	**403,294,092**	**920,777**	**6,720,034**	**334,743,619**	**3,625,513,966**
Allocation of net profit for previous period							
Reserves	-	-	54,615,395	-	-	(54,615,395)	-
Dividends and other allocations	-	-	-	-	-	(280,128,224)	(280,128,224)
Changes for the period							
Change in reserves	-	-	-	-	-	-	-
Equity transactions							
New issues	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary distribution of dividends	-	-	-	-	-	-	-
Changes in equity instruments	-	-	-	-	-	-	-
Treasury share derivatives	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	80,839	-	-	80,839
Comprehensive income	-	-	-	-	25,447,092	295,734,729	321,181,821
EQUITY AT 31.12.2009 (*)	**785,065,789**	**2,094,769,655**	**457,909,487**	**1,001,616**	**32,167,126**	**295,734,729**	**3,666,648,402**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

CASH FLOW STATEMENT

	31.12.2010	31.12.2009 (*)
A. Operating activities		
1. Operations	**762,640,431**	**589,643,181**
net profit (loss) for the period (+/-)	241,574,482	295,734,729
gains (losses) on financial assets held for trading and financial assets/liabilities carried at *fair value* (-/+)	(10,677,832)	10,653,296
gains (losses) on hedging activities (-/+)	9,574,857	2,790,664
net impairment adjustments (+/-)	142,394,259	121,365,477
net adjustments of property, plant and equipment and intangible assets (+/-)	59,087,195	53,462,360
net provisions for liabilities and contingencies and other costs/revenues (+/-)	24,267,084	15,740,409
unpaid taxes and duties (+)	124,088,071	115,820,594
other adjustments (+/-)	172,332,315	(25,924,348)
2. Liquidity generated/absorbed by financial assets	**(5,367,818,728)**	**(4,119,668,723)**
financial assets held for trading	52,978,392	189,724,194
financial assets available for sale	(3,140,935,035)	(1,884,242,819)
loans to banks: demand	(160,203,471)	294,361,780)
loans to banks: other loans	(246,435,743)	(382,823,084)
loans to customers	(1,784,808,965)	(2,332,035,535)
other assets	(88,413,906)	(4,653,259)
3. Liquidity generated/absorbed by financial liabilities	**4,571,374,032**	**3,919,341,193**
due to banks: demand	47,323,472	301,419
due to banks: other payables	5,226,523,472	2,455,923,749
due to customers	265,919,167	1,630,088,285
securities issued	(533,258,606)	647,944,806
financial liabilities held for trading	(18,320,878)	16,550,550
other liabilities	(416,812,595)	(831,467,616)
NET LIQUIDITY GENERATED/ABSORBED BY OPERATING ACTIVITIES	**(33,804,265)**	**389,315,651**
B. Investing activities		
1. Liquidity generated by	**41,241,807**	**41,319,108**
dividends from equity investments	41,240,779	41,210,412
sales of property, plant and equipment	1,028	108,696
2. Liquidity absorbed by	**(98,118,548)**	**(153,171,511)**
purchase of equity investments	(7,250,600)	(82,996,268)
purchases of property, plant and equipment	(58,055,231)	(18,341,255)
purchases of intangible assets	(32,812,717)	(51,833,988)
NET LIQUIDITY GENERATED/ABSORBED BY INVESTING ACTIVITIES	**(56,876,741)**	**(111,852,403)**
C. Funding		
issues/purchases of treasury shares	-	-
issues/purchases of capital instruments	262,500,000	-
dividend distribution and other	(174,929,406)	(280,128,224)
NET LIQUIDITY GENERATED/ABSORBED BY FUNDING	**87,570,594**	**(280,128,224)**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	**(3,110,412)**	**(2,664,976)**

RECONCILIATION

Items	31.12.2010	31.12.2009 (*)
Cash and cash equivalents at beginning of period	163,348,298	166,013,274
Total net liquidity generated/absorbed during the period	(3,110,412)	(2,664,976)
Cash and cash equivalents: effect of exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**160,237,886**	**163,348,298**

KEY: (+) generated (–) absorbed.

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

Notes to the financial statements

Part A Accounting policies

A.1 GENERAL INFORMATION

Section 1 – Declaration of conformity with international accounting standards

The financial statements of Cariparma have been prepared, pursuant to Legislative Decree No. 38 of 28 February 2005, in accordance with the International Financial Reporting Standards and International Accounting Standards (IFRSs/IASs) 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 in accordance with the procedures referred to in Regulation (EC) No. 1606 of 19 July 2002. Therefore, the IASs/IFRSs in force at 31 December 2010 (including the SIC and IFRIC interpretations) were applied as endorsed by the European Commission and listed in detail in the relevant attachment to these financial statements. The financial statements and tables in the notes have been prepared using the format set out in Circular No. 262 of 22 December 2005, "Bank financial statements: format and rules for the preparation of bank financial statements", issued by the Bank of Italy pursuant to Article 9 of Legislative Decree No. 38/2005 as revised on 18 November 2009.

Section 2 – General preparation principles

The financial statements consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the notes to the financial statements, accompanied by the Directors' Report on operations, on the financial results achieved and well on the performance of the Bank.

In accordance with Article 5 of Legislative Decree No. 38/2005, the Euro has been used as the reporting currency in the preparation of the financial statements. The figures reported in the financial statements are expressed in Euros, whereas those in the tables in the notes and in the management report are expressed in thousands of Euro, unless otherwise specified.

These financial statements have been prepared in accordance with IAS 1 and the specific accounting standards endorsed by the European Commission and described in Part A.2 of these notes, as well as with the general assumptions contained in the "Framework for the Preparation and Presentation of Financial Statements" by the IASB. No exceptions were made in applying the IASs/IFRSs. It is believed that the Bank shall continue to operate in the foreseeable future. Therefore, the financial statements as at 31 December 2010 have been accordingly prepared on a going-concern basis. In the light of the disclosures required by IFRS 7 concerning the risks to which the Bank is exposed, appropriate information has been provided in the report on operations and in the notes to the financial statements, specifically in Section E. The notes to the financial statements also contain information on impairment testing of equity investments, securities available for sale and intangible assets (including goodwill). The financial statements and the tables in the Notes also contain comparative figures for the period ended as at 31 December 2009, as well as those for the year under review. In particular, as described in Section 4 – Other aspects, the figures as at 31 December 2009 have been restated following the change in recognition criteria for actuarial profits and losses relating to defined-benefit plans after the termination of the employment relation: employee severance benefits and defined-benefit pension plan.

Use of estimates and assumptions in preparing the annual financial statements

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

By their very nature, the estimates and assumptions used may vary from year to year. The present amounts recognized in the financial statements may therefore differ, perhaps significantly, in future periods due to changes in the subjective assessments used.

The main areas in which subjective assessments by management are required are as follows:

- quantifying impairment losses for loans and receivables and, in general, other financial assets;
- determining the fair value of financial instruments used for reporting purposes;
- using measurement models to determine the fair value of financial instruments not listed on active markets;
- assessing the adequacy of the value of goodwill and other intangible assets;
- quantifying staff expenses and provisions for liabilities and contingencies;
- making estimates and assumptions concerning the recoverability of deferred tax assets.

The descriptions of the accounting policies that apply to the primary categories reported in the financial statements provide detailed information on the major assumptions made and subjective assessments used in preparing the financial statements.

Contents of the financial statements

BALANCE SHEET AND INCOME STATEMENT

The balance sheet and income statement contain items, sub-items and further information (the “of which” for items and sub-items) and comply with the templates supplied by the Bank of Italy with Circular No. 262 of 22 December 2005, revised on 18 November 2009. In order to facilitate understanding of the figures, the statements are given in full including also the items with no amounts for the reporting year, nor for the previous year. In the Income Statement, revenues are set forth without a sign, while cost figures are set forth in parenthesis.

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income consist of items showing the changes in the value of the assets recognized in the year offsetting the valuation reserves, net of the related tax effect. As for the Balance Sheet and the Income Statement, the items with no amounts for the reporting year, nor for the previous one, have been stated also, differently from the Bank of Italy layouts. Negative amounts are set forth in parenthesis.

STATEMENT OF CHANGES IN EQUITY

To facilitate reading of the figures, the rows and columns of the statement of changes in equity were inverted with respect to the same statement prepared in accordance with Bank of Italy Circular No. 262/2005 as revised on 18 November 2009. The statement shows the composition and movements of the shareholders’ equity items during the reporting year and in the previous one, broken down into share capital (ordinary shares and savings shares), capital reserves, income reserves, comprehensive income and net profit or loss. The value of treasury shares is deducted from equity.

No equity instruments other than ordinary shares have been issued.

CASH FLOW STATEMENT

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

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

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

Contents of the notes to the financial statements

The notes to the financial statements contain the information required by Circular No. 262/2005 (1st revision of 18 November 2009) issued by the Bank of Italy, as well as further information required by the international accounting standards. As for the Balance Sheet and the Income Statement, the items with no amounts for the reporting year, nor for the previous one, have been stated also, differently from the Bank of Italy layouts.

In the tables relating to Income statement items, revenues are set forth without a sign, while cost figures are set forth in parenthesis.

▸ Section 3 – Events subsequent to the balance-sheet date

On 3 January 2011, the acquisition of a controlling equity investment in Cassa di Risparmio della Spezia S.p.A. (CARISPE), was finalized, which had been authorized by the Bank of Italy on 17 December 2010.

On said date, 79.99% of Carispe share capital was transferred from the Intesa Sanpaolo Group.

In the management report, accompanying the Group Consolidated Financial Statements, the transaction, scheduled for 2011 is exhaustively described, which, as well as the acquisition of the above-mentioned equity investment, will also increase our branch network since it includes the transfer of branches from Intesa Sanpaolo.

▸ Section 4 – Other aspects

Change of the accounting policy

In 2010, Cariparma aligned with the accounting policies of the controlling company Crédit Agricole with regard to the recognition in the Financial Statements of actuarial profits and losses relating to defined-benefit plans after the termination of the employment relation. It was opted to recognize these in equity, and not in the Income Statement (IAS 19). This change of option has regarded employee severance benefits and defined-benefit pension plans. The main effects of this change on profits or losses for 2009 are set forth below.

STATEMENT OF CHANGES IN EQUITY

SHAREHOLDERS' EQUITY (as per Financial Statement at 31.12.2009)	**3,666,648**
RESERVES	**-**
Valuation Reserves (item 130 Liabilities)	4,581
Profit (Loss) for the period (item 200 Liabilities)	(4,581)
FINAL SHAREHOLDERS' EQUITY (at 31.12.2009 restated)	**3,666,648**

CHANGES IN THE INCOME STATEMENT

NET PROFIT FOR THE FINANCIAL YEAR (as per Financial Statement at 31.12.2009)	**300,316**
CHANGES	**(4,581)**
Administrative expenses: a) staff expenses (item 150)	(6,318)
Income tax for the financial year on current operations (item 260)	1,737
FINAL NET PROFIT (AT 31.12.2009 restated)	**295,735**

Similarly, the positive effects on the Income Statements of the previous years can be quantified as a total (net of tax effects) of €6,293 thousand of euro.

Business combinations and other corporate transactions

No business combinations were carried out in 2010.

On 31 July 2010, the Bank increased its equity investment in Mondo Mutui Cariparma S.r.l., from 4% to 19%. This is a special-purpose vehicle established pursuant to law 130/99, with the aim of performing a self- securitization transaction.

Securitization

The self-securitization transaction started by Cariparma in 2009 to create available "eligible" assets at the European Central Bank, to have liquidity reserves available.

The structure of the transaction envisaged that Cariparma would transfer to MondoMutui Cariparma s.r.l. (special-purpose vehicle established pursuant to Law 130/1999/1 the receivables deriving from performing house mortgage loans contracts for which LTV ratio must not exceed 80% secured by first mortgage, originated and already disbursed by Cariparma. The bank, in turn, fully subscribed the securities issued by the "special-purpose vehicle" whose "senior" tranche, accepted for trading at the Luxembourg stock exchange, is considered a reserve of liquidity as it can be used, when needed, for open market transaction with the ECB or used as collateral with the same bank.

The transaction did not require the receivables to be derecognized from the financial statements of the Bank as the securitization was performed internally.

In the Notes to the financial statements – Part E – Section 3 – Liquidity Risk, the breakdown of subscribed financial assets and ABS securities is given in Table "1. Distribution of financial assets and liabilities by residual maturity – Currency: Euro", as confirmed by the Bank of Italy with communication of August 2010 (Supervisory Bulletin No. 8, August 2010 – 11.3).

Auditing

The financial statements have been audited by Reconta Ernst & Young S.p.A, in accordance with the resolution passed by the General Shareholder Meeting on 29 April 2009, whereby this firm was engaged to perform the audits for the period 2009-2011.

A.2 INFORMATION ON THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

The accounting policies and relevant interpretations used in the preparation of the Financial Statements as at 31 December 2010 are the same used in the preparation of the 2009 financial statements, with the exception of recognition in the financial statements of the actuarial profits and losses relating to defined-benefit plans after the termination of the employment relation. Moreover, the accounting policies used have been completed by the provisions of the IFRSs as endorsed by the European Union up to 31 December 2010, whose application is mandatory starting from 2010. In particular:

Standards, amendments or interpretations	Endorsement date	Date of first application
Annual amendment aiming at improving IFRS 5, which regards subsidiaries that are the object of a sale plan involving loss of control of a subsidiary and the resulting amendment to IFRS 1.	23 January 2009 (EC No. 70/2009)	1 January 2010
IAS 27 revision relating to the Consolidated and Separate Financial Statements.	3 June 2009 (EC No. 494/2009)	1 January 2010
IFRS 3 revision relating to business combinations.	3 June 2009 (EC No. 495/2009)	1 January 2010
Amendment to IAS 39: ↘ eligible hedged items; ↘ clarifications on the application of hedge accounting to the inflation component of financial instruments.	15 September 2009 (EC No. 839/2009)	1 January 2010
IFRS1 revision, on first-time adoption of international financial reporting standards.	25 November 2009 (EC No. 1136/2009) and 23 June 2010 (EC No. 550/2010)	1 January 2010
Improvements to IFRS 2, 5 and 8; to IAS 1, 7, 17, 36, 38 and 39; to IFRIC 9 and 16.	23 March 2009 (EC No. 243/2010)	1 January 2010
Amendment to IFRS 2, share-based payment transaction and incorporate guidance previously included in IFRIC 8 and 11, which were therefore withdrawn.	23 March 2010 (EU No. 244/2010)	1 January 2010
IFRIC 12 interpretation, relating to service concession agreements.	25 March 2009 (EU No. 254/2009)	1 January 2010
IFRIC 16 interpretation, relating to hedges of a net investment in a foreign operation.	4 June 2009 (EU No. 460/2009)	1 January 2010
Ruling IFRIC 15, relating agreements for the construction of real estate.	22 July 2009 (EC No. 636/2009)	1 January 2010
IFRIC 17 interpretation relating to distribution of non-cash assets to owners.	26 November 2009 (EC No. 1142/2009)	1 January 2010
IFRIC 18 interpretation, relating the transfer of assets from Customers.	27 November 2009 (EC No. 1164/2009)	1 January 2010

▸ 1. Financial assets held for trading

Classification

This category consists of debt and equity securities and the positive value of derivatives contracts held for trading. Derivatives contracts include derivatives embedded in complex financial instruments that have been recognized separately because:

- their financial and risk characteristics are not strictly correlated with the characteristics of the underlying contract;
- the embedded instruments, even when separated, satisfy the definition of derivative;
- hybrid instruments to which they belong are not measured at fair value with the related changes in value recognized in the income statement.

Recognition

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

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

Any derivative contracts embedded in complex contracts that are not strictly correlated with the host instrument and that meet the requirements to be classified as derivative contracts are separated from the host contract and recognized at fair value.

Measurement

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

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

Equity securities and derivatives on equity securities, for which it not possible to determine a fair value accurately using the above guidelines, are recognized at cost.

Derecognition

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

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

Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

▸ 2. Financial assets available for sale

Classification

This category includes financial assets that are not otherwise classified as “loans and receivables”, “financial assets held for trading” or “financial assets held to maturity”.

In addition to bonds that are not held for trading and are not classified among “financial assets held to maturity” or “loans and receivables”, this item includes shareholdings not held for trading and not qualifying as subsidiary, associate or joint venture, including private equity and private equity funds investments, as well as the share of syndicated loans subscribed that have been held for sale since inception.

Recognition

Available-for-sale financial assets are initially recognized at the settlement date for debt and equity securities and at the disbursement date in the case of loans. The financial assets are initially recognized at fair value, including direct transaction costs or revenues. If, in those cases allowed by accounting standards, recognition occurs as a result of reclassification from “assets held to maturity”, they are recognized at the fair value at the time of transfer.

Measurement

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

Fair value is determined using the criteria adopted for “financial assets held for trading”.

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

Financial assets available for sale undergo impairment testing to determine whether there is objective evidence of impairment.

Where impairment is found, the amount of the loss is measured as the difference between purchase cost and the fair value net of any losses already recognized in the income statement.

With respect to equity instruments, a fall in far value by over 30% on the book value or lasting over six consecutive months is considered evidence of impairment.

If the reasons for the impairment should be removed subsequent to the recognition of the impairment loss, writebacks are recognized in the income statement for loans or debt securities. The amount of the writeback shall not in any event exceed the loss originally recognized in the income statement.

For equity instruments this writeback is recognized in equity.

Loan restructuring transactions entailing the partial or complete conversion into equity instruments classified in the category of financial assets available for sale

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

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

Derecognition

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

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

Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

▸ 3. Financial assets held to maturity

Classification

This category includes debt securities with fixed or determinable payments and fixed maturity that the Company has the intention and ability to hold to maturity. If, following a change in such intention or ability, it is no longer appropriate to continue to classify an investment as “held to maturity”, it is reclassified under “Financial Assets available for sale”.

Recognition

Financial assets are initially recognized at the settlement date.

Financial assets are initially recognized at fair value, including any transaction costs or revenues directly attributable to the instrument. If recognition in this category occurs as a result of reclassification from “Asset available for sale”, the fair value of the asset at the date of reclassification is taken as the new amortized cost of the asset.

Measurement

Following initial recognition, financial assets held to maturity are measured at amortized cost using the effective interest rate method.

Gains and losses relating to assets held to maturity are recognized in the income statement at the moment in which the asset is derecognized or has incurred an impairment loss, as well as through the amortization of the difference between the book value and the amount repayable upon maturity.

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

Where impairment is found, the amount of this loss is measured as the difference between the book value of the asset and the present value of estimated future cash flows, discounted using the original effective interest rate. The amount of the loss is recognized in the income statement.

If the reasons for the impairment should be removed subsequent to the recognition of the impairment loss, writebacks are taken to the income statement. The amount of the writeback shall not in any event exceed the amortized cost that the financial instrument would have had in the absence of prior adjustments.

Derecognition

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

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

Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

▸ 4. Loans and receivables

Classification

Loans and receivables include loans to customers and banks, whether disbursed directly or acquired from third parties, with fixed or determinable payments, that are not listed on an active market and are not originally classified as “Financial Assets available for sale”.

This category also includes trade receivables, repurchase transactions, and securities purchased through subscription or private placements, with fixed or determinable payments, that are not listed on an active market.

Recognition

Loans and receivables are initially recognized at the date of signing, which usually coincides with the disbursement date at fair value. The fair value of the financial instrument is equal to the amount disbursed, or subscription price, including costs and revenues directly attributable to the individual loan and determinable from the inception of the transaction, even if settled at a later time. The initially recognized amount does not include costs to be reimbursed by the debtor or that can be characterized as normal administrative overhead costs, despite having the above characteristics.

Measurement

Following initial recognition, loans and receivables are measured at amortized cost. The amortized cost equals the amount at which a financial asset is measured at initial recognition, decreased by principal repayments, plus or minus the cumulative amortization – using the effective interest rate method – of any difference between the initial amount and the maturity amount (usually relating to costs and revenues directly attributable to the individual position). The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the loan in respect of principal and interest to the amount disbursed including costs and revenues attributable to the loan. This accounting treatment, using a financial logic, allows the cost/revenue economic impact to be distributed over the expected remaining life of the loan.

The amortized cost method is not used for short-term loans (below 12 months) as the effect of discounting back would be negligible. Short-term loans are valued at historic cost. The same approach is adopted for loans without a specified maturity or subject to revocation.

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

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

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

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

The writedown is recognized in the income statement.

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

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

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. As described in part E of the Notes to the Financial Statements, this is performed by category of loans with uniform credit risk profiles, while the related loss percentages are based on the probability of default (PD) and Loss Given Default (LGD) observable at the date of measurement which allow an estimation of any latent impairment loss. This measurement also takes into account the risks associated with the counterparty's country of residence.

Collective impairment losses are taken to the income statement.

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

Derecognition

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

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

Finally, loans and receivables sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

▸ 5. Financial assets carried at fair value

The Bank has not exercised the fair value option. In other words, it has not opted to measure financial assets at fair value, taking any change in such value to the income statement, except in those cases for which IAS 39 requires application of the fair value criterion owing to their specific functional purpose. Therefore, only financial assets held in the trading book, subject to fair value hedging and fair value hedging derivatives are measured at fair value with recognition of the result of measurement in the income statement.

▸ 6. Hedging

Types of hedges

Hedging transactions are used to neutralize potential losses occurring on a given item or group of items attributable to a given risk where the risk event should occur.

The following types of hedges are used:

- fair value hedges: these are used to hedge exposures to changes in the fair value (attributable to different types of risk) of assets and liabilities or portions thereof, groups of assets and liabilities, irrevocable commitments and portfolios of financial assets and liabilities, including core deposits, as permitted by IAS 39 as endorsed by the European Commission;
- hedges of an investment in foreign currency: these are used to hedge risks of an investment in a foreign operation denominated in a foreign currency.

Measurement

Hedging derivatives are measured at fair value. Specifically:

- in the case of fair value hedging, changes in the fair value of the hedged item are offset by changes in the fair value of the hedging instrument. This offset is recognized by reporting changes in value in the income statement, both for the hedged item and for the hedging instrument. Any difference that may arise, representing the partial ineffectiveness of the hedge, represents the net financial effect;
- in the case of cash flow hedging, changes in the fair value of the derivative instrument are recognized in equity as to the effective portion of the hedge, and in the income statement only when, with regard to the hedged item, there is a change in the cash flows to be offset;
- hedges of an investment in a foreign operation are treated in the same way as cash flow hedges.

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

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

A hedge is judged effective when changes in the fair value (or the cash flows) of the hedging instrument almost entirely – *i.e.* within an interval of between 80% and 125% – offset changes in the value of the hedged item for the hedged risk factor.

Effectiveness is assessed at the end of each year, or interim period, using:

- prospective tests, which justify the application of hedge accounting, since they demonstrate the expected effectiveness of the hedge;
- retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how actual results deviate from the perfect hedge;
- any ineffective hedge produced by economic circumstances that are expected to return to normal as confirmed by prospective tests are not taken into account.

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

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

Macrohedging may not be used for a net amount including assets and liabilities. Macrohedging is deemed to be highly effective if, along with the fair value hedge, both at inception and during the hedge, changes in the fair value of the hedged amount are offset by the changes in the fair value of the hedging derivative, within a range of between 80% and 125%.

▸ 7. Equity investments

Classification

This item includes interests in subsidiaries, associates and joint ventures.

Subsidiaries are companies in which the Company, directly or indirectly, holds more than half of the voting rights or in which, despite holding less than 50% of the voting rights, it has the power to appoint most of the directors of the subsidiary or to determine its financial and operating policies. In determining the amount of voting rights, "potential" voting rights that can be exercised or converted into effective voting rights at any time by the Parent Company are included.

Joint ventures are companies in which the voting rights and the control of its business activities are shared equally, directly or indirectly, between the Parent Company and another party.

Joint ventures also include equity investments in which, despite the lack of equal voting rights, control over the business activities and the strategic policies of the equity investment is shared with other parties under contractual agreements.

Associates are companies in which the Bank exercises a significant influence, holding, either directly or indirectly, at least 20% of the voting rights (including "potential" voting rights as defined above) or having the power to participate in determining its financial and operating policies, despite holding less than 20% of the voting rights, through specific legal ties, such as being party to a shareholders' agreement.

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

Recognition

Equity investments are recognized at the settlement date. Equity investments are initially recognized at cost at the settlement date, including costs and revenues that are directly attributable to the transaction.

Measurement

Equity investments are measured at cost, adjusted for any impairment losses. Where there is evidence that the value of an equity investment may be impaired, its recoverable value is determined, taking into account the present value of future cash flows that the shareholding could generate, including its value upon disposal.

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

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

Derecognition

Equity investments are derecognized when the contractual rights to the cash flows generated by the assets expire, or when substantially all the risks and rewards connected with ownership of the equity are transferred.

▸ 8. Property, plant and equipment

Classification

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

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

Recognition

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

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

Measurement

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

Assets are systematically depreciated over their useful life on a straight-line basis, using the following rates of depreciation for the main categories of assets as follows: Office furniture and equipment: 12%; furnishings and sundry equipment: 15%; alarm systems: 30%; motor vehicles: 25%; computer equipment and electronics: 33.33% if the purchase price does not exceed €516.46 euro and 20% if the purchase price is over €516.46 euro. The depreciable value is represented by the cost of the assets since the residual value at the end of the depreciation process is considered negligible.

Buildings are depreciated at a rate based on a useful life of 33 years, which is considered to appropriately represent the deterioration of the assets over time due to use, taking into account any extraordinary maintenance costs, which increase the value of the assets, and ordinary maintenance costs, which maintain the value of the assets for longer periods of time. Tests are however periodically performed to measure the assets' remaining useful life.

The following assets are not depreciated:

- land, whether acquired separately or incorporated in the value of the buildings, since it is has an indefinite useful life. Where its value is incorporated in the value of the building, under the components approach, the land is considered separable form the building. For buildings entirely owned by, and, therefore, fully available to the company, the division of the value of the land and the value of the building is based on appraisals by independent experts;
- works of art, since their useful life cannot be estimated and their value will usually increase over time.

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

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

Derecognition

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

▸ 9. Intangible assets

Classification

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

Recognition and measurement

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

The useful life of intangible assets is measured as finite or indefinite.

Intangible assets with finite useful life are amortized over their useful life and undergo value adequacy testing every time signals are recorded of a possible impairment. The amortization period and approach for intangible assets with finite useful life are reassessed at least at the end of every year. Changes in the expected useful life or in the ways with which the future economic benefits linked to the assets are realized, are recognized through the change of the period or amortization approach, as the case may be, and are considered as changes in accounting estimates. Amortization cost for intangible assets with finite useful life is recognized in the income statement in the cost category consistent with the intangible asset function.

The software useful life does not exceed five years. The useful life of intangible assets representing relations with customers has been set at 15 years, based on the time series available on the rate of customer turnover in the retail segment.

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

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

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

Derecognition

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

Profits or losses resulting from the derecognition of intangible assets are calculated as the difference between the net disposal revenue and the book value of the intangible asset and are recognized in the income statement for the year in which the derecognition is made.

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

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

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

▸ 11. Current and deferred taxation

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

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

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

Deferred tax assets are calculated using the balance sheet liability method.

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

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

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

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

▸ 12. Provisions for liabilities and contingencies

Retirement and similar liabilities

The company pension plans, created pursuant to corporate agreements, qualify as “defined-benefit plans”. The liability in respect of these plans and the relative social security costs for current service are determined on an actuarial basis by applying the projected unit credit method. Under this method, future outlays are projected based on analyses of time series and the demographic curve, as well as the discounting of such flows using a market interest rate, as set forth in the relevant tables in the notes to the financial statements. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation. The discount rate used is based on the yield curve of AA-rated European corporate securities.

The present value of the obligation at the balance-sheet date is further adjusted in the amount of the fair value of any plan assets.

Other provisions

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

Where the time factor is significant, provisions are discounted using current market rates. The accrual is recognized in the Income Statement and includes the increase in the provision due to the passage of time.

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

▸ 13. Debt and securities issued

Classification

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

Recognition

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

The financial liabilities are initially recognized at fair value, which is normally equal to the amounts received or the issue price, plus or minus any additional costs or revenues directly attributable to the transaction. Internal administrative costs are excluded.

Measurement

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

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

Derecognition

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

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

▸ 14. Financial liabilities held for trading

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

All trading liabilities are measured at fair value and the result of such measurement is taken to the income statement.

▸ 15. Financial liabilities carried at fair value

Cariparma has chosen not to exercise the fair value option. In other words, it has not opted to measure financial liabilities at fair value, taking any change in such value to the income statement, except in those cases for which IAS 39 requires application of the fair value criterion owing to their specific functional purpose. Only financial liabilities held in the trading book, those subject to fair value hedging and derivative hedging contracts are recognized at fair value with recognition of the result of measurement to the income statement.

▸ 16. Foreign currency transactions

Initial recognition

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

Subsequent measurement

At the annual and interim balance-sheet date, foreign currency items are measured as follows:

- monetary items are translated at the exchange rate prevailing at the balance-sheet date;
- non-monetary items measured at historic cost are translated at the exchange rate prevailing at the transaction date;
- non-monetary items measured at fair value are translated using the exchange rate prevailing at balance-sheet date.

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

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

▶ 17. Other information

Leases

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

Cariparma has signed operating lease contracts – as lessee – for automobiles and other capital goods. The payments associated with these operating lease contracts have been recognized in the income statement on a straight-line basis over the duration of the contract.

Cariparma has no finance lease contracts currently active.

Insurance Assets and Liabilities

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

Treasury shares

Treasury shares are deducted from Shareholders' Equity. Similarly, the original costs of these shares and any gains or losses resulting from their subsequent sale are recognized as changes in Shareholders' Equity.

Leasehold improvements

The costs of renovating leased property are capitalized in consideration of the fact that, for the duration of the lease, the tenant has control over and enjoys the future economic benefits of the assets. These costs, classified among "Other Assets" as required by Circular No. 262/2005 issued by the Bank of Italy, are depreciated over a period that does not exceed the duration of the lease.

Employee severance benefits

Until 31 December 2006, employee severance benefits of Italian companies were considered a defined-benefit plan. The regulation of said benefits was amended by Law No. 296 of 27 December 2006, ("2007 Finance Act") and subsequent Decrees and Regulations issued in the first months of 2007. In the light of said amendments, this item is now to be considered a defined-benefit plan exclusively for the portions accrued before 1 January 2007 (and not settled yet as at the balance-sheet date), whereas after said date it is treated as a defined-contribution plan.

Therefore, with reference to the defined-benefit plan component the benefit cost is calculated separately for each plan using the actuarial projected unit credit method. Under this method future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation. The discount rate used is based on the yield curve of AA-rated European corporate securities.

The costs to service the plan are recognized under staff expenses include interest accrued, while the total employee severance benefits portion accrued in the year, following the reform of supplementary pension schemes introduced with the 2007 Finance Act, constitutes a "defined-contribution plan".

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

Based on the employees' choice, the amounts are allocated to supplementary pension schemes or to the Treasury fund managed by INPS (Italian Social Security Institute). The portions allocated to the defined-contribution plan are calculated based on the contributions due for each year without using any actuarial calculation methods.

Provisions for guarantees and commitments

Financial guarantee liabilities issued by Cariparma are contracts requiring a payment to refund the holder of a loss following the default of a specific debtor in making the payment due at the set payment date based on the contract clauses of the debt instrument. Financial guarantee contracts are initially recognised as liabilities at fair value, increased by the transaction costs directly ascribable to the guarantee issue. Later, liabilities are measured as the higher between the best estimate of the cost required to meet the actual obligation as at the balance-sheet date and the amount initially recognised after deducting the accrued amortization. These guarantees are recognized under “Other Liabilities”, pursuant to the above-mentioned Bank of Italy Circular No. 262/2005 (1st revision of 18 November 2009).

Share-based payments

Share-based compensation plans for employees are recognized in the Income Statement, with a corresponding increase in Shareholders' Equity, based on the fair value of the financial instruments allocated at the grant date, divided over the time period covered by the plan.

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

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

Revenue recognition

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

- interest is recognised on an accrual basis using the contractual interest rate or the effective interest rate where the amortized cost method is applied;
- default interest, if any, is recognized in the income statement only upon receipt;
- dividends are recognized in the income statement when their distribution is authorized;
- commissions for revenues from services are recognized, in accordance with the terms of the contract, in the period in which the service is rendered;
- revenues from intermediation in financial instruments, calculated on the basis of the difference between the transaction price and the fair value of the financial instrument, are recognized in the Income Statement when the transaction is recognized, if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded. If these amounts cannot be easily determined or the instrument is not highly liquid, the financial instrument is recognized in an amount equal to the transaction price, excluding the commercial margin; the difference between this amount and the fair value is taken to profit or loss over the duration of the transaction through the gradual reduction in the valuation model of the corrective factor reflecting the reduced liquidity of the instrument.

Method for determining fair value

Fair value represents the amount for which an asset (or a liability) could be exchanged in a transaction between independent parties with a reasonable degree of knowledge about market conditions and important facts concerning the asset or liability traded. Underlying the definition of fair value is a presumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The fair value reflects the credit quality of the instrument as it incorporates counterparty risk.

FINANCIAL INSTRUMENTS

Fair value is determined using prices from financial markets, in the case of financial instruments listed in active markets, or using internal measurement for other financial instruments.

A market is considered active if quoted prices, representing effective and regular market transactions occurring during an appropriate reference period, are readily and regularly available from sources such as securities markets, dealers, brokers, industry companies, pricing services or regulatory agencies. Mutual funds, spot exchange transactions, futures, options and stocks listed on regulated markets, and bonds, for which at least two “executable” prices on a quotation service with a bid-ask spread that is less than an interval deemed appropriate recognizable on an ongoing basis are considered to be quoted on active markets meeting the above requirements. Finally, hedge funds are also treated as quoted on an active market if they involve the monthly liquidation of units or, where this is not envisaged, if they can be liquidated in a period of no more than four months. Otherwise, all securities, derivatives and hedge funds that do not belong to the above categories are not considered as quoted on an active market.

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

In the case of financial instruments for which the bid-ask spread is immaterial, or for financial assets and liabilities capable of offsetting market risk, a “mid price” is used, *i.e.* the average market price (on the last day of the reference period) instead of the ask or bid price.

Where there is no active, liquid market, the fair value of financial instruments is defined mainly by using standard valuation techniques designed to establish what the transaction price would have been on the measurement date in an arm's length trade carried out for normal market reasons. In incorporating all the factors that operators would consider in setting the price, development of the valuation models takes into account the time value of money at the risk-free rate, the volatility of the financial instrument, as well as, where applicable, exchange rates, commodity prices and stock prices.

For financial products, for which the fair value is arrived at using valuation techniques and does not guarantee sufficient reliability, the fair value as at the reference date and as communicated by the counterparties with which these transactions have been made, is prudentially used.

The valuation method chosen for a financial instrument is applied consistently over time and may only be altered if significant changes in market conditions or the subjective condition of the issuer of the financial instrument occur.

Valuation models have been defined for bonds and derivative contracts, which are globally accepted and which refer to market parameters communicated by the Parent Company, to the time value of money and to risk-free rates.

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

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

Share certificates are measured considering the direct transactions, that is, significant transactions on the security registered in a sufficiently short timeframe with respect to the time of measurement and in constant market conditions, the comparable transactions by companies operating in the same sector and supplying the same type of products and services as the associated company being evaluated provides, application of the average of significant stock exchange multiples of companies of a comparable financial size to the financial aggregates of the investee and, finally, analytical financial, profitability and equity valuation methods.

For assets classified as available for sale or for assets and liabilities recognized at cost or amortized cost, the fair value in the financial statements or in the notes is calculated using the following method:

- medium and long-term fixed-rate assets and liabilities are primarily measured by discounting future cash flows. Future cash flows are determined with a risk neutral approach by using a risk-free interest rate and adjusting contractually envisaged future cash flows to take into account the counterparty's credit risk, represented by the Probability of Default (PD) and the Loss Given Default (LGD);
- a good approximation of the fair value of demand or short-term floating-rate assets and liabilities is represented by the initial carrying value, net of collective or individual writedowns;
- the initial carrying value of floating-rate and short-term fixed-rate securities is deemed a reasonable approximation of the fair value, due to the fact that it reflects both the change in rates and the measurement of the credit risk associated with the issuer. An analogous approach is applied in measuring the *fair value* of medium/long-term, fixed-rate securities and structured securities that are hedged for interest rate risk with respect to which the book value determined for hedge accounting purposes already takes into account market risk. For the latter, in determining the fair value reported in the notes to the financial statements, changes in their credit spread were not taken into account, given that they are immaterial.

NON-FINANCIAL ASSETS

With regard to real estate, for which the fair value is calculated only for the purposes of disclosure in the notes to the financial statements, reference is made to a value primarily based on appraisals by independent experts, considering transactions at current prices in an active market for similar properties in the same geographical area and under the same conditions for leases and other contracts.

Method for calculating amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization, calculated using the effective interest method of any difference between the initial amount and the amount at maturity, and minus any impairment loss.

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability.

To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

Subsequent to initial recognition, the amortized cost method makes it possible to allocate revenues and costs pertaining to the instruments over their expected lifetime. The calculation of amortized cost differs depending on whether the financial asset or liability being measured is fixed-rate or floating-rate, and – in the case of a floating rate instrument – whether the variability of the rate is known ahead of time. For fixed-rate instruments, or instruments with fixed rates over specified time periods, future cash flows are measured using the known interest rate (single or variable) over the life of the loan. For floating rate financial assets and liabilities whose variability is not known ahead of time (e.g. because it is linked to an index), cash flows are determined using the last known rate. Each time the rate is revised, the amortization schedule is recalculated, as is the effective rate of return over the entire useful life of the instruments, *i.e*. until maturity date. Any adjustments are recognized as expense or income in the Income Statement.

Amortized cost is calculated for loans and receivables, financial assets held to maturity, financial assets available for sale, debt and securities issued.

Financial assets and liabilities traded on an arm's length basis are initially recognized at fair value, which normally corresponds to the amount received or paid, including, for instruments measured at amortized cost, directly attributable transaction costs and commissions.

Transaction costs are incremental internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument that cannot be charged to the customer. These commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for retrocession, failure to use a credit line, early repayment, underwriting, facility and arrangement. In addition, not considered in the amortized cost calculation are the amortized costs that the Bank would sustain independently of the transaction (for example, administrative costs, recording fees, correspondence), nor those that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as commissions for services received for activities carried out relating to structured finance deals that would however have been received independently of the resulting lending transactions and, intercompany costs and revenues.

For loans, costs attributable to the financial instrument include commissions paid to distribution channels, fees for advice/assistance in arranging and/or participating in syndicated loans, costs incurred for loans acquired by subrogation and finally up-front commissions for loans disbursed at higher-than-market rates. Revenues considered in calculating amortized cost are up-front commissions for loans disbursed at lower-than-market rates, commissions for participating in syndicated transactions and brokerage fees.

As to securities not classified as held for trading, transaction costs include commissions on contracts with stockbrokers operating in Italian markets, commissions paid to intermediaries operating in foreign stock and bond markets based on a prepared schedule of commissions.

The amortized cost does not include stamp duties, as these are deemed immaterial.

With regard to securities issued, amortized cost is calculated taking into account commissions for placing bonds paid to third parties, amounts paid to stock exchanges and fees paid to auditors for work done on each individual issue, while excluding commissions paid to rating agencies, legal fees and fees paid to advisors and auditors to annually update the financial reports, costs for using indexes and commissions that arise during the lifespan of the bond issued.

Following initial recognition, they are measured at amortized cost reporting that the effective interest rate is higher or lower than nominal rate. Finally, structured assets or liabilities not measured at fair value through the income statement are also measured at amortized cost, with the embedded derivative recognized separately from the host financial instrument.

Hedged financial assets and liabilities for which changes in fair value with respect to the hedged risk are recognized in the income statement are not measured at amortized cost. However, the financial instrument is once again measured at amortized cost where the hedge terminates. From that moment, previously recognized changes in fair value are amortized, calculating the new effective interest rate that takes account of the value of the loan adjusted for the fair value of the hedged item, through the originally scheduled expiry of the hedge. Moreover, as stated previously in the section on measuring loans and receivables, debt and securities issued, the amortized cost method does not apply to short-term financial assets and liabilities since the impact of discounting is negligible, nor to loans without a specified maturity or loans subject to revocation.

Methods for determining impairment losses

FINANCIAL ASSETS

At every balance-sheet date, financial assets not classified among "Financial Assets held for trading" undergo impairment testing to determine whether there is objective evidence that the book value of the assets is not fully recoverable.

Impairment exists where there is objective evidence of a reduction in future cash flows compared with the original estimates following the occurrence of specific events. The loss must be capable of being reliably measured and must be correlated with actual, not merely expected, events.

Impairment is measured individually for financial assets that show specific evidence of impairment, and collectively for financial assets for which individual measurement is not required or for which individual measurement has not produced a writedown.

Loans to customers and loans to banks subject to individual assessment include those classified as bad debts, substandard loans, restructured loans according to the Bank of Italy's definitions and consistent with the IAS/IFRS.

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

Expected cash flows take account of expected recovery times, the estimated realizable value of any security, as well as the costs likely to be incurred to recover the claim. Cash flows from loans for which recovery is expected in the short-term are not discounted, since the impact of the time factor is deemed immaterial.

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing.

To this end performing loans are subdivided into categories with uniform credit risk profile, referred to as "rating classes", and the scope of application is defined by identifying "sensitive" loans, considered as loans that implicitly include the possibility of incurred losses. The sensitive loan selection process excludes loans disbursed during the past 12 months but includes renewals of existing credit lines. The collective impairment value of sensitive loans is, therefore, calculated applying the percentage expressing the probability of default assigned to the rating class, considering also the residual life of the loan (maturity) and the "loss given default" rate, defined in a perspective of Basel 2 prudential supervision. The loss given default rate is, moreover, further corrected by a sector coefficient, established based on the run-off rates published by the Bank of Italy. The impairment loss measurement also takes into account the risk associated with the counterparty's country of residence.

Moreover, for shares, objective evidence of impairment is deemed found in the presence of one of the following signals: rating downgrading by over 2 classes, a market capitalization significantly lower than the Shareholders' Equity, start of implementation of a debt restructuring plan, a significant negative change in Shareholders' Equity.

Please, see the relevant section of the notes for information on how fair value is calculated.

OTHER NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets are subject to impairment testing if there is evidence that the book value of the asset cannot be recovered. The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent of those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently written-down to the recoverable value. The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent of those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently written-down to the recoverable value. The recoverable value is determined with reference to the fair value of the asset, excluding disposal costs, or value in use, if calculable and higher than the fair value.

The fair value of property is mainly determined on the basis of appraisals by independent experts. The appraisal is updated whenever there is a change in the property market trend that could affect the validity of the previous estimates and, in any case, every three years. Impairment losses are recognized only when the fair value or value in use of the asset is lower than its book value for three consecutive years.

For other property, plant and equipment and intangible assets (other than goodwill), Cariparma assumes the use value as the present value of the estimated future cash flows using a discounting rate before-taxes reflecting the market measurements (the present cost of money and the asset specific risks).

Method for preparing segment information

The Bank is required to present segment reporting, as required by IFRS 8.

The sectors of economic activity included in segment reporting are determined based on the Bank's organisational and management structure. The Bank's business segments are:

- Retail + Private;
- Corporate;
- remaining business.

In comparison to the preceding financial year, the segment reporting has been seen again, underlining consequently Calit in a separate segment, the informative of the financial year 2009 has been restated following the same method.

For segment reporting purposes Financial Statement figures have been used.

A.3 FAIR VALUE REPORTING

A.3.1 Inter-portfolio transfers

In 2010 no inter-portfolio transfers were made.

A.3.2 *Fair value* hierarchy

Financial instruments classification

ASSET SECURITIES

Level 1

All securities measured using prices (without adjustments) on active markets.

Level 2

All securities measured based on prices in non-active markets or in active markets for similar instruments (but not identical), as well as all those securities measured with the Bank's internal pricing standard models, whose parameters can be observed directly on the market.

Level 3

All securities measured on non-observable market bases.

In this case, securities are measured based on estimates and assumptions by the assessor, derived from data collected over time or based on trend assumptions, or using the measurement communicated by qualified market operators.

LIABILITY SECURITIES

Level 1

All securities measured using prices (without adjustments) on active markets.

Level 2

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

Level 3

All securities measured on non-observable market bases.

LISTED DERIVATIVES

Level 1

All derivatives valued using market prices (without adjustments) in active markets.

OTC DERIVATIVES

Level 2

All derivatives measured using the Bank's standard pricing models whose parameters are observable directly on the market.

Level 3

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

A.3.2.1 ACCOUNTING PORTFOLIOS: BREAKDOWN BY FAIR VALUE LEVEL

Financial assets/liabilities carried at fair value	31.12.2010			31.12.2009		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets held for trading	9,449	151,445	82,156	34,215	136,237	114,899
2. Financial assets carried at *fair value*	-	-	-	-	-	-
3. Financial assets available for sale	5,773,138	-	127,272	2,796,851	5,784	127,896
4. Hedging derivatives	-	373,082	-	-	283,230	-
TOTAL	**5,782,587**	**524,527**	**209,428**	**2,831,066**	**425,251**	**242,795**
1. Financial liabilities held for trading	3	154,132	83,754	7	138,907	117,296
2. Financial Liabilities carried at *fair value*	-	-	-	-	-	-
3. Hedging derivatives	-	11,075	-	-	5,891	-
TOTAL	**3**	**165,207**	**83,754**	**7**	**144,798**	**117,296**

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

	Financial assets			
	Held for trading	Carried at fair value	Available for sale	Hedging
1. Opening balance	**114,899**	**-**	**127,896**	**-**
2. Increases	**21,936**	**-**	**1,931**	**-**
2.1 Purchases	2,915	-	328	-
2.2 Profits recognized in:	19,021	-	858	-
2.2.1 Income Statement	19,021	-	-	-
↘ *of which: Capital gains*	19,021	-	-	-
2.2.2 Shareholders' equity	X	X	858	-
2.3 Transfers from other categories	-	-	-	-
2.4 Other increases	-	-	745	-
3. Decreases	**54,679**	**-**	**2,555**	**-**
3.1 Sales	309	-	-	-
3.2 Redemptions	37,469	-	2,124	-
3.3 Losses recognized in:	13,532	-	431	-
3.3.1 Income Statement	13,532	-	37	-
↘ *of which Capital losses*	13,531	-	37	-
3.3.2 Shareholders' equity	X	X	394	-
3.4 Transfers to other categories	3,369	-	-	-
3.5 Other decreases	-	-	-	-
4. Final inventories	**82,156**	**-**	**127,272**	**-**

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

	Financial liabilities		
	Held for trading	Carried at fair value	Hedging
1. Opening balance	**117,296**	**-**	**-**
2. Increases	**13,613**	**-**	**-**
2.1 Issues	2,406	-	-
2.2 Losses recognized in:	11,207	-	-
2.2.1 Income Statement	11,207	-	-
↘ *of which Capital losses*	11,207	-	-
2.2.2 Shareholders' equity	X	X	-
2.3 Transfers from other categories	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**47,155**	**-**	**-**
3.1 Redemptions	33,311	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognized in:	10,281	-	-
3.3.1 Income Statement	10,281	-	-
↘ *of which capital gains*	10,281	-	-
3.3.2 Shareholders' equity	X	X	-
3.4 Transfers to other categories	3,563	-	-
3.5 Other decreases	-	-	-
4. Final inventories	**83,754**	**-**	**-**

A.3.3 Disclosure on day-one profit/loss

Item not relevant for Cariparma..

PART B Information on the balance sheet

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: composition

	31.12.2010	31.12.2009
a) Cash	160,238	163,348
b) Demand deposits with Central Banks	-	-
TOTAL	**160,238**	**163,348**

Section 2 – Financial assets held for trading – Item 20

2.1 Financial assets held for trading: composition by type

	31.12.2010			31.12.2009		
Items/Amounts	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
A On-Balance-Sheet Assets						
1. Debt securities	**13**	**59**	**40**	**485**	**64**	**41**
1.1 Structured Securities	3	58	-	16	3	-
1.2 Other debt securities	10	1	40	469	61	41
2. Equity securities	**-**	**-**	**17**	**-**	**-**	**18**
3. Units in collective investment undertakings	**9,431**	**-**	**188**	**33,649**	**-**	**351**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
TOTAL A	**9,444**	**59**	**245**	**34,134**	**64**	**410**
B Derivatives						
1. Financial Derivatives	**5**	**151,386**	**81,911**	**81**	**136,173**	**114,489**
1.1 trading	5	151,386	81,911	81	136,173	114,489
1.2 associated with *fair value option*	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**
2.1 trading	-	-	-	-	-	-
2.2 associated with *fair value option*	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	**5**	**151,386**	**81,911**	**81**	**136,173**	**114,489**
TOTAL (A+B)	**9,449**	**151,445**	**82,156**	**34,215**	**136,237**	**114,899**

2.2 Financial assets held for trading: composition by debtor/issuer

Items/Amounts	31.12.2010	31.12.2009
A. On-balance-sheet assets		
1. Debt securities	**112**	**590**
a) Governments and central banks	2	15
b) Other public entities	-	-
c) Banks	109	543
d) Other issuers:	1	32
2. Equity securities	**17**	**18**
a) Banks	17	18
b) Other issuers:	-	-
↘ insurance companies	-	-
↘ financial companies	-	-
↘ non-financial companies	-	-
↘ other	-	-
3. Units in collective investment undertakings	**9,619**	**34,000**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total A	**9,748**	**34,608**
B. Derivatives	**-**	**-**
a) Banks		
↘ *fair value*	83,171	60,398
b) Customers		
↘ *fair value*	150,131	190,345
Total B	**233,302**	**250,743**
TOTAL (A+B)	**243,050**	**285,351**

Item O.I.C.R. (Collective Investment Undertaking) mainly consists of share funds.

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

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**590**	**18**	**34,000**	**-**	**34,608**
B. Increases	**1,361,478**	**27,443**	**453**	**-**	**1,389,374**
B1. Purchases	1,358,717	27,442	71	-	1,386,230
B2. Fair *Value gains*	3	-	29	-	32
B3. Other changes	2,758	1	353	-	3,112
C. Decreases	**1,361,956**	**27,444**	**24,834**	**-**	**1,414,234**
C1 Sales	1,361,865	27,442	24,679	-	1,413,986
C2. Redemptions	-	-	-	-	-
C3. Fair *Value losses*	-	-	153	-	153
C4 Transfers to other portfolios	-	-	-	-	-
C5. Other changes	91	2	2	-	95
D. Closing balance	**112**	**17**	**9,619**	**-**	**9,748**

▸ Section 4 – Financial assets available for sale – Item 40

4.1 Financial assets available for sale: composition by type

Items/Amounts	31.12.2010			31.12.2009		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**5,772,716**	**-**	**47,356**	**2,796,405**	**5,784**	**48,237**
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	5,772,716	-	47,356	2,796,405	5,784	48,237
2. Equity securities	**422**	**-**	**79,601**	**446**	**-**	**79,659**
2.1 Carried at *Fair Value*	422	-	15,581	446	-	15,639
2.2 Carried at cost	-	-	64,020	-	-	64,020
3. Units in collective investment undertakings	**-**	**-**	**315**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**5,773,138**	**-**	**127,272**	**2,796,851**	**5,784**	**127,896**

The main equity securities carried at cost are: Bank of Italy (book value €63,447,591.60, whose fair value is equal to the cost, because there is no market, even a secondary one, and the common measuring methods may not be used, given the particular kind of business), Consorzio Agrario Provinciale di Parma (book value €572,000.00, whose fair value is equal to the historic cost because there is no distribution of profits, due to their co-operative company status, and in case of settlement only the share capital is refunded) and Consorzio Agrario Provinciale Piacenza Scrl (book value €453.26, whose fair value is equal to the historic cost because there is no distribution of profits, due to their co-operative company status, and in case of settlement only the share capital is refunded).

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

Items/Amounts	31.12.2010	31.12.2009
1. Debt securities	**5,820,072**	**2,850,426**
a) Governments and central banks	5,772,716	2,796,405
b) Other public entities	-	-
c) Banks	-	5,784
d) Other issuers	47,356	48,237
2. Equity securities	**80,023**	**80,105**
a) Banks	63,448	63,448
b) Other issuers	16,575	16,657
↘ insurance companies	-	-
↘ financial companies	1,355	1,291
↘ non-financial companies	15,220	15,366
↘ other	-	-
3. Units in collective investment undertakings	**315**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
TOTAL	**5,900,410**	**2,930,531**

4.3 Financial assets available for sale hedged specifically

At the end of 2010, there were 2,049 million of securities hedged specifically for interest rate risk and 452 million subject to price risk hedge.

4.4 Financial assets available for sale: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**2,850,426**	**80,105**	**-**	**-**	**2,930,531**
B. Increases	**5,098,635**	**125**	**315**	**-**	**5,099,075**
B1. Purchases	4,961,370	13	315	-	4,961,698
B2. Fair value gains	807	51	-	-	858
B3. Writebacks	-	61	-	-	61
↘ recognized through income statement	-	X	-	-	-
↘ recognized through equity	-	61	-	-	61
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	136,458	-	-	-	136,458
C. Decreases	**2,128,989**	**207**	**-**	**-**	**2,129,196**
C1 Sales	1,804,979	-	-	-	1,804,979
C2. Redemptions	2,124	-	-	-	2,124
C3. Fair Value losses	206,149	89	-	-	206,238
C4. Writedowns for impairment	-	118	-	-	118
↘ recognized through income statement	-	-	-	-	-
↘ recognized through equity	-	118	-	-	118
C5 Transfers to other portfolios	-	-	-	-	-
C6. Other changes	115,737	-	-	-	115,737
D. Closing balance	**5,820,072**	**80,023**	**315**	**-**	**5,900,410**

▸ Section 6 – Loans to banks – Item 60

6.1 Loans to banks: composition by type

Type of transaction/values	31.12.2010	31.12.2009
A. Claims on central banks	**450,056**	**545,168**
1. Fixed-term deposits	-	-
2. Reserve requirement	450,056	545,168
3. Repurchase agreements	-	-
4. Other	-	-
B. Loans to banks	**4,523,813**	**4,022,062**
1. Current accounts and demand deposits	244,351	84,148
2. Fixed-term deposits	1,792,546	1,254,510
3. Other financing:	323,103	14,539
3.1 Repurchase agreements	310,137	5,376
3.2 Finance lease	-	-
3.3 Other	12,966	9,163
4. Debt securities	2,163,813	2,668,865
4.1 Structured Securities	-	-
4.2 Other debt securities	2,163,813	2,668,865
TOTAL *(book value)*	**4,973,869**	**4,567,230**
TOTAL *(fair value)*	**4,974,369**	**4,567,944**

At the end of 2010 no impaired loans to banks were recorded.

6.2 Loans to banks subject to specific hedge

At the end of 2010 there were no loans to banks subject to specific hedge.

6.3 Finance lease

At the end of 2010 there were no loans to banks resulting from finance lease transactions.

▶ Section 7 – Loans to banks – Item 70

7.1 Loans to customers: composition by type

Type of transactions/Amounts	31.12.2010 Performing	31.12.2010 Impaired	31.12.2009 Performing	31.12.2009 Impaired
1. Current accounts	3,496,675	129,579	3,582,409	74,973
2. Repurchase agreements	-	-	-	-
3. Mortgage loans	15,013,334	620,938	13,735,617	449,838
4. Credit cards, personal loans and loans repaid by automatic deductions from wages	624,076	19,278	688,111	17,885
5. Finance leases	-	-	-	-
6. Factoring	-	-	-	-
7. Other transactions	3,764,327	60,896	3,561,122	22,934
8. Debt securities	4,980	-	-	-
8.1 Structured Securities	-	-	-	-
8.2 Other debt securities	4,980	-	-	-
TOTAL *(book value)*	**22,903,392**	**830,691**	**21,567,259**	**565,630**
TOTAL *(fair value)*	**23,203,039**	**830,691**	**21,810,555**	**565,630**

7.2 Loans to customers: composition by type

Type of transactions/Amounts	31.12.2010 Performing	31.12.2010 Impaired	31.12.2009 Performing	31.12.2009 Impaired
1. Debt securities:	**4,980**	**-**	**-**	**-**
a) Governments	-	-	-	-
b) Other public entities	-	-	-	-
c) Other issuers	4,980	-	-	-
↘ non-financial companies	-	-	-	-
↘ financial companies	4,980	-	-	-
↘ insurance undertakings	-	-	-	-
↘ other	-	-	-	-
2. Loans to:	**22,898,412**	**830,691**	**21,567,259**	**565,630**
a) Governments	418	2	4,278	1
b) Other public entities	128,360	6	116,016	1
c) Other	22,769,634	830,683	21,446,965	565,628
↘ non-financial companies	12,470,248	439,059	12,001,232	290,391
↘ financial companies	2,070,497	28,252	1,716,651	958
↘ insurance undertakings	2,060	1	2,481	1
↘ other	8,226,829	363,371	7,726,601	274,278
TOTAL	**22,903,392**	**830,691**	**21,567,259**	**565,630**

7.3 Loans to customers: assets hedged specifically

At the end of 2010 there were no loans to banks subject to specific hedging.

7.4 Finance lease

At the end of 2010 there were no loans to customers resulting from finance lease transactions.

▸ Section 8 – Hedging derivatives – Item 80

8.1 Hedging derivatives: composition by type of hedge and levels

	FV 31.12.2010			NV 31.12.2010	FV 31.12.2009			NV 31.12.2009
	L1	L2	L3		L1	L2	L3	
A) Financial Derivatives	**-**	**373,082**	**-**	**12,568,465**	**-**	**283,230**	**-**	**4,643,075**
1) Fair value	-	373,082	-	12,568,465	-	283,230	-	4,643,075
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
TOTAL	**-**	**373,082**	**-**	**12,568,465**	**-**	**283,230**	**-**	**4,643,075**

Key:
FV = fair value.
NV = notional value.
L1 = Level 1.
L2 = Level 2
L3 = Level 3.

8.2 Hedging derivatives: composition by hedged portfolio and by type of hedge

Transactions/ Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific					Generic	Specific	Generic	
	interest rate risk	exchange rate risk	credit risk	price risk	multiple risks				
1. Financial assets available for sale	15,316	-	-	28,079	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other transactions	X	X	X	X	X	X	X	X	-
TOTAL ASSETS	**15,316**	**-**	**-**	**28,079**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	208,507	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	121,180	-	-	X
TOTAL LIABILITIES	**208,507**	**-**	**-**	**-**	**-**	**121,180**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

▸ Section 10 – Equity investments – Item 100

10.1 Equity investments in subsidiaries, joint-ventures or companies subject to significant influence: information on investments

Name	Registered office	% holding	% of vote
A. Exclusively-controlled companies			
1. Banca Popolare FriulAdria	Pordenone	79.11	
2. Crédit Agricole Leasing Italia – Calit S.r.l.	Milan, Italy	85.00	
B. Joint ventures			
not present			
A. Companies subject to significant influence			
1. Crédit Agricole Vita S.p.A.	Parma	49.99	
2. Ca- Agroalimentare S.p.A.	Parma	26.32	
3. MondoMutui Cariparma S.r.l.	Milan, Italy	19.00	

10.2 Equity investments in subsidiaries, joint-ventures or companies subject to significant influence: accounting data

	Total assets	Total revenue	Profit (loss)	Equity	Book value	Fair value
A. Exclusively-controlled companies	**9,912,617**	**204,073**	**39,037**	**680,814**	**1,021,646**	
1. Banca Popolare FriulAdria	8,232,688	158,337	41,609	617,509	943,296	X
2. Crédit Agricole Leasing Italia – Calit S.r.l.	1,679,929	45,736	(2,572)	63,305	78,350	X
B. Joint ventures	**-**	**-**	**-**	**-**	-	
not present						X
C. Companies subject to significant influence	**5,441,127**	**1,939,228**	**67,635**	**289,504**	**126,146**	
1. Crédit Agricole Vita S.p.A.	5,346,142	1,938,750	68,237	195,094	119,894	-
2. Ca- Agroalimentare S.p.A.	94,956	458	(604)	94,398	6,250	-
3. MondoMutui Cariparma S.r.l.	29	20	2	12	2	-
TOTAL	**15,353,744**	**2,143,301**	**106,672**	**970,318**	**1,147,792**	**-**

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

10.3 Equity investments: changes for the period

	31.12.2010	31.12.2009
A. Opening balance	**1,140,541**	**1,057,545**
B. Increases	**7,251**	**82,996**
B.1 Purchases	7,251	82,996
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4. Other changes	-	-
C. Decreases	**-**	**-**
C.1 Sales	-	-
C.2 Writedowns	-	-
C.3. Other changes	-	-
D. Closing balance	**1,147,792**	**1,140,541**
E. Total Revaluation	**-**	**-**
F. Total writedowns	**-**	**-**

10.6 Commitments in respect of companies subject to significant influence

At the end of 2010, the remaining commitment to the company CA Agro-Alimentare amounted to €18.75 million.

▸ Section 11 – Property, plant and equipment – Item 110

11.1 Property, plant and equipment: composition of assets carried at cost

Assets/Amounts	31.12.2010	31.12.2009
A. Operating assets		
1.1 owned	**280,615**	**243,877**
a) land	72,352	69,274
b) buildings	168,690	124,275
c) movables	12,221	14,491
d) electrical plant	3,369	5,108
e) other	23,983	30,729
1.2 acquired *under* finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) movables	-	-
d) electrical plant	-	-
e) other	-	-
Total A	**280,615**	**243,877**
B. Investment property		
2.1 owned	**8,302**	**8,475**
a) land	2,994	2,988
b) buildings	5,308	5,487
2.2 acquired *under* finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
Total B	**8,302**	**8,475**
TOTAL (A+B)	**288,917**	**252,352**

11.3 Operating property, plant and equipment: changes for the period

	Land	Buildings	Furnishings	Electronic equipment	Other	Total
A. Opening gross balance	**69,274**	**241,500**	**59,167**	**35,151**	**123,162**	**528,254**
A.1 Total net writedowns	-	117,225	44,676	30,043	92,433	284,377
A.2 Opening net balance	**69,274**	**124,275**	**14,491**	**5,108**	**30,729**	**243,877**
B. Increases:	**3,078**	**49,762**	**871**	**826**	**3,275**	**57,812**
B.1 Purchases	3,078	45,150	871	826	3,275	53,200
B.2 Capitalized improvement costs	-	4,612	-	-	-	4,612
B.3 Writebacks	-	-	-	-	-	-
B.4. Fair *Value gains* recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7. Other changes	-	-	-	-	-	-
C. Decreases:	**-**	**5,347**	**3,141**	**2,565**	**10,021**	**21,074**
C.1 Sales	-	-	-	1	-	1
C.2 Depreciation	-	5,154	3,093	2,496	9,950	20,693
C.3 Writedowns for impairment recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Fair *Value losses* recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) investment property	-	-	-	-	-	-
b) discontinuing operations	-	-	-	-	-	-
C.7. Other changes	-	193	48	68	71	380
D. Closing net balance	**72,352**	**168,690**	**12,221**	**3,369**	**23,983**	**280,615**
D.1 Total net writedowns	-	122,367	47,756	32,481	102,135	304,739
D.2 Closing gross balance	**72,352**	**291,057**	**59,977**	**35,850**	**126,118**	**585,354**
E. Carried at cost	-	-	-	-	-	-

11.4 Investment property, plant and equipment: changes for the period

	31.12.2010	
	Land	Buildings
A. Opening balance	**2,988**	**5,487**
B. Increases	**6**	**17**
B.1 Purchases	6	-
B.2 Capitalized improvement costs	-	17
B.3 Fair Value gains *recognized in*	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from operating assets	-	-
B.7. Other changes	-	-
C. Decreases	**-**	**196**
C.1 Sales	-	-
C.2 Depreciation	-	196
C.3 Fair *Value losses*	-	-
C.4 Writedowns for impairment	-	-
C.5 Negative exchange rate differences	-	-
C.6 Transfers to other assets portfolios	-	-
a) operating assets	-	-
b) discontinuing operations	-	-
C.7. Other changes	-	-
D. Closing balance	**2,994**	**5,308**
E. Carried at *fair value*	5,386	10,414

▸ Section 12 – Intangible assets – Item 120

12.1 Intangible assets: composition by type of asset

	31.12.2010		31.12.2009	
Assets/Amounts	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**662,982**	**X**	**662,982**
A.2 Other intangible assets	**199,855**	**-**	**205,379**	**-**
A.2.1 Assets carried at cost:	199,855	-	205,379	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	199,855	-	205,379	-
A.2.2 Assets carried at *fair value*:	-	-	-	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
TOTAL	**199,855**	**662,982**	**205,379**	**662,982**

The cost of intangible assets with a finite life is amortized on a straight-line basis over the remaining useful life of the assets, which for software does not exceed five years (final net balance €76.6 million). As regards the intangible element in respect of customer relationships, the useful life was set at 15 years, based on available time series for retail customer turnover, over a 15-year period (final net balance €123.2 million).

12.2 Intangible assets: changes for the period

	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
		with finite life	with indefinite life	with finite life	with indefinite life	
A. Opening balance	**662,982**	**-**	**-**	**317,862**	**-**	**980,844**
A.1 Total net writedowns	-	-	-	112,483	-	112,483
A.2 Opening net balance	**662,982**	**-**	**-**	**205,379**	**-**	**868,361**
B. Increases	**-**	**-**	**-**	**32,812**	**-**	**32,812**
B.1 Purchases	-	-	-	32,812	-	32,812
B.2 Increases in internal intangible assets	x	-	-	-	-	-
B.3 Writebacks	x	-	-	-	-	-
B.4. Fair *Value gains*:	-	-	-	-	-	-
↘ equity	x	-	-	-	-	-
↘ income statement	x	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6. Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**38,336**	**-**	**38,336**
C.1 Sales	-	-	-	-	-	-
C.2 Writedowns	-	-	-	38,197	-	38,197
↘ Depreciation and amortization	x	-	-	38,197	-	38,197
↘ Writedowns:	-	-	-	-	-	-
+ equity	x	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Fair Value losses *recognized in*:	-	-	-	-	-	-
↘ equity	x	-	-	-	-	-
↘ income statement	x	-	-	-	-	-
C.4 Transfers to discontinuing operations	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6. Other changes	-	-	-	139	-	139
D. Closing net balance	**662,982**	**-**	**-**	**199,855**	**-**	**862,837**
D.1 Total net writedowns	-	-	-	150,574	-	150,574
E. Closing gross balance	**662,982**	**-**	**-**	**350,429**	**-**	**1,013,411**
F. Carried at cost	-	-	-	-	-	-

12.3 Other Information

IMPAIRMENT TESTING ON INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

As part of the transactions for the purchasing of 180 branches by Cariparma, a Price Purchase Allocation process was used to identify a set of assets with a finite useful life, corresponding to the different sources of recurring profitability linked to commercial relations with customers.

Their duration was defined based on the available time series for retail customer turnover, over a 15 year period.

At the end of 2010, it was verified that the value of each of the components making up the intangible assets, calculated as the present value of future cash flows, was still higher than the book value. Specifically:

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

Therefore, the total value of intangible assets is higher than the value recognized on 31/12/2010 which amounted to €123,217 thousand for the 180 branches.

IMPAIRMENT TESTING ON GOODWILL

As required by IAS/IFRS, Cariparma tested for impairment the goodwill emerged as part of the transaction for the acquisition of the 180 branches.

First the Cash Generating Unit (CGU) was identified: this is the minimum unit generating cash flows, to which goodwill (equal to €662.982 thousand) is allocated. Based on the customer segments used for reporting to the management, the CGU was identified with the Retail + Private channel of Cariparma (which includes 180 branches).

The CGU value in use has been calculated consistently with the method adopted by the Crédit Agricole Group S.A. Group, *i.e.* using the Discounted Cash Flows method and compared with its absorbed assets.

Information on the method for calculating future cash flows and discounting rate is provided in the Consolidated Financial Report of the Cariparma FriulAdria Group.

The test showed that the CGU value is higher than the corresponding goodwill value.

This result also held when the parameters were changed (within a reasonable range of fluctuation). More specifically, the sensitivity analysis was calculated varying the parameters as follows:

- risk-free rate: *within a range of* 2.91% and 4.49%;
- beta: *within a range of 0.88% and 1.20%;*
- risk premium: *within a range of 4.20% and 4.30%.*

The sensitivity analysis produced a positive outcome.

▸ Section 13 – Tax assets and tax liabilities – Item 130 of assets and item 80 of liabilities

13.1 Deferred tax assets: composition

		Reversal year								
	(*)	2011	2012	2013	Beyond	Undetermined reversal	Total assets in financial statement	IRES	IRAP	Total taxes
Deductible temporary differences										
Loan writedowns (eighteenths)	27.50	10,967	10,967	10,967	145,153		**178,054**	48,964		48,964
Writedowns on valuation of securities	32.3335	105	6,735	8,740	152,161		**167,741**	46,128	8,108	54,236
Provisions to Risks and Charges Funds										
↘ legal disputes and revocatory actions	27.50	22,782	4,249	4,067	2,093		**33,191**	9,127		9,127
↘ guarantees	27.50	4,019					**4,019**	1,105		1,105
↘ staff costs	27.50	8,503	3,423	97		9,367	**21,390**	5,882		5,882
↘ I.D.P.F. actions										
↘ interest and commission adjustment										
Other	27.50	8,359					**8,359**	2,300		2,300
Maintenance expenses exceeding 5% ceiling										
Recognition for tax purposes of goodwill from transfer	32.3335	73,478	73,478	73,478	367,387		**587,821**	161,651	28,413	190,064
Other costs or provisions not yet deducted	from 27,50 to 32,3335	1,511	32	32	394	33,414	**35,383**	9,702	878	10,580
Tax losses carried forward										
TOTAL		**129,724**	**98,884**	**97,381**	**667,188**	**42,781**	**1,035,958**	**284,859**	**37,399**	**322,258**

(*) Indicates the percentage applied in the calculation of deferred and pre-paid tax.

13.2 Deferred tax liabilities: composition

		Reversal year								
	(*)	2011	2012	2013	Beyond	Undetermined reversal	Total assets in financial statement	IRES	IRAP	Total taxes
Taxable temporary differences										
Realized capital gains	from 27,50 to 32,3335	121	68	7			**196**	54	3	57
Tax-suspension reserves	from 27,50 to 32,3335									
Assets not recognized for tax purposes	from 27,50 to 32,3335	2,080	792	830	30,033	121,533	**155,268**	25,480	7,225	32,705
Accelerated depreciation	from 27,50 to 32,3335				52		**52**	14	3	17
Other revenues not yet taxed	from 27,50 to 32,3335									
TOTAL		**2,201**	**860**	**837**	**30,085**	**121,533**	**155,516**	**25,548**	**7,231**	**32,779**

(*) Indicates the percentage applied in the calculation of deferred and pre-paid tax.

13.3 Changes in deferred tax assets (recognized in income statement)

	31.12.2010	31.12.2009
1. Opening balance	**277,277**	**256,095**
2. Increases	**33,348**	**79,064**
2.1 Deferred tax assets recognized during the period	32,643	76,244
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other	32,643	76,244
2.2 New taxes or increases in tax rates	92	-
2.3 Other increases	613	2,820
3. Decreases	**43,104**	**57,882**
3.1 Deferred tax assets derecognized during the period	40,908	44,023
a) reversals	40,908	44,023
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	2,196	13,859
4. CLOSING BALANCE	**267,521**	**277,277**

The other increases and decreases as outlined in points 2.3 and 3.3 include the increases or decreases resulting from the more accurate recognition of deferred tax assets after filing the income tax return. The related balancing item is not represented by income statement items, but rather by current tax liabilities.

13.4 Changes in deferred tax liabilities (recognized in income statement)

	31.12.2010	31.12.2009
1. Opening balance	**23,184**	**42,654**
2. Increases	**675**	**1,540**
2.1 Deferred tax liabilities recognized during the year	38	914
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	38	914
2.2 New taxes or increases in tax rates	18	-
2.3 Other increases	619	626
3. Decreases	**717**	**21,010**
3.1 Deferred taxes derecognised in the financial year	717	949
a) reversals	717	949
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	-	20,061
4. CLOSING BALANCE	**23,142**	**23,184**

The other increases and decreases as outlined in points 2.3 and 3.3 include the increases or decreases resulting from the more accurate recognition of deferred tax liabilities after filing the income tax return. The related balancing item is not represented by Income Statement items but rather by current tax liabilities, with the exception of the increase relating to an equity investment having as balancing item the Income Statement item "Deferred tax liabilities".

13.5 Changes in deferred tax assets (recognized in shareholders' equity)

	31.12.2010	31.12.2009
1. Opening balance	**164**	**246**
2. Increases	**54,655**	**-**
2.1 Deferred tax assets recognized during the period	54,655	-
a) in respect of previous periods	-	-
b) due to change in accounting policies	419	-
c) other	54,236	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**82**	**82**
3.1 Deferred tax assets derecognized during the period	82	82
a) reversals	82	82
b) writedowns for supervening non recoverability	-	-
c) due to change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. CLOSING BALANCE	**54,737**	**164**

13.6 Changes in deferred tax liabilities (recognized in shareholders' equity)

	31.12.2010	31.12.2009
1. Opening balance	**12,842**	**2,305**
2. Increases	**10,498**	**10,674**
2.1 Deferred tax assets recognized during the period	10,492	10,674
a) in respect of previous periods	-	-
b) due to change in accounting policies	-	-
c) other	10,492	10,674
2.2 New taxes or increases in tax rates	6	-
2.3 Other increases	-	-
3. Decreases	**13,703**	**137**
3.1 Deferred tax assets derecognized during the period	13,703	137
a) reversals	13,703	137
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. CLOSING BALANCE	**9,637**	**12,842**

▸ Section 15 – Other assets – Item 150

15.1 Other assets: composition

	31.12.2010	31.12.2009
Sundry debits in process	90,261	50,078
Sundry receivables for foreign exchange transactions	51	6
Stamp duty and other assets	5	5
Items being processed	91,942	86,947
Uncapitalized accrued income	8,802	6,165
Prepaid expenses not allocated to other items	25,498	15,477
Protested bills and checks	2,744	4,513
Leasehold improvements	12,761	18,378
Tax advances paid on behalf of third parties	17,544	43,887
Sundry items	187,436	181,655
TOTAL	**437,044**	**407,111**

LIABILITIES

Section 1 – Due to banks – Item 10

1.1 Due to banks: composition by type

Type of transactions/Amounts	31.12.2010	31.12.2009
1. Due to central banks	**-**	**324,213**
2. Payables due to banks	**9,252,787**	**3,654,727**
2.1 Current accounts and demand deposits	55,615	8,291
2.2 Fixed-term deposits	2,768,764	912,802
2.3 Loans	6,427,695	2,732,344
2.3.1 Repurchase agreements	6,154,205	2,459,656
2.3.2 Other	273,490	272,688
2.4 Liabilities in respect of commitments to repurchase own equity instruments	-	-
2.5 Other payables	713	1,290
TOTAL	**9,252,787**	**3,978,940**
FAIR VALUE	**9,252,787**	**3,978,940**

1.2 Breakdown of item 10 "Due to Banks": subordinated liabilities

Characteristics	Issue date	Maturity	Method of reimbursement	Interest rate	Currency	Original value	Book value
Subordinated deposit	17.12.2008	17.12.2018	5 equal installments as from December 2014	3-month Euribor + 334 bp	euro	250,000	250,424

1.4 Due to Banks covered by specific hedge

At the end of 2010 there were no due to banks subject to specific hedge/micro hedge.

1.5 Liabilities in respect of financial leases

At the end of 2010 there were no due to banks resulting from finance lease transactions.

▸ Section 2 – Due to customers – Item 20

2.1 Due to customers: composition by type

Type of transactions/Amounts	31.12.2010	31.12.2009
1. Current accounts and demand deposits	14,199,116	13,815,275
2. Fixed-term deposits	18,179	22,810
3. Loans	10,032	144,790
3.1 Repurchase agreements	10,032	144,790
3.2 Other	-	-
4. Liabilities in respect of commitments to repurchase own equity	-	-
5. Other payables	56,908	35,441
TOTAL	**14,284,235**	**14,018,316**
FAIR VALUE	**14,284,235**	**14,018,316**

2.4 Due to customers covered by specific hedge

At the end of 2010 there were no due to customers subject to specific hedge/micro hedge.

2.5 Liabilities in respect of finance leases

At the end of 2010, there were no due to banks resulting from finance lease transactions. Section 3 – Securities issued – Item 30.

3.1 Securities issued: composition by type

Type of securities/ values	31.12.2010				31.12.2009			
	Financial statement value	Fair value			Financial statement value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	8,996,884	-	9,011,836	-	9,293,676	-	9,333,109	-
1.1 Structured	2,453	-	2,453	-	2,219	-	2,219	-
1.2 other	8,994,431	-	9,009,383	-	9,291,457	-	9,330,890	-
2. Other securities	832,117	-	-	832,117	1,077,751	-	-	1,077,751
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	832,117	-	-	832,117	1,077,751	-	-	1,077,751
TOTAL	**9,829,001**	**-**	**9,011,836**	**832,117**	**10,371,427**	**-**	**9,333,109**	**1,077,751**

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

Characteristics	Issue date	Maturity	Method of reimbursement	Interest rate	Currency	Original value	Book value
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	up to 30.06.2012 5%; after that 50% 6-month Euribor + 1%	euro	77,250	77,825
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	5% fixed	euro	222,750	228,616

3.3 Securities issued: securities hedged specifically

At the end of 2010, there were 4,997 million of securities hedged specifically for interest rate risk.

▸ Section 4 – Financial liabilities held for trading – Item 40

4.1 Financial liabilities held for trading: composition by type

	31.12.2010					31.12.2009				
		FV					FV			
Type of transactions/Amounts	**NV**	**Level 1**	**Level 2**	**Level 3**	**FV***	**NV**	**Level 1**	**Level 2**	**Level 3**	**FV***
A. On-balance-sheet liabilities										
1. Payables due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	x	-	-	-	-	x
3.1.2 Other bonds	-	-	-	-	x	-	-	-	-	x
3.2 Other	-	-	-	-		-	-	-	-	
3.2.1 structured	-	-	-	-	x	-	-	-	-	x
3.2.2 Other	-	-	-	-	x	-	-	-	-	x
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial Derivatives	-	3	154,132	83,754	-	-	7	138,907	117,296	-
1.1 Trading	x	3	153,780	83,754	x	x	7	138,542	117,296	x
1.2 Associated with *fair value option*	x	-	-	-	x	x	-	-	-	x
1.3 Other	x	-	352	-	x	x	-	365	-	x
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
2.1 Trading	x	-	-	-	x	x	-	-	-	x
2.2 Associated with *fair value option*	x	-	-	-	x	x	-	-	-	x
2.3 Other	x	-	-	-	x	x	-	-	-	x
Total B	**x**	**3**	**154,132**	**83,754**	**x**	**x**	**7**	**138,907**	**117,296**	**x**
TOTAL (A+B)	**X**	**3**	**154,132**	**83,754**	**X**	**X**	**7**	**138,907**	**117,296**	**X**

Key:
FV = fair value.
FV = fair value calculated excluding changes in value resulting from an alteration in credit rating after the date of issue.*
NV = nominal value or notional value.

▸ Section 6 – Hedging derivatives – Item 60

6.1 Hedging Derivatives: composition by type of hedge and level

	Fair value 31.12.2010			Notional amount 31.12.2010	Fair value 31.12.2009			Notional value 31.12.2009
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A) Financial Derivatives	**-**	**11,075**	**-**	**1,695,458**	**-**	**5,891**	**-**	**747,500**
1) *Fair value*	-	11,075	-	1,695,458	-	5,891	-	747,500
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) *Fair value*	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
TOTAL	**-**	**11,075**	**-**	**1,695,458**	**-**	**5,891**	**-**	**747,500**

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

Transactions/ Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific								
	interest rate risk	exchange rate risk	credit risk	price risk	multiple risks	Generic	Specific	Generic	
1. Financial assets available for sale	4,089	-	-	-	-	x	-	x	x
2. Loans and receivables	-	-	-	x	-	x	-	x	x
3. Financial assets held to maturity	x	-	-	x	-	x	-	x	x
4. Portfolio	-	-	-	-	-	-	-	-	x
5. Other transactions	x	x	x	x	x	x	x	x	-
TOTAL ASSETS	**4,089**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	6,766	-	-	x	-	x	-	x	x
2. Portfolio	-	-	-	-	-	220	-	-	x
TOTAL LIABILITIES	**6,766**	**-**	**-**	**-**	**-**	**220**	**-**	**-**	
1. Forecast transactions	x	x	x	x	x	x	-	x	x
2. Financial assets and liabilities portfolio	x	x	x	x	x	x	x	-	-

▸ Section 7 – Adjustment of financial liabilities subject to macro hedging – Item 70

7.1 Adjustment of hedged financial liabilities

Adjustment of hedged liabilities/Amounts	31.12.2010	31.12.2009
1. Positive adjustment of financial liabilities	81,341	76,250
2. Negative adjustment of financial liabilities	(1,017)	-
TOTAL	**80,324**	**76,250**

7.2 Liabilities subject to macro-hedging against interest rate risk: composition

Type of transaction/Values	31.12.2010	31.12.2009
Financial liabilities	6,957,000	1,670,000

▸ Section 8 – Tax liabilities – Item 80

See section 13 in assets.

▸ Section 10 – Other liabilities – Item 100

10.1 Other liabilities: composition

	31.12.2010	31.12.2009
Payables to suppliers	68,316	95,196
Amounts due to third parties	167,525	175,989
Credit transfers ordered and being processed	76,980	138,621
Amounts payable to tax authorities on behalf of third parties	54,234	45,548
Advances on loans	580	583
Adjustments for illiquid items	176,527	167,593
Credits and items being processed	1,047	6,048
Staff costs	51,043	47,638
Uncapitalized accrued expenses	443	205
Deferred income not allocated to other items	16,817	11,393
Guarantees and commitments	2,273	4,914
Sundry items	63,875	50,543
TOTAL	**679,660**	**744,271**

▸ Section 11 – Employee severance benefits – Item 110

11.1 Employee severance benefits: changes for the period

	31.12.2010	31.12.2009
A. Opening balance	**107,900**	**116,997**
B. Increases	**7,899**	**3,564**
B.1 Provisions for the period	1,877	3,564
B.2. Other changes	6,022	-
C. Decreases	**5,968**	**12,661**
C.1 Severance payments	5,968	7,273
C.2. Other changes	-	5,388
D. Closing balance	**109,831**	**107,900**

11.2 Other Information

	31.12.2010
A. Present value of employees severance benefits – opening DBO at 01.01.2010	**107,900**
B. Increases:	**7,899**
B.1 Pension plan costs	-
B.2 Interest expense	1,877
B.3 Payments by plan participants	-
B.4 Actuarial gains and losses	6,022
B.5 Positive exchange rate differences	-
B.6 Pension expenses for past services	-
B.7. Other changes	-
C. Decreases:	**5,968**
C.1 Benefits paid	5,968
C.2 Reductions	-
C.3 Redemptions	-
C.4 Negative exchange rate differences	-
C.5. Other changes	-
D. Present value of employee severance benefits – Closing DBO at 31.12.2010	**109,831**

11.3 Description of the main actuarial assumptions

The following technical demographic bases were assumed:

- annual probabilities of exclusion due to death of staff were calculated based on RGS48 life tables (tables issued by the Italian State General Accounting Department);
- annual probabilities of exclusion for reasons other than death of staff, average annual turnover rate equal to 3.25%, were calculated by appropriately smoothing Cariparma historical data;
- the percentage of annual promotions (for age and seniority) was calculated based on Cariparma historical data;
- annual probabilities of requests for advances on employee severance benefits were calculated based on Cariparma's experience and were set at an average annual rate of 3%;
- the age for retirement has been revised in accordance with the latest legislation provisions issued.

The following technical economic bases were assumed:

- to calculate the present value the yield curve of AA-rated European Corporate bonds as at 31.12.2010 was used;
- the retribution trend, proportional to seniority, increasing only due to pay increments, was calculated, on average, with reference to Cariparma employees, based on the interpolation and smoothing of seniority pays distribution and on the national bargaining agreements and company employment agreements;
- for the average annual rate of increase in pay for changes in the work load distribution, which is to be linked to the fluctuation of value of currency, a 2% rate has been used;
- the percentage of the accrued employee severance benefits, which has been requested in advance and amounts to 60%, was calculated based on historical data supplied by Cariparma.

▸ Section 12 – Provisions for liabilities and contingencies – Item 120

12.1 Provisions for liabilities and contingencies: composition

Items/Amounts	31.12.2010	31.12.2009
1. Company pension plans	22,374	22,567
2. Other provisions for liabilities and contingencies	64,687	81,293
2.1 legal disputes	36,546	38,773
2.2 staff expenses	19,162	27,447
2.3 Other	8,979	15,073
TOTAL	**87,061**	**103,860**

12.2 Provisions for liabilities and contingencies: changes for the period

	Pension plans	Other Funds	Total
A. Opening balance	**22,567**	**81,293**	**103,860**
B. Increases	**2,526**	**33,101**	**35,627**
B.1 Provisions for the period	-	32,096	32,096
B.2 Changes due to passage of time	1,002	823	1,825
C.2 Changes due to changes in the discount rate	-	182	182
B.4. Other changes	1,524	-	1,524
C. Decreases	**2,719**	**49,707**	**52,426**
C.1 Use during the year	2,719	44,155	46,874
C.2 Changes due to changes in the discount rate	-	28	28
C.3. Other changes	-	5,524	5,524
D. Closing balance	**22,374**	**64,687**	**87,061**

12.3 Defined-benefit company pension plans

1 DESCRIPTION OF PROVISIONS

The defined-benefit pension plan section relates solely to employees who have already retired.

The plan is funded by a provision accrued by the Company, determined based on the mathematical reserve, certified annually by an independent actuary.

2 CHANGES FOR THE PERIOD

Increases and decreases in the provision are shown in table 12.2 in the pension plan column.

3 CHANGES FOR THE PERIOD IN PLAN ASSETS AND OTHER INFORMATION

There are no specific plan assets or liabilities and the Bank backs the liability towards beneficiaries with its full equity.

4 RECONCILIATION BETWEEN THE PRESENT VALUE OF THE PROVISION, THE PRESENT VALUE OF PLAN ASSETS AND THE ASSETS AND LIABILITIES RECOGNIZED IN THE BALANCE SHEET

The difference between present value of the defined-benefit obligation and the fair value of the plan assets amounts to €22,374 thousand; therefore, liabilities recognised amount to €22,374 thousand.

5 DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS

The following essential assumptions have been made:

- annual inflation rate: 2% fixed for the entire projection term;
- annual rate of growth of supplementary pensions: 1.75% fixed for the entire projection term;
- annual rate of growth of supplementary pensions: 0.00% fixed for the entire projection term;
- annual rate of growth of INPS pensions: 1.75% fixed for the entire projection term;

Relating to the demographic base, the measurement has been developed by adopting the assumptions of survival of 2006 ISTAT mortality tables.

As to the financial base, the measurement refers to the yield curve for AA-rated European corporate securities.

12.4 Provisions for liabilities and contingencies – other

Item 2.3 of Table 12.1 includes amounts set aside to protect, even though not legally bound to do so, customers who engaged in transactions involving derivatives and insurance policies that have suffered from the impact of the world financial crisis.

In 2010, Cariparma received two notices of registration tax payment from the Inland Revenue Service, with which the Financial Administration has requalified the transactions – as sale of a company – by which, in 2007, Cariparma and FriulAdria increased their structures with the transfer of 173 and 29 branches, respectively, from Intesa Sanpaolo S.p.A. Later the shares received were transferred to the institutional shareholders of the two banks by the transferee for a countervalue of Euro 1,194 million and Euro 136 million, respectively. Cariparma took part in the payment of the registration tax proportional to the value of the transferred shares, together with the other main subjects that are, on various grounds, involved in these transactions and have received the same payment notice, as requested by the Inland Revenues Service amounting to a total of €40 million, as provided for in the specific legislation on registration tax assessment, under penalty of sanctions. With the other subjects concerned that are parties in the transaction, Cariparma has started a specific legal action against the Inland Revenue Service, opposing these requests. In the light of specific opinions from important legal counsels, no accrual has been made for this issue.

In 2010, a notification was served which would regard a possible charge for a non-recourse factoring transaction carried out in 2005, which could give rise to a payment request for taxes amounting to approximately €5.5 million, plus penalties and interest. Also in this case, in the light of specific opinions from important legal counsels, no accrual has been made for this issue.

▸ Section 14 – Shareholders' equity – items 130, 150, 160, 170, 180, 190 and 200

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

The share capital, fully paid-in, consists of 785,065,789 ordinary shares. There are no treasury shares.

14.2 Share capital – Number of shares: changes for the period

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

14.3 Share capital: other information

The nominal unit value of the 785,065,789 ordinary shares is €1.

14.4 Income reserves: other information

Items/Types	Amounts
Legal reserve	94,214
Reserves established in bylaws	484,187
Reserve under Art. 13 of Legislative Decree 124/93 (*)	314
TOTAL INCOME RESERVES	**578,715**
Reserve from share-based payments (**)	1,082
Payments for share capital increase	262,500
TOTAL	**842,297**

(*) Reserve formed pursuant to Art.13 of Legislative Decree 124/93 to take advantage of tax relief on the portions of the severance pay provisions, designated for supplementary pension schemes.

(**) Reserve recording the increase in capital resulting from payments to employees and directors based on shares of the holding company Crédit Agricole SA.

OTHER INFORMATION

1. Guarantees issued and commitments

Operations	31.12.2010	31.12.2009
1) Financial guarantees issued	956,770	992,983
a) Banks	242,254	247,993
b) Customers	714,516	744,990
2) Commercial guarantees issued	601,347	553,554
a) Banks	19,647	18,797
b) Customers	581,700	534,757
3) Irrevocable commitments to disburse funds	377,146	501,501
a) Banks	68,764	114,662
i) certain use	68,764	114,662
ii) uncertain use	-	-
b) Customers	308,382	386,839
i) certain use	22,576	22,163
ii) uncertain use	285,806	364,676
4) Commitments underlying credit derivatives: Protection sales	-	-
5) Assets pledged as guarantee for third-party debts	-	-
6) Other commitments	-	-
TOTAL	**1,935,263**	**2,048,038**

2. Assets pledged as collateral for own debts and commitments

Portfolios	31.12.2010	31.12.2009
1. Financial assets held for trading	-	-
2. Financial assets carried at fair value	-	-
3. Financial assets available for sale	6,238,841	2,623,168
4. Financial assets held to maturity	-	-
5. Loans to banks	10,024	139,427
6. Loans to customers	-	-
7. Property, plant and equipment	-	-

At the end of 2010, the following securities, not recognized in the balance sheet assets, were pledged as collateral:

- 360 million in senior securities resulting from the internal securitization transaction;
- 301 million in securities, used for repurchase agreements for funding purposes, acquired in repurchase agreements transactions for lending purposes.

▶ 3. Information on operating leases

OPERATING LEASES – LESSEE – IAS 17 ART. 35 – LETTER A/B

Future minimum payments due under non-cancellable leases	< 1 year	1<> 5 years	> 5 years	Unspecified maturity	Total
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant – hardware	-	-	-	-	-
Electronic plant – other	-	-	-	-	-
Other – vehicles (including automobiles)	1,913	1,731	-	-	3,644
Other – office machinery	138	-	-	-	138
Other – telephones (fixed and mobile)	-	-	-	-	-
Other – other	-	-	-	-	-
Software	-	-	-	-	-
TOTAL	**2,051**	**1,731**	**-**	**-**	**3,782**

OPERATING LEASES – LESSEE – IAS 17 ART. 35 – LETTER C

Expenses for 2010	Minimum payments	Potential lease installments	Subletting payments	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant – hardware	-	-	-	-
Electronic plant – other	-	-	-	-
Other – vehicles (including automobiles)	2,213	-	-	2,213
Other – office machinery	138	-	-	138
Other – telephones (fixed and mobile)	-	-	-	-
Other – other	-	-	-	-
Software	-	-	-	-
TOTAL	**2,351**	**-**	**-**	**2,351**

OPERATING LEASES – LESSEE – IAS 17 ART. 35 – LETTER D

Description of contracts	Criteria for determining lease installments	Renewal or purchase option	Indexing clause
Other – vehicles (including automobiles)	Installment determined on basis of brand, model, engine size and accessories of each vehicle and including additional services	Customer may request contract extension at prefixed installment	
Other – office machinery	Photocopiers: fixed monthly rate for each machine	Photocopiers: purchase option at end of each year	

▸ 4. Management and intermediation services

Type of services	Amount
1. Trading on behalf of customers	**-**
a) purchases	-
1. settled	-
2. not yet settled	-
b) sales	-
1. settled	-
2. not yet settled	-
2. Asset management	**1,002,154**
a) individual	1,002,154
b) collective	-
3. Custody and administration of securities	
a) third-party securities on deposit held as part of depository	-
bank services (excluding asset management)	
1. securities issued by the bank drawing up the Financial Statement	-
2. other securities	-
b) third-party securities on deposit (excluding asset management): other	35,732,970
1. securities issued by the bank drawing up the Financial Statement	9,495,753
2. other securities	26,237,217
c) third-party securities deposited with third parties	34,974,746
c) securities owned by bank deposited with third parties	8,112,182
4. Other transactions	**-**

Part C Information on the income statement

▸ Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar revenues: composition

Items/Technical forms	Debt securities	Loans	Other transactions	31.12.2010	31.12.2009
1. Financial assets held for trading	13	-	-	13	1,515
2. Financial assets available for sale	138,093	-	-	138,093	53,910
3. Financial assets held to maturity	-	-	-	-	-
4. Loans to banks	45,482	23,480	-	68,962	110,793
5. Loans to customers	126	686,408	-	686,534	838,498
6. Financial assets carried at *fair value*	-	-	-	-	-
7. Hedging derivatives	X	X	116,052	116,052	81,204
8. Other Assets	X	X	369	369	401
TOTAL	**183,714**	**709,888**	**116,421**	**1,010,023**	**1,086,321**

1.2 Interest income and similar revenues: differences on hedging transactions

Items/Amounts	31.12.2010	31.12.2009
A. Positive differences on hedging transactions	212,098	192,902
B. Negative differences on hedging transactions	-96,046	-111,698
C. BALANCE (A-B)	**116,052**	**81,204**

1.3 Interest income and similar revenues: other information

1.3.1 INTEREST INCOME ON FOREIGN-CURRENCY FINANCIAL ASSETS

At the end of 2010, interest income on foreign-currency financial assets came to 4,212 thousands of Euro.

1.3.2 INTEREST INCOME ON FINANCE LEASE TRANSACTIONS

In 2010, no interest income was recognized resulting from finance lease transactions.

1.4 Interest expense and similar charges: composition

Items/Technical forms	Debts	Securities	Other transactions	31.12.2010	31.12.2009
1. Due to central banks	-1,450	X	-	-1,450	-191
2. Due to banks	-47,206	X	-	-47,206	-33,407
3. Due to customers	-37,931	X	-	-37,931	-51,372
4. Securities issued	X	-207,216	-	-207,216	-238,325
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities carried at *fair value*	-	-	-	-	-
7. Other liabilities and provisions	X	X	-123	-123	-354
8. Hedging derivatives	X	X	-	-	-
TOTAL	**-86,587**	**-207,216**	**-123**	**-293,926**	**-323,649**

1.6 Interest expense and similar charges: other information

1.6.1 INTEREST EXPENSE ON FOREIGN-CURRENCY LIABILITIES

At the end of 2010, interest expense on foreign-currency financial assets came to 1,211 thousands of euro.

1.6.2 INTEREST EXPENSE RESULTING FROM FINANCE LEASE TRANSACTIONS

At the end of 2010, there were no interest expense resulting from finance lease transactions.

▸ Section 2 – Commissions – Items 40 and 50

2.1 Commissions income: composition

Type of services/Amounts	31.12.2010	31.12.2009
a) guarantees issued	**8,643**	**7,814**
b) credit derivatives	**-**	**-**
c) management, intermediation and advisory services:	**182,095**	**173,838**
1. trading in financial instruments	-	-
2. foreign exchange	3,947	3,717
3. portfolio management	7,815	7,387
3.1. individual	7,815	7,387
3.2. collective	-	-
4. security custody and administration	5,962	7,482
5. depository services	-	-
6. securities placement	69,604	57,327
7. order collection	9,049	9,940
8. advisory services	20	10
8.1 in respect of investments	-	-
8.2 in respect of financial structure	20	10
9. distribution of third-party services	85,698	87,975
9.1. asset management	285	274
9.1.1. individual	-	-
9.1.2. collective	285	274
9.2 insurance products	82,316	83,021
9.3 other	3,097	4,680
d) collection and payment services	**31,912**	**32,862**
e) servicing activities for securitizations	**-**	**-**
f) services for factoring transactions	**-**	**-**
g) tax collection services	**-**	**-**
h) management of multilateral exchange systems	**-**	**-**
i) keeping and managing current accounts	**145,896**	**135,616**
j) other services	**55,573**	**53,929**
TOTAL	**424,119**	**404,059**

2.2 Commissions income: distribution channels for products and services

	31.12.2010	31.12.2009
a) own branches:	**163,117**	**152,657**
1. portfolio management	7,815	7,387
2. securities placement	69,604	57,327
3. third-party services and products	85,698	87,943
b) off-premises distribution:	**-**	**-**
1. portfolio management	-	-
2. securities placement	-	-
3. third-party services and products	-	-
c) other distribution channels:	**-**	**32**
1. portfolio management	-	-
2. securities placement	-	-
3. third-party services and products	-	32

2.3 Commission expense: composition

	31.12.2010	31.12.2009
a) guarantees received	**(574)**	**(206)**
b) credit derivatives	**-**	**-**
c) management and intermediation services:	**(3,139)**	**(3,911)**
1. trading in financial instruments	(33)	(121)
2. foreign exchange	-	-
3. portfolio management	(1,174)	(1,014)
3.1 own portfolio	-	-
3.2 third-party portfolio	(1,174)	(1,014)
4. securities custody and administration	(914)	(742)
5. placement of financial instruments	(1,018)	(2,034)
6. off-premises distribution of securities, products and services	-	-
d) collection and payment services	**(3,668)**	**(4,097)**
e) other services	**(7,486)**	**(7,454)**
TOTAL	**(14,867)**	**(15,668)**

▸ Section 3 – Dividends and similar revenues – Item 70

3.1 Dividends and similar revenues: composition

	31.12.2010		31.12.2009	
	dividends	income from units in collective investment undertakings	dividends	income from units in collective investment undertakings
A. Financial assets held for trading	4	-	24	135
B. Financial assets available for sale	1,231	-	1,219	-
C. Financial assets carried at *fair value*	-	-	-	-
D. Equity investments	40,006	X	39,832	X
TOTAL	**41,241**	**-**	**41,075**	**135**

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

4.1 Net gain (loss) on trading activities: composition

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gain [(A+B) - (C+D)]
1. Financial assets held for trading	**75**	**3,549**	**(153)**	**(174)**	**3,297**
1.1 Debt securities	32	2,763	(153)	-61	2,581
1.2 Equity securities	-	1	-	-2	(1)
1.3 Units in collective investment	43	353	-	-2	394
1.4 Loans	-	-	-	-	-
1.5 Other	-	432	-	-109	323
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial Assets and Liabilities: exchange rate differences	**X**	**X**	**X**	**X**	**480**
4. Derivatives	**176,185**	**215,353**	**(165,719)**	**(212,004)**	**14,316**
4.1 Financial Derivatives:	176,185	215,353	(165,719)	(212,004)	14,316
- on debt securities and interest rates	172,339	210,066	(161,258)	(206,669)	14,478
- on equity securities and equity indices	-	-	-24	-	(24)
- on foreign currencies and gold	X	X	X	X	501
- other	3,846	5,287	(4,437)	(5,335)	(639)
4.2 Credit derivatives	-	-	-	-	-
TOTAL	**176,260**	**218,902**	**-165,872**	**(212,178)**	**18,093**

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

5.1 Net gain (loss) on hedging activities: composition

	31.12.2010	31.12.2009
A. Gain on:		
A.1 Fair *value hedges*	108,975	169,079
A.2 Hedged financial assets (*fair value*)	-	1,628
A.3 Hedged financial liabilities (*fair value*)	36,815	21,784
A.4 Cash flow hedges	-	-
A.5 Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)	**145,790**	**192,491**
B. Loss on:		
B.1 Fair value hedges	(72,912)	(122,908)
B.2 Hedged financial assets (*fair value*)	(50,733)	-
B.3 Hedged financial liabilities (*fair value*)	(23,415)	(62,170)
B.4 Cash flow hedges	-	-
B.5 Assets and liabilities in foreign currencies	-	-
Total expense on hedging activities (B)	**(147,060)**	**(185,078)**
C. NET GAIN (LOSS) ON HEDGING ACTIVITIES (A-B)	**(1,270)**	**7,413**

▸ Section 6 – Gain (loss) on disposal or repurchase – Item 100

6.1 Gain (Loss) on disposal or repurchase: composition

	31.12.2010			31.12.2009		
	Gains	Losses	Net gain	Gains	Losses	Net gain
Financial assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to customers	326	(9,129)	(8,803)	482	(8,167)	(7,685)
3. Financial assets available for sale	36,792	-	36,792	4,222	-	4,222
3.1 Debt securities	36,792	-	36,792	1	-	1
3.2 Equity securities	-	-	-	4,221	-	4,221
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
TOTAL ASSETS	**37,118**	**(9,129)**	**27,989**	**4,704**	**(8,167)**	**(3,463)**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	1,579	(5,644)	(4,065)	2,652	(820)	1,832
TOTAL LIABILITIES	**1,579**	**(5,644)**	**(4,065)**	**2,652**	**(820)**	**1,832**

Section 8 – Net impairment adjustments – Item 130

8.1 Net impairment adjustments of loans: composition

	Writedowns			Writebacks					
	Specific			Specific		Portfolio			
	Writeoffs	Other	Portfolio	A	B	A	B	31.12.2010	31.12.2009
A. Loans to banks	-	-		-	-	-	1	1	(1)
- loans	-	-	-	-	-	-	1	1	(1)
- debt securities	-	-	-	-	-	-	-	-	-
B. Loans to customers	(3,465)	(187,345)	(15,109)	6,677	23,501	-	27,360	(148,381)	(123,736)
- loans	(3,465)	(187,345)	(15,109)	6,677	23,501	-	27,360	(148,381)	(123,736)
- debt securities	-	-	-	-	-	-	-	-	-
C. TOTAL	**(3,465)**	**(187,345)**	**(15,109)**	**6,677**	**23,501**	**-**	**27,361**	**(148,380)**	**(123,737)**

Key:

A= from interest.

B= other writebacks.

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

	Writedowns		Writebacks			
	Specific		Specific			
	Writeoffs	Other	A	B	31.12.2010	31.12.2009
A Debt securities	-	-	-	-	-	-
B. Equity securities	-	(118)	X	X	(118)	(513)
C Units in collective investment undertakings	-	-	X	-	-	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. TOTAL	**-**	**(118)**	**-**	**-**	**(118)**	**(513)**

Key:

A= from interest.

B= other writebacks.

8.4 Net impairment adjustments of other financial instruments: composition

	Writedowns			Writebacks					
	Specific			Specific		Portfolio			
	Writeoffs	Other	Portfolio	A	B	A	B	31.12.2010	31.12.2009
A. Guarantees issued	-	(460)	-	-	65	-	3,035	2,640	438
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. TOTAL	**-**	**(460)**	**-**	**-**	**65**	**-**	**3,035**	**2,640**	**438**

Key:

A= from interest.

B= other writebacks.

▸ Section 9 – Administrative expenses – Item 150

9.1 Staff expenses: composition

	31.12.2010	31.12.2009 (*)
1) Employees	**(420,933)**	**(409,504)**
a) wages and salaries	(300,346)	(289,568)
b) social security contributions	(78,014)	(77,391)
c) severance benefits	(175)	-
d) pensions	-	-
e) allocation to employee severance benefit provision	(1,877)	(3,563)
f) allocation to provision for retirement and similar liabilities:	(1,002)	(931)
- defined contribution	-	-
- defined benefit	(1,002)	(931)
g) payments to external pension funds:	(28,546)	(27,886)
- defined contribution	(28,546)	(27,886)
- defined benefit	-	-
h) costs in respect of agreements to make payments	-	-
i) other employee benefits	(10,973)	(10,165)
2) Other personnel	**(423)**	**(285)**
3) Directors and auditors	**(1,009)**	**(1,022)**
4) Retired personnel	**-**	**-**
5) Recovery of the cost for employees seconded to other companies	**2,662**	**1,168**
6) Reimbursements for third-party employees seconded to the company	**(4,511)**	**(924)**
TOTAL	**(424,214)**	**(410,567)**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

9.2 Average number of employees by category

	31.12.2010
Employees:	
a) senior management	80
b) Junior management	2,240
1) other employees	3,347
Other personnel	32

9.3 Defined-benefit company pension plans: total costs

	31.12.2010	31.12.2009 (*)
Provision for the year	-	-
Changes due to passage of time	(1,002)	(931)
TOTAL	**(1,002)**	**(931)**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.

9.4 Other employee benefits

This item represents costs for non-occupational insurance policies, severance package benefits, provisions for loyalty premiums, other fringe benefits and payments to the bank employees' recreational club.

9.5 Other administrative expenses: composition

	31.12.2010	31.12.2009
Direct and indirect taxes	(54,056)	(55,893)
Data processing	(23,668)	(22,161)
Facility rental and management	(40,988)	(38,786)
Professional consulting services	(20,973)	(21,414)
Telephone, postal charges and couriers	(12,108)	(11,853)
Telephone and data transmission	(8,125)	(10,208)
Legal expenses	(2,373)	(1,641)
Property maintenance	(2,141)	(2,149)
Furnishing and plant maintenance	(8,978)	(11,968)
Marketing, development and entertainment	(7,383)	(11,329)
Transportation	(10,539)	(12,662)
Lighting, heating and air conditioning	(8,650)	(10,864)
Office supplies, printed material, print subscriptions, photocopying, etc.	(5,394)	(2,822)
Staff training expenses and reimbursements	(7,192)	(9,104)
Security	(4,106)	(4,927)
Information and title searches	(3,739)	(3,555)
Insurance	(77,791)	(77,308)
Cleaning	(4,561)	(5,091)
Leasing of other property, plant and equipment	(3,921)	(1,272)
Management of archives and document handling	(599)	(567)
Reimbursement of costs to Group companies	(15,929)	(14,487)
Sundry expenses	(4,086)	(3,809)
TOTAL	**(327,300)**	**(333,870)**

▸ Section 10 – Net provisions for liabilities and contingencies – Item 160

10.1 Net provisions for liabilities and contingencies: composition

The provision of €24,267 thousand is composed of €7,485 thousand for revocatory actions, €16,782 thousand for non-lending-related disputes.

▸ Section 11 – Net adjustments of property, plant and equipment: composition – Item 170

11.1 Net adjustments of property, plant and equipment: composition

	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Property, plant and equipment:				
A.1 owned	(20,890)	-	-	(20,890)
- Operating assets	(20,694)	-	-	(20,694)
- Investment property	(196)	-	-	(196)
A.2 acquired under finance leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
TOTAL	**(20,890)**	**-**	**-**	**(20,890)**

▸ Section 12 – Net adjustments of intangible assets: Item 180

12.1 Net adjustments of intangible assets: composition

	Amortization (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Intangible assets				
A.1 Owned	(38,197)	-	-	(38,197)
- Generated internally by the Bank	-	-	-	-
- Other	(38,197)	-	-	(38,197)
A.2 acquired under finance leases	-	-	-	-
TOTAL	**(38,197)**	**-**	**-**	**(38,197)**

▸ Section 13 – Other operating revenues (expenses)- Item 190

13.1 Other operating expenses: composition

	31.12.2010	31.12.2009
Amortization of expenditure for leasehold improvements	(7,333)	(8,143)
Other charges	(4,981)	(4,610)
TOTAL	**(12,314)**	**(12,753)**

13.2 Other operating income: composition

	31.12.2010	31.12.2009
Rental income and recovery of expenses on real estate	340	373
Recovery of taxes and duties	48,441	50,189
Recovery of insurance costs	77,365	77,028
Recovery of other expenses	2,495	1,532
Recovery service	20,866	16,551
Other income	1,858	1,195
TOTAL	**151,365**	**146,868**

▸ Section 17 – Gain (loss) on disposal of investments – Item 240

17.1 Gain (loss) on disposal of investments: composition

	31.12.2010	31.12.2009
A. Land and buildings	-	35
- Gains on disposal	-	35
- Losses on disposal	-	-
B. Other assets	-	(1)
- Gains on disposal	-	-
- Losses on disposal	-	(1)
NET GAIN	**-**	**34**

▸ Section 18 – Income taxes for the period on continuing operations – Item 260

18.1 Income tax for the period on continuing operations: composition

	31.12.2010	31.12.2009 (*)
1. Current taxes (-)	(118,567)	(151,745)
2. Changes in current taxes from previous periods (+/-)	-	-
3. Reduction of current taxes for the period (+)	1,991	3,669
4. Change in deferred tax assets (+/-)	(8,173)	32,220
5. Change in deferred tax liabilities (+/-)	661	35
6. Income taxes for the period (-) (-1+/-2+3+/-4+/-5)	**(124,088)**	**(115,821)**

(*) Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan .

18.2 Reconciliation of theoretical tax liability and actual tax liability recognized

	31.12.2010
Net profit before tax on continuing operations	365,662
THEORETICAL TAXABLE INCOME	**365,662**

	31.12.2010
Income tax – Theoretical tax liability	(100,557)
- Effect of revenues that do not form taxable income	-
- Effect of income already subject to taxation	-
- Effect of fully or partially non-deductible expenses	15,171
Income tax – actual tax liability	**(85,386)**
- Effect of realignment under Law 244/2007	**-**
- Tax on realignment gain under Decree Law 185/2008	**-**
- Effect of recovery of future taxes on realignment gain under Decree Law 185/2008	**-**
- Effect of tax credits and deduction	**1,991**
IRAP – Theoretical tax liability	(17,674)
- Effect of revenues/expenses that do not form taxable income	(40,682)
- Effect of other changes	17,663
IRAP – Actual tax liability	**(40,693)**
ACTUAL TAX LIABILITY RECOGNIZED	**(124,088)**
Of which: actual tax liability on continuing operations	(124,088)

▸ Section 21 – Earnings per share

21.1 Average number of ordinary shares of diluted capital

The Bank’s capital is represented by 785,065,789 shares with a par value of €1 each.

Part D Comprehensive income

ANALYTICAL STATEMENT OF COMPREHENSIVE INCOME

	Gross amount	Income tax	Net amount
10.Net profit (loss) for the period	**X**	**X**	**241,574**
Other income components			
20. Financial assets available for sale:	**(177,645)**	**57,441**	**(120,204)**
a) changes in fair value	(141,088)	45,600	(95,488)
b) reversal to income statement	(36,557)	11,841	(24,716)
- writedowns for impairment	81	-	81
- profit/loss for realization	(36,638)	11,841	(24,797)
c) other changes	-	-	-
30 Property, plant and equipment	**-**	**-**	**-**
40. Intangible assets	**-**	**-**	**-**
50. Hedging of foreign investments:	**-**	**-**	**-**
a) changes in fair value	-	-	-
b) reversal to income statement	-	-	-
c) other changes	-	-	-
60. Cash flow hedges:	**-**	**-**	**-**
a) changes in fair value	-	-	-
b) reversal to income statement	-	-	-
c) other changes	-	-	-
70. Exchange rate differences:	**-**	**-**	**-**
a) changes in fair value	-	-	-
b) reversal to income statement	-	-	-
c) other changes	-	-	-
80. Discontinuing operations:	**-**	**-**	**-**
a) changes in fair value	-	-	-
b) reversal to income statement	-	-	-
c) other changes	-	-	-
90. Actuarial gains (losses) on defined-benefit plans	**(7,546)**	**2,075**	**-5,471**
100. Share of valuation reserve on equity investments accounted for by equity method:	**-**	**-**	**-**
a) changes in fair value	-	-	-
b) reversal to income statement	-	-	-
- writedowns for impairment	-	-	-
- profit/loss for realization	-	-	-
c) other changes	-	-	-
110. Total of other income components	**(185,191)**	**59,516**	**(125,675)**
120. COMPREHENSIVE INCOME (10+110)			**115,899**

Part E Risks and risk management policies

Cariparma deems risk management and control very important, as conditions to ensure a reliable and sustainable generation of value and, consequently, the bank's financial stability and reputation. Cariparma is the operating Parent Company, both as coordinator and as a commercial bank with its own distribution network, and is engaged in overall risk guidance and control. The Group companies benefit from the functions controlled by the Parent Company and operate on reference areas.

▸ Section 1 – Credit risk

QUALITATIVE DISCLOSURES

1. General aspects

Lending is the core business of the Group, which aims at constantly expanding throughout the country to the extent compatible with a risk management strategy focussed on the most attractive geographical areas, customer segments and sectors of economic activity. This strategy, which is agreed with the controlling company, Crédit Agricole S.A., consists of identifying risk ceilings (sector and individual concentration risk limits, etc.) and ensuring that they are consistent with the Group's budget targets and business plan. The Group continued to improve credit quality by means of constant monitoring of the loan portfolio, which entails verifying that the agreed risk strategy is being implemented, with a focus on major risk exposures.

2. Credit risk management policies

2.1 Organisational aspects

The assumption of credit risk is governed by a framework resolution that has been adopted by the Board of Directors. This resolution matches the levels of delegated powers and decision-making authority to the levels of exposure to counterparties and the associated direct and indirect risks relating to the counterparties' membership of a given economic group, the technical form of the loan granted, the diversification of risk and the rating assigned to the counterparty by the Bank's internal rating system.

The lending process is regulated within a system of phased internal controls that delineate the criteria for managing risk profiles, determine the activities to be carried out to ensure the criteria are properly applied, identify the units responsible for these activities and develop the procedures to support them. The division into phases and the assignment of the activities to different organizational structures are intended to enhance the functionality of the process, both as regards its capacity to achieve objectives (process effectiveness) and its capacity to attain them at an appropriate cost (process efficiency).

The reliability of the applicant is assessed in the loan application processing phase, which has the objective of assessing the counterparty's creditworthiness, the risk of the transaction and consistency of the expected return on the transaction with the risks taken, as well as the sustainability – also in the future -of the credit risk taken.

Specifically the principles of the loan application processing phase are relevant information on the present and future solvency of the counterparty, the valuation of any guarantees provided by the counterparty, the examination of the specific characteristics of the transaction (amount, technical form, maturity and use to which the funds will be put), the application of a price that guarantees the profitability of the loan is proportionate to the risk assumed, uniform rules of conduct and methods for assessment.

At the loan processing phase, the results from the rating system, where available, and the related estimates of default are given great weight because because they are essential elements of any complete assessment of a customer. The loan application processing phase produces a final assessment of the counterparty's creditworthiness which integrates also qualitative information, the importance of which increases in proportion to the size of the counterparty and the amount being sought.

The loan application is accepted based on a decision-making powers system approved by the Board of Directors, while credit lines do not become available to the borrower until after the completion of all phases provided for in the resolution (with particular regard to the acquisition, verification and valuation of the guarantees, conditions precedent, covenants…).

The loan disbursement process is governed by:

- a system of limits that ensures compatibility between the risk taken and the Group's risk appetite;
- a system that distributes decision-making powers based on the magnitude of the counterparty risk so that the level of responsibility for loans corresponds to the potential loss.

After the loan has been granted and disbursed, the position is reviewed on a temporal basis, at regular intervals or some other agreed schedule, or in response to an alert from/initiative of dedicated functions (for example loan monitoring function). Review of credit lines is performed by assessing that the counterparty and the counterparty's sureties remain solvent, ascertaining the continuing compliance of the guarantees pledged (legal certainty, the ease of liquidation and the consistency of their value with the size of the exposures), verifying compliance with the risk concentration limits, checking that the information and data stored in database are up to date and examining the causes of any change in the counterparty's risk rating.

These activities support decisions on whether to renew or revoke credit lines, or whether to start a new processing phase.

The review may also be performed automatically, using an efficient control system, for positions that, on the basis of a rigorous examination of specific indicators, can be deemed as being low risk.

The Bank has implemented a continuous monitoring of loan positions and relevant guarantees, which permits the timely detection of any problems and, thus, helps to maintain a high quality of the loan portfolio.

Management of problem loans is performed through specific organization structure and using a management model that is based on alerts and on evidence from monitoring tools used on performing loans, as well as on a series of loan management rules calibrated with reference to the default classification envisaged under supervisory regulations (past-due, substandard loan, restructured loan e bad debts). These rules govern the transfer of exposures to the appropriate functions.

The organization structure, procedures and tools on which the management of problem exposures is based, ensure that initiatives and measures to restore performing status are promptly taker, or swift recovery actions if the relationship cannot be maintained.

2.2 Measurement, management and control systems

To measure credit risk, the Bank uses rating models that differ according to the segment (economic sector and size) to which the counterparty belongs. These models yield a score which summarizes the counterparty's creditworthiness in a rating, which reflects the probability of default over one-year time horizon.

Consistently with the guidelines issued by Crédit Agricole S.A., Cariparma has developed all risk measurement models for Retail customers in-house (rating, probability of default (PD), Loss Given Default (LGD) and exposure at default (EaD) models), in compliance with the controlling company's general principles, and has adopted the rating models developed by Crédit Agricole S.A. for Corporate customers, shared by all the Group at an international level.

The new rating models were developed at the end of 2008 and improved in 2010 to make them more consistent with the actual risk profile of the counterparties, which has changed due to the current economic crisis (review on recent years and concomitant recalibration). These activities have entailed a concomitant adjustment of the pre-existing procedures, processes and systems that had been added to the risk metrics used before.

In 2010, the first complete cycle of internal validation was performed, which is a necessary pre-condition to apply for the Bank of Italy's authorization to use internal ratings for notification purposes. This activity was particularly focussed on assessing performance, parameter calibration, stress testing and proper operation of systems for measurement and management of corporate processes risks.

Moreover, the quality of the data stored in the credit datawarehouse was validated, with reference to the provisions of Basel 2 First Pillar.

With regard to the full management use of Basel 2 risk metrics for lending processes, PEF (electronic loan application process) includes the so-called "lending strategies" to be applied to all Retail customers (both individuals and small business) to create "streamlined paths" in processing loan applications in case of low risk customers and loan products. The Group's lending policies have also been revised to better consider the changed macroeconomic situation.

In 2010, a new ratio for the monitoring of loan performance was put in use, which envisages inputting of the performance rating combined with a series of other early-warning indicators, to which expert criteria assign seriousness thresholds and weights. This model monthly produces an information summary on the risk profile of every customer of the Bank. The quantitative scores yielded by this monitoring model, sorted based on synthesis requirements, are available at all branches and central departments and are used in loan monitoring processes.

In 2010, the method to determine loan collective writedown was consolidated, based on Crédit Agricole S.A. guidelines.

In 2010, the restructuring and production of management reporting, which started in 2009, continued and has its institutional presentation at the quarterly meetings of the Credit Risk Committee. This document analyses the credit quality of the single entities in the Group, as well as the Risk Exposures developments, on the basis of the main regulation and management guiding principles: the regulation segmentation of customers, product types, sales structure and customer segments and sub-segments. Not only is credit risk, subdivided into its main components, namely default and migration risk, measured based on its impact on the Income Statement (credit risk cost) and on the Balance Sheet (absorbed supervisory capital), but it is also dealt with in terms of its possible future developments using a "stress scenario" estimating its possible impact according to assumptions of impairment-related migration to worse credit profile statuses. Management reporting monitors loan coverage policies and also has the task of informing senior management of the performance of the risk summary indicators (performance ratings, early warning, other key risk indicators) so that the action plans necessary to minimize or prevent risk can be better and promptly arranged.

2.3 Risk mitigation techniques

The Bank reduces credit risk with ancillary agreements or adopting instruments and techniques that ensure the effective mitigation of the risk. Particular attention is given to securing and managing guarantees through the definition of and compliance with general and specific requirements, and to updating the value of the guarantees.

The great preponderance of the retail segment and the substantial increase in mortgage loans in recent years are factors that, also from a Basel 2 perspective, have enabled the Bank to benefit considerably from risk mitigation, which had a notable effect on the weighting of assets in calculating supervisory capital.

2.4 Impaired financial assets

The procedures for the management and control of impaired loans are organized on the basis of a number of key principles:

- the use of multiple indicators to identify problems, diversified by customer segment depending on the definition of default used (the risk level of a single counterparty and economic group, PD, the different levels of identification beginning with positions overlimit by more than 30-60 days);
- the use of the PD estimate to support decision-making;

the diversification of processes depending on the customer's level of risk. In the light of the new definition of default in use since the adoption of Crédit Agricole S.A.'s models for the Corporate segment (according to which a position past-due by 90 days is considered impaired), the loan monitoring and control procedures allow the position to be identified during the first phase of non-performance. As regards the Retail segment, the technical and organizational techniques vary in accordance with the seriousness of the problem, using the definition of default provided for under the Italian law. With regard to this, the rules to identify impaired position have been revised so that the Bank's operations comply with the definition of "incaglio oggettivo", a particular form of substandard loan, envisaged in the Bank of Italy provisions. In addition to periodic specific evaluations of recovery value, the management process for impaired positions also involves:

- verifying whether the counterparty is capable of recovering financial health and, consequently, restoring the relationship;
- the acquisition of supplementary guarantees, whether security interests in property or unsecured sureties;
- the preparation of loan workout plans and monitoring of full implementation;
- the enforcement and/or court-ordered acquisition of guarantees.

QUANTITATIVE INFORMATION

A Credit Quality

A.1 IMPAIRED AND PERFORMING POSITIONS: STOCKS, WRITEDOWNS, CHANGES AND DISTRIBUTION

A.1.1 Distribution of exposures by portfolio and credit quality (book value)

	Bad debts	Substandard loans	Restructured positions	Past due positions	Other Assets	Total
1. Financial assets held for trading	7	5,754	-	5,094	222,558	233,413
2. Financial assets available for sale	47,356	-	-	-	5,772,715	5,820,071
3. Financial assets held to maturity	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	4,973,869	4,973,869
5. Loans to customers	266,325	201,586	56,035	306,745	22,903,392	23,734,083
6. Financial assets carried at *fair value*	-	-	-	-	-	-
7. Financial assets being divested	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	373,082	373,082
TOTAL 31.12.2010	**313,688**	**207,340**	**56,035**	**311,839**	**34,245,616**	**35,134,518**
TOTAL 31.12.2009	**164,509**	**187,010**	**865**	**222,697**	**29,510,028**	**30,085,109**

Available-for-sale financial assets classified as bad debt are Index-linked policies with embedded securities issued by Glitnir banki hf, which was wound up by the ruling of the District Court of Reykjavik dated 22 November 2010.

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

	Impaired assets			Performing			
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	Total (net exposure)
1. Financial assets held for trading	12,429	1,574	10,855	X	X	222,558	233,413
2. Financial assets available for sale	47,356	-	47,356	5,772,715	-	5,772,715	5,820,071
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	4,973,869	-	4,973,869	4,973,869
5. Loans to customers	1,355,205	524,514	830,691	22,985,910	82,518	22,903,392	23,734,083
6. Financial assets carried at *fair value*	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	373,082	373,082
TOTAL 31.12.2010	**1,414,990**	**526,088**	**888,902**	**33,732,494**	**82,518**	**34,245,616**	**35,134,518**
TOTAL 31.12.2009	**962,579**	**387,499**	**575,080**	**29,082,202**	**97,287**	**29,510,029**	**30,085,109**

Performing loans to customers: analysis of age of past-due loans

	Exposures subject to collective agreement renegotiation			Other performing exposures		
	Gross exposure	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure
1. Non past-due exposures	880,957	3,699	877,258	21,091,228	73,439	21,017,789
2. Up to 30 year	75,945	307	75,638	487,187	1,622	485,565
3. From 31 to 60 days	22,516	92	22,424	185,762	655	185,107
4. From 61 to 90 days	8,917	36	8,881	86,809	316	86,493
5. From 91 to 180 days	11,851	61	11,790	76,022	2,086	73,936
6. More than 180 days	7,049	28	7,021	51,667	177	51,490
TOTAL	**1,007,235**	**4,223**	**1,003,012**	**21,978,675**	**78,295**	**21,900,380**

Detailed disclosure, as specified by the Bank of Italy with the letter of 17 February 2011, states the age of performing loans, calculated considering the entire exposure of counterparties that, as at the reference date, had at least one loan past-due but did not meet the requirements to be included among impaired loans under Bank of Italy Circular No. 272. If there are more than one loan past-due for the same counterparty the loans past-due by the longer period of time.

A.1.3 On-balance-sheet and off-balance-sheet exposure to banks (gross and net values)

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. On-balance-sheet exposures				
a) Bad debts	-	-	X	-
b) Substandard loans	-	-	X	-
c) Restructured positions	-	-	X	-
d) Past due positions	-	-	X	-
e) Other assets	4,973,978	X	-	4,973,978
TOTAL A	**4,973,978**	**-**	**-**	**4,973,978**
B. OFF-BALANCE-SHEET EXPOSURES				
a) impaired	-	-	X	-
b) other	751,781	X	8	751,773
TOTAL B	**751,781**	**-**	**8**	**751,773**
TOTAL A+B	**5,725,759**	**-**	**8**	**5,725,751**

A.1.6 On-balance-sheet and off-balance-sheet exposure to customers (gross and net values)

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. On-balance-sheet exposures				
a) Bad debts	681,624	367,943	X	313,681
b) Substandard loans	350,414	148,827	X	201,587
c) Restructured positions	59,307	3,271	X	56,036
d) Past due positions	311,218	4,473	X	306,745
f) Other assets	28,758,627	X	82,518	28,676,109
TOTAL A	**30,161,190**	**524,514**	**82,518**	**29,554,158**
B. Off-balance-sheet exposures				
a) Impaired	20,644	2,585	X	18,059
b) Other	1,775,231	X	3,416	1,771,815
TOTAL B	**1,795,875**	**2,585**	**3,416**	**1,789,874**

A.1.7 On-balance-sheet exposures to customers: changes in gross impaired positions

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening gross exposure	**432,373**	**297,944**	**3,010**	**217,526**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**302,570**	**363,770**	**57,225**	**728,173**
B.1 from performing loans	54,713	179,977	56,736	689,903
B.2 transfers from other categories of impaired positions	237,401	149,637	-	1,374
B.3 other increases	10,456	34,156	489	36,896
C. Decreases	**53,319**	**311,300**	**928**	**634,481**
C.1 to performing loans	219	43,001	-	437,578
C.2 writeoffs	28,663	3,654	13	147
C.3 collections	23,003	27,255	915	45,734
C.4 assignments	1,434	-	-	-
C.5 transfers to other categories of impaired positions	-	237,390	-	151,022
C.6 other decreases	-	-	-	-
D. Closing gross exposure	**681,624**	**350,414**	**59,307**	**311,218**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.8 On-balance-sheet exposures to customers: changes in total adjustments of loans

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Initial overall adjustments	**267,864**	**110,959**	**2,145**	**4,254**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**143,579**	**118,277**	**1,292**	**5,719**
B.1 writedowns	80,503	114,975	658	3,793
B.2 transfers from other categories of impaired positions	63,012	2,008	380	105
B.3 other increases	64	1,294	254	1,821
C. Decreases	**43,500**	**80,409**	**166**	**5,500**
C.1 writebacks from valuations	10,629	10,317	153	1,745
C.2 writebacks from collections	4,206	3,040	-	183
C.3 writeoffs	28,663	3,654	13	147
C.4 transfers to other categories of impaired positions	-	63,103	-	2,401
C.5 other decreases	2	295	-	1,024
D. Total closing adjustments	**367,943**	**148,827**	**3,271**	**4,473**
- of which: exposures assigned but not derecognized	-	-	-	-

A.2 CLASSIFICATION OF EXPOSURES ON THE BASIS OF EXTERNAL AND INTERNAL RATING GRADES

QUALITATIVE DISCLOSURES

Distribution by rating class given below refers to Cariparma FriulAdria Group internal models.

The column "Without rating" mainly shows exposures to banks, public bodies and sovereign states for which internal rating models are not available.

QUANTITATIVE INFORMATION

A.2.1 Distribution of on-balance-sheet exposures and off-balance-sheet exposures by external rating grades

Exposures	External rating grades						Not rated	Total
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6		
A. On-balance-sheet exposures	**-**	**1,725,715**	**720,954**	**2,011,162**	**390,829**	**395,584**	**29,283,893**	**34,528,137**
B. Derivatives	**-**	**11,275**	**6,421**	**24,153**	**3,134**	**2,533**	**558,868**	**606,384**
B.1 Financial Derivatives	-	11,275	6,421	24,153	3,134	2,533	558,868	606,384
B.2 Credit derivatives	-	-	-	-	-	-	-	-
C. Guarantees issued	**-**	**536,861**	**144,094**	**165,641**	**17,508**	**28,055**	**665,957**	**1,558,116**
D. Commitments to disburse funds	**-**	**8,715**	**3,564**	**27,834**	**16,041**	**28,798**	**292,194**	**377,146**
TOTAL	**-**	**2,282,566**	**875,033**	**2,228,790**	**427,512**	**454,970**	**30,800,912**	**37,069,783**

A.2.2 Distribution of on-balance-sheet and off-balance-sheet exposures by internal rating grades

Exposures	Internal rating grades (mapped to S&P scale)				Not rated	Total
	from AAA to BBB+	from BBB to BBB-	from BB+ to B	from B- to D		
A. On-balance-sheet exposures	**8,270,654**	**4,636,679**	**5,469,031**	**1,938,091**	**14,213,681**	**34,528,136**
B. Derivatives	**17,413**	**35,051**	**47,597**	**30,405**	**475,920**	**606,386**
B.1 Financial Derivatives	17,413	35,051	47,597	30,405	475,920	606,386
B.2 Credit derivatives	-	-	-	-	-	-
C. Guarantees issued	**431,957**	**371,585**	**390,523**	**25,092**	**338,958**	**1,558,115**
D. Commitments to disburse funds	**121,708**	**75,235**	**51,898**	**47,056**	**81,249**	**377,146**
TOTAL	**8,841,732**	**5,118,550**	**5,959,049**	**2,040,644**	**15,109,808**	**37,069,783**

Distribution by rating *class* given below refers to Cariparma FriulAdria Group internal models.

The column "Without rating" mainly shows exposures to banks, public bodies and sovereign states for which internal *rating* models are not available.

Excluding counterparties without rating, there is a concentration in the investment grade classes (from AAA to BBB-), equal to 64% of the total number, while 27% falls within the BB+/BB class and 9% in the B-/D class.

A.3 DISTRIBUTION OF SECURED EXPOSURE BY TYPE OF GUARANTEE

A.3.2 Secured exposures to customers

		Collateral (1)		
	Net value of exposure	Land and buildings	Securities	Other assets
1. Secured on-balance-sheet exposures:	**16,949,983**	**13,131,104**	**274,782**	**154,055**
2.1 fully secured	15,881,237	12,995,630	199,432	120,239
- of which impaired	682,992	611,984	2,022	2,741
2.2 partially secured	1,068,746	135,474	75,350	33,816
- of which impaired	34,793	8,553	376	888
2. Secured off-balance-sheet exposures:	**678,469**	**198,118**	**41,119**	**41,292**
2.1 fully secured	511,188	182,684	30,010	25,692
- of which impaired	2,950	15	695	400
2.2 partially secured	167,281	15,434	11,109	15,600
- of which impaired	4,481	-	78	50

B Distribution and concentration of exposures

B.1 ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO CUSTOMERS BY SECTOR (BOOK VALUE)

	Governments			Other public entities			Financial companies		
	Net exposure	Specific value adjust-ments	Portfolio value adjust-ments	Net exposure	Specific value adjust-ments	Portfolio value adjust-ments	Net exposure	Specific value adjust-ments	Portfolio value adjust-ments
A. On-balance-sheet exposures									
A.1 Bad debts	-	-	X	-	-	X	491	2,626	X
A.2 Substandard loans	2	2	X	6	5	X	1,035	4,570	X
A.3 Restructured loans	-	-	X	-	-	X	26,286	495	X
A.4 Past due positions	-	-	X	-	-	X	441	2	X
A.5 Other	5,773,135	X		128,360	X	-	2,075,477	X	8,417
Total A	**5,773,137**	**2**	**-**	**128,366**	**5**	**-**	**2,103,730**	**7,693**	**8,417**
B. Off-balance-sheet exposures									
B.1 Bad debts	-	-	X	-	-	X	-	-	X
B.2 Substandard loans	-	-	X	-	-	X	-	1	X
B.3 Impaired Assets	-	-	X	-	-	X	34	-	X
B.4 Other	38,554	X	-	5,160	X	-	32,091	X	7
Total B	**38,554**	**-**	**-**	**5,160**	**-**	**-**	**32,125**	**1**	**7**
TOTAL (A+B) 31.12.2010	**5,811,691**	**2**	**-**	**133,526**	**5**	**-**	**2,135,855**	**7,694**	**8,424**
TOTAL (A+B) 31.12.2009	**2,808,517**	**1**	**-**	**121,740**	**-**	**-**	**1,757,506**	**1,446**	**9,689**

Unsecured guarantees (2)									Total (1)+(2)
Credit					Other guarantees				
CLN	Other derivatives								
	Governments and central banks	Other public entities	Banks	Other	Governments and central banks	Other public entities	Banks	Other	
-	**-**	**-**	**-**	**-**	**-**	**2,308**	**40,158**	**2,888,921**	**16,491,328**
-	-	-	-	-	-	2,214	1,680	2,453,591	15,772,786
-	-	-	-	-	-	71	-	62,227	679,045
-	-	-	-	-	-	94	38,478	435,330	718,542
-	-	-	-	-	-	-	-	16,673	26,490
-	**-**	**-**	**-**	**-**	**-**	**100**	**1,120**	**314,285**	**596,034**
-	-	-	-	-	-	100	880	271,583	510,949
-	-	-	-	-	-	-	-	1,841	2,951
-	-	-	-	-	-	-	240	42,702	85,085
-	-	-	-	-	-	-	-	1,684	1,812

Insurance undertakings			Non-financial companies			Other		
Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments
47,357	23	X	153,113	322,879	X	112,720	42,415	X
-	-	X	130,788	106,955	X	69,756	37,295	X
-		X	29,750	2,776	X	-	-	X
-		X	125,410	2,554	X	180,894	1,917	X
2,061	X	-	12,470,248	X	53,268	8,226,828	X	20,833
49,418	**23**	**-**	**12,909,309**	**435,164**	**53,268**	**8,590,198**	**81,627**	**20,833**
-		X	4,207	12	X	2	2	X
-		X	6,679	2,235	X	215	315	X
-		X	6,645	19	X	277	1	X
26,713	X	7	1,598,777	X	3,383	70,520	X	19
26,713	**-**	**7**	**1,616,308**	**2,266**	**3,383**	**71,014**	**318**	**19**
76,131	**23**	**7**	**14,525,617**	**437,430**	**56,651**	**8,661,212**	**81,945**	**20,852**
79,449	**23**	**77**	**14,021,610**	**324,084**	**75,068**	**8,083,466**	**62,561**	**19,813**

B.2 ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO CUSTOMERS BY GEOGRAPHICAL AREA (BOOK VALUE)

Exposures/ Geographical areas	North-Western Italy		North-Eastern Italy		Central Italy		Southern Italy and Isles	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures								
A.1 Bad debts	134,260	195,667	125,599	100,854	35,192	42,463	18,627	26,523
A.2 Substandard loans	84,045	68,063	55,944	39,605	24,262	12,804	37,026	27,960
A.3 Restructured loans	3,569	2,516	42,290	375	10,177	380		
A.4 Past due positions	131,089	1,771	94,814	1,360	42,660	780	38,149	562
A.5 Other	10,959,410	39,312	7,639,318	28,056	6,719,513	9,151	1,667,659	5,596
Total	**11,312,373**	**307,329**	**7,957,965**	**170,250**	**6,831,804**	**65,578**	**1,761,461**	**60,641**
B. Off-balance-sheet exposures								
B.1 Bad debts	944	4	547	-	2,689	10	30	
B.2 Substandard loans	932	963	5,880	1,139	30	386	51	63
B.3 Impaired Assets	706	9	5,427	9	726	1	97	1
B.4 Other	617,900	1,175	868,025	1,160	245,179	1,005	39,831	74
Total	**620,482**	**2,151**	**879,879**	**2,308**	**248,624**	**1,402**	**40,009**	**138**
TOTAL (A+B) 31.12.2010	**11,932,855**	**309,480**	**8,837,844**	**172,558**	**7,080,428**	**66,980**	**1,801,470**	**60,779**
TOTAL (A+B) 31.12.2009	**11,107,703**	**246,891**	**8,496,680**	**145,115**	**5,415,940**	**56,169**	**1,746,672**	**41,570**

B.3 ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO BANKS BY GEOGRAPHICAL AREA (BOOK VALUE)

Exposures/ Geographical areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	-	-	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other	1,062,396		3,898,826		9,926		1,782		1,048	-
Total A	**1,062,396**	**-**	**3,898,826**	**-**	**9,926**	**-**	**1,782**	**-**	**1,048**	**-**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Impaired Assets	-	-	-	-	-	-	-	-	-	-
B.4 Other	346,551	-	374,764	-	15,956	-	10,270	-	4,232	8
Total B	**346,551**	**-**	**374,764**	**-**	**15,956**	**-**	**10,270**	**-**	**4,232**	**8**
TOTAL (A+B) 31.12.2010	**1,408,947**	**-**	**4,273,590**	**-**	**25,882**	**-**	**12,052**	**-**	**5,280**	**8**
TOTAL (A+B) 31.12.2009	**1,731,838**	**-**	**3,494,274**	**19**	**17,550**	**3**	**13,144**	**-**	**4,051**	**1**

B.4 LARGE RISKS

As at 31 December 2010, positions having major risk profile, so assessed based on the joint instructions of Circular No. 263 of 27 December 2006 (7th revision of 28 January 2011) and of the provisions issued with letter of 2 March 2011, posted the following figures:

a1) a total nominal amount of €7,561,188 thousand;

a2) a total weighted amount of 0;

b) they were 3 in total.

C. Securitization and asset disposals

C.1 SECURITIZATION

C.1.6 Interest in special-purpose vehicle companies

Name	Registered Office	Interest %
1.MondoMutui Cariparma S.r.l.	Milan, Italy	19.00

C.2 ASSET DISPOSALS

C.2.1 Financial assets assigned but not derecognized

	Financial assets held for trading			Financial assets carried at fair value			Financial assets available for sale		
	A	B	C	A	B	C	A	B	C
A. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**5,678,142**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	5,678,142	-	-
2. Equity securities	-	-	-	-	-	-	-	-	-
3. Units in collective investment	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**-**	**X**	**X**	**X**	**X**	**X**
TOTAL 31.12.2010	**-**	**-**	**-**	**-**	**-**	**-**	**5,678,142**	**-**	**-**
of which impaired	-	-	-	-	-	-	-	-	-
TOTAL 31.12.2009	**-**	**-**	**-**	**-**	**-**	**-**	**2,456,813**	**-**	**-**
of which impaired	-	-	-	-	-	-	-	-	-

Key:

A = assigned financial assets fully recognized (book value).

B = assigned financial assets partially recognized (book value).

C = assigned financial assets partially recognized (full value).

C.2.2 Financial liabilities in respect of financial assets assigned but not derecognized

	Financial assets held for trading	Financial assets carried at *fair value*	Financial assets available for sale	Financial assets held to maturity	Loans to banks	Loans to customers	Total
1. Due to customers	**-**	**-**	**-**	**-**	**10,032**	**-**	**10,032**
a) in respect of assets fully recognized	-	-	-	-	10,032	-	-
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	**-**	**-**	**5,843,614**	**-**	**-**	**-**	**5,843,614**
a) in respect of assets fully recognized	-	-	5,843,614	-	-	-	-
b) in respect of assets partially recognized	-	-	-	-	-	-	-
TOTAL 31.12.2010	**-**	**-**	**5,843,614**	**-**	**10,032**	**-**	**5,853,646**
TOTAL 31.12.2009	**-**	**-**	**2,459,656**	**-**	**139,494**	**324,213**	**2,923,363**

Financial assets held to maturity			Loans to banks			Loans to customers			Total	
A	B	C	A	B	C	A	B	C	31.12.2010	31.12.2009
-	**-**	**-**	**10,016**	**-**	**-**	**-**	**-**	**-**	**5,688,158**	**2,596,240**
-	-	-	10,016	-	-	-	-	-	5,688,158	2,596,240
X	X	X	X	X	X	X	X	X	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-	-	-	-
X	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**-**	**-**
-	**-**	**-**	**10,016**	**-**	**-**	**-**	**-**	**-**	**5,688,158**	**2,596,240**
-	-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**139,427**	**-**	**-**	**-**	**-**	**-**	**-**	**2,596,240**
-	-	-	-	-	-	-	-	-	-	-

Section 2 – Market risks

2.1 Interest rate risk and price risk– supervisory trading book

QUALITATIVE DISCLOSURES

A. General aspects

Market risk is generated by the positions held in the supervisory trading book.

The supervisory trading book is composed of:

- positions managed centrally by the Parent Company (operational portfolio and treasury portfolio) measured at fair value;
- the trading book comprising securities, derivatives, funds and foreign currency positions acquired for commercial purposes.

B. Management and measurement of market risks

Organisational aspects

The market risk in the trading book is managed as part of each Bank's risk policies, which set the criteria for managing risk profiles, determine the activities to be carried out to ensure the criteria are properly applied, identify the units responsible for these activities and delineate the procedures to support them.

Investment policy

The investment policy is designed to implement short- and long-term strategic guidelines and to quantify the resources to be allocated to financial investments in the Bank's trading book.

Exposure

The Bank does not engage in significant trading on own account in financial and capital markets. Nevertheless, it has positions deriving from its placement and trading activities on behalf of customers, as well as positions in investment funds.

Risk measurement

The risk measurement phase consists in the construction of metrics that indicate risks in respect of investments in financial instruments. In particular, market risks are determined with reference to:

- the market value of the financial instruments, which must be marked to market;
- the variables underlying the financial instruments that influence their value (interest rates, share prices, exchange rates, etc.);
- the sensitivity of the market value of financial instruments to variations in the value of above-mentioned underlying variables;

- the volatility (*i.e.* the expected change over a given period of time) of the variables underlying the financial instruments;
- the desired level of protection (the confidence interval, *i.e.* the probability of the estimates being accurate).

Risk control

Risk monitoring activities are the responsibility of the Risks and Permanent Controls Department, which is responsible for:

- enforcing the operating limits on the trading books of the Bank;
- ensuring the adequacy and functionality of the finance process;
- ensuring compliance with approved risk management rules and criteria;
- ensuring the proper functioning of activities and controls to protect against risks;
- detecting any problems requiring a rapid response.

QUANTITATIVE INFORMATION

1. Supervisory trading book: distribution by residual maturity (repricing date) of the on-balance-sheet financial assets and liabilities and financial derivatives

Currency: US DOLLAR

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**70,103**	**17,521**	**3,656**	**38**	**-**	**-**	**-**
3.1 With underlying security	-	246	172	88	38	-	-	-
- Options	-	130	172	88	-	-	-	-
+ long positions	-	65	86	44	-	-	-	-
+ short positions	-	65	86	44	-	-	-	-
- Other derivatives	-	116	-	-	38	-	-	-
+ long positions	-	58	-	-	19	-	-	-
+ short positions	-	58	-	-	19	-	-	-
3.2 Without underlying security	-	69,857	17,349	3,568	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	69,857	17,349	3,568	-	-	-	-
+ long positions	-	34,996	8,670	1,784	-	-	-	-
+ short positions	-	34,861	8,679	1,784	-	-	-	-

Currency: UK POUND STERLING

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**5,759**	**1,896**	**12**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	8	4	12	-	-	-	-
- Options	-	8	4	12	-	-	-	-
+ long positions	-	4	2	6	-	-	-	-
+ short positions	-	4	2	6	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	5,751	1,892	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	5,751	1,892	-	-	-	-	-
+ long positions	-	2,725	946	-	-	-	-	-
+ short positions	-	3,026	946	-	-	-	-	-

Currency: SWISS FRANK

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**10,510**	**-**	**424**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	12	-	-	-	-
- Options	-	-	-	12	-	-	-	-
+ long positions	-	-	-	6	-	-	-	-
+ short positions	-	-	-	6	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	10,510	-	412	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	10,510	-	412	-	-	-	-
+ long positions	-	5,332	-	206	-	-	-	-
+ short positions	-	5,178	-	206	-	-	-	-

Currency: CANADIAN DOLLAR

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**5**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	5	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	5	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	5	-	-	-	-	-	-

Notes to the financial statements / Part E

Currency: JAPAN YEN

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**1,187**	**-**	**-**	**276**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	1,187	-	-	276	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	1,187	-	-	276	-	-	-
+ long positions	-	543	-	-	138	-	-	-
+ short positions	-	644	-	-	138	-	-	-

Currency: EURO

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**42**	**18**	**42**	**6**	**1**	**1**	**1**
1.1 Debt securities	-	42	18	42	6	1	1	1
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	42	18	42	6	1	1	1
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**435**	**4,954,873**	**1,553,613**	**984,584**	**3,398,354**	**906,955**	**278,654**	**-**
3.1 With underlying security	400	89,837	78,002	1,544	2,405	220	22	-
- Options	-	146	202	114	-	-	-	-
+ long positions	-	73	101	57	-	-	-	-
+ short positions	-	73	101	57	-	-	-	-
- Other derivatives	400	89,691	77,800	1,430	2,405	220	22	-
+ long positions	50	45,455	38,954	569	842	110	11	-
+ short positions	350	44,236	38,846	861	1,563	110	11	-
3.2 Without underlying security	35	4,865,036	1,475,611	983,040	3,395,949	906,735	278,632	-
- Options	35	1,460	2,952	13,140	305,160	183,465	25,694	-
+ long positions	19	729	1,476	6,570	152,580	91,732	12,847	-
+ short positions	16	731	1,476	6,570	152,580	91,733	12,847	-
- Other derivatives	-	4,863,576	1,472,659	969,900	3,090,789	723,270	252,938	-
+ long positions	-	2,432,290	736,639	484,949	1,544,694	361,635	126,469	-
+ short positions	-	2,431,286	736,020	484,951	1,546,095	361,635	126,469	-

Notes to the financial statements / Part E

Currency: OTHER CURRENCIES								
Type/Residual maturity	**On demand**	**Up to 3 months**	**More than 3 months to 6 months**	**More than 6 months to 1 year**	**More than 1 year to 5 years**	**Mre than 5 years to 10 years**	**More than 10 years**	**Unspecified maturity**
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**1,312**	**74**	**90**	**287**	**-**	**-**	**-**
3.1 With underlying security	-	295	18	-	287	-	-	-
- Options	-	8	18	-	-	-	-	-
+ long positions	-	4	9	-	-	-	-	-
+ short positions	-	4	9	-	-	-	-	-
- Other derivatives	-	287	-	-	287	-	-	-
+ long positions	-	144	-	-	143	-	-	-
+ short positions	-	143	-	-	144	-	-	-
3.2 Without underlying security	-	1,017	56	90	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	1,017	56	90	-	-	-	-
+ long positions	-	454	28	45	-	-	-	-
+ short positions	-	563	28	45	-	-	-	-

2. Supervisory trading book: distribution of exposures in equity securities and equity indices in the main national markets

	Listed						
	Italy	Germany	France	Switzerland	Great Britain	Rest of the world	Unlisted
A. Equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**17**
- long positions	-	-	-	-	-	-	17
- short positions	-	-	-	-	-	-	-
B. Unsettled transactions in equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
C. Other derivatives on equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
D. Derivatives on equity indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-

2.2 Interest rate risk and price risk – Banking book

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of interest rate risk

General aspects

Asset Liability Management typically refers to the positions in the banking book and focuses mainly on fixed-rate positions. Fluctuations in interest rates impact the profits of the Bank by reducing net interest income and gross income, and also affect capital by causing changes in the net present value of future cash flows. Interest rate risk, therefore, refers to all on-balance-sheet and off-balance-sheet transactions, excluding the supervisory trading book.

Organisational aspects

The Market Risk and ALM Committee, which comprises the top management of the Banks and representatives from the main functions engaged in management and control, validates the methodologies used for measuring interest rate risk exposure and decides on any actions that the Financial Management Department implements in order to manage to steer outcome.

Risk policy and management

The risk management policy is designed to stabilize net interest income in the medium/long-term within the scope of implementation of short- and long-term strategies.

According to the adopted governance model, the Financial Management Department (FMD) is responsible for managing interest rate risk at Group level complying with the limits set by the controlling company Crédit Agricole SA.

Risk control

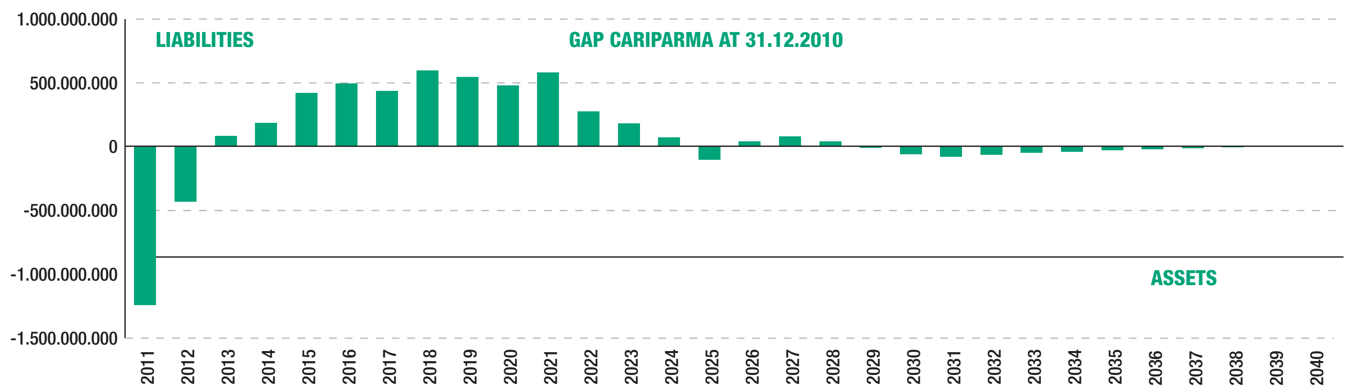
Cariparma's Department of Risk Management and Permanent Controls independently oversees the interest-rate-risk control system, ensuring that it remains compatible with the risk measurement model developed in compliance with the guidelines issued by the controlling company Crédit Agricole S.A. and with regulatory requirements. Specifically, as part of the tasks assigned to it, the Department:

- checks the risk measurement and stress testing models in line with the guidelines of the Supervisory Body and Crédit Agricole S.A.;
- validates, updates and maintains the risk measurement models;
- as part of its control activities, notifies the Board of Directors if risk ceilings have been breached since its last communication and recommends corrective action.

Risk measurement: methodological aspects

For measuring and managing interest rate risk, Cariparma adopted an interest-gap-based model, according to which, at each future maturity date, the gap resulting from fixed-rate assets and liabilities existing on that date. To calculate the fixed-rate cumulative gap, sources of exposure to interest rate risk must be previously identified by a full analysis of the financial statements, as well as the stable component of demand items, the estimate of the effects the "optionality" that is implicit in some banking book positions (early repayment of loans), the estimated maturities of some balance sheet items that do not have certain contractual maturity, in line with the proprietary models of the Parent Company Crédit Agricole.

A set of limits has been defined for the gaps that represent the maximum acceptable level of risk for the group. These limits are calculated with reference to a series of risk indicators that measure the impact of a change in interest rates on equity, gross income and gross operating margin. The following chart shows the gap of Cariparma as at 31 December 2010.



The table below reports the impacts of an interest rate shock of minus 200 basis points, the scenario that would have the greatest effect on the gap structure.

The impacts as at 31/12/2010 are measured using three different indicators: the relative change in equity (equity ratio), the relative change in gross income (PNB ratio), the relative change on the Gross Operating Profit (RBE ratio). The first indicator measures the capacity of assets to absorb the shock over the long term, while the second and third measure the effects of the shock on performance.

	Shock 200bp (max value +/-) in %
EQUITY	**3,280**
Impact	1.3%
GROSS INCOME	**1,212**
Impact	2.0%
GROSS OPERATING MARGIN	**551**
Impact	4.5%

B. Fair value hedging

The purpose of hedging interest rate risk is to immunize the banking book from changes in the fair value of deposits and loans caused by movements in the yield curve and to lower the volatility of cash flows relating to a given asset or liability. In particular, fixed-rate bonds were hedged as shown in the internal model through macro-hedging (generic hedges). [In particular, fixed-rate bonds were micro-hedged and the fixed-rate gaps shown in the internal model were macro-hedged (generic hedges)]. The hedges were established with the purchase of interest rate swaps, which were used both for micro and macro hedging, as well as with the purchase of Italian and French fixed-rate securities for the purpose of natural hedging of the fixed-rate gap. Pursuant to IASs, the effectiveness of the hedges was assessed by the Financial Management Department, which carries out periodic effectiveness tests and maintains formal documentation for every hedging transaction.

C. Cash flow hedging

None.

QUANTITATIVE DISCLOSURES

1. Banking book: distribution of financial assets and liabilities by residual maturity (repricing date)

Currency: US DOLLAR

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**54,043**	**219,178**	**5,088**	**1,246**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	17,575	33,300	364	-	-	-	-	-
1.3 Loans to customers	36,468	185,878	4,724	1,246	-	-	-	-
- current accounts	5,619	-	-	180	-	-	-	-
- other loans	30,849	185,878	4,724	1,066	-	-	-	-
- with early redemption option	2,908	12,639	2,459	201	-	-	-	-
- other	27,941	173,239	2,265	865	-	-	-	-
2. On-balance-sheet liabilities	**275,526**	**3,400**	**448**	**747**	**-**	**-**	**-**	**-**
2.1 Due to customers	87,688	-	-	-	-	-	-	-
- current accounts	84,753	-	-	-	-	-	-	-
- other loans	2,935	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	2,935	-	-	-	-	-	-	-
2.2 Due to banks	187,838	3,400	448	747	-	-	-	-
- current accounts	3,603	-	-	-	-	-	-	-
- other payables	184,235	3,400	448	747	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**231**	**50,251**	**122**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	231	50,251	122	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	231	50,251	122	-	-	-	-	-
+ long positions	-	25,180	122	-	-	-	-	-
+ short positions	231	25,071	-	-	-	-	-	-

Notes to the financial statements / Part E

Currency: UK POUND STERLING								
Type/Residual maturity	**On demand**	**Up to 3 months**	**More than 3 months to 6 months**	**More than 6 months to 1 year**	**More than 1 year to 5 years**	**More than 5 years to 10 years**	**More than 10 years**	**Unspecified maturity**
1. On-balance-sheet assets	**3,904**	**16,402**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	2,880	6,157	-	-	-	-	-	-
1.3 Loans to customers	1,024	10,245	-	-	-	-	-	-
- current accounts	679	-	-	-	-	-	-	-
- other loans	345	10,245	-	-	-	-	-	-
- with early redemption option	-	715	-	-	-	-	-	-
- other	345	9,530	-	-	-	-	-	-
2. On-balance-sheet liabilities	**20,024**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	10,009	-	-	-	-	-	-	-
- current accounts	9,573	-	-	-	-	-	-	-
- other loans	436	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	436	-	-	-	-	-	-	-
2.2 Due to banks	10,015	-	-	-	-	-	-	-
- current accounts	719	-	-	-	-	-	-	-
- other payables	9,296	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**12,082**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	12,082	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	12,082	-	-	-	-	-	-
+ long positions	-	6,041	-	-	-	-	-	-
+ short positions	-	6,041	-	-	-	-	-	-

Currency: SWISS FRANK								
Type/Residual maturity	**On demand**	**Up to 3 months**	**More than 3 months to 6 months**	**More than 6 months to 1 year**	**More than 1 year to 5 years**	**More than 5 years to 10 years**	**More than 10 years**	**Unspecified maturity**
1. On-balance-sheet assets	**10,632**	**28,243**	**67**	**94**	**548**	**70**	**-**	**205**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,316	-	-	-	-	-	-	-
1.3 Loans to customers	9,316	28,243	67	94	548	70	-	205
- current accounts	198	-	-	-	-	-	-	-
- other loans	9,118	28,243	67	94	548	70	-	205
- with early redemption option	147	75	-	-	-	-	-	-
- other	8,971	28,168	67	94	548	70	-	205
2. On-balance-sheet liabilities	**39,787**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	2,096	-	-	-	-	-	-	-
- current accounts	1,879	-	-	-	-	-	-	-
- other loans	217	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	217	-	-	-	-	-	-	-
2.2 Due to banks	37,691	-	-	-	-	-	-	-
- current accounts	574	-	-	-	-	-	-	-
- other payables	37,117	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**34,709**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	34,709	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	34,709	-	-	-	-	-	-
+ long positions	-	17,354	-	-	-	-	-	-
+ short positions	-	17,355	-	-	-	-	-	-

Notes to the financial statements / Part E

Currency: CANADIAN DOLLAR

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	mMore than 10 years	Unspecified maturity
1. On-Balance-Sheet Assets	**1,749**	**125**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,090	-	-	-	-	-	-	-
1.3 Loans to customers	659	125	-	-	-	-	-	-
- current accounts	659	-	-	-	-	-	-	-
- other loans	-	125	-	-	-	-	-	-
- with early redemption option	-	125	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**1,782**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	1,417	-	-	-	-	-	-	-
- current accounts	1,416	-	-	-	-	-	-	-
- other loans	1	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1	-	-	-	-	-	-	-
2.2 Due to banks	365	-	-	-	-	-	-	-
- current accounts	365	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

Currency: JAPAN YEN								
Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-Balance-Sheet Assets	**2,918**	**3,335**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	550	-	-	-	-	-	-	-
1.3 Loans to customers	2,368	3,335	-	-	-	-	-	-
- current accounts	157	-	-	-	-	-	-	-
- other loans	2,211	3,335	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	2,211	3,335	-	-	-	-	-	-
2. On-balance-sheet liabilities	**5,950**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	1,376	-	-	-	-	-	-	-
- current accounts	1,374	-	-	-	-	-	-	-
- other loans	2	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	2	-	-	-	-	-	-	-
2.2 Due to banks	4,574	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	4,574	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**30**	**9,142**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	30	9,142	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	30	9,142	-	-	-	-	-	-
+ long positions	-	4,586	-	-	-	-	-	-
+ short positions	30	4,556	-	-	-	-	-	-

Notes to the financial statements / Part E

Currency: EURO

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-Balance-Sheet Assets	**9,658,901**	**14,450,980**	**2,052,808**	**1,822,219**	**1,717,765**	**1,229,427**	**2,886,532**	**355,739**
1.1 Debt securities	5,905,516	1,534,561	501,431	-	-	-	-	47,356
- with early redemption option	-	-	-	-	-	-	-	-
- other	5,905,516	1,534,561	501,431	-	-	-	-	47,356
1.2 Loans to banks	223,936	1,316,441	100,906	-	500,567	600,034	-	-
1.3 Loans to customers	3,529,449	11,599,978	1,450,471	1,822,219	1,217,198	629,393	2,886,532	308,383
- current accounts	2,580,891	146,600	142,437	141,212	445,841	116,174	3,810	-
- other loans	948,558	11,453,378	1,308,034	1,681,007	771,357	513,219	2,882,722	308,383
- with early redemption option	57,388	231,395	18,169	8,192	236,718	38,174	591	-
- other	891,170	11,221,983	1,289,865	1,672,815	534,639	475,045	2,882,131	308,383
2. On-balance-sheet liabilities	**22,938,484**	**1,388,509**	**1,211,306**	**1,385,567**	**5,207,455**	**892,266**	**-**	**-**
2.1 Due to customers	14,177,817	-	-	1,240	-	-	-	-
- current accounts	13,795,637	-	-	1,240	-	-	-	-
- other loans	382,180	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	382,180	-	-	-	-	-	-	-
2.2 Due to banks	8,674,439	330,895	-	-	-	-	-	-
- current accounts	50,054	-	-	-	-	-	-	-
- other payables	8,624,385	330,895	-	-	-	-	-	-
2.3 Debt securities	9,361	1,057,614	1,211,306	1,384,327	5,207,455	892,266	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	9,361	1,057,614	1,211,306	1,384,327	5,207,455	892,266	-	-
2.4 Other liabilities	76,867	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	76,867	-	-	-	-	-	-	-
3. Financial Derivatives	**4,700**	**15,195,671**	**3,114,286**	**1,358,876**	**5,693,983**	**2,258,638**	**906,694**	**-**
3.1 With underlying security	-	476,694	-	-	-	-	476,694	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	476,694	-	-	-	-	476,694	-
+ long positions	-	476,694	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	476,694	-
3.2 Without underlying security	4,700	14,718,977	3,114,286	1,358,876	5,693,983	2,258,638	430,000	-
- Options	-	-	5,000	-	5,000	-	-	-
+ long positions	-	-	2,500	-	2,500	-	-	-
+ short positions	-	-	2,500	-	2,500	-	-	-
- Other derivatives	4,700	14,718,977	3,109,286	1,358,876	5,688,983	2,258,638	430,000	-
+ long positions	-	4,074,437	1,974,097	1,241,876	4,989,683	1,504,638	-	-
+ short positions	4,700	10,644,540	1,135,189	117,000	699,300	754,000	430,000	-

Currency: OTHER CURRENCIES

Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years	Unspecified maturity
1. On-Balance-Sheet Assets	**4,072**	**1,690**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	3,391	1,549	-	-	-	-	-	-
1.3 Loans to customers	681	141	-	-	-	-	-	-
- current accounts	681	-	-	-	-	-	-	-
- other loans	-	141	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	141	-	-	-	-	-	-
2. On-balance-sheet liabilities	**3,942**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	1,566	-	-	-	-	-	-	-
- current accounts	1,193	-	-	-	-	-	-	-
- other loans	373	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	373	-	-	-	-	-	-	-
2.2 Due to banks	2,376	-	-	-	-	-	-	-
- current accounts	3	-	-	-	-	-	-	-
- other payables	2,373	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**6,493**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	6,493	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	6,493	-	-	-	-	-	-
+ long positions	-	3,246	-	-	-	-	-	-
+ short positions	-	3,247	-	-	-	-	-	-

2.3 Exchange rate risk

QUALITATIVE DISCLOSURES

The Bank does not engage in foreign exchange trading on own account, and has no assets or liabilities that are not hedged against exchange rate risk. Consequently, there are no exposures apart from residual positions in respect of activities carried out to meet customer requirements in both the spot and forward markets.

These residual positions are nonetheless monitored daily.

QUANTITATIVE DISCLOSURES

1. Distribution by currency of assets, liabilities and derivatives

	Valute					
Items	**Us Dollar**	**Uk Pound Sterling**	**Japan Yen**	**Canadian Dollar**	**Swiss Frank**	**Other Currencies**
A. Financial Assets	**279,607**	**20,307**	**6,253**	**1,874**	**39,858**	**5,762**
A.1 Debt securities	-	-	-	-	-	-
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	51,239	9,037	550	1,090	1,316	4,940
A.4 Loans to customers	228,368	11,270	5,703	784	38,542	822
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**956**	**490**	**74**	**80**	**612**	**293**
C. Financial Liabilities	**280,120**	**20,024**	**5,950**	**1,782**	**39,787**	**3,942**
C.1 Due to banks	192,432	10,015	4,574	365	37,691	2,376
C.2 Due to customers:	87,688	10,009	1,376	1,417	2,096	1,566
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**1,253**	**235**	**10**	**33**	**199**	**484**
E. Financial derivatives	**91,164**	**7,665**	**1,463**	**5**	**10,934**	**1,334**
- Options	392	24	-	-	12	26
+ long positions	196	12	-	-	6	13
+ short positions	196	12	-	-	6	13
- Other derivatives	90,772	7,641	1,463	5	10,922	1,308
+ long positions	45,449	3,670	681	-	5,538	528
+ short positions	45,323	3,971	782	5	5,384	780
TOTAL ASSETS	**326,208**	**24,479**	**7,008**	**1,954**	**46,014**	**6,596**
TOTAL LIABILITIES	**326,892**	**24,242**	**6,742**	**1,820**	**45,376**	**5,219**
Difference (+/-)	**(684)**	**237**	**266**	**134**	**638**	**1,377**

2.4 Derivatives

A. Financial Derivatives

A.1 SUPERVISORY TRADING BOOK: END-PERIOD AND AVERAGE NOTIONAL AMOUNTS

	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	9,263,963	-	8,815,769	-
a) Options	3,632,889	-	2,315,510	-
b) *Swaps*	5,631,074	-	6,500,259	-
c) *Forward contracts*	-	-	-	-
d) *Futures*	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) *Swaps*	-	-	-	-
c) *Forward contracts*	-	-	-	-
d) *Futures*	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	202,379	-	134,748	-
a) Options	99,394	-	69,593	-
b) *Swaps*	-	-	-	-
c) *Forward contracts*	102,985	-	65,155	-
d) *Futures*	-	-	-	-
e) Other	-	-	-	-
4. Commodities	30,972	-	26,203	-
5. Other underlying assets	-	-	96	-
TOTAL	**9,497,314**	**-**	**8,976,816**	**-**
AVERAGE AMOUNTS	**9,368,178**	**-**	**8,932,015**	**-**

A.2 BANKING BOOK: END-PERIOD AND AVERAGE NOTIONAL AMOUNTS

A.2.1 Hedging

	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	14,263,923	-	5,390,575	-
a) Options	2,500	-	2,500	-
b) *Swaps*	13,784,729	-	5,388,075	-
c) *Forward contracts*	476,694	-	-	-
d) *Futures*	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) *Swaps*	-	-	-	-
c) *Forward contracts*	-	-	-	-
d) *Futures*	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	-	-	-	-
a) Options	-	-	-	-
b) *Swaps*	-	-	-	-
c) *Forward contracts*	-	-	-	-
d) *Futures*	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
TOTAL	**14,263,923**	**-**	**5,390,575**	**-**
AVERAGE AMOUNTS	**10,789,840**	**-**	**5,530,780**	**-**

A.2.2 Other derivatives

	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	2,500	-	2,500	-
a) Options	2,500	-	2,500	-
b) *Swaps*	-	-	-	-
c) *Forward contracts*	-	-	-	-
d) *Futures*	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) *Swaps*	-	-	-	-
c) *Forward contracts*	-	-	-	-
d) *Futures*	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	-	-	-	-
a) Options	-	-	-	-
b) *Swaps*	-	-	-	-
c) *Forward contracts*	-	-	-	-
d) *Futures*	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
TOTAL	**2,500**	**-**	**2,500**	**-**
AVERAGE AMOUNTS	**2,500**	**-**	**2,500**	**-**

A.3 FINANCIAL DERIVATIVES: POSITIVE FAIR VALUE – BREAKDOWN BY PRODUCT

	Positive fair value			
	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	233,286	-	250,589	-
a) Options	37,416	-	16,084	-
b) *Interest rate swaps*	191,806	-	231,373	-
c) *Cross currency swaps*	-	-	-	-
d) *Equity swaps*	-	-	-	-
c) *Forwards*	1,555	-	581	-
f) *Futures*	-	-	-	-
g) Other	2,509	-	2,551	-
B. Banking book – hedging	373,082	-	283,229	-
a) Options	352	-	365	-
b) *Interest rate swaps*	344,651	-	282,864	-
c) *Cross currency swaps*	-	-	-	-
d) *Equity swaps*	-	-	-	-
c) *Forwards*	28,079	-	-	-
f) *Futures*	-	-	-	-
g) Other	-	-	-	-
C. Banking book – Other derivatives	-	-	-	-
a) Options	-	-	-	-
b) *Interest rate swaps*	-	-	-	-
c) *Cross currency swaps*	-	-	-	-
d) *Equity swaps*	-	-	-	-
c) *Forwards*	-	-	-	-
f) *Futures*	-	-	-	-
g) Other	-	-	-	-
TOTAL	**606,368**	**-**	**533,818**	**-**

A.4 FINANCIAL DERIVATIVES: NEGATIVE FAIR VALUE – BREAKDOWN BY PRODUCT

	Negative fair value			
	31.12.2010		31.12.2009	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	237,533	-	255,821	-
a) Options	37,429	-	16,100	-
b) *Interest rate swaps*	196,187	-	237,035	-
c) *Cross currency swaps*	-	-	-	-
d) *Equity swaps*	-	-	-	-
c) *Forwards*	1,567	-	884	-
f) *Futures*	-	-	-	-
g) Other	2,350	-	1,802	-
B. Banking book – hedging	11,075	-	5,891	-
a) Options	-	-	-	-
b) *Interest rate swaps*	11,075	-	5,891	-
c) *Cross currency swaps*	-	-	-	-
d) *Equity swaps*	-	-	-	-
c) *Forwards*	-	-	-	-
f) *Futures*	-	-	-	-
g) Other	-	-	-	-
C. Banking book – Other derivatives	352	-	366	-
a) Options	352	-	366	-
b) *Interest rate swaps*	-	-	-	-
c) *Cross currency swaps*	-	-	-	-
d) *Equity swaps*	-	-	-	-
c) *Forwards*	-	-	-	-
f) *Futures*	-	-	-	-
g) Other	-	-	-	-
TOTAL	**248,960**	**-**	**262,078**	**-**

A.5 FINANCIAL DERIVATIVES – SUPERVISORY TRADING BOOK: NOTIONAL AMOUNTS, POSITIVE AND NEGATIVE GROSS FAIR VALUE BY COUNTERPARTY – CONTRACTS NOT INCLUDED IN COMPENSATION AGREEMENTS

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional amount	-	26,103	4,662,773	647,496	-	3,539,181	388,410
- positive fair value	-	518	80,138	8,044	-	136,212	3,300
- negative fair value	-	104	189,922	4,532	-	32,323	5,724
- future exposure	-	122	31,933	2,558	-	11,574	223
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold							
- notional amount	-	-	101,876	-	-	84,091	16,411
- positive fair value	-	-	1,674	-	-	642	248
- negative fair value	-	-	853	-	-	1,179	546
- future exposure	-	-	772	-	-	642	118
4) Other assets							
- notional amount	-	-	17,598	-	-	13,375	-
- positive fair value	-	-	1,357	-	-	1,152	-
- negative fair value	-	-	1,705	-	-	646	-
- future exposure	-	-	1,760	-	-	1,337	-

A.7 FINANCIAL DERIVATIVES – BANKING BOOK: NOTIONAL AMOUNTS, POSITIVE AND NEGATIVE GROSS FAIR VALUE BY COUNTERPARTY – CONTRACTS NOT INCLUDED IN COMPENSATION AGREEMENTS

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional amount	-	-	14,263,923	-	-	-	2,500
- positive fair value	-	-	373,082	-	-	-	-
- negative fair value	-	-	11,075	-	-	-	352
- future exposure	-	-	67,222	-	-	-	-
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
4) Other assets							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

A.9 RESIDUAL MATURITY OF OTC FINANCIAL DERIVATIVES: NOTIONAL VALUES

	up to 1 year	More than 1 year to 5 years	More than 5 years	Total
A. Supervisory trading book	**2,239,517**	**4,553,387**	**2,704,410**	**9,497,314**
A.1 Financial derivatives on debt securities and interest rates	2,006,443	4,553,111	2,704,410	9,263,964
A.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial derivatives on exchange rates and gold	202,102	276	-	202,378
A.4 Financial derivatives on other values	30,972	-	-	30,972
B. Banking book	**6,196,803**	**5,380,983**	**2,688,638**	**14,266,424**
B.1 Financial derivatives on debt securities and interest rates	6,196,803	5,380,983	2,688,638	14,266,424
B.2 Financial derivatives on equity securities and equity indices	-	-	-	-
B.3. Financial derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
TOTAL 31.12.2010	**8,436,320**	**9,934,370**	**5,393,048**	**23,763,738**
TOTAL 31.12.2009	**3,432,106**	**8,391,780**	**2,546,005**	**14,369,891**

▸ Section 3 – Liquidity risk

QUALITATIVE DISCLOSURES

A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF LIQUIDITY RISK

General aspects

Cariparma has an independent centralized treasury aligned with the Crédit Agricole S.A. Group standards.

The Treasury has the following tasks:

- centralized management of short-term liquidity;
- directly fulfilling the reserve obligations provided for by the Central Bank;
- ensuring availability of the funds that are necessary to meet payment obligations;
- keeping relations with the Bank of Italy for the issues relating to treasury activities, payment system, monetary policy transactions and reporting on liquidity;
- optimizing the management of available resources;
- compliance with liquidity limits set for single instrument and counterparty.

Organisational aspects

The adopted governance model delegates the management of liquidity risk to the Financial Management Department of Cariparma, which is responsible for risk management for the entire Italian banking group and follows the guidelines set down by the Crédit Agricole S.A. Group.

As Parent Company, Cariparma:

- is responsible for the liquidity policy;
- manages funding;
- manages liquidity risk.

The governance model set up for liquidity risk management processes is defined by the Board of Directors by assigning powers and the relating tasks to the relevant Departments.

The Financial Management Department is responsible for the measurement, management and monitoring of liquidity, while the Department of Risk Management and Permanent Controls is responsible for controlling the relating risk.

Risk management and control: methodological aspects

The model adopted for liquidity management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.

To measure short-term exposure to liquidity risk, the maturity mismatch approach has been used, in accordance with the guidelines set down by the Group and with supervisory instructions.

Exposures to risk are identified through the following analysis phases:

- calculation of the Group's counterbalancing capacity (eligible assets for refinancing with the Central Bank, easily liquidated assets, other balance-sheet assets);
- definition of limits by maturity (assessing that the cumulative net cash flow gap is lower than the total counterbalancing capacity for every time bucket).

A material aspect of operating liquidity management is defining a short-term refinancing limit (LCT – *Limite Court Terme*) that is calibrated using Crédit Agricole S.A. methods and aimed at ensuring a liquidity surplus over a time horizon of one year in a stressed market. LCT sets the short-term refinancing structure imposing a "non-concentration" on shorter maturities. This limit is recalibrated every six months based on the Group operating figures supplied by Crédit Agricole SA.

More in general, the bank essentially balances funding and loans.

Risk control

The Department of Risk Management and Permanent Controls daily monitors the operating liquidity ratios. In case the limits are exceeded, reporting to the Senior Management is envisaged, as well as a workout plan agreed on with the management functions.

QUANTITATIVE DISCLOSURES

1. Distribution of financial assets and liabilities by residual maturity

Currency:: US DOLLAR

Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**54,051**	**46,988**	**13,135**	**92,454**	**66,600**	**5,088**	**1,246**	**-**	**-**	**43**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	54,051	46,988	13,135	92,454	66,600	5,088	1,246	-	-	43
- banks	17,575	32,929	-	-	371	364	-	-	-	-
- customers	36,476	14,059	13,135	92,454	66,229	4,724	1,246	-	-	43
On-balance-sheet liabilities	**102,368**	**5,242**	**12,356**	**90,431**	**63,899**	**4,586**	**1,239**	**-**	**-**	**-**
B.1 Deposits and current accounts	85,972	5,242	12,356	89,132	61,798	4,138	492	-	-	-
- banks	3,603	5,242	12,356	89,132	61,798	2,246	-	-	-	-
- customers	82,369	-	-	-	-	1,892	492	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	16,396	-	-	1,299	2,101	448	747	-	-	-
Off-balance-sheet transactions	**3,130**	**56,886**	**7,223**	**16,126**	**43,965**	**28,222**	**5,423**	**194**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	9,363	7,053	16,126	37,524	17,521	3,656	-	-	-
- long positions	-	4,744	3,536	8,065	18,756	8,755	1,829	-	-	-
- short positions	-	4,619	3,517	8,061	18,768	8,766	1,827	-	-	-
C.2 Financial derivatives without exchange of principal	2,387	-	-	-	-	-	-	-	-	-
- long positions	1,268	-	-	-	-	-	-	-	-	-
- short positions	1,119	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	2,619	-	-	2,619	-	-	-	-	-
- long positions	-	2,619	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	2,619	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	231	44,904	-	-	109	122	-	-	-	-
- long positions	-	22,452	-	-	109	122	-	-	-	-
- short positions	231	22,452	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	512	-	170	-	3,713	10,579	1,767	194	-	-

Currency:: POUND STERLING

Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**3,904**	**6,169**	**-**	**9,803**	**430**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	3,904	6,169	-	9,803	430	-	-	-	-	-
- banks	2,880	6,157	-	-	-	-	-	-	-	-
- customers	1,024	12	-	9,803	430	-	-	-	-	-
On-balance-sheet liabilities	**10,436**	**-**	**10**	**9,296**	**137**	**94**	**51**	**-**	**-**	**-**
B.1 Deposits and current accounts	10,000	-	10	9,296	137	94	51	-	-	-
- banks	719	-	-	9,296	-	-	-	-	-	-
- customers	9,281	-	10	-	137	94	51	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	436	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**12,544**	**442**	**3,085**	**1,769**	**1,894**	**12**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	462	442	3,085	1,769	1,894	12	-	-	-
- long positions	-	80	219	1,546	884	947	6	-	-	-
- short positions	-	382	223	1,539	885	947	6	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	12,082	-	-	-	-	-	-	-	-
- long positions	-	6,041	-	-	-	-	-	-	-	-
- short positions	-	6,041	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

Currency: SWISS FRANK

Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**10,646**	**1,266**	**5,046**	**3,267**	**9,436**	**27**	**1,096**	**7,218**	**1,636**	**205**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	10,646	1,266	5,046	3,267	9,436	27	1,096	7,218	1,636	205
- banks	1,316	-	-	-	-	-	-	-	-	-
- customers	9,330	1,266	5,046	3,267	9,436	27	1,096	7,218	1,636	205
On-balance-sheet liabilities	**2,670**	**17,115**	**4,801**	**2,400**	**12,802**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	2,453	17,115	4,801	2,400	12,802	-	-	-	-	-
- banks	574	17,115	4,801	2,400	12,802	-	-	-	-	-
- customers	1,879	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	217	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**34,530**	**492**	**1,090**	**9,105**	**-**	**424**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	2,221	492	1,090	6,706	-	424	-	-	-
- long positions	-	1,188	246	545	3,353	-	212	-	-	-
- short positions	-	1,033	246	545	3,353	-	212	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	32,309	-	-	2,399	-	-	-	-	-
- long positions	-	17,354	-	-	-	-	-	-	-	-
- short positions	-	14,955	-	-	2,399	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

Notes to the financial statements / Part E

Currency: CANADIAN DOLLAR

Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**1,749**	**-**	**10**	**5**	**111**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	1,749	-	10	5	111	-	-	-	-	-
- banks	1,090	-	-	-	-	-	-	-	-	-
- customers	659	-	10	5	111	-	-	-	-	-
On-balance-sheet liabilities	**1,782**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	1,781	-	-	-	-	-	-	-	-	-
- banks	365	-	-	-	-	-	-	-	-	-
- customers	1,416	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	1	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	5	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	5	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

Currency: JAPAN YEN										
Items/Timeframe	**On demand**	**More than 1 day to 7 days**	**More than 7 days to 15 days**	**More than 15 days to 1 month**	**More than 1 month to 3 months**	**More than 3 months to 6 months**	**More than 6 months to 1 year**	**More than 1 year to 5 years**	**More than 5 years**	**Unspecified maturity**
On-balance-sheet assets	**2,918**	**-**	**-**	**676**	**2,659**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	2,918	-	-	676	2,659	-	-	-	-	-
- banks	550	-	-	-	-	-	-	-	-	-
- customers	2,368	-	-	676	2,659	-	-	-	-	-
On-balance-sheet liabilities	**1,376**	**4,574**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	1,374	4,574	-	-	-	-	-	-	-	-
- banks	-	4,574	-	-	-	-	-	-	-	-
- customers	1,374	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	2	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**30**	**9,893**	**-**	**-**	**436**	**-**	**-**	**276**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	781	-	-	406	-	-	276	-	-
- long positions	-	340	-	-	203	-	-	138	-	-
- short positions	-	441	-	-	203	-	-	138	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	9,112	-	-	-	-	-	-	-	-
- long positions	-	4,556	-	-	-	-	-	-	-	-
- short positions	-	4,556	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	30	-	-	-	30	-	-	-	-	-
- long positions	-	-	-	-	30	-	-	-	-	-
- short positions	30	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

Currency: EURO

Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**3,684,792**	**138,319**	**100,271**	**417,831**	**1,621,948**	**888,884**	**2,392,814**	**10,205,846**	**14,049,430**	**805,797**
A.1 Government securities	-	-	-	-	-	-	170,779	1,852,065	3,749,873	-
A.2 Other debt securities	6	-	-	-	100,479	18	408,409	1,309,062	350,927	47,358
A.3 Units in collective investment undertakings	9,934	-	-	-	-	-	-	-	-	-
A.4 Loans	3,674,852	138,319	100,271	417,831	1,521,469	888,866	1,813,626	7,044,719	9,948,630	758,439
- banks	221,126	-	-	80,847	780,539	100,906	2,811	505,567	600,033	450,056
- customers	3,453,726	138,319	100,271	336,984	740,930	787,960	1,810,815	6,539,152	9,348,597	308,383
On-balance-sheet liabilities	**14,295,893**	**39,018**	**507,366**	**901,699**	**7,420,815**	**1,774,490**	**1,724,688**	**5,372,822**	**968,245**	**-**
B.1 Deposits and current accounts	14,152,906	-	450,321	562,653	1,542,506	1,597	2,105	-	-	-
- banks	50,350	-	450,321	561,140	1,533,170	-	-	-	-	-
- customers	14,102,556	-	-	1,513	9,336	1,597	2,105	-	-	-
B.2 Debt securities	13,489	39,018	57,045	113,687	843,321	1,209,286	1,382,299	5,272,822	813,235	-
B.3 Other liabilities	129,498	-	-	225,359	5,034,988	563,607	340,284	100,000	155,010	-
Off-balance-sheet transactions	**481,219**	**109,082**	**7,931**	**241,344**	**365,509**	**75,469**	**152,472**	**868,451**	**449,803**	**1**
C.1 Financial Derivatives with exchange of principal	-	99,636	7,924	234,742	308,058	19,425	4,114	327	28,081	1
- long positions	-	50,634	3,955	224,807	284,929	9,722	2,056	162	32	-
- short positions	-	49,002	3,969	9,935	23,129	9,703	2,058	165	28,049	1
C.2 Financial derivatives without exchange of principal	481,219	9,446	7	6,602	57,451	56,044	148,358	868,124	421,722	-
- long positions	238,317	6,406	-	3,681	36,051	38,613	99,802	597,935	184,372	-
- short positions	242,902	3,040	7	2,921	21,400	17,431	48,556	270,189	237,350	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

As at 31.12.2010, the residual debt of securitized loans amounted to €3,782,277,756.

Following the loans securitization, two securities (*Senior* and *Junior*) have been fully subscribed, having the following characteristics:

- *Senior* with a nominal value of €3,945,400,000 maturity 31.01.2058 linked to EUR 6M+0.35;
- *Junior* with a nominal value of €390,256,126 maturity 31.01.2058 linked to EUR 6M+0.6+variable rate.

To ensure liquidity for coupons payment to the Special Purpose Vehicle, an Interest Rate Swap transaction has been entered into with the Special Purpose Vehicle for a notional value of €3,945,400,000 with maturity on 31.01.2058; amortization of the derivative reflects the amortization of the *Senior* security and the first amortization quota is scheduled on 30.07.2011.

Currency: OTHER CURRENCIES

Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**4,072**	**1,549**	**-**	**141**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	4,072	1,549	-	141	-	-	-	-	-	-
- banks	3,391	1,549	-	-	-	-	-	-	-	-
- customers	681	-	-	141	-	-	-	-	-	-
On-balance-sheet liabilities	**1,569**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	1,196	-	-	-	-	-	-	-	-	-
- banks	3	-	-	-	-	-	-	-	-	-
- customers	1,193	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	373	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**7,796**	**-**	**-**	**8**	**74**	**90**	**287**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,304	-	-	8	74	90	287	-	-
- long positions	-	598	-	-	4	37	45	143	-	-
- short positions	-	706	-	-	4	37	45	144	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	3,824	-	-	-	-	-	-	-	-
- long positions	-	1,912	-	-	-	-	-	-	-	-
- short positions	-	1,912	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	2,668	-	-	-	-	-	-	-	-
- long positions	-	1,334	-	-	-	-	-	-	-	-
- short positions	-	1,334	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

▸ Section 4 – Operational risks

QUALITATIVE DISCLOSURES

A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF OPERATIONAL RISKS

Cariparma uses the definition of operational risk envisaged in the Basel II International Convergence of Capital Measurement and Capital Standards, prepared by the Basel Committee on Banking Supervision. Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Legal risk includes, but it is not limited to, exposure to fines, penalties or punitive damages resulting from supervisory actions, as well as private settlements. To consolidate and enhance control of operational risk, the Bank has pursued:

- full ongoing compliance with the regulatory requirements for the use of the Traditional Standardized Approach (TSA) for the calculation of supervisory capital as prescribed by Basel II;
- a considerable improvement in the monitoring of risks and losses with a view to adopting a more management-oriented approach, with particular regard to risk mitigation initiatives;
- the achievement of compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of supervisory capital.

Organisational aspects

Risk management, also for subsidiary banks, is the responsibility of the Risk Management and Permanent Controls Department, which follows the guidelines of the Risk Management and Permanent Controls Department of the controlling company Crédit Agricole S.A. Therefore, the risk management units of the other banks in the Italian Group hierarchically report to Cariparma Department of Risk Management and Permanent Control, while they functionally report to the respective senior management.

In complying with the supervisory regulations, the Group formalized the roles and responsibilities of the corporate bodies and functions involved in the management of operational risks. The governance model envisages the use of a centralized system of operational risk management and tight coordination with the Permanent Control activities, also with a view to achieving synergies with the Compliance Unit.

Risk policy and management

The Bank has adopted a model that encompasses not only a process of operational risk management (pursuant to the guidelines of Crédit Agricole S.A.) that is structured and governed by the central unit of Cariparma, but also a specialized decentralized role (MRO – Operational Risk Manager), whose task is to support the central function in activities relating to operations and risk management and mitigation.

Cariparma Board of Directors approved the roles and responsibilities of the company functions involved in the management of operational risk, in accordance with both the provisions of Circular No. 263 of 2006 of the Bank of Italy ("New regulations for the prudential supervision of banks") and the directives of the controlling company Crédit Agricole S.A. The updating of the process for the management and control of operational risk to comply with the guidelines of Crédit Agricole S.A. and the adoption of the same general methods as the Group was done with a view to meeting the required standards for the adoption of Advanced Measurement Approaches (AMA).

Risk mitigation

Cariparma has implemented a policy of operational risk mitigation, by means of:

- an annual Action Plan, approved by the Board of Directors, which contains all the initiatives, aimed at minimizing the main existing operational risks, which the persons in charge of the various corporate processes have deemed necessary through a specific Self Risk Assessment;
- insurance policies to offset the impact of unexpected losses: to this end, a special structure was set up and tasked with, among other things, assessing and managing insurance policies;
- the establishment of an interdepartmental desk to prevent fraud and select and monitor service contracts;
- the introduction, based on the proposals of the above-mentioned desk, of specific measures for physical and logical security;
- the development of a new series of permanent controls both at branches and central departments aimed at target control of those processes with specific weakenesses.

Risk management

The process of operational risk management is divided into the following macro-phases:

- the identification and classification of risks and losses and their recording in the accounts where necessary;
- the upgrading of risk and loss data;
- assessment and measurement of the risk profile;
- monitoring and the production of reports;
- identification of mitigation actions.

As well as a Loss Data Collection structured process, in the above phases the following processes are also applied:

- self-assessment of exposure to operational risks (scenario analysis);
- the examination and qualitative assessment of the operating environment in relation to risk factors.

Each of these processes entails processing information using a predefined method and specific support tools.

Risk control

The Operational Risk Committee has been set up, which is a Group corporate body with decision-making powers, and consists of the main Corporate Functions. This Committee is responsible for:

- approving guidelines and action plans on operational risks (except Compliance);
- monitoring results and control activities;
- govern continuing operations for the Cariparma FriulAdria Group.

The Internal Control Committee is tasked with assessing the adequacy of the system and the quality of the controls it performs, while the correct functioning of system itself is the responsibility of senior management.

The methodologies for the management of operational risk are determined by the Risk Management and Permanent Controls Department of Crédit Agricole S.A., and implemented at local level. The strategies and policies of the operational risk management system approved by the Board of Directors, are therefore consistent with the regulatory prescriptions of the supervisory authorities and the guidelines of Crédit Agricole S.A.

Loss data

Currently, quantitative data are entirely managed and analysed, to different levels of granularity and detail, using an event classification scheme that conforms with the rules set out in Basel II Framework and the requirements of the supervisory authorities and Crédit Agricole S.A.

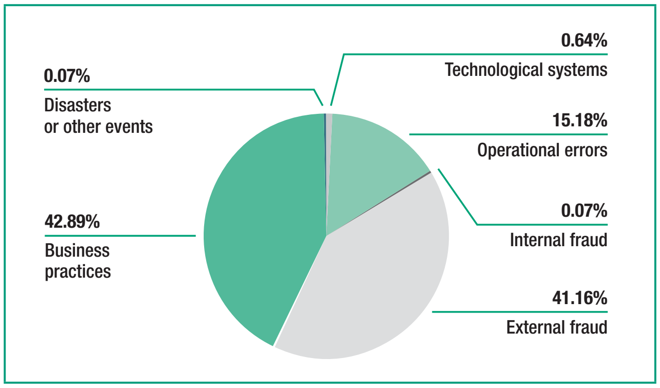
The basic structure is as follows:

- **internal fraud:** losses due to deliberate acts committed by at least one party internal to the Bank and causing economic loss to the Bank;
- **external fraud:** losses due to deliberate acts committed exclusively by parties external to the Bank, generally for the purpose of personal gain.
- **employment practices and workplace safety:** losses relating to the relations between the company and its staff or to the failure of the workplace to meet health and safety standards. These include liabilities arising from accidents to employees in company offices or vehicles.
- **business practices:** Losses arising from an unintentional or negligent failure to deliver services and products to customers (including fiduciary requirements and requirements of adequate information on investments), or due to defects in the design or properties of products/models/contracts. These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector;
- **disasters or other events:** losses caused by natural disasters or human action that damage company resources (tangible or intangible assets, persons, etc.) and/or service interruptions or other events (including improper conduct/illegal acts by third-party companies that damage the company). The category also includes liabilities arising from political changes and retroactive changes in legislation and tax.
- **technological systems and services:** losses arising from the malfunctions, logical or structural defects in technological and other support systems;
- **execution, delivery and process management:** losses arising from unintentional errors in the management of operational and support assets or caused by counterparties other than customers and suppliers.

To report consolidated loss data, Cariparma has adopted a new IT application especially designed to facilitate the adoption of advanced methods, and has also adopted specific tools and models developed directly by Crédit Agricole.

QUANTITATIVE DISCLOSURES

With reference to the sources of operational risk, the chart below shows the distribution of net losses (gross losses net of recoveries other than insurance-related ones) by type of event in 2010, compiled according to the classification system described above.



Part F Information on shareholders' equity

▸ Section 1 – Shareholders' equity

A. QUALITATIVE DISCLOSURES

Cariparma has implemented an equity management policy aimed at maintaining a level of resources appropriate to its exposures on an ongoing basis.

B. QUANTITATIVE DISCLOSURES

B.1 Shareholders' equity: composition

Shareholders' equity as at 31 December 2010 breaks down as follows:

Items	31.12.2010	31.12.2009 (*)
1. Share capital	785,066	785,066
2. Share premium reserve	2,094,770	2,094,770
3. Reserves	842,297	458,910
- income	578,715	457,908
a) legal	94,214	79,199
b) established in bylaws	484,187	378,395
c) treasury shares	-	-
d) other	314	314
- other	263,582	1,002
4. Equity instruments	-	-
5. (Treasury Shares)	-	-
6. Valuation reserves	(93,508)	32,167
- Financial assets available for sale	(92,619)	27,586
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedging of foreign investments	-	-
- Cash flow hedges	-	-
- Exchange rate differences	-	-
- Discontinuing operations	-	-
- Actuarial gains (losses) pertaining to defined-benefit pension plans	(889)	4,581
- Shares of valuation reserves pertaining to subsidiaries accounted for with equity method	-	-
- special revaluation laws	-	-
7. Net profit (loss) for the period	241,574	295,735
TOTAL	**3,870,199**	**3,666,648**

(*) *Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan .*

B.2 Valuation reserves for financial assets available for sale: composition

	31.12.2010		31.12.2009	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	19,330	113,504	29,118	3,064
2. Equity securities	1,920	365	1,925	393
3. Units in collective investment undertakings	-	-	-	-
4. Loans	-	-	-	-
TOTAL	**21,250**	**113,869**	**31,043**	**3,457**

B.3 Valuation reserves for financial assets available for sale: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1. Opening balance	**26,054**	**1,532**	**-**	**-**
2. Increases	**34,766**	**128**	**-**	**-**
2.1. Fair *value gains*	34,687	47	-	-
2.2 Reversal to income statement of negative reserves:				
- for impairment	-	81	-	-
- for realization	79	-	-	-
2.3. Other changes	-	-	-	-
3. Decreases	**154,994**	**105**	**-**	**-**
3.1 Fair *value losses*	130,117	105	-	-
3.2 Impairment *losses*	-	-	-	-
3.3 Reversal to Income Statement of	24,877	-	-	-
positive reserves: for realization				
3.4. Other changes	-	-	-	-
4. Final inventories	**-94,174**	**1,555**	**-**	**-**

▸ Section 2 Supervisory capital and capital ratios

2.1 Supervisory Capital

Supervisory (or regulatory) capital, minimum capital requirements and the consequent capital ratios were determined on the basis of the provisions of Bank of Italy Circular No. 263 of 27 December 2006 (7 update of 28 January 2011) “New regulations for the prudential supervision of banks” and Circular No. 155 of 18 December 1991 (13th update of 9 February 2011) “Instructions for the preparation of reports on supervisory capital and capital ratios”.

A. QUALITATIVE DISCLOSURES

1. Tier 1 capital

Tier 1 capital is composed of the classic elements of high quality capital (share capital, reserves, share premium accounts and net profit for the period) pertaining to the shareholders of the Bank, appropriately adjusted for intangible assets.

It does not include any innovative capital instruments.

The Bank reduced the value of Tier 1 capital by 50% of the net tax benefit taken to the Income Statement for 2008 and 2009, following alignment of the value of goodwill used for tax purposes to book value, pursuant to Decree Law No. 185/2008.

A deduction is also made for equity investments in banking and financial companies equal to 50% of the value of the investments: Bank of Italy and CA Agro- Alimentare S.p.A.

The increase in the value of the investment in CA Vita Compagnia di assicurazione S.p.A., recognized as from 20 July 2006, is deducted at 50%.

The amount of this equity investment prior to 20 July 2006 is deducted in full from the sum of Tier 1 and Tier 2 Capital.

2. Tier 2 Capital

Tier 2 capital is reduced by the deduction of the remaining 50% of the elements deducted for Tier 1 capital, namely the equity investments in the Bank of Italy and e CA Agro-Alimentare S.p.A. and the increase in the value of the investment in CA Vita Compagnia di assicurazione S.p.A. since 20 July 2006.

Tier 2 capital is reduced by the deduction of the remaining 50% of the elements deducted for Tier 1 capital, namely the equity investments in the Bank of Italy and e CA Agro-Alimentare S.p.A. and the increase in the value of the investment in CA Vita Compagnia di insurance undertakings S.p.A. since 20 July 2006.

In accordance with the supervisory provisions issued by the Bank of Italy with regulation of 18 May 2010 by the title "Tier 1 capital – prudential filters", the Cariparma FriulAdria Group has opted, as envisaged in the above-mentioned regulation, to entirely neutralize both capital losses and capital gains resulting from debt securities held in the "Available-for-sale financial assets" (AFS) portfolio, issued by central governments of EU Member States. This option was chosen to prevent an unjustified volatility of the supervisory capital, which could be determined by sudden changes in the securities quotations that are not linked to durable changes in the issuers' creditworthiness. This also enables a partial alignment to the principles already followed by the controlling company, Crédit Agricole.

The Bank of Italy has been informed of this choice, as well as of the commitment to apply this approach uniformly, continuously in time and on all securities of this type, starting from 30 June 2010.

3. Tier 3 Capital

To date, no Tier 3 instruments have been issued.

B. QUANTITATIVE DISCLOSURES

	31.12.2010	31.12.2009
A. Tier 1 capital prior to the application of prudential filters	**2,960,483**	**2,595,866**
B. Tier 1 prudential filters:	**47,216**	**53,726**
B1 - positive IAS/IFRS prudential filters (+)	-	236
B2 - negative IAS/IFRS prudential filters (-)	47,216	53,962
C. Tier 1 Capital including deductible elements (A+B)	**2,913,267**	**2,542,140**
D. Elements to be deducted from Tier 1 capital	**65,338**	**61,712**
E. Total Tier 1 capital (Tier 1) (C-D)	**2,847,929**	**2,480,428**
F. Tier 2 capital prior to the application of prudential filters	**563,317**	**577,586**
G. Tier 2 prudential filters:	**7,103**	**13,793**
G1- positive IAS/IFRS prudential filters (+)	-	-
G2- negative IAS/IFRS prudential filters (-)	7,103	13,793
H. Tier 2 capital including deductible elements (F+G)	**556,214**	**563,793**
I. Elements to be deducted from Tier 2 capital	**65,338**	**61,712**
L. Total Tier 2 capital (H-I)	**490,876**	**502,081**
M. Elements to be deducted from Tier 1 and Tier 2 capital	**58,917**	**58,917**
N. Regulatory capital (E + L - M)	**3,279,888**	**2,923,592**
O. Tier 3 capital	**-**	**-**
P. Regulatory capital including Tier 3 (N + O)	**3,279,888**	**2,923,592**

The following table details outstanding subordinated liabilities, indicating the portion eligible for inclusion in Tier 2 capital.

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value	Amount eligible for inclusion in Tier 2 capital
Subordinated deposit	17.12.2008	17.12.2018	5 equal installments as from December 2014	3-month Euribor + 334 bp	Euro	250,000	250,424	250,000
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	up to 30.06.2012 5%; after that 50% 6-month Euribor + 1%	Euro	77,250	77,825	77,250
Subordinated loan	30.06.2009	30.06.2016	50% by 30.06.2015 50% by 30.06.2016	5% fixed	Euro	222,750	228,616	222,750

2.2 Capital Adequacy

A. QUALITATIVE DISCLOSURES

Compliance with minimum capital requirements is determined by calculating the ratio of supervisory capital, as computed above, to total risk-weighted assets calculated in accordance with the provisions of Bank of Italy Circular No. 263 of 27 December 2006 (3rd update of 15 January 2009) "New regulations for the prudential supervision of banks" and Circular No. 155 of 18 December 1991 (12th update of 5 February 2008) "Instructions for the preparation of reports on supervisory capital and capital ratios".

The resulting Tier Total Ratio at 31 December 2009 was in compliance with the thresholds specified in supervisory regulations. This outcome was also the result of a specific company policy, which gives preference to the distribution of net profit to shareholders as long as the regulatory limits are met.

B. QUANTITATIVE DISCLOSURES

	Non-weighted amounts		Weighted amounts/requirements	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
A. Risk assets				
A.1 Credit and counterparty risk	**45,111,384**	**37,388,046**	**19,858,434**	**19,048,441**
1. Standardized approach	45,111,384	37,388,046	19,858,434	19,048,441
2. *IRB* approach	-	-	-	-
2.1 Foundation	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitizations	-	-	-	-
B. Capital requirements				
B.1 Credit and counterparty risk			**1,588,675**	**1,523,875**
B.2 Market risks			**4,297**	**11,792**
1. Standardized method			4,297	11,792
2. Internal models			-	-
3. Concentration risk			-	-
B.3 Operational risk			**155,380**	**148,182**
1. Basic indicator approach			-	-
2. Standardized approach			155,380	148,182
3. Advanced measurement approach			-	-
B.4 Other prudential requirements			**-**	**-**
B.5 Other measurement elements			**(437,088)**	**(420,962)**
B.6 Total prudential requirements (*)			**1,311,263**	**1,262,887**
C. Exposures and capital adequacy ratios				
C.1 Risk-weighted assets			**21,854,390**	**21,048,122**
C.2 Tier 1 capital/risk-weighted assets (Tier 1 capital ratio)			**13.03**	**11.78**
C.3 Supervisory capital including TIER 3/risk-weighted assets (Total capital ratio)			**15.01%**	**13.89%**

(*) *In calculating total capital requirements, account was taken of the 25% reduction provided for under supervisory regulations.*

Part G Business combinations

In the year, no business combinations were carried out.

In the consolidated management report, among significant events occurred in the year, exhaustive information has been given on the agreements reached for the transfer to the Crédit Agricole Group by the Intesa Sanpaolo Group, of a cluster of branches and an equity interest in Cassa di Risparmio della Spezia, which will be finalized in 2011.

Part H Transactions with related parties

▸ Section 1 – Shareholders' equity

On 24 November 2010, Cariparma Board of Directors approved the "Regulation for transactions with related parties" that has the purpose of regulating transactions with related parties in the companies making up the Cariparma FriulAdria Group, by identifying rules that are suitable to ensure transparency as well as material and procedural fairness, as required by the present reference legislation.

This Regulation consists of:

- a general part setting forth the reference legislation, definitions and scope of application;
- a part describing the procedure adopted for transactions with related parties;
- a final part on operations;

and sets the scope of the natural and legal persons qualifying as related parties for financial reporting purposes on the basis on the provisions of IAS 24, applied appropriately to the specific organizational and governance structure of the Bank. Related parties are considered the following:

- the controlling company Crédit Agricole;
- any other shareholders that, directly or indirectly, including through shareholders' agreements, exercise a significant influence on the Bank;
- direct and indirect subsidiaries;
- associates and companies under common control;
- Directors and Senior Managers with strategic responsibilities (Directors, Auditors, General Managers and Senior Managers directly reporting to top officers);
- other related parties:

a) members of the immediate families of Directors, Auditors and General Managers, as well as companies controlled by or associated with Directors, Auditors, General Managers or their immediate family,

b) members of the immediate families of other key management personnel, as well as companies controlled by or associated with such managers or their immediate family members;

- the Pension Plan.

1.1 Information on the remuneration of key management personnel

In the light of the above-mentioned Regulation key management personnel includes managers having the direct and indirect power and the responsibility over the planning, management and control of the Bank's operations, including Directors and the members of control bodies.

The remuneration of Directors and Auditors is established with specific resolutions passed by the Shareholders' General Meeting.

	31.12.2010
Short-term employee benefits	11,024
Benefits subsequent to severance from employment	258
Other long-term benefits	-
Employee severance benefits	1,200
Share-based payments	81

1.2 Information on transactions with related parties

Transactions with related-parties are carried out as part of the ordinary operations of the Bank on an arm's length basis and, in any case, only after a reciprocal assessment of their economic benefits.

During the year, the Bank did not carry out any atypical or unusual transactions (with related parties or other parties) whose size or features might have jeopardized the protection of corporate assets and the interests of minority shareholders.

	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	-	-	-	3,557,818	-	2,939,285	-
Entity exercising significant influence on company		-	-	-	10,032	-	-
Subsidiaries	-	-	1,296,766	510,960	72,699	6,069	8,604
Associates	-	47,356	2,055	-	192,631	-	76
Directors and key management personnel	-	-	1,541	-	2,939	-	-
Other related parties	22,113	7,179	265,092	317,200	103,407	6,154,234	13,838
TOTAL	**22,113**	**54,535**	**1,565,454**	**4,385,978**	**381,708**	**9,099,588**	**22,518**

Part I Share-based payments

No share-based payments were made during the year.

Part L Segment reporting

Operation and Income by business segment

Data relating to operation and income by business segment are given in compliance with IFRS 8 – Operating Segments – using the management reporting approach.

Cariparma operates through an organizational structure that includes:

- Retail and Private channels designed for individuals and families as well as businesses falling within the small business segment;
- Enterprise and Corporate channels designed for larger-size enterprises.

As at 31 December 2010, the Retail and Private Segments of Cariparma came to €996.1 million accounting for 71.8% of the total operating income. The Corporate and Enterprise channels came to €190.2 million accounting for 14.1% of the total operating income.

Year-on-year, the contribution of Retail and Private channels to the Bank's total income decreased by 3.7%, while that of Corporate and Enterprise channels decreased by 0.9%.

With regards to expenses, as at 31 December 2010, the Retail and Private channels reached €700.5 million, accounting for 71.4% of total expenses. The Corporate and Enterprise channels produced expenses amounting to €92.1 million, accounting for 9.4% of total operating expenses.

Year-on-year, the contribution of the Retail and Private channels to the Bank's total operating expenses increased by 0.3%, while the contribution of the Corporate and Enterprise channels decreased by 0.6%.

Assets by segment are made up of loans to customers and property, plant and equipment and intangible assets that can be allocated directly to the operating segments.

In particular, as at 31 December 2010, assets of the Retail and Private channels accounted for 41,3% of the Bank's assets, while the Corporate and Enterprise channel accounted for 23.6% of these assets.

Liabilities by segment are made up of direct funding from customers which can be directly allocated to the operating segments. In particular, as at 31 December 2010, liabilities of the Retail and Private channels accounted for 53,1% of Cariparma's liabilities, while the Corporate and Enterprise channels accounted 7.5% of the same liabilities.

Segment information as at 31 December 2010

	Retail and Private	Corporate	Other	Total
External operating revenues				
Net interest income	525,577	129,067	61,453	716,097
Net commission income	362,831	53,284	(6,863)	409,252
Gain (loss) on trading activities	10,984	7,603	(494)	18,093
Dividends	-	-	41,241	41,241
Other net operating revenues (item 90,100,190)	66,738	259	94,708	161,705
TOTAL OPERATING REVENUES	**966,130**	**190,213**	**190,045**	**1,346,388**
Impairment adjustments of loans	(96,719)	(51,594)	(67)	(148,380)
Impairment adjustments of AFS financial assets and other financial transactions	-	-	2,522	2,522
Staff expenses, administrative expenses and depreciation/amortization	(603,827)	(40,541)	(166,233)	(810,601)
Provisions for risks		-	(24,267)	(24,267)
TOTAL EXPENSES	**(700,546)**	**(92,135)**	**(188,045)**	**(980,726)**
Gain (loss) on disposal of investments	-	-	-	-
Result by segment	265,584	98,078	2,000	365,662
PROFIT BEFORE TAX	**265,584**	**98,078**	**2,000**	**365,662**
Taxes	(97,575)	(36,034)	9,521	(124,088)
PROFIT FOR THE PERIOD	**168,009**	**62,044**	**11,521**	**241,574**
Assets and liabilities				
Assets by segment (customers + intangible)	15,961,591	9,119,480	241,810	25,322,881
Equity investments in associates	-	-	1,147,792	1,147,792
Unallocated assets	-	-	12,187,077	12,187,077
TOTAL ASSETS	**15,961,591**	**9,119,480**	**13,576,679**	**38,657,750**
Liabilities by segment	20,524,772	2,904,090	684,570	24,113,432
Unallocated liabilities	-	-	14,544,514	14,544,514
TOTAL LIABILITIES	**20,524,772**	**2,904,090**	**15,228,888**	**36,657,750**

Segment information as at 31 December 2009 (*)

	Retail and Private	Corporate	Other	Total
External operating revenues:				
Net interest income	605,410	149,589	7,673	762,672
Net Commission income	334,630	46,403	7,358	388,391
Gain (loss) on trading activities	9,296	5,969	1,538	16,803
Dividends	-	-	41,210	41,210
Other net operating revenues	68,573	253	71,071	139,897
TOTAL OPERATING REVENUES	**1,017,909**	**202,214**	**128,850**	**1,348,973**
Impairment adjustments of loans	(74,517)	(49,197)	(23)	(123,737)
Impairment adjustments of AFS financial assets and other financial transactions	-	-	(75)	(75)
Staff expenses, administrative expenses and depreciation/amortization	(592,123)	-43,850	(161,926)	(797,899)
Provisions for risks	-	-	(15,740)	(15,740)
TOTAL EXPENSES	**(666,640)**	**(93,047)**	**(177,764)**	**(937,451)**
Gain (loss) on disposal of investments	-	-	34	34
RESULT BY SEGMENT	**351,269**	**109,167**	**(48,880)**	**411,556**
PROFIT BEFORE TAX	**351,269**	**109,167**	**(48,880)**	**411,556**
Taxes	-	-	(115,821)	(115,821)
PROFIT FOR THE PERIOD				**295,735**
Assets and liabilities				
Assets by segment	14,557,066	8,255,528	848,119	23,660,713
Equity investments in associates	-	-	1,140,541	1,140,541
Unallocated assets	-	-	8,761,960	8,761,960
TOTAL ASSETS	**14,557,066**	**8,255,528**	**10,750,620**	**33,563,214**
Liabilities by segment	20,768,287	2,835,793	785,663	24,389,743
Unallocated liabilities	-	-	9,173,471	9,173,471
TOTAL LIABILITIES	**20,768,287**	**2,835,793**	**9,959,134**	**33,563,214**

(*) *Restated following the change in the recognition criteria for actuarial profit/losses relating to employee severance benefits and to the defined-benefit pension plan.*

Financial statements of the controlling company Crédit Agricole S.A.

ACTIF

(en millions d'euros)	31.12.2009	31.12.2008
Opérations interbancaires et assimilées	**121,040**	**88,689**
Caisse, banques centrales (*)	5,528	5,146
Effets publics et valeurs assimilées	15,828	9,855
Créances sur les établissements de crédit	99,684	73,688
Opérations internes au Crédit Agricole	**248,276**	**246,511**
Opérations avec la clientèle	**2,457**	**4,372**
Opérations sur titres	**31,157**	**32,535**
Obligations et autres titres à revenu fixe	29,552	30,801
Actions et autres titres à revenu variable	1,605	1,734
Valeurs immobilisées	**69,891**	**67,128**
Participations et autres titres détenus à long terme	12,532	12,042
Parts dans les entreprises liées	57,177	54,885
Immobilisations incorporelles	12	7
Immobilisations corporelles	170	194
Actions propres	**132**	**122**
Comptes de régularisation et actifs divers	**45,935**	**40,724**
Autres actifs	28,418	21,065
Comptes de régularisation	17,517	19,659
TOTAL ACTIF	**518,888**	**480,081**

(*) Les opérations ayant comme contrepartie la Banque Postale (ex CCP) sont désormais rattachées à la rubrique "Créances sur établissements de crédit".

Financial statements of the controlling company Crédit Agricole S.A.

PASSIF

(en millions d'euros)	31.12.2009	31.12.2008
Opérations interbancaires et assimilées	**70,807**	**79,079**
Banques centrales (*)	2	3
Dettes envers les établissements de crédit	70,805	79,076
Opérations internes au Crédit Agricole	**23,581**	**19,905**
Comptes créditeurs de la clientèle	**208,903**	**174,761**
Dettes représentées par un titre	**93,640**	**91,848**
Comptes de régularisation et passifs divers	**44,829**	**41,317**
Autres passifs	26,826	19,758
Comptes de régularisation	18,003	21,559
Provisions et dettes subordonnées	**39,746**	**36,821**
Provisions	1,468	1,455
Dettes subordonnées	38,278	35,366
Fonds pour risques bancaires généraux	**854**	**829**
Capitaux propres hors FRBG	**36,528**	**35,521**
Capital souscrit	6,959	6,679
Primes d'émission	21,353	20,695
Réserves	2,774	2,761
Provisions réglementées et subventions d'investissement	3	3
Report à nouveau	4,373	5,134
Résultat de l'exercice	1,066	249
TOTAL PASSIF	**518,888**	**480,081**

(*) *Les opérations ayant comme contrepartie la Banque Postale (ex CCP) sont désormais rattachées à la rubrique "Créances sur établissements de crédit".*

HORS-BILAN DE CRÉDIT AGRICOLE S.A.

(en millions d'euros)	31.12.2009	31.12.2008
ENGAGEMENTS DONNÉS	**24,385**	**24,936**
Engagements de financement	5,364	3,245
Engagements de garantie	19,021	21,691
ENGAGEMENTS REÇUS	**36,900**	**5,138**
Engagements de financement	34,520	3,142
Engagements de garantie	2,375	1,996
Engagements sur titres	5	-

Financial statements of the controlling company Crédit Agricole S.A.

COMPTE DE RÉSULTAT DE CRÉDIT AGRICOLE S.A.

(en millions d'euros)	31.12.2009	31.12.2008
Intérêts et produits assimilés	15,092	19,513
Intérêts et charges assimilées	(16,083)	(20,955)
Revenus des titres à revenu variable	3,345	3,247
Commissions (produits)	929	591
Commissions (charges)	(1,197)	(1,005)
Gains ou pertes sur opérations des portefeuilles de négociation	280	108
Gains ou pertes sur opérations des portefeuilles de placement et assimilés	219	487
Autres produits d'exploitation bancaire	142	96
Autres charges d'exploitation bancaire	(150)	(155)
Produit net bancaire	**2,577**	**1,927**
Charges générales d'exploitation	(639)	(674)
Dotations aux amortissements et aux dépréciations sur immobilisations incorporelles et corporelles	(13)	(12)
Résultat brut d'exploitation	**1,925**	**1,241**
Coût du risque	(41)	30
Résultat d'exploitation	**1,884**	**1,271**
Résultat net sur actifs immobilisés	(1,338)	(1,346)
Résultat courant avant impôt	**546**	**(75)**
Résultat exceptionnel	-	-
Impôt sur les bénéfices	544	373
Dotations/reprises de FRBG et provisions réglementées	(24)	(49)
RÉSULTAT NET DE L'EXERCICE	**1,066**	**249**

3

Annexes

International accounting standards endorsed as of 31 December 2010

The list of the International Accounting Standards whose coordinated text was endorsed by Regulation (EC) No. 1126/2008 approved by the European Commission on 3 November 2008. This Regulation was published on the Official Journal of the European Union No. L320 of 29 November 2008 and replaces the previous Regulation (EC) No. 1725/2003.

Subsequent amendments and additions are also given.

List of IAS/IFSR		Endorsement regulation
IFRS 1	First-time adoption of International Financial Reporting Standards	1136/2009 – 550/2010 – 574/2010 – 662/2010
IFRS 2	Share-based payment	1126/2008 – 1261/2008 – 495/2009 – 243/2010 – 244/2010
IFRS 3	Business combinations	495/2009
IFRS 4	Insurance contracts	1126/2008 – 494/2009 – 1165/2009
IFRS 5	Non-current assets held for sale and discontinued operations	1126/2008 – 494/2009 – 243/2010
IFRS 6	Exploration for and evaluation of mineral assets	1126/2008
IFRS 7	Financial instruments: Disclosures	1126/2008 – 70/2009 – 495/2009 – 824/2009 – 1165/2009 – 574/2010
IFRS 8	Operating segments	1126/2008 – 243/2010 – 632/2010
IAS 1	Presentation of Financial Statements	1274/2008 – 53/2009 – 70/2009 – 494/2009 – 243/2010
IAS 2	Inventories	1126/2008 – 70/2009
IAS 7	Statement of cash flows	1126/2008 – 53/2009 – 70/2009 – 494/2009 – 243/2010
IAS 8	Accounting policies, changes in accounting estimates and errors	1126/2008 – 70/2009
IAS 10	Events after the reporting period	1126/2008 – 70/2009 – 1142/2009
IAS 11	Construction contracts	1126/2008
IAS 12	Income taxes	1126/2008 – 495/2009
IAS 16	Property, plant and equipment	1126/2008 – 70/2009 – 70/2009 – 495/2009
IAS 17	Leases	1126/2008 – 243/2010
IAS 18	Revenue	1126/2008 – 69/2009
IAS 19	Employee benefits	1126/2008 – 70/2009
IAS 20	Accounting for government grants and disclosure of government assistance	1126/2008 – 70/2009
IAS 21	The effects of changes in foreign exchange rates	1126/2008 – 69/2009 – 494/2009
IAS 23	Borrowing costs	1260/2008 – 70/2009
IAS 24	Related party disclosures	1126/2008 – 632/2010
IAS 26	Accounting and reporting by retirement benefit plans	1126/2008
IAS 27	Consolidated and separate financial statements	494/2009
IAS 28	Investments in associates	1126/2008 – 70/2009 – 494/2009 – 495/2009
IAS 29	Financial reporting in hyperinflationary economies	1126/2008 – 70/2009
IAS 31	Interests in joint ventures	1126/2008 – 70/2009 – 494/2009
IAS 32	Financial instruments: presentation	1126/2008 – 53/2009 – 70/2009 – 494/2009 – 495/2009 – 1293/2009

International accounting standards endorsed as of 31 December 2010

List of IAS/IFSR		Endorsement regulation
IAS 33	Earnings per share	1126/2008 – 494/2009 – 495/2009
IAS 34	Interim financial reporting	1126/2008 – 70/2009 – 495/2009
IAS 36	Impairment of assets	1126/2008 – 69/2009 – 70/2009 – 495/2009 – 243/2010
IAS 37	Provisions, contingent liabilities and contingent assets	1126/2008 – 495/2009
IAS 38	Intangible assets	1126/2008 – 70/2009 – 495/2009 – 243/2010
IAS 39	Financial instruments: recognition and measurement (except a few provisions relating to recognition of hedging transactions)	1126/2008 – 53/2009 – 70/2009 – 494/2009 – 495/2009 – 824/2009 – 839/2009 – 1171/2009 – 243/2010
IAS 40	Investment property	1126/2008 – 70/2009
IAS 41	Agriculture	1126/2008 – 70/2009
IFRIC 1	Changes in existing decommissioning, restoration and similar liabilities	1126/2008
IFRIC 2	Members' shares in cooperative entities and similar instruments	1126/2008
IFRIC 4	Determining whether an arrangement contains a lease	1126/2008 – 254/2009
IFRIC 5	Rights to interests arising from decommissioning, restoration and environmental reclamation funds	1126/2008 – 70/2009 – 1142/2009
IFRIC 6	Liabilities arising from participating in a specific market – Waste electrical and electronic equipment	1126/2008
IFRIC 7	Applying the restatement approach under IAS 29. Financial reporting in hyperinflationary economies	1126/2008
IFRIC 8	Scope of IFRS 2	1126/2008
IFRIC 9	Reassessment of embedded derivatives	1126/2008 – 495/2009 – 1171/2009 – 243/2010
IFRIC 10	Interim financial reporting and impairment	1126/2008
IFRIC 11	IFRS 2 – Group and treasury share transactions	1126/2008
IFRIC 12	Service Concession Arrangements	254/2009
IFRIC 13	Customer loyalty programmes	1262/2008
IFRIC 14	IAS 19 – the limit on a Defined-Benefit-Asset, minimum funding requirements and their interaction.	1263/2008 – 633/2010
IFRIC 15	Agreements for the construction of real estate	636/2009
IFRIC 16	Hedges of a net investment in a foreign operation	460/2009
IFRIC 17	IFRIC 17 Distribution of Non-cash Assets to Owners	1142/2009
IFRIC 18	Transfers of assets from Customers	1164/2009
IFRIC 19	Extinguishing financial liabilities with equity instruments	662/2010
SIC 7	Introduction of the Euro	1126/2008 – 494/2009
SIC 10	Government assistance – No specific relation to operations	1126/2008
SIC 12	Consolidation – Special purpose entities	1126/2008
SIC 13	Jointly controlled entities – Non-monetary contributions by venturers	1126/2008
SIC 15	Operating leases – Incentives	1126/2008
SIC 21	Income taxes – Recovery of revalued non-depreciable assets	1126/2008
SIC 25	Income taxes – Changes in the tax status of an enterprise or its shareholders	1126/2008
SIC 27	Evaluating the substance of transactions in the legal form of a lease	1126/2008
SIC 29	Service Concession Arrangements Disclosures	1126/2008 – 254/2009
SIC 31	Revenue – Barter transactions involving advertising services	1126/2008
SIC 32	Intangible assets – Website costs	1126/2008

Tax disclosures on reserves

TAX DISCLOSURES ON EQUITY RESERVES

	Reserves and provisions that do not form part of shareholders' income in the event of distribution	Reserves and provisions that form part of taxable income of company in the event of distribution	Reserves and provisions that form part of shareholders' taxable income in the event of distribution	Valuation reserves not available for distribution
Share premium reserve	2,052,326	42,444		
Reserve – payments for share capital increase	262,500			
Reserve pursuant to Legislative Decree 124/93 – Art.70 paragraph 2 bis		314		
Legal reserve			94,214	
Extraordinary Reserve			573,989	
Reserve from first time adoption of IAS/IFRS			(97,651)	
Reserve for tax adjustment from first time adoption of IAS/IFRS for realignment of tax and reporting values			12,319	
Valuation reserve – other – corridor elimination			(5,076)	
Valuation reserve				(92,619)
Actuarial valuation reserve – Employee severance benefits and defined-benefit pension plan				(889)
Reserve for share-based payments	517		565	
Share capital				
Reserve from PPA 173 AT adjustment			605	
	2,315,343	**42,758**	**578,966**	**(93,508)**

CAPITAL AND RESERVES: POSSIBLE USES AND AVAILABILITY FOR DISTRIBUTION (ARTICLE 2427 – PARAGRAPH 7 BIS OF THE ITALIAN CIVIL CODE)

Items of liabilities		Amount	Possible uses (*)	Amount available	Summary of uses in last three years	
					Loss coverage	Other uses
Share capital		785,066				
Share premium reserve		2,052,326	A, B, C	2,052,326	-	-
Taxable share premium reserve – Law 266/2005		42,444	A, B (2), C (3)	42,444		
Reserves		842,297				
Legal reserve	94,214		A (1), B		-	-
Extraordinary Reserve	573,989		A, B, C	573,989	-	-
Reserve – payments for share capital increase	262,500		A			
Reserve under Leg. Dec. 124/93 – art. 70 paragraph 2-bis	314		A, B, C	314	-	-
Reserve for share-based payments	1,083		A, B, C	1,083		
Reserve from PPA 173 AT adjustment	605		A, B, C	605		
Reserve from first time adoption of IAS/IFRS	(97,651)				-	-
Reserve for tax adjustment from first time adoption of IAS/IFRS for realignment of tax and reporting values	12,319				-	-
Valuation reserve – other – corridor elimination	(5,076)				-	-
Valuation reserves		(93,508)				
Valuation reserves for financial assets available for sale	(92,619)			-	-	-
Actuarial valuation reserve – Employee severance benefits and defined-benefit pension plan	(889)			-	-	-
Net profit (loss) for the period		241,574		-	-	-
TOTAL		**3,870,199**		**2,670,761**	**-**	**-**

(*) A = capital increases B = coverage of losses C = distribution to shareholders.

(1) Available for capital increases (A) in the amount exceeding one fifth of share capital.

(2) If the reserve is used to cover losses, no profits may be distributed until such reserve is restored or reduced by a corresponding amount. The reduction must be approved by the Extraordinary Shareholders' Meeting without applying the provisions of the second and third paragraphs of art. 2445 of the Italian Civil Code

(3) Unless the reserve is transferred to share capital, it may only be reduced with the application of the provisions of Article 2445 (paragraphs 2 and 3) of the Italian Civil Code 2445 of the Italian Civil Code If distributed, it shall form part of the Company's taxable income.

Assets revalued pursuant to special laws

LIST OF ASSETS THAT HAVE BEEN REVALUED AND ARE STILL HELD BY THE BANK WITH DETAILS OF THE REVALUATION TOTALS

Property	Book value net of revaluations	L. 11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576	L. 19.3.83 no. 72
AGAZZANO	32,262	-	-	-	108,456
ALBARETO	179,826	-	-	-	-
ALSENO	171,038	-	-	-	51,646
ANNICCO	44,152	1,176	3,176	-	-
ASOLA	265,396	1,501	19,641	-	-
ASTI	2,141,331	-	-	-	-
AVERSA	816,786	-	-	-	-
BARDI	129,082	-	11,930	5,967	61,540
BASILICANOVA – MONTECHIARUGOLO	100,957	-	-	-	57,102
BEDONIA	528,228	-	-	-	-
BELGIOIOSO	40,189	1,151	11,204	-	-
BERCETO	68,507	-	2,161	11,500	61,274
BETTOLA	83,016	-	-	-	61,975
BOBBIO	262,152	-	-	-	43,608
BORGO VAL DI TARO	287,205	-	11,389	18,401	95,615
BORGONOVO	289,221	-	-	-	56,810
BRONI	761,581	-	-	-	328,983
BUSSETO	523,086	-	22,360	-	-
CADEO LOC.ROVELETO	284,853	-	-	-	-
CALENDASCO	285,670	-	-	-	-
CALESTANO	20,541	-	9,321	1,911	47,801
CAORSO	123,059	-	-	-	98,127
CAPUA	1,222,279	-	-	-	-
CASALBUTTANO	72,358	506	31,536	-	-
CASALMAGGIORE	116,840	2,359	22,273	-	-
CASALPUSTERLENGO	558,216	-	-	-	211,740
CASERTA – PIAZZA ALDO MORO	4,337,331	-	-	-	-
CASSOLNOVO	378,821	-	-	10,329	-
CASTEL S. GIOVANNI	536,372	-	-	-	171,844
CASTELLUCCHIO	561,213	-	-	-	-
CASTELVERDE	55,397	-	12,946	-	-
CERTOSA DI PAVIA	327,169	-	4,692	-	120,851
CHIAVARI	2,883,867	-	-	-	-

Assets revalued pursuant to special laws

PURSUANT TO ART. 10 OF LAW NO. 72 OF 19.3.1983

L. 29.12.90 no. 408	L. 30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2010	Net book value at 31.12.2010
-	37,567	53,139	-	231,423	50,463	180,961
-	22,958	64,005	-	266,788	151,413	115,375
-	47,211	108,998	-	378,892	161,301	217,592
-	52,652	-	67,277	168,434	101,777	66,657
-	66,395	-	227,909	580,842	179,038	401,804
-	-	-	-	2,141,331	32,444	2,108,887
-	-	-	-	816,786	12,376	804,411
-	76,594	106,574	-	391,687	178,140	213,547
13,316	147,621	167,520	-	486,517	227,742	258,775
-	112,306	182,435	-	822,969	397,571	425,398
-	21,180	-	229,336	303,059	141,217	161,842
-	55,926	87,586	-	286,953	135,528	151,426
-	27,484	134,658	-	307,133	128,077	179,056
-	20,969	112,497	-	439,225	166,915	272,310
-	16,994	128,117	-	557,722	334,553	223,169
-	31,598	87,567	-	465,196	175,254	289,943
-	300,316	-	50,149	1,441,029	771,050	669,979
-	100,485	468,356	-	1,114,287	510,122	604,165
-	102,983	16,673	-	404,510	262,356	142,154
-	41,650	36,431	-	363,751	99,048	264,703
-	17,398	94,609	-	191,581	87,973	103,608
-	41,257	101,462	-	363,904	153,443	210,461
-	-	-	-	1,222,279	18,519	1,203,759
-	57,722	-	100,940	263,062	123,382	139,680
-	36,030	-	292,244	469,746	201,046	268,700
-	409,979	-	266,529	1,446,463	1,014,368	432,094
-	-	-	-	4,337,331	65,717	4,271,614
-	21,130	91,583	-	501,863	139,213	362,649
-	88,751	413,391	-	1,210,359	453,545	756,814
-	226,505	-	49,464	837,182	625,821	211,361
-	40,216	-	111,816	220,375	87,353	133,022
-	82,275	-	28,618	563,605	229,631	333,974
-	-	-	-	2,883,867	17,204	2,866,663

Assets revalued pursuant to special laws

Property	Book value net of revaluations	L. 11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576	L. 19.3.83 no. 72
CINGIA DE' BOTTI	2,619	429	5,941	-	-
CODOGNO	1,059,902	-	-	-	-
COENZO – SORBOLO	363,412	-	1,808	-	-
COLLECCHIO – S.S. DELLA CISA	1,910,213	-	-	-	-
COLLECCHIO – VIA LA SPEZIA	760,303	-	-	-	73,636
COLORNO	792,255	-	-	-	-
COMO	2,503,286	-	-	-	-
CORNIGLIO	40,900	-	26,353	928	48,146
CORTE DE' CORTESI	110,359	-	713	-	-
CORTEMAGGIORE	108,578	-	-	-	77,469
CORTEOLONA	47,714	-	9,608	-	-
CREMA	343,191	5,881	68,655	-	363,586
CREMONA	1,538,312	25,087	350,772	-	2,076,157
DESIO	3,868,144	-	-	-	-
DESIO – TERRENO	5,587	-	-	-	-
FELINO	640,738	-	35,969	10,329	87,798
FERRIERE	172,784	-	-	-	-
FIDENZA -VIA GRAMSCI 41	1,827,179	-	83,677	29,665	215,527
FIDENZA -VIA TOGLIATTI	473,170	-	-	-	28,659
FIORENZUOLA	469,168	-	-	-	194,704
FONTANELLATO	527,707	-	29,897	-	111,655
FONTANELLE	66,548	-	9,533	2,582	45,448
FONTEVIVO	238,868	-	11,927	20,658	103,291
FORNOVO TARO	1,067,880	-	8,156	19,437	-
GAMBOLO'	403,081	-	-	10,329	-
GENOVA – PEGLI	1,775,331	-	-	-	-
GRAGNANO	152,934	-	-	-	41,317
GRUMELLO CREMONESE	13,858	59	2,644	-	-
GUSSOLA	47,520	-	7,753	-	-
LAGRIMONE	172,191	-	-	-	-
LANGHIRANO – VIA FERRARI	837,098	-	42,532	12,128	90,543
LANGHIRANO – CENTRO VAL PARMA	404,074	-	-	-	-
LANGHIRANO – P.ZA POPOLO	57,180	-	34,618	15,494	162,684
LESIGNANO	577,256	-	-	-	-
LODI	622,232	4,127	113,691	-	-
LUGAGNANO	622,159	-	-	-	65,107
MANTOVA	4,433,451	-	-	-	-
MARMIROLO	126,415	-	10,252	-	-
MEDE	46,786	-	-	-	-
MEDESANO	36,184	-	18,132	9,531	108,953
MEZZANI	17,733	-	5,127	5,210	38,218

Assets revalued pursuant to special laws

L. 29.12.90 no. 408	L. 30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2010	Net book value at 31.12.2010
-	12,612	-	74,914	96,516	49,896	46,620
-	217,624	171,309	-	1,448,836	898,292	550,543
-	9,465	138,121	-	512,807	252,801	260,005
-	191,196	288,117	-	2,389,526	965,122	1,424,404
59,469	641,640	-	-	1,535,047	705,007	830,040
-	108,667	786,454	-	1,687,375	638,679	1,048,696
-	-	-	-	2,503,286	37,929	2,465,357
-	35,078	194,040	-	345,444	106,775	238,669
-	7,370	-	47,582	166,024	49,098	116,926
-	35,055	87,409	-	308,511	131,838	176,673
-	20,950	-	74,440	152,711	70,189	82,522
-	767,004	-	313,804	1,862,120	1,113,231	748,889
-	1,870,791	-	803,837	6,664,956	2,288,535	4,376,422
-	-	-	-	3,868,144	38,465	3,829,679
-	-	-	-	5,587	-	5,587
301,908	220,281	-	-	1,297,023	503,179	793,845
-	53,147	4,523	-	230,454	141,669	88,785
-	-	307,531	-	2,463,579	733,274	1,730,305
-	48,093	345,710	-	895,632	341,913	553,719
-	144,239	195,074	-	1,003,186	295,307	707,878
-	15,582	379,247	-	1,064,088	434,298	629,790
151,905	63,487	-	-	339,504	142,999	196,505
350,998	299,492	-	-	1,025,234	331,714	693,520
-	14,142	198,065	-	1,307,680	505,804	801,876
-	4,474	94,165	-	512,049	175,674	336,375
-	-	-	-	1,775,331	26,899	1,748,432
-	29,569	23,034	-	246,854	134,829	112,025
-	9,162	-	66,174	91,897	37,512	54,385
-	58,355	-	51,318	164,945	99,972	64,973
99,980	-	-	-	272,171	219,877	52,294
-	50,672	562,140	-	1,595,113	359,029	1,236,084
-	-	138	-	404,211	203,079	201,132
255,039	217,764	-	-	742,779	318,108	424,671
-	-	-	-	577,256	195,002	382,254
-	259,762	-	1,051,150	2,050,962	844,838	1,206,124
-	26,297	28,660	-	742,224	157,457	584,767
-	1,560,197	-	321,766	6,315,413	5,062,749	1,252,664
-	78,068	-	61,702	276,436	165,267	111,169
-	-	-	-	46,786	9,455	37,331
-	40,468	219,782	-	433,050	178,546	254,504
65,506	53,984	-	-	185,778	105,030	80,749

Assets revalued pursuant to special laws

Property	Book value net of revaluations	L. 11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576	L. 19.3.83 no. 72
MILANO – PIAZZA FRATTINI 19 (ANG.VIA LORENTEGGIO)	366,661	-	81,632	-	371,849
MILANO – PIAZZA VELASCA 4	409,016	-	191,991	-	192,122
MILANO – VIA ARMORARI 8 PASSAGGIO CENTRALE	2,268,382	-	-	-	-
MILANO – VIA ARMORARI, 4	2,209,535	-	1,313,331	-	7,266,549
MILANO – VIA FARINI 82 (ANG. VIA MENABREA)	2,026,231	-	-	-	-
MILANO – VIA MUSSI 4	413,668	-	92,969	-	291,282
MILANO – VIA PISTRUCCI 25/VIA C. VISCONTI 18	231,722	-	41,673	-	127,048
MILANO – VIA RIPAMONTI 177	404,816	-	103,421	-	335,697
MILANO-VIA BROLETTO 37	2,248,827	-	-	-	-
MONCHIO DELLE CORTI	23,882	-	1,143	5,726	59,171
MONTICELLI	298,133	-	-	-	-
MONZA	2,446,331	-	-	-	-
MORFASSO	189,384	-	-	-	-
NAPOLI – PIAZZA MEDAGLIE D'ORO 17	4,288,467	-	-	-	-
NAPOLI – VIA ENRICO FERMI 2	3,727,331	-	-	-	-
NAPOLI – VIA FERRANTE IMPARATO 29	1,043,331	-	-	-	-
NAPOLI – VIA ABATE MINICHINI 1/A	1,409,567	-	-	-	-
NEVIANO DEGLI ARDUINI	70,408	-	3,954	2,574	46,044
NOCETO	698,182	-	14,143	10,558	76,036
OSTIGLIA	53,018	-	-	-	-
OTTONE	39,457	-	-	-	15,494
PADERNO PONCHIELLI	60,910	-	4,106	-	-
PALANZANO	63,538	-	974	8,767	46,594
PANDINO	112,708	1,731	27,915	-	-
PARMA – AMPLIAMENTO CAVAGNARI (IFIC)	857,104	-	-	-	-
PARMA – ASILO AZIENDALE C/O CAVAGNARI (IFIC)	2,217,156	-	-	-	-
PARMA – B.GO S.AMBROGIO	1,703,080	-	-	-	140,699
PARMA – BARRIERA V/EMANUELE	1,269,815	-	56,793	3,788	285,627
PARMA – P.LE BARBIERI	3,881,000	-	-	-	-
PARMA – S.P.I.P.	895,350	-	-	-	-
PARMA – V.LE PIACENZA	527,919	-	-	-	-
PARMA – V.LE VITTORIA 37	14,651	-	2,594	-	9,353
PARMA – VIA CAVESTRO	1,134,807	-	385,900	-	1,501,229
PARMA – VIA D'AZEGLIO 10	603,555	-	99,914	-	249,070
PARMA – VIA DEI MERCATI	527,548	-	-	-	-
PARMA – VIA EMILIA OVEST	1,218,256	-	-	-	-
PARMA – VIA EMILIO LEPIDO	974,280	-	-	-	179,927
PARMA – VIA FARINI 20	48,487	-	-	-	-
PARMA – VIA FARINI 71	803,101	-	2,406	25,203	112,926
PARMA – VIA GRAMSCI	345,376	-	-	-	-

Assets revalued pursuant to special laws

L. 29.12.90 no. 408	L. 30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2010	Net book value at 31.12.2010
-	543,908	-	268,264	1,632,314	893,040	739,274
-	433,140	-	889,114	2,115,383	1,089,023	1,026,359
-	7,164,345	-	5,498,307	14,931,034	3,756,836	11,174,197
-	19,847,235	-	7,308,423	37,945,072	9,022,220	28,922,852
-	933,643	-	278,488	3,238,361	2,760,329	478,032
-	439,674	-	275,121	1,512,714	772,233	740,481
-	258,173	-	351,453	1,010,069	568,374	441,695
-	381,513	-	161,503	1,386,950	779,570	607,380
-	158,469	1,555,993	-	3,963,289	1,936,765	2,026,524
-	10,666	90,515	-	191,103	83,787	107,316
-	69,145	-	-	367,278	229,783	137,495
-	-	-	-	2,446,331	37,066	2,409,266
-	49,730	-	-	239,113	174,924	64,190
-	-	-	-	4,288,467	64,808	4,223,659
-	-	-	-	3,727,331	56,475	3,670,856
-	-	-	-	1,043,331	15,808	1,027,523
-	-	-	-	1,409,567	21,357	1,388,210
-	11,935	88,290	-	223,206	83,360	139,846
-	28,103	108,038	-	935,058	394,091	540,968
-	54,938	-	77,867	185,824	114,429	71,395
-	7,709	33,085	-	95,745	34,493	61,252
-	14,653	-	84,481	164,150	63,867	100,283
-	13,092	122,582	-	255,548	104,497	151,051
-	66,462	-	159,407	368,223	124,176	244,047
-	-	-	-	857,104	-	857,104
-	-	-	-	2,217,156	-	2,217,156
1,050,126	295,927	-	-	3,189,833	1,245,534	1,944,299
-	189,474	807,691	-	2,613,188	1,015,903	1,597,285
-	-	2,518	-	3,883,518	1,484,749	2,398,769
-	9,560	14,843	-	919,753	348,391	571,363
-	-	-	-	527,919	243,769	284,150
-	6,485	16,515	-	49,597	8,353	41,244
-	389,474	3,609,776	-	7,021,186	1,565,804	5,455,383
-	378,832	983,272	-	2,314,642	874,070	1,440,572
-	54,888	131,803	-	714,239	644,363	69,876
57,092	98,378	793,152	-	2,166,878	854,021	1,312,857
498,958	177,237	-	-	1,830,402	881,462	948,940
70,902	40,567	-	-	159,956	38,112	121,844
-	166,015	159,997	-	1,269,648	678,953	590,695
436,369	70,280	-	-	852,026	423,694	428,331

Assets revalued pursuant to special laws

Property	Book value net of revaluations	L. 11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576	L. 19.3.83 no. 72
PARMA – VIA MISTRALI	4,739,341	-	369,753	377,014	1,508,925
PARMA – VIA SPEZIA -(PODERE MARTINELLA)	391,489	-	-	-	-
PARMA – VIA SPEZIA (CENTROSERVIZI)	28,495,763	-	-	-	-
PARMA – VIA SPEZIA (AREA EDIFICABILE)	112,781	-	-	-	-
PARMA – VIA TORELLI	821,477	-	37	-	382,861
PARMA – VIA UNIVERSITA' 1	1,490,121	-	510,263	195,089	2,039,910
PARMA – VIA VENEZIA	398,762	-	15,987	-	186,612
PARMA – VIALE MENTANA	3,547,790	-	-	-	-
PAROLA – AREA EDIFICABILE	41,580	-	-	-	-
PAROLA – NUOVA FILIALE IN COSTRUZIONE (IFIC)	35,000	-	-	-	-
PARONA	95,145	-	-	-	-
PAVIA – PIAZZA DEL LINO	1,081,842	3,079	92,263	-	481,035
PAVIA – VIA CAMPARI	533,484	-	-	-	-
PAVIA – CORSO CAVOUR 12	3,606,858	-	-	-	-
PELLEGRINO P.SE	236,593	-	15,431	2,998	49,259
PIACENZA – CENTRO BATTISTI	19,487,054	-	-	-	-
PIACENZA – PALCO TEATRO MUNICIPALE	58	-	-	-	-
PIACENZA – VIA COLOMBO	1,090,091	-	-	-	-
PIACENZA – VIA DANTE	1,507,178	-	-	-	-
PIACENZA – VIA POGGIALI	3,421,132	-	-	769,851	1,567,362
PIACENZA – V.LE MARTIRI RES.16/18	181,610	-	-	-	-
PIANELLO	292,528	-	-	-	-
PIANO DI SORRENTO	1,542,576	-	-	-	-
PIEVE D'OLMI	9,452	-	12,488	-	-
PIEVE PORTO MORONE	124,526	-	-	-	-
PIEVEOTTOVILLE – ZIBELLO	25,499	-	342	-	45,249
PIZZIGHETTONE	304,818	-	-	-	178,694
PODENZANO	305,440	-	-	-	67,139
POLESINE P.SE	384,863	-	-	-	-
PONTE DELL'OLIO	355,720	-	-	-	-
PONTENURE	520,591	-	-	-	-
PONTETARO – FONTEVIVO	521,333	-	19,513	3,367	66,243
PORTICI	1,930,991	-	-	-	-
RIETI	1,348,331	-	-	-	-
RIVAROLO DEL RE	385,352	-	1,600	-	-
ROBECCO D'OGLIO	49,968	948	8,786	-	-
ROCCABIANCA	624,389	-	-	-	-
ROMA	3,988,348	-	-	-	-
ROMANENGO	714,682	795	12,932	-	-
ROTTOFRENO	47,391	-	-	-	56,810
ROVERBELLA	147,277	-	14,949	-	-
S. GIOVANNI IN CROCE	583,649	664	3,813	-	-

Assets revalued pursuant to special laws

L. 29.12.90 no. 408	L. 30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2010	Net book value at 31.12.2010
897,799	2,460,915	-	-	10,353,747	3,307,501	7,046,246
-	-	44,284	-	435,774	-	435,774
42,608	4,005,756	23,165,363	-	55,709,489	25,884,993	29,824,496
-	-	-	-	112,781	-	112,781
-	328,259	901,626	-	2,434,261	794,484	1,639,776
-	428,631	6,708,770	-	11,372,785	2,335,806	9,036,979
-	149,334	319,851	-	1,070,547	449,336	621,211
-	607,415	1,954,872	-	6,110,076	3,079,368	3,030,708
19,656	30,642	-	-	91,878	-	91,878
-	-	-	-	35,000	-	35,000
-	12,941	75,689	-	183,775	58,507	125,268
-	941,760	-	217,178	2,817,157	1,749,515	1,067,642
-	32,726	22,047	-	588,256	311,917	276,338
-	-	-	-	3,606,858	54,649	3,552,209
-	19,224	182,482	-	505,987	132,142	373,845
-	-	-	-	19,487,054	4,803,689	14,683,364
-	-	-	-	58	10	47
-	196,597	195,554	-	1,482,243	537,786	944,457
-	215,624	426,870	-	2,149,672	744,378	1,405,295
-	1,952,811	5,788,954	-	13,500,110	3,838,668	9,661,442
-	-	-	-	181,610	28,716	152,895
-	9,449	60,751	-	362,727	165,209	197,518
-	-	-	-	1,542,576	23,372	1,519,204
-	21,534	-	48,712	92,187	50,766	41,421
-	53,937	-	84,966	263,429	128,049	135,379
-	8,525	73,623	-	153,236	67,774	85,463
-	99,878	-	20,092	603,482	315,303	288,179
-	70,923	115,376	-	558,877	283,235	275,642
-	70,135	150,460	-	605,458	346,782	258,676
-	115,908	172,170	-	643,798	263,791	380,006
-	68,083	-	-	588,674	365,417	223,257
26,289	116,981	93,310	-	847,035	382,922	464,113
-	-	-	-	1,930,991	29,209	1,901,781
-	-	-	-	1,348,331	20,429	1,327,902
-	90,021	-	14,886	491,859	321,577	170,282
-	15,957	-	81,443	157,102	51,255	105,847
-	17,912	241,824	-	884,125	560,154	323,971
-	-	-	-	3,988,348	1,904,922	2,083,426
-	21,601	-	110,278	860,288	136,374	723,914
-	24,581	61,128	-	189,910	80,580	109,330
-	22,589	-	155,423	340,238	111,133	229,106
-	11,034	-	54,843	654,003	223,478	430,525

Assets revalued pursuant to special laws

Property	Book value net of revaluations	L. 11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576	L. 19.3.83 no. 72
S.ANDREA BAGNI – MEDESANO	205,545	-	1,859	-	-
S.ANGELO LODIGIANO	648,796	1,411	13,012	-	-
S.GIORGIO P.NO	335,200	-	-	-	-
S.GIULIANO MILANESE	388,392	-	43,900	-	232,406
S.MARIA DEL TARO – TORNOLO	45,412	-	3,146	-	58,320
S.POLO DI TORRILE	734,622	-	-	-	-
S.SECONDO P.SE	216,101	-	145	-	105,674
SALA BAGANZA – VIA MAESTRI	87,452	-	46,459	6,907	72,054
SALA BAGANZA – PIAZZA GRAMSCI	443,308	-	15,749	-	235,765
SALSOMAGGIORE TERME	1,438,282	-	60,047	41,818	338,509
SESTO CREMONESE	87,707	508	3,370	-	-
SISSA	302,921	-	3,353	7,578	-
SOLIGNANO	22,998	-	4,209	5,424	51,082
SORAGNA	93,726	-	18,533	17,254	67,759
SORBOLO	1,133,390	-	-	-	-
SORESINA	178,972	830	35,251	-	-
SUZZARA	795,762	-	-	-	-
TABIANO BAGNI -SALSOMAGGIORE TERME	68,800	-	757	19,119	85,501
TALIGNANO – SALA BAGANZA VILLA LALATTA	614,759	-	-	-	-
TORINO – CORSO GIUSEPPE GABETTI 2/A	1,775,331	-	-	-	-
TORINO – PIAZZA DE AMICIS 121/BIS	1,152,461	-	-	-	-
TRAVERSETOLO	947,313	-	23,043	8,221	72,176
TRAVO	133,642	-	-	-	-
TRIGOLO	46,345	129	8,539	-	-
TROMELLO	380,359	-	-	-	-
VALENZA	342,964	-	-	56,334	252,201
VARESE	4,459,331	-	-	-	-
VESCOVATO	8,463	51	12,911	-	-
VIGEVANO – CSO MILANO 65	237,159	-	-	7,230	-
VIGEVANO – PALAZZO DUCALE	1,589,878	-	-	129,114	1,077,258
VIGEVANO – PZA VOLTA 4	120,671	-	-	15,494	-
VILLANOVA – V.MORO	337,493	-	-	-	-
VINOVO	292,719	-	-	-	-
ZIANO – VIA ROMA	69,449	-	-	-	20,658
ZIANO – VICOBARONE	48,378	-	-	-	15,494
ZIBELLO	176,504	-	136	-	98,960
TOTAL PROPERTY	**195,380,768**	**52,423**	**4,837,824**	**1,903,826**	**26,230,901**
FURNITURE AND PLANT					
FURNITURE AND FITTINGS	59,955,364	-	3,414	18,701	-
PLANTS AND MACHINERY	161,955,002	-	1,807	11,178	-
Total furniture and plant	**221,910,366**	**-**	**5,222**	**29,878**	**-**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**417,291,134**	**52,423**	**4,843,045**	**1,933,704**	**26,230,901**

Assets revalued pursuant to special laws

L. 29.12.90 no. 408	L. 30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2010	Net book value at 31.12.2010
-	5,253	129,517	-	342,174	173,192	168,982
-	66,702	-	8,769	738,689	303,239	435,450
-	-	-	-	335,200	154,950	180,250
-	369,534	-	73,368	1,107,600	617,685	489,915
-	10,200	100,472	-	217,551	104,202	113,349
-	11,996	-	-	746,618	282,774	463,844
-	71,430	392,743	-	786,092	282,773	503,319
-	59,315	323,203	-	595,390	147,046	448,344
670,239	14,659	-	-	1,379,721	609,316	770,405
-	16,718	424,119	-	2,319,493	915,331	1,404,162
-	12,890	-	76,972	181,447	59,491	121,957
-	27,414	159,671	-	500,938	214,366	286,572
-	9,218	97,942	-	190,873	86,721	104,152
-	39,340	177,224	-	413,835	180,553	233,283
-	62,444	651,020	-	1,846,854	1,100,370	746,483
-	97,091	-	382,504	694,649	311,871	382,778
-	18,414	539,476	-	1,353,652	862,752	490,900
-	16,618	132,004	-	322,800	152,804	169,996
289,767	-	1,710,026	-	2,614,552	628,013	1,986,539
-	-	-	-	1,775,331	26,899	1,748,432
-	-	-	-	1,152,461	17,462	1,135,000
-	84,935	259,432	-	1,395,119	445,816	949,303
-	38,548	1,640	-	173,830	109,723	64,107
-	14,433	-	61,857	131,303	49,197	82,106
-	17,078	78,092	-	475,529	80,036	395,493
-	90,987	-	858,291	1,600,777	836,401	764,376
-	-	-	-	4,459,331	67,566	4,391,765
-	18,956	-	106,168	146,550	70,139	76,411
-	17,382	163,008	-	424,779	141,048	283,731
-	417,537	1,004,817	-	4,218,604	1,294,278	2,924,326
-	45,829	270,714	-	452,707	125,220	327,487
-	71,327	57,044	-	465,863	156,140	309,723
-	20,734	-	148,416	461,869	287,919	173,950
-	8,838	45,381	-	144,327	49,138	95,189
-	8,451	14,084	-	86,408	41,189	45,219
-	6,056	278,852	-	560,508	234,769	325,739
5,357,925	**55,824,498**	**62,762,672**	**22,147,563**	**374,498,400**	**125,155,007**	**249,343,393**
-	-	-	-	59,977,479	47,756,060	12,221,419
-	-	-	-	161,967,987	134,616,213	27,351,774
-	**-**	**-**	**-**	**221,945,466**	**182,372,273**	**39,573,193**
5,357,925	**55,824,498**	**62,762,672**	**22,147,563**	**596,443,867**	**307,527,280**	**288,916,586**

Assets revalued pursuant to special laws

SHAREHOLDINGS AND ASSETS AVAILABLE FOR SALE	Book value net of revaluations	L. 30.7.90 no. 218	Impairment	Measurement equity investment// AFS	Total cost	Net book value at 31.12.2010
ALMA SCUOLA CUCINA	48,410	-	-	-	48,410	48,410
BANCA D'ITALIA	3,148	63,444,444	-	-	63,447,592	63,447,592
BANCA POPOLARE FRIULADRIA S.P.A.	943,296,454	-	-	-	943,296,454	943,296,454
CA AGROALIMENTARE SPA	6,250,000	-	-	-	6,250,000	6,250,000
CALIT SRL	78,350,000	-	-	-	78,350,000	78,350,000
CARIPARMA MORTGAGE SRL	2,280	-	-	-	2,280	2,280
CE.P.I.M. SPA	801,542	- 44,831	-	590,549	1,347,260	1,347,260
CENTRO FACTORING SPA	156,717	-	-	116,993	273,710	273,710
CONSORZIO AGRARIO PROVINCIALE DI PARMA	84,915	487,535	-	- 450	572,000	572,000
CONS. AGRARIO PROVINCIALE PAVIA SRL		-	-	-	-	-
CONS. AGRARIO PROVINCIALE PIACENZA SCRL	26	427	-	-	453	453
CENTRO AGRO-ALIMENTARE DI PARMA S.R.L.	619,748	- 9,296	-	297,677	908,129	908,129
CENTRO RICERCA E FORMAZIONE (SOCRIS)	-	-	-	-	-	-
CREDIT AGRICOLE VITA ASSICURAZIONI SPA	119,893,062	-	-	-	119,893,062	119,893,062
EUROCASSE SOCIETA' DI INTERMEDIAZIONE MOBILIARE		-	-	-	-	-
IMPIANTI SRL	-	-	-	-	-	-
S.W.I.F.T. SC	22,950	971	-	18,959	42,880	42,880
SEP	12,234	-	-	-	12,234	12,234
SI.TE.BA SISTEMI TELEMATICI BANCARI SPA	23,190	-	-	126,624	149,814	149,814
SO.GE.A.P. AEROPORTO DI PARMA SOCIETA' PER LA GESTIONE S.P.A.	236,125	- 38,911	- 37,238	-	159,976	159,976
PIACENZA EXPO SPA (EX SO.PR.A.E. SPA)	1,288,405	94,063	-	- 334,037	1,048,431	1,048,431
SIA-SSB SPA	225,443	7,012	-	627,849	860,304	860,304
SOCIETA' PROV.LE INSEDIAMENTI PROD. SPA – SO.PR.I.P.	130,124	1,033	-	86,894	218,051	218,051
FIERE DI PARMA SPA	7,520,278	- 416,050	-	74,487	7,178,715	7,178,715
VISA EUROPE LIMITED	1	-	-	-	1	1
TOTAL EQUITY INVESTMENTS AND ASSETS AVAILABLE FOR SALE	**1,158,965,052**	**63,526,397**	**- 37,238**	**1,605,545**	**1,224,059,756**	**1,224,059,756**

Branches

► Alessandria

Sede Alessandria

Corso Roma, 5

Alessandria

Via Marengo, 28

Casale Monferrato

Piazza Martiri della Libertà, 19

Cassano Spinola

Via IV Novembre, 5

Castelnuovo Scrivia

Via Solferino, 2

Gavi

Via Voltaggio, 1/4

Novi Ligure

Corso Romualdo Marenco, 30

Sale

Via Mentana, 2

San Sebastiano Curone

Via Anselmi

Tortona

Corso Romita, 10/B

Valenza

Via Cunietti, 8

Viguzzolo

Via Vittorio Veneto, 5

Volpedo

Via Pelizza, 55

► Arezzo

Sede Arezzo

Via Pietro Aretino, 1

San Giovanni Valdarno

Corso Italia, 73

► Asti

Sede Asti

Corso Vittorio Alfieri, 213

► Bergamo

Sede Bergamo

Largo Belotti, 5/A

Bergamo Ag. 1

Via Broseta, 70

Alzano Lombardo

Piazza Italia, 1

Dalmine

Largo Europa, 6

Lovere

Vicolo Del Porto, 1

Seriate

Via Dante Alighieri

► Biella

Sede di Biella

Via Lamarmora, 15/D

Valle Mosso

Piazza Repubblica, 15

► Bologna

Sede Bologna

Via Marconi, 16

Bologna – Ag. 1

Via Dei Mille, 19

Bologna – Ag. 2

Via Vittoria, 2/A

Bologna – Ag. 3

Via Montegrappa

Bologna – Ag. 4

Via San Felice

Bologna – Ag. 5

Via Emilia Levante, 1

Bologna – Ag. 6

Via Molino Parisio, 1

Bologna – Ag. 7

Via Massarenti, 50

Bologna – Ag. 8

Viale Carlo Pepoli, 84/G

Bologna – Ag. 9

Via Toscana, 119

Casalecchio Di Reno

Via Mazzini, 4

San Lazzaro di Savena

Via Emilia, 160

San Pietro In Casale

Via Matteotti, 125

► Brescia

Manerbio

Via XX Settembre, 26

► Caserta

Sede Caserta

Piazza Aldo Moro

Caserta – Ag. 1

Via Bernini, 13

Aversa

Piazza Bernini

Aversa 2

Viale Giolitti, 17

Capua

Via Appia Porta Roma, 52

Capua 2

Largo Porta Napoli

Cellole

Corso Fredda, 170

Macerata Campania

Via G. Matteotti, 48/50

Maddaloni

Corso 1 Ottobre, 38/40

Roccamonfina

Via Napoli

San Nicola La Strada

S.S.Sannitica Km.23.300

Sessa Aurunca

Corso Lucilio, 42

Teverola

Via Roma, 270

Branches

Trentola-Ducenta

Via Circumvallazione, 46/52

► Como

Sede Como

Via Pietro Boldoni, 1

Como – Ag. 1

Via Mentana, 11

Como – Ag. 2

Lora – Via Oltrecolle, 39

Como – Ag. 3

Via Bellinzona, 177

Cantu'

Vighizzolo – Piazza Piave

Canzo

Via Mazzini, 2

Domaso

Via Case Sparse, 11

Erba

Via Dante Alighieri, 32

Fenegrò

Piazza Santa Maria Nascente, 10

Figino Serenza

Via Crocefisso, 22

Lomazzo

Piazza Brolo San Vito, 8

Menaggio

Via IV Novembre, 17

Porlezza

Via Colombaio, 27

San Fermo Della Battaglia

Via Diaz, 12/A

Tavernerio

Via Provinciale, 12

► Cremona

Sede Cremona

Corso Mazzini, 2

Cremona – Ag. 1

Via Buoso Da Dovara, 64/a

Cremona – Ag. 2

Via Dante, 236

Cremona – Ag. 3

Corso Garibaldi, 147

Annicco

Piazza Garibaldi, 3

Casalbuttano

Piazza della Libertà, 21

Casalmaggiore

Via Cavour, 40/42

Castelverde

Piazza Municipio, 11

Cingia De' Botti

Via Giuseppina, 152

Corte De' Cortesi

Piazza Vittorio Veneto, 6

Sede Crema

Via G. Matteotti, 26/28

Gallignano Di Soncino

Via Regina della Scala, 38

Grumello Cremonese

Via Mazzini, 8

Gussola

Via Roma, 16

Paderno Ponchielli

Piazza della Libertà, 6

Pandino

Via Milano, 20

Persichello

Via Ostiano, 227

Piadena

Via della Libertà, 3

Pieve D'Olmi

Via Roma, 1

Pizzighettone

Largo della Vittoria, 7

Rivarolo Del Re

Via della Libertà, 10

Robecco D'Oglio

Via Martiri della Libertà, 48

Romanengo

Via G. Vezzoli, 2

San Giovanni In Croce

Via Giuseppina, 15

Sesto Cremonese

Viale G. Matteotti, 6

Soresina

Via F. Genala, 17

Spinadesco

Via Mazzini, 25

Trigolo

Via Roma, 73

Vescovato

Via Garibaldi, 2

► Cuneo

Alba

Piazza Savona, 8

► Ferrara

Sede Ferrara

Corso Giovecca, 41

Cento

Via Guercino, 2

► Firenze

Sede Firenze

Via S. Lavagnini, 38

Firenze – Ag. 1

Via Taddeo Alderotti, 26/H

Firenze – Ag. 2

Via Pietrapiana, 78/80 R

Firenze – Ag. 3

Via Di Novoli, 57

Firenze Ag. 4

Viale Vasco Pratolini, 19

Firenze Ag. 5

Via Elbano Gasperi, 3

Firenze Ag. 6

Via Gramsci, 59/61

Campi Bisenzio

Piazza Dante, 1

Certaldo

Piazza Boccaccio, 53/55

Empoli

Via Tinto da Battifole, 6

► Frosinone

Sede di Frosinone

Via Aldo Moro, 289

Cassino

Viale Dante, 97

► Genoa

Sede Genova

Via XX Settembre, 187/R

Genova – Ag. 1

Via Di Brera, 34/R

Genova – Ag. 2

Pegli – Piazza Amilcare Ponchielli, 2

Genova – Ag. 3

Sestri Ponente – Piazzetta Balestrino, 3

Chiavari

Piazza Giacomo Matteotti, 4

▸ Grosseto

Sede Grosseto

Largo Manetti, 1

▸ Imperia

Sede Imperia

Via Felice Cascione, 72/A

Bordighera

Via Roma, 4

Sanremo

Via Roma, 62

Ventimiglia

Via Roma, 18/D

▸ La Spezia

Sede La Spezia

Viale San Bartolomeo, 111

▸ Lecco

Sede Lecco

Via Adamello, 8

Brivio

Via Magni, 5

▸ Livorno

Sede Livorno

Largo del Duomo, 22

▸ Lodi

Sede Lodi

Via Marsala, 18

Lodi – Ag. 2

Via Dalmazia, 9

Lodi – Ag. 3

Corso Mazzini, 85

Lodi – Ag. 4

Viale Pavia, 30

Casalpusterlengo

Largo Casali, 31

Casalpusterlengo

Sportello Stabilimento Lever Gibbs

Via Lever Gibbs

Codogno

Piazza Cairoli, 3

Fombio

Akzo Nobel S.R.L.

Via Emilia Km. 273

Sant'Angelo Lodigiano

Piazza dei Caduti, 10

▸ Lucca

Sede Lucca

Viale Pacini, 75

Lucca – Ag. 1

Viale San Concordio, 839

Altopascio

Via Gavinana, 19

Forte Dei Marmi

Via Duca d'Aosta, 9

Viareggio

Corso Garibaldi, 47

▸ Mantua

Sede Mantova

Via Oberdan, 21/23

Mantova – Ag. 1

Corso Garibaldi, 175

Mantova – Ag. 3

Via Imre Nagy, 1

Asola

Piazza XX Settembre, 20

Bagnolo San Vito

SS Romana Zuccona

Belleli Ind. Meccaniche S.R.L.

Via G. Taliercio, 1

Castel D'Ario

Piazza Garibaldi, 77

Castellucchio

Via G. Matteotti, 18

Castiglione Delle Stiviere

Via Perati, 9

Cogozzo Di Viadana

Via Milano, 66

Ecp Enichem Polimeri S.R.L.

Via G. Taliercio, 14

Marmirolo

Via XXV Aprile, 1

Ostiglia

Via Piave, 18

Porto Mantovano

S.da Gramsci, 1/H

Roncoferraro

Piazza A. Dall'Oca, 24

Roverbella

Via M. Custoza, 124

Suzzara

Via Donatori del Sangue, 10

▸ Massa Carrara

Pontremoli

Via Pirandello, 1

▸ Milano

Sede Milano

Via Armorari, 4

Milano – Ag. 1

Piazza Velasca, 4

Milano – Ag. 2

Via Farini, 82

Milano – Ag. 3

Via F. Filzi, 25

Milano – Ag. 4

Via P. Verri, 2

Milano – Ag. 5

Viale Monza, 2

Milano – Ag. 6

Via Ripamonti, 177

Milano – Ag. 7

Via Pistrucci, 25

Milano – Ag. 8

Via Mussi, 4

Milano – Ag. 9

Piazza Frattini, 19

Milano – Ag. 10

Via G. Pacini 37

Milano – Ag. 11

Corso di Porta Vittoria, 5

Milano – Ag. 12

Via Broletto, 37

Milano – Ag. 13

Via Crema, 1

Milano – Ag. 15

Via Gustavo Modena, 22

Branches

Milano – Ag. 18
Via Molino delle armi, 23
Milano Ag. 19
Via Tibaldi, 5
Milano Ag. 20
Via G. Washigton, 102
Milano – Ag. 21
Via Papiniano, 59
Milano – Ag. 22
Via Previati, 72
Milano – Ag. 23
Via Della Moscova, 53
Abbiategrasso
Via San Pietro, 69
Arcore
Via Casati, 88
Bracco Ind. Chimiche
Via E. Folli, 50
Cernusco Sul Naviglio
Viale Assunta, 21
Cesano Boscone
Via Milano, 7
Cesano Maderno
Via Volta, 25
Cinisello Balsamo
Via Libertà, 45
Cusano Dilanino
Via Matteotti, 43
Garbagnate Milanese
Via Manzoni, 25
Melegnano
Via Marsala, 1
Motta Visconti
Via San Giovanni, 4
Paullo
Via Carso, 25
San Giuliano Milanese
Via Roma, 5
Sesto San Giovanni
Viale Casiraghi, 452
Van Den Berg – Unilever
Corso Europa, 2

► Modena

Sede Modena
Via P. Giardini, 145
Modena Ag. 1
Via Ciro Menotti, 391
Modena Ag. 2
Via Emilia Est, 382
Modena Ag 3
Via G. Amendola, 140
Modena Ag 4
Corso Duomo, 41
Carpi
Via Carlo Marx, 80
Castelfranco Emilia
Piazza Garibaldi, 38
Cavezzo
Via Cavour, 42
Fiorano Modenese
Via Vittorio Veneto, 150
Maranello
Via Nazionale, 46
Nonantola
Via Walter Tabacchi, 4/E
Novi Di Modena
Piazza 1° Maggio, 1
San Felice Sul Panaro
Via Mazzini, 46
Sassuolo
Piazza Martiri Partigiani, 30
Serramazzoni
Piazza T. Tasso, 2
Soliera
Via IV Novembre, 23
Vignola
Via Mazzini, 10

► Monza and Brianza

Sede Desio
Largo Volontari del sangue
Monza
Via Borgazzi, 5
Monza 2
Via Monte Cervino, 3

► Napoli

Sede Napoli
Via Toledo, 129/132
Napoli Ag. 1
Piazza Giovanni Bovio, 11
Napoli Ag. 2
Via Enrico Pessina, 69
Napoli Ag. 3
Piazza Della Repubblica, 2
Napoli Ag. 4
Piazza Garibaldi, 137
Napoli Ag. 5
Corso Novara al Vasto, 10
Napoli Ag. 6
Via Imparato, 29
Napoli Ag. 7
Via Santa Lucia, 151
Napoli Ag. 8
Piazza Amedeo, 8
Napoli Ag. 9
Via A. Scarlatti, 200/E
Napoli Ag. 10
Piazza Medaglie d'oro, 17
Napoli Ag. 11
Via Eduardo Nicolardi, 21
Napoli Ag. 12
Via Francesco De Pinedo, 25
Napoli Ag. 13
Via Bartolomeo Chioccarelli, 2
Napoli Ag. 14
Via Sant'Alfonso Maria De'Liguori, 40
Napoli Ag. 15
Via Principessa Rosina Pignatelli, 218
Napoli Ag. 16
Centro Direzionale Isola F, 12 Palazzo Unigest
Napoli Ag. 17
Via Paolo Della Valle, 51
Napoli Ag. 18
Via E. Fermi, 2
Napoli Ag. 19
Fuorigrotta – Piazza S.Vitale, 13
Napoli Ag. 20
Vomero – Piazzetta Santo Stefano, 1
Napoli Ag. 21
Via Ziviello, 30
Napoli Ag. 22
Via Chiaia, 110
Napoli Ag. 23
Via Benedetto Croce, 25

Napoli Ag. 24
Piazza Vanvitelli, 27
Napoli Ag. 25
Via Abate Minichini, 1/A
Napoli Ag. 26
Via Cilea, 282/286
Napoli Ag. 27
Via Giulio Palermo, 53
Napoli Ag. 28
Largo Sermoneta, 21
Napoli Ag. 29
Via Terracina, 407/A
Di Capodichino
Viale Ruffo Fulco di Calabria, 2
Afragola
Via G. Amendola, 126
Bacoli
Via G. De Rosa, 124
Castellammare Di Stabia
Corso Alcide De Gasperi, 1
Castellammare Di Stabia 2
Via G. Cosenza
Giugliano In Campania
Corso Campano, 544/L
Nola
Via Anfiteatro Laterizio, 9
Piano Di Sorrento
Corso Italia, 122
Piano Di Sorrento 2
Via Delle Rose
Pomigliano D'Arco
Viale Impero c/o FIAT AVIO SPA
Pomigliano D'Arco 2
Viale Alfa, 103/105

Pompei
Via Piave, 14/16/18
Portici
Via Libertà, 175
San Gennaro Vesuviano
Piazza Margherita, 3/4
San Giorgio a Cremano
Via Pittore, 137
S. Giuseppe Vesuviano
Via XX Settembre, 36
Sant'Agnello
Via Don Minzoni, 13/15
Santantonio Abate
Via Roma, 156/158
Sorrento
Viale Degli Aranci, 143/A
Torre Del Greco
Corso Vittorio Emanule, 117
Torre Del Greco 2
Via Nazionale, 224/226
Vico Equense
Piazza Umberto I, 8

► Novara

Sede Novara
Via Cairoli, 4
Novara – Ag. 1
Via Galilei, 15
Novara – c/o Barilla Dolciaria Spa
Corso Vercelli, 101
Novara
Via Pietro Micca, 68
Borgomanero
Piazza XX Settembre
Trecate
Via Garibaldi, 1

► Parma

Sede Parma
Via Università, 1/A
Sede Parma 2
Piazza Cesare Battisti, 7/a
Parma – Ag. 1
Via M. D'Azeglio, 10
Parma – Ag. 2
Via Emilia Ovest, 10
Parma – Ag. 3
Piazzale V.Emanuele II, 5/A
Parma – Ag. 4
Viale Mentana, 131
Parma – Ag. 5
Piazzale Barbieri, 29/a
Parma – Ag. 6
Via C. Farini, 71
Parma – Ag. 7
Via Verdi, 2 – c/o Borsa Merci
Parma – Ag. 8
Via P. Torelli, 51/A
Parma – Ag. 9
Via Cuneo, 21/A
Parma – Ag. 10
Via Abbeveratoia, 4/D
Parma – Ag. 11
Strada Mercati, 9/B
Parma – Ag. 12
Via La Spezia, 138/A
Parma – Ag. 13
Viale Gramsci, 13/a
Parma – Ag. 14
Via Langhirano, 51
Parma – Ag. 15
Via E. Lepido, 12/a
Parma – Ag. 16
Via S.Leonardo, 18
Parma – Ag. 17
Via Montanara, 21
Parma – Ag. 18 – S.P.I.P.
Via Mercalli, 13
Parma – Ag. 19
Via S.Leonardo, 2a
Parma – Ag. 20
Via E. Lepido, 51/A
Parma – Ag. 22
Viale Piacenza, 29/a
Parma – Ag. 23
Via Montebello, 23
Parma – Ag. 24
Via Emilia Ovest, 151/A
Parma – Ag. 25
Via Traversetolo, 20
Albereto
Via della Repubblica 36
Bardi
Via Roma, 1
Basilicanova
Via Argini Sud, 6/A
Bedonia
Via Garibaldi, 25
Berceto
Piazza Micheli, 5/Ter
Bore
Via Colombo, 12
Borgo Val Di Taro
Via Nazionale, 27
Busseto
Via Roma, 125

Branches

Calestano

Piazza Europa, 1/A

Coenzo

Via Rabaglia, 25

Collecchio

Via La Spezia, 10

Colorno

Via Cavour, 28

Corniglio

Via Rustici, 2/A

Corniglio – Beduzzo

Via Costa, 10

Felegara – Sant'Andrea Bagni

Via Cisa, 1

Felino

Piazza Miodini, 3

Fidenza

Via Gramsci, 41

Fidenza 2

Via Togliatti, 4/6

Fidenza 3

Piazza Garibaldi, 22

Fontanellato

Piazza Garibaldi, 12

Fontanelle

Strada Provinciale, 59

Fontevivo

Strada Provinciale di Busseto, 135

Fornovo Di Taro

Via XXIV Maggio, 17

Lagrimone

Via Lagrimone, 12

Langhirano

Via O. Ferrari, 9

Langhirano 2

Via del Popolo, 22

Langhirano 3

Via Fanti D'Italia, 9

Lesignano Bagni

Piazza Marconi, 13

Medesano

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▸ Verona

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▸ Viterbo

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CORPORATE CENTERS

Bologna
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Via P. Togliatti, 9

Como
Area Corporate Lombardia – Presidio Como/Varese

Via Boldoni, 1

Firenze
Area Corporate Centro Presidio Firenze

Via di Novoli, 57

Mantua
Area Corporate Emilia Est – Presidio Mantova/Verona

SS Romana Zuccona

Loc San Biagio

Milano
Area Corporate Lombardia

Via Armorari, 4

Modena
Area Corporate Emilia Est

Via del Sagittario, 5

Parma
Area Corporate Emilia Ovest

Via Giolitti 2 – Torre Nord

Piacenza
Area Corporate Emilia Ovest – Presidio Piacenza

Via Poggiali, 18

Reggio Emilia
Area Corporate Emilia Est – Presidio Reggio Emilia

Via M Ruini, 74/L

Roma
Area Corporate Centro

Via Carini, 75

Torino
Area Corporate Piemonte

Via Roma, 282

ENTERPRISE CENTERS

Alessandria
Centro Imprese Torino – Nucleo Alessandria

Corso Roma, 5

Bologna
Centro Imprese Bologna

Via P. Togliatti, 9

Caserta
Centro Imprese Napoli – Nucleo Caserta

Piazza Aldo Moro

Cremona
Centro Imprese Cremona

C.so Mazzini, 2

Ferrara
Centro Imprese Bologna – Nucleo Ferrara

Corso Giovecca, 41

Firenze
Centro Imprese Firenze

Via di Novoli, 57

Genoa
Centro Imprese Genova

Via XX settembre, 187

Imperia
Centro Imprese Genova – Nucleo Sanremo

Via Roma, 62

Lodi
Centro Imprese Lodi/ Vigevano/Pavia

Via Marsala, 18

Lucca
Centro Imprese Firenze – Nucleo Lucca

Viale Pacini, 75

Mantua
Centro Imprese Mantova

Via Oberdan, 21/23

▸ Milano

Centro Imprese Milano

Via Armorari, 4

Centro Imprese Milano Nord

Via Borgazzi, 5

▸ Modena

Centro Imprese Modena

V.le del Sagittario, 5

▸ Napoli

Centro Imprese Napoli C

Dir.le Isola F 12 pal Unigest

▸ Novara

Centro Imprese Varese – Nucleo Novara

Via Cairoli, 4

▸ Parma

Centro Imprese Parma

Via Langhirano, 51/a

Centro Imprese Fidenza

Via La Spezia, 138/a

▸ Pavia

Centro Imprese Lodi/ Vigevano/Pavia Nucleo Vigevano

P.za Ducale, 43

▸ Piacenza

Centro Imprese Piacenza

Via Poggiali, 18

▸ Reggio Emilia

Centro Imprese Reggio Emilia

Via M Ruini, 74/L

▸ Roma

Centro Imprese Roma

Via Cola di Rienzo, 23/d

Centro Imprese Roma – Nucleo Roma Eur

Piazzale Adenauer, 1-3

▸ Torino

Centro Imprese Torino

Via Roma, 282

▸ Varese

Centro Imprese Varese/Como

Via Gaetano Donizetti, 4

» PRIVATE BANKING CENTERS

▸ Alessandria

Centro Private Alessandria

Corso Roma, 5

Centro Private Alessandria – Nucleo Valenza

Via Cunietti, 8

▸ Bologna

Centro Private Bologna

Via Marconi, 16

▸ Como

Centro Private Varese – Nucleo Como

Via Boldoni, 1

▸ Cremona

Centro Private Cremona

C.so Mazzini, 2

▸ Ferrara

Centro Private Bologna – Nucleo Ferrara

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▸ Firenze

Centro Private Firenze

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▸ Genoa

Centro Private Genova

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▸ Lodi

Centro Private Pavia – Nucleo Lodi

Via Marsala, 18

▸ Lucca

Centro Private Firenze – Nucleo Lucca

Viale Pacini, 75

▸ Mantua

Centro Private Mantova

Via Oberdan, 21/23

▸ Milano

Centro Private Milano

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▸ Modena

Centro Private Reggio Emilia – Nucleo Modena

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Centro Private Parma

Via Cavestro, 3

Centro Private Fidenza

Via La Spezia, 8

► Piacenza

Centro Private Piacenza

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► Roma

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Group equity investments

EQUITY INVESTMENTS OF CARIPARMA

Cariparma

Banca Popolare FriuladriA S.p.A	(79.11%)	Impianti Srl	(5.14%)
Credit Agricole Leasing Italia Srl	(85.00%)	Mondomutui Cariparma Srl	(19.00%)
Credit Agricole Vita S.p.A	(49.99%)	Banca d'Italia	(2.03%)
Consorzio Agrario di Parma Scrl	(0.05%)	Consorzio Agrario Provinciale Pavia Scrl	(0.12%)
Ca Agro – Alimentare S.p.A	(26.32%)	SI.TE.BA Sistemi Telematici Bancari S.p.A	(0.89%)
S.E.P. Società Economia Parmense S.r.l.	(19.00%)	So.Ge.A.P. Aeroporto Di Parma Società per la Gestione S.p.A	(0.83%)
Fiere di Parma S.p.A	(17.33%)	Centro Agro-Alimentare e Logistico Srl	(11.40%)
Centro Factoring S.p.A	(0.41%)	Piacenza Expo	(7.94%)
Società Sia - Ssb S.p.A	(0.20%)	Società Prov.le Insediamenti Produttivi So.Pr.I.P. S.p.A	(7.55%)
Eurocasse Società di Intermediazione Mobiliare S.p.A	(0.07%)	Alma Srl	(7.03%)
Consorzio Agrario Provinciale Piacenza Scrl	(0.05%)	Ce.P.I.M. S.p.A	(6.84%)
S.w.i.f.t. Sc	(0.01%)	Visa Europe Ltd	(0.01%)

Group equity investments

EQUITY INVESTMENTS OF FRIULADRIA

FriulAdria

GlassFin Srl	(31.66%)	Asdi Sedia S.c.p.a	(1.00%)
Elettrostudio Energia S.p.A	(3.00%)	Centro Meduna S.c.a.r.l.	(0.50%)
CA Agro-Alimentare S.p.A	(10.53%)	ATAP S.p.A	(0.96%)
Asdi Distretto del Mobile Srl	(9.30%)	Sia –Ssb S.p.A	(0.04%)
Mediocredito del Friuli Venezia Giulia S.p.A	(4.82%)	Pordenone Energia S.p.A	(0.06%)
Friulia S.p.A	(2.64%)	Cleanpower S.c.r.l.	(0.01%)
Autoservizi Friuli Venezia Giulia S.p.A. – Saf	(2.47%)	S.w.i.f.t. Sc	(0.01%)
Portogruaro Interporto S.p.A	(1.61%)	Visa Europe Ltd	(0.01%)
Greenway Società Agricola a r.l.	(35%)		

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Soggetta all'attività di Direzione e Coordinamento di Crédit Agricole S.A.