2016

HALF-YEARLY CONSOLIDATED

REPORT

AS AT 30 JUNE

GRUPPO CARIPARMA CRÉDIT AGRICOLE

CARISPEZIA | FRIULADRIA | CARIPARMA

Cariparma CA Group Half-yearly Consolidated Report as at 30 June 2016

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Corporate Officers and Independent Auditors

Board of Directors

CHAIRMAN

Ariberto Fassati (*)

DEPUTY-CHAIRMAN

Xavier Musca

Fabrizio Pezzani (*)

CHIEF EXECUTIVE OFFICER

Giampiero Maioli (*)

DIRECTORS

Gian Domenico Auricchio

Alberto Bertoli

Evelina Christillin

Daniel Epron

Alberto Figna

Nicolas Langevin

Michel Mathieu (*)

Marc Oppenheim (*)

Thierry Pomaret

Jean-Louis Roveyaz

Annalisa Sassi

(*) Members of the Executive Committee.

Board of Statutory Auditors

CHAIRMAN

Paolo Alinovi

STANDING AUDITORS

Luigi Capitani

Maria Ludovica Giovanardi

Stefano Lottici

Germano Montanari

ALTERNATE AUDITORS

Alberto Cacciani

Roberto Perlini

Senior Management

CO-GENERAL MANAGER

Hughes Brasseur

MANAGER IN CHARGE OF THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS

Pierre Débourdeaux

Independent Auditors

EY S.p.A.

CRÉDIT AGRICOLE S.A.
A UNIVERSAL BANKING GROUP

The Crédit Agricole Group is the leading partner to the French economy and one of the largest banking groups in Europe. It is the leading retail bank in Europe, as well as the first European asset manager, the first bancassurer in Europe and the third European player in project finance.

Built on its strong cooperative and mutual roots, its 140,000 employees and the 31,500 directors of its Local and Regional Banks, the Crédit Agricole Group is a responsible and responsive bank serving 52 million customers, 8.8 million mutual shareholders and 1 million individual shareholders.

Thanks to its universal customer-focused retail banking model – based on the cooperation between its retail banks and their related business lines, the Crédit Agricole Group supports its customers' projects in France and around the world providing specialized services: retail banking, insurance, real estate, payments, asset management, leasing and factoring, consumer finance, corporate and investment banking.

Crédit Agricole also stands out for its dynamic, innovative corporate social responsibility policy, for the benefit of the economy. This policy is based on a pragmatic approach which permeates across the Group and engages each employee.

52	52	140 000
The Countries it operates in	Mln Customers worldwide	Staff

€ 6.0 Bln	€ 92.9 Bln	13.7 %
Net income Group share	Equity Group share	Core Tier 1 ratio fully loaded

The Group’s organization

8.8 million mutual shareholders are the base of Crédit Agricole cooperative structure. They hold shares in the capital of the **2,476 Local Banks** and, every year, appoint their representatives: **31,150 Directors**, who bring their interests to the Group's attention.

The Local Banks hold the majority of the share capital of the **39 Regional Banks.**

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

Through the **SAS Rue La Boétie,** the Regional Banks are the controlling shareholder of Crédit Agricole S.A, with a 56.7% shareholding. Together with the specialist companies, Crédit Agricole S.A. coordinates the strategies for the various business lines in France and abroad.

CUSTOMER-FOCUSED BANK

Universal Customer-focused Bank

SPECIALIZED BUSINESS LINES

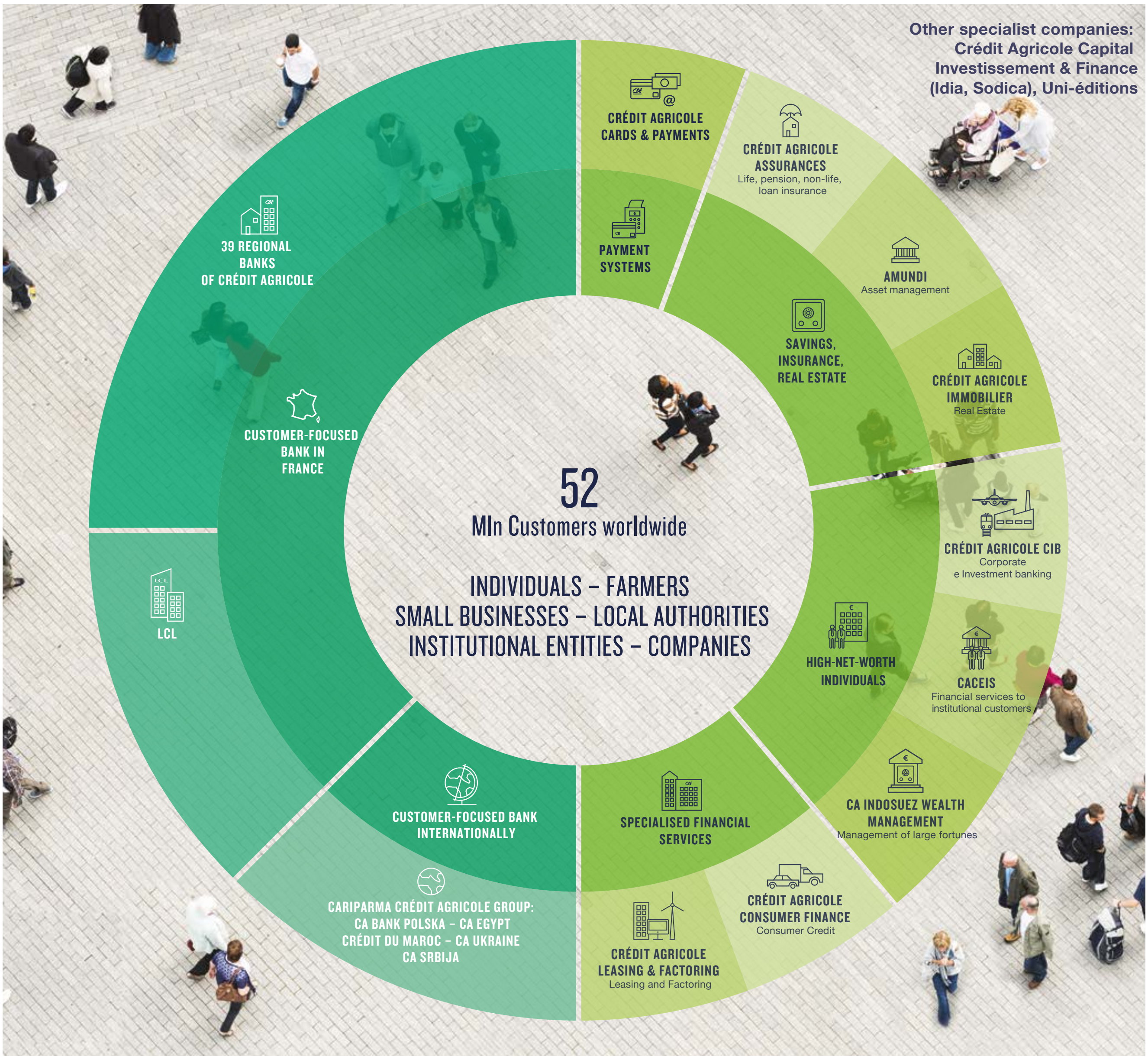


Photo : Getty Images/George Clerk

1° Financial partner of the French economy

1° Bancassurer in Europe

1° European Asset Manager

UNIVERSAL CUSTOMER-FOCUSED BANK IN ITALY

The Crédit Agricole Group has been operating in Italy for over 40 years, since the ‘70s, when it acquired Banque Indosuez. Its operations later developed covering the commercial banking, consumer credit, corporate and investment banking, asset management, and insurance segments, up to completing the range of provided services with private banking ones.

That of a **Universal Customer-focused Bank** is the organizational model that Crédit Agricole has designed to offer a range of banking products and specialized services, able to meet the requirements of all Customer segments. This model is up and running also in Italy.

Close cooperation between the Banks' distribution network and the business lines ensures that Crédit Agricole can operate in Italy providing a wide and integrated range of products and services, fit to meet the requirements of all economic players.

THE ORGANIZATIONAL MODEL INCLUDES:

CORPORATE AND INVESTMENT BANKING
for financial institutions and large companies

COMMERCIAL BANK
for individuals and businesses

FINANCIAL SERVICES
consumer credit, vehicle financing, leasing and factoring for businesses and individuals

INSURANCE AND ASSET MANAGEMENT SERVICES
for the Customers of the Group Banks and of independent networks

PRIVATE BANKING AND ASSET SERVICES
specialised services for private and institutional Customers

THE IMPORTANCE OF ITALY TO CRÉDIT AGRICOLE

KEY FIGURES IN 2015

61 Bln €
Loans to the economy

3.3 Bln €
Revenues

123 Bln €
Deposits and Customers' funds under management(*)

in Italia

12,000
Staff

3.5 Mln
Customers

(*) including "out-of-Group" AuM Amundi and Assets CACEIS (Depositary and Custody Bank).

COMMERCIAL BANK

GRUPPO CARIPARMA CRÉDIT AGRICOLE
CARISPEZIA | FRIULADRIA | CARIPARMA

CORPORATE AND INVESTMENT BANKING

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

CAPITAL FOR DEVELOPMENT

IDIA CAPITAL INVESTISSEMENT

FINANCIAL SERVICES

AGOS
FCA BANK
CRÉDIT AGRICOLE LEASING
CRÉDIT AGRICOLE EUROFACTOR

SERVICES

CRÉDIT AGRICOLE GROUP SOLUTIONS

INSURANCE

CRÉDIT AGRICOLE VITA
CRÉDIT AGRICOLE ASSICURAZIONI
CRÉDIT AGRICOLE CREDITOR INSURANCE

ASSET MANAGEMENT

Amundi ASSET MANAGEMENT

WEALTH MANAGEMENT

INDOSUEZ WEALTH MANAGEMENT
INDOSUEZ FIDUCIARIA

ASSET SERVICES

caceis INVESTOR SERVICES

PROFILE OF THE CARIPARMA CRÉDIT AGRICOLE GROUP

7th player in the Italian banking sector by assets under management

915 points of sale

8,200 Employees

Over **1,700,000** Customers

CAPITAL SOUNDNESS AS AT 30 June 2016: CET 1 11.3% (TOTAL CAPITAL RATIO 13.3%)

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

The **Cariparma Crédit Agricole Group,** through the commercial Banks **Cariparma, FriulAdria and Carispezia,** operates in the 10 Italian Regions that account for 71% of the national population and generate 79% of the Italian GDP, with mid-corporate, large-corporate and private banking centers in the main cities. Its strong bonds with the communities it operates in, its focus on Customers and its widely acknowledged soundness are the Group's main strengths.

The Group's range of products and services covers all market segments:

RETAIL with 834 branches and 13 Small Business centers
PRIVATE with 21 Private Banking markets
CORPORATE BANKING with 20 mid-corporate markets and 1 large-corporate area

CARIPARMA CRÉDIT AGRICOLE

Parent Company of the Cariparma Crédit Agricole Group, it is strongly rooted in the communities it operates in and originated from local banks. In addition to its provinces of origin, Parma and Piacenza, it **operates in Italy's most productive cities**: Turin, Milan, Florence, Bologna, Rome and Naples.

613 points of sale in total **28.2 Bln €** worth of loans **83.8 Bln €** worth of total funding

FRIULADRIA CRÉDIT AGRICOLE

In 2007, FriulAdria became part of the new Cariparma Crédit Agricole Group, with the objective of **expanding its operations to cover the entire Triveneto Region**. It has **15,000 mutual shareholders** that give evidence of its strong bond with the local fabric; today, it is a reference point for households and businesses in North-eastern Italy and is implementing a significant **plan to expand operations to the Veneto Region.**

206 points of sale in total **6.8 Bln €** worth of loans **12.9 Bln €** worth of total funding

CARISPEZIA CRÉDIT AGRICOLE

Carispezia, one of the oldest savings banks in Italy, joined the Cariparma Crédit Agricole Group in 2011. It is the market leader in its provinces of origin, La Spezia and Massa Carrara; in 2014, it launched a **project to expand operations to Western Liguria**, branching out to the markets of Genoa, Savona and Imperia. Today, it is the **5th banking player** in the Liguria Region.

96 points of sale in total **2.5 Bln €** worth of loans **6,0 Bln €** worth of total funding

CRÉDIT AGRICOLE LEASING

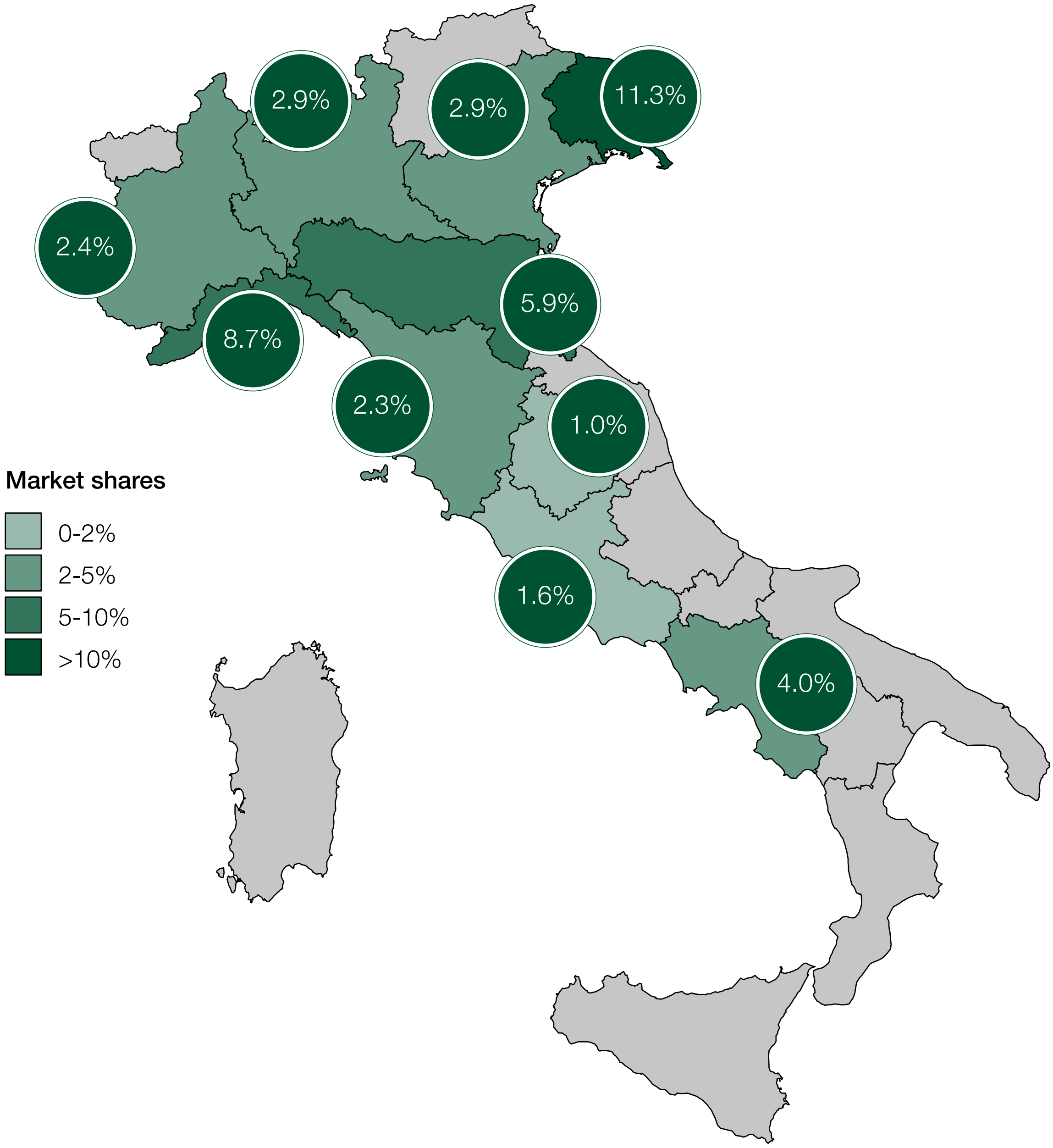
Crédit Agricole Leasing ranks15th in the Italian lease sector, with a 2.45% market share, and in operates in the property, equipment, vehicle and energy leasing segments. As at 30 June 2016, the loan portfolio amounted to Euro 2Bln.

CRÉDIT AGRICOLE GROUP SOLUTIONS

CAGS is the consortium company of the Cariparma Crédit Agricole Group in charge of all activities relating to Operational Processes, Information Systems, Technical Logistics, Safety and Security, Business Continuity, Purchases and Real Estate Management, as well as Human Resources Administration.

GEOGRAPHICAL DISTRIBUTION

■ GEOGRAPHICAL DISTRIBUTION OF MARKET SHARES BY BRANCHES OF THE CARIPARMA CRÉDIT AGRICOLE GROUP



NOTES
- System data – source: Bank of Italy, 31 December 2015
- Cariparma Crédit Agricole Group data as at 30 June 2016

Consolidated Financial Highlights and Ratios

Income Statement highlights (°) (thousands of Euro)	30.06.2016	30.06.2015	Changes	
			absolute	%
Net interest income	471,592	515,180	-43,588	-8.5
Net fee and commission income	338,877	368,592	-29,715	-8.1
Dividends	8,569	7,379	1,190	16.1
Gain (loss) on banking activities	33,940	18,288	15,652	85.6
Other operating income (expenses)	5,845	5,393	452	8.4
Net operating revenues	858,823	914,832	-56,009	-6.1
Operating expenses	-487,005	-481,888	5,117	1.1
Operating margin	371,818	432,944	-61,126	-14.1
Provisions for risks and charges	-6,127	-6,335	-208	-3.3
Net value adjustments of loans	-172,086	-200,224	-28,138	-14.1
Profit for the period	122,535	140,847	-18,312	-13.0

Balance Sheet highlights (°) (thousands of Euro)	30.06.2016	31.12.2015	Changes	
			absolute	%
Loans to Customers	37,597,476	36,462,501	1,134,975	3.1
Net financial assets/liabilities held for trading	14,184	-9,538	23,722	
Financial assets available for sale	5,598,797	5,808,849	-210,052	-3.6
Equity investments	-	2,583	-2,583	-100.0
Property, plant and equipment and intangible assets	2,367,597	2,381,582	-13,985	-0.6
Total net assets	45,578,054	48,396,134	-263,123	-0.5
Net due to banks	1,465,019	1,420,518	44,501	3.1
Funding from Customers	38,293,163	38,999,585	-706,422	-1.8
Indirect funding from Customers	63,526,585	60,198,338	3,328,247	5.5
of which: asset management	*26,604,949*	*25,454,905*	*1,150,044*	*4.5*
Equity	4,827,430	4,923,547	-96,117	-2.0

Operating structure	30.06.2016	31.12.2015	Changes	
			absolute	%
Number of employees	8,231	8,194	37	0.5
Average number of employees (§)	7,776	7,798	-22	-0.3
Number of branches	834	834	-	-

(°) Income statement and balance sheet data are those restated in the reclassified financial statements shown on pages 39 and 44.

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

Structure ratios [°]	30.06.2016	31.12.2015
Loans to customers /Total net assets	78.1%	75.3%
Direct funding from Customers/Total net assets	79.6%	80.6%
Asset management/Total indirect funding from Customers	41.9%	42.3%
Loans to Customers/ Direct funding from Customers	98.2%	93.5%
Total assets/Equity	10.4	10.4

Profitability ratios [°]	30.06.2016	30.06.2015
Net interest income/Net operating revenues	54.9%	56.3%
Net fee and commission income/Net operating revenues	39.5%	40.3%
Cost(*) /income ratio	55.5%	53.5%
Net income/Average equity (ROE) [a]	5.1%	6.0%
Net income/Average Tangible Equity (ROTE) [a]	8.2%	9.9%
Net income/Total assets (ROA)	0.5%	0.5%
Net income/Risk-weighted assets	1.0%	1.2%

Risk ratios [°]	30.06.2016	31.12.2015
Gross bad debts/Gross loans to Customers	7.1%	7.1%
Net bad debts/Net loans to Customers	3.2%	3.2%
Net value adjustments of loans/Net loans to Customers	0.9%	1.1%
Cost of risk[b]/Operating margin	47.9%	54.2%
Net bad debts/Total Capital [c]	38.6%	36.8%
Net non-performing loans/ Net loans to Customers	8.0%	8.4%
Total value adjustments of non-performing loans/ Gross non-performing loans	41.7%	40.5%

Productivity ratios [°] (in income terms)	30.06.2016	30.06.2015
Operating expenses/No. of Employees (average)	126	124
Operating revenues/No. of Employees (average)	222	236

Productivity ratios (in financial terms)	30.06.2016	31.12.2015
Loans to customers/No. of Employees (average)	4,835	4,676
Direct funding from Customers/No. of Employees (average)	4,925	5,001
Gross banking income[f] /No. of employees (average)	17,929	17,397

Capital ratios	30.06.2016	31.12.2015
Common Equity Tier 1 [d] /Risk-weighted assets (CET 1 ratio)	11.3%	11.4%
Tier 1 [e]/Risk-weighted assets (Tier 1 ratio)	11.3%	11.4%
Total Capital [c] /Risk-weighted assets (Total capital ratio)	13.3%	13.5%
Risk-weighted assets (Euro thousands)	23,694,124	23,387,753

(°) The Ratios are based on the balance sheet and income statement data of the reclassified financial statements shown on pages 39 and 44.
(*) Net of contributions to SRF/DGS/SPS
(a) Ratio of net earnings to equity weighted average (for ROTE net of intangibles).
(b) Total risk cost includes the provision for risks and charges as well as net value adjustments of loans.
(c) Total Capital: Total regulatory own funds.
(d) Common Equity Tier 1: Common Equity Tier 1
(e) Tier 1: Tier 1 Capital.
(f) Loans to Customers + Direct Funding + Indirect Funding

Interim Report on Operations

THE MACROECONOMIC SCENARIO AND THE BANKING SYSTEM

The macroeconomic scenario in 2016

In the first months of 2016, the modest growth in the world economy, which had started at the end of 2015, continued in a **fragile scenario and to expand at a modest rate**. Low prices of commodities, the performance of emerging economies, the US monetary policy, the gradual rebalancing of the Chinese economy and the uncertain geopolitical situation affected the international scenario, causing, in January and February, high volatility of financial markets, which went back to more stable conditions in the following months. The outcome of the UK referendum held on 23 June, with the Country voting to leave the European Union, again generated high volatility of the markets (just a day after Brexit, the EMU stock market index lost nearly 8% and the Italian one more than 12%), with subsequent political and economic impacts that the analysts have forecasted as negative but not generating recession effects.

Due to the uncertainties in the economic situation, the main Central Banks are implementing different monetary policies; on the one hand, at the end of last year, the Fed started a phase of increasing rates, which will continue with a more gradual increase than expected (also because of Brexit), whereas, on the other hand, the European Central Bank continued to implement expansionary monetary policies, such as:

- **Expanded Asset Purchase Programme, APP** (programme for the purchase of securities, including corporate bonds, to support economic recovery in the Euro Area, which is to continue until the end of March 2017 or until inflation will meet the set target being close to 2%);
- **interest rate on the main refinancing operations,** set at its all-time low of 0% (down from 0.05%) and **the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem** decreased to -0.40%; **new series of targeted longer-term refinancing operations (TLTRO II)** (a new series of targeted longer-term refinancing operations implemented by the ECB to support the real economy, starting from June 2016, whose rate may be as low as -0.40%).

However, the gross world product is expected to increase over the entire 2016 by 2.7%[1], even though at a lower rate than in 2015.

The world economic cycle continues to perform differently in the various geographical areas:

- <u>The USA economy is showing a rather weak cyclic recovery:</u> in March 2016 the GDP of the United States posted an annualized quarterly increase of +0.8%[2], down from +1.4% in the previous quarter. This performance has been impacted mainly by investments in plants and machinery, as well as by weak trade with foreign countries, whereas residential investments grew at a fast rate;
- <u>The main emerging economies continue to show conflicting data:</u> in the first quarter, China GDP increased by +6.7% YOY, showing positive signs in both financial markets and in the real economy (between March and April the Yuan appreciated by 1.5% against the US Dollar and stock market indices increased). On the other hand, Russia is experiencing severe recession: high uncertainty, low confidence of businesses and lesser revenues from the oil sector continue to impact public expenditure. In Brazil, due to a very uncertain political situation, the economy continues to slacken, decreasing in the first quarter by -5% YOY and by -5.9% vs. the previous quarter;

1 Source: Prometeia, Forecast Report – July 2016.
2 Source: ABI Monthly Outlook.

- In the first quarter of 2016, the GDP of the Euro Area increased by +2.2% on an annualized quarterly basis increasing vs. +1.5% in the previous quarter. In the second quarter of 2016, growth continued, even though at a lower rate vs. the previous quarter[3]: an important contribution was given by domestic demand that was strengthened also by the ECB monetary policy measures offsetting the weakness of foreign trade: in April 2016, the OECD leading indicator for the Euro Area was down to 100.4 (100.5 twelve months before). The favourable borrowing conditions and the improved profitability of businesses continue to foster investments; moreover, a significant increase in the employment rate, also thanks to the implemented structural reforms, and oil prices that are still relatively low all provide further support to households' disposable income and to private consumption. Moreover, in the Euro Area, the tax policy direction is slightly expansionary. Within the Euro Area, both Germany and France posted increases in their GDPs – on an annualized quarterly basis – of +2.6% and +2.7%, respectively[4].

As regards the Italian economy, in the first quarter of 2016 the GDP increased by +1% on an annualized basis (up by +0.3% on a quarterly basis5), driven by domestic demand, whereas the foreign component gave a negative contribution to growth, due to the slackening in world trade and to the difficulties experienced in exports to extra-EU markets.

Domestic demand has been driven by an increase in consumption, fostered by a progressive increase in the labour market conditions and by the recovery of investments. **Consumption** is posting an expansionary phase, also thanks to a significant increase in the demand for motor vehicles; vehicle registrations made by both natural and legal person increased appreciably in the first quarter and continued to increase in April, even though at a lower rate. In the first quarter of 2016, expenditure of resident households posted a YOY increase of +1.6%[5], the most significant increases concerned durable goods (up by +6.0%) and nondurable goods (up by +1.3%), whereas purchases of semi-durable goods showed no change.

Industrial production, on average in the February-April 2016 three-month period, increased by 0.4%[6] vs. the previous period, along with an improvement in the building sector. However, in the second quarter, industrial production is expected to slow down and such expectation has been confirmed by Confindustria (the main organization representing Italian manufacturing and service companies) that has estimated a monthly decrease of -0.2% in June.

Il **Consumer Confidence has remained high**, but started to decrease in April[7]; in June, the Consumer Confidence Composite Index decreased to 110.2 from 114.8 in March. On the other hand, business confidence essentially stabilized, with the Business confidence index coming to 101.2 in June.

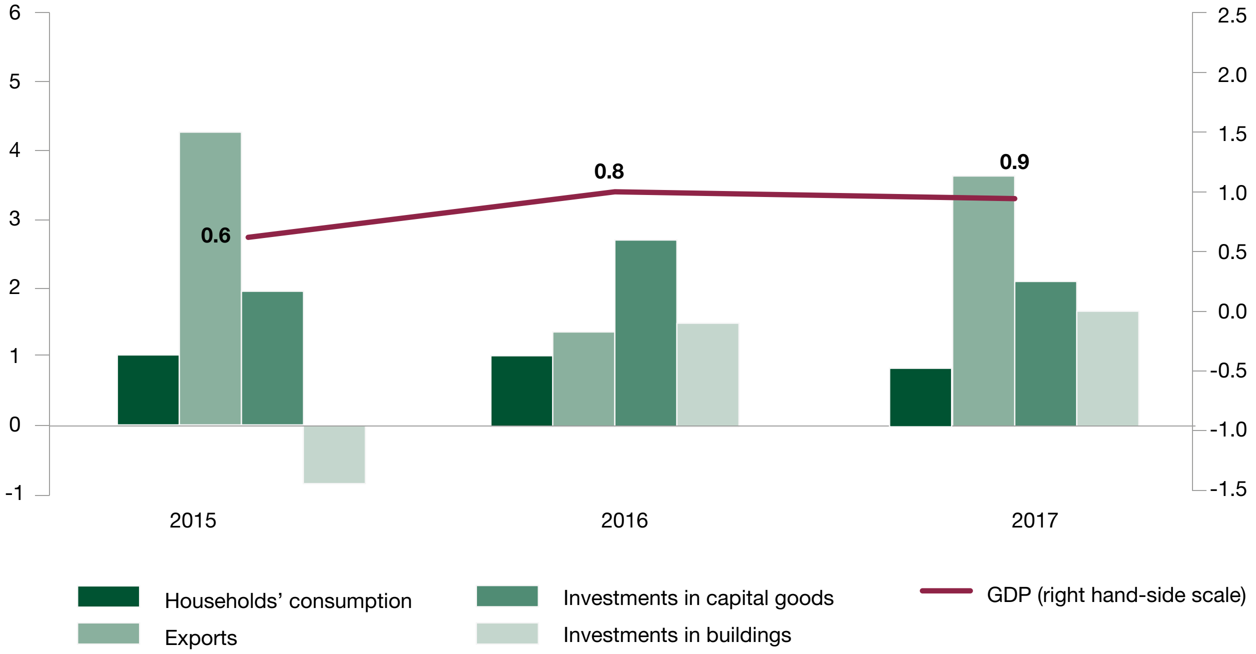
As regards the labour market, the **unemployment rate[8]** decreased across all age groups, except for the 35-49 group. In May 2016, the unemployment rate came to 11.5%, down by -0.2% vs. December 2015. The weight of young unemployed between 15 and 24 years of age over the total number of individuals in the same age group was 9.7% (that is to say, close to one out of ten is unemployed). Positive signals came from the employment rate, which came to 57.1% in May 2016, increasing by 0.7% vs. December 2015.

According to the preliminary estimates for the month of June, **the Consumer Price Index[9]** has increased by 0.1% on a monthly basis and decreased on a yearly basis by 0.4%.

Finally, as regards **Government finance**, in the first five months of the year, the State borrowing requirements came to approximately Euro 36 billion, up by about Euro 2 billion vs. January-May 2015[10]. The public sector balance for the month of May benefited from the earnings contributed by the Bank of Italy Banca (approximately Euro 2,150 million) and interest on Government debt decreased by almost one billion.

3 Source: ECB Economic Bulletin (June 2016).
4 Source: ABI Monthly Outlook.
5 Source: ISTAT (the Italian National Institute of Statistics) Monthly Report on the Italian economy (May 2016).
6 Source: ISTAT (the Italian National Institute of Statistics) Industrial production (data of December 2016)
7 Source: ISTAT (the Italian National Institute of Statistics) consumer and business confidence (December 2016)
8 Source: ISTAT (the Italian National Institute of Statistics) Employed and unemployed (provisional data May 2016)
9 Source: ISTAT (the Italian National Institute of Statistics) Consumer prices (provisional data June 2016)
10 Source: ABI Monthly Outlook.

For 2016, for Italy, growth has been overall confirmed, with the GDP expected to increase by +0.8%[11], even though such increase will be slackened by the effects of Brexit, which, according to the analysts, will not be severe but certainly not negligible.



Source: Prometeia, Forecast Report – July 2016.

The banking system in the first half of 2016

The present difficult scenario continued to affect the banking system, which has indeed been subject to some important measures implemented by the Italian Government aimed at strengthening and stabilizing it:

- In April, the **Government guarantee on securitization of bad loans (Italian acronym GACS)** came into force and provides intermediaries with the possibility to buy a Government guarantee on senior tranches (that is to say, the least risky ones), of instruments resulting from securitization having bad loans as underlying assets, paying commissions to the State. GACS aims at curbing the risk for the subscribers of these securities and at fostering the decrease in bad loans.
- In April, the **Atlante** private equity fund was also created with the objective of supporting capital increases to be made by Italian banks experiencing difficulties, in order to prevent their distress or any subsequent resolution and to purchase securities backed by bad loans disposed of by the banks. The fund initial capital was Euro 4.3 billion, of which Euro 1.5 billion were to recapitalize Banca Popolare di Vicenza and Euro 1 billion for Veneto Banca.
- In June the Italian Parliament approved the so-called "**Bank Decree**" (Italian Decree Law No. 59 converted in June into Law No. 119/2016) implementing measures that extend guarantees on loans and foster their collection, especially to the benefit of financial creditors (for example "non-possessory pledge", and the so-called "patto marciano", which allows the lender, in case of loans secured by property, to obtain the transfer of such property upon the borrower's default).
- At the end of June, after the Brexit vote and with the EU's approval, it was announced that, for 6 months, the Italian Government may issue its **guarantee on the debt of solvent banks for newly-issued senior bonds**, with a ceiling at Euro 150 billion; it is a precautionary measure in case of sudden liquidity shortfalls.

11 Source: Prometeia, Forecast Report – July 2016.

- Moreover, implementing the process for strengthening the banking sector, especially subsequent to the **transformation of *banche popolari* (Italian cooperative banks) into joint-stock companies**, on 24 May the merger between Banco Popolare and Banca Popolare di Milano was announced.
- On 17 June 2016, the *Fondo Interbancario di Tutela dei Depositi* (Interbank Deposit Protection Fund, Italian acronym FITD) increased the voluntary scheme ceiling to Euro 700 million, and the scheme will be used for the first time to recapitalize *Cassa di Risparmio di Cesena*.

Despite the monetary policies implemented by the ECB and the measures implemented by the Italian Government, in the banking system credit risk continues to be high and profitability remains low due to interest rates at their all-time low.

Bank loans[12] remained essentially stable in the first months of the year, coming to Euro 1,818 billion in May 2016 (down by -0.4% vs. Dec. 2015). **Loans to households and non-financial corporations** decreased by 0.6% vs. December 2015.

Interest rates on loans have reached their all-time low; indeed, the **average rate on total loans to households and businesses** came 3.12% in May 2016, (3.43% in May 2015; it was 6.18% at the end of 2007 before the crisis), and the **average rate on new home loans** came to 2.24% in May 2016 (2.65% in May 2015).

In May 2016, **bank funding from resident Customers**[12] **came to Euro 1,679 billion**, with a slight decrease vs. December 2015 (down by -1.1%).

Bank funding showed different performances in its various components vs. December 2015: medium- and long-term funding sources posted a decrease (bonds[12]decreased by -9.1%), while the short-term segment increased (**deposits from Customers**[12] increased by +1.3%).

The average rate on bank total funding came to 1.08% in May 2016 (vs. 1.37% in May 2015). The interest rate on deposits came to 0.46% (0.67% in May 2015). Bond yield came to 2.90% (3.06% in May 2015).

The spread between the average rate on loans to and the average rate on deposits from households and non-financial corporations remains, in Italy, at very low levels; in May 2016 it came to 204 basis points (206 basis points in May 2015). Before the financial crisis, this spread was higher than 300 basis points.

As regards the **asset management industry**[13], at the end of May, the system posted Euro 3.2 billion worth of net subscriptions and Euro 33.1 billion worth of total funding since the beginning of the year. After 28 months in a row of positive funding, equity reached its new all-time high coming to Euro 1,872 billion. The true drivers of funding have been open-end funds which posted Euro 2.4 billion worth of flows. Investors are especially oriented towards flexible products (up by Euro +1.77 billion), bond funds (up by Euro +1.35 billion) and balanced funds (up by Euro +117 million).

Credit quality continues to be affected by **bad loans**, which decreased slightly (also subsequent to some disposals). In April 2016, the gross and net values of bad loans respectively came to Euro 198 billion[14], decreasing vs. Dec. 2015 (Euro 201 billion, down by -1.3%), and to Euro 84 billion, decreasing from Euro 89 billion in Dec. 2015 (down by -5.6%). In April 2016, the ratio of net bad debts to total loans came to 4.67% (vs. 4.94% in December 2015). Adjustments of loans progressively decreased, thanks to less loans becoming non-performing.

In terms of income, in the first quarter of 2016 the **banking sector made profits, even though lower than in the first quarter of 2015**. This decrease was due to **lower revenues**, since revenues did not benefit from the contribution of trading activities, as they did last year, being affected by high volatility of markets. Operating expenses were impacted by the higher costs resulting from the Single Resolution Fund (SRF).

12 Source: ABI Monthly Outlook.
13 Source: Assogestioni (the Italian National Association of Asset Management Firms), Asset Management Monthly Map, May 2016
14 Source: Bank of Italy – Money and Banking (June 2016).

SIGNIFICANT EVENTS IN THE HALF-YEAR

As regards significant events occurred in the first half of 2016, it is reported that, on 9 March, the Medium-Term Plan of the Crédit Agricole Group, “Strategic Ambition 2020” was presented.

In Italy – a market that is undergoing transformation and is consolidating – the ambition of the Cariparma Crédit Agricole Group is to strengthen its leadership as a customer-focused bank with a distinctive positioning in the market. The Plan, based on Customer centrality, multichannel models and digital innovation, invests in people and talents as the driver for its growth, leveraging on its belonging to the Crédit Agricole Group and relying on its soundness to start a new phase of organic growth on key segments and to achieve sustainable increase in its profitability.

More specifically, by 2019, the Cariparma Crédit Agricole Group has planned:

- Euro 625 million worth of investments;
- Faster transformation of its service model towards a multichannel mode in order to provide Customers with a better service;
- The creation of a network of employees working as financial advisors;
- A digital platform for digitally-oriented Customers;
- Further growth in mortgage loans;
- The development of the Agri-Food and Mid-Corporate Divisions.

With following sales/financial macro-objectives:

- To reach 2 million Customers by 2019;
- Loans to Customers up by +5% per year (CAGR 2015-19);
- Direct funding from Customers up by +2% per year (CAGR 2015-19);
- Asset management up by +12% per year (CAGR 2015-19);
- Cost of risk < 60 bps by 2019.

PERFORMANCE

The performance reference perimeter for the first half of 2016 consists of Cariparma S.p.A. (Parent Company), Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia, Crédit Agricole Leasing Italia S.r.l., Crédit Agricole Group Solutions S.c.p.a., the special-purpose entities Mondo Mutui Cariparma S.r.l., Cariparma OBG S.r.l. and Sliders S.r.l. that have been consolidated on a line-item basis.

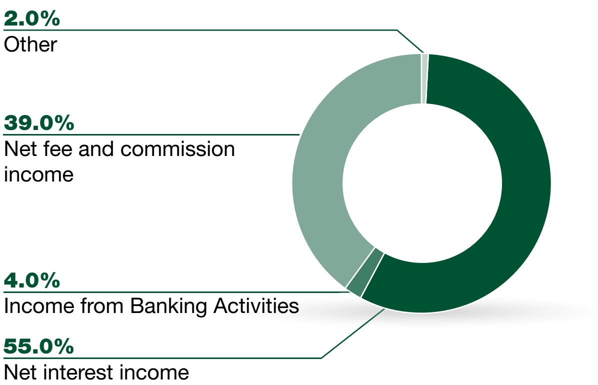
Economic results

In a macro-economic scenario where financial markets are very volatile and where, in the first six months of the year, growth continued to be slow, especially in Italy, with only a few first signs of recovery in consumption and industrial production, the Cariparma Crédit Agricole Group achieved a profit of Euro 123 million.

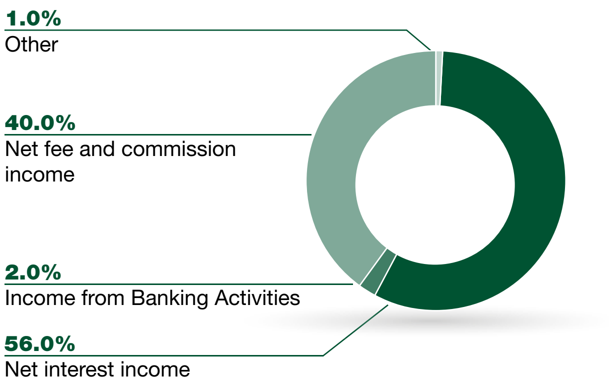
The breakdown of operating income by component is given below:

The Group net operating revenues for the first half of 2016 decreased, coming close to Euro 859 million, vs. Euro 915 million as at 30 June 2015, due to low interest rates and market volatility in the first half of 2016.

June 2016



June 2015



Net interest income decreased coming to Euro 472 million (vs. Euro 515 million in the previous six-month period). The above change was due to a decrease in interest income higher than the drop in the market curve, which was only partially offset by the control of the cost of funding, by macrohedging and by the increase in intermediated assets.

In June 2016, **net commission income** came to Euro 339 million, decreasing vs. June 2015 (-8.1%), due to lower revenues from asset management and intermediation, as well as from the traditional banking business. Actually, the performance of the former aggregate was impacted by the high volatility of financial markets, which caused a decrease in placed products (down by -29%); on the other hand, the traditional banking business was penalized by the negative trend in fees and commissions on current accounts, resulting from Customers' increased focus on prudence.

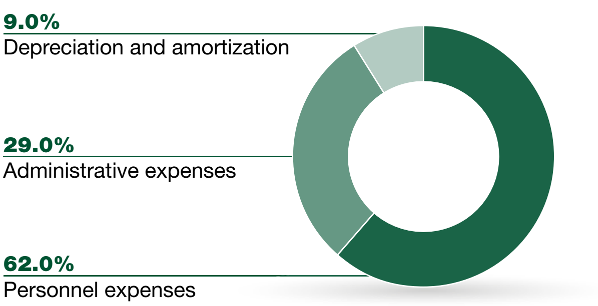
Income from banking activities increased to Euro 34 million, increasing by almost Euro 16 million, vs. June 2015, thanks to higher revenues both from sales and purchases of securities in the portfolio and from hedging that succeeded in catching the opportunities generated by market volatility.

As at 30 June 2016, **dividends** came to Euro 8.6 million and mainly consisted of dividends collected by the Group for its shares in the Bank of Italy.

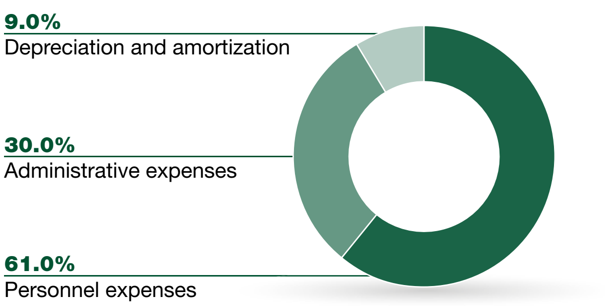
Operating expenses came to Euro 487 million, posting a modest increase (up by +1.1% YOY), which fully referred to personnel expenses. Conversely, other administrative expenses decreased, even though recognizing a higher contribution to the Single Resolution Fund (SRF) that the one recognized in the same period of last year (Euro 10.2 million vs. Euro 7.1 million in 2015).

Specifically, personnel expenses weighed on the cost structure by approximately 62%, whereas other administrative expenses accounted for about 29% of total expenses.

June 2016



June 2015



Personnel expenses came to over Euro 301 million, increasing (up by +2.6%) vs. the first half of 2015, due to the new recruitments made for the development of new projects, as well as to the impacts generated by the applicable Italian national collective bargaining agreement and to promotions.

Administrative expenses came to less than Euro 142 million, decreasing vs. the first half of 2015 (down by -2.8%, i.e. down by Euro -4.1 million), thanks to effective management of expenses for advisory and professional services, as well as to the actions aimed at increasing the efficiency of the real estate and logistic components, which allowed to widely offset the higher contribution to the Single Resolution Fund.

Depreciation and amortization came to Euro 44 million vs. Euro 42 million recognized in the same period of the previous year, since depreciation and amortization started on new investments.

The **operating margin** came very close to Euro 372 million, down by approximately Euro 61 million vs. the first half of 2015, subsequent to the above-reported changes in net operating revenues and ordinary operating expenses. The efficiency index came to 55.5% vs. 53.5% posted in June 2015.

Provisions for risks and charges came to Euro 6 million (down by -3.3% vs. the first half of 2015) and are intended to meet probable risks resulting from revocatory actions, compensation lawsuits, legal disputes and other charges.

Net value adjustments of loans came to Euro 172 million, down by 14.1% vs. June 2015. The ratio of net value adjustments of non-performing loans to net loans to Customers, calculated on an annual basis, improved vs. the same figure for the previous year, coming to 0.92% (down by -17 bp YOY).

Taxes for the period, recognized in the Income Statement, came to approximately Euro 66 million.

The **Gains for the period** came close to Euro 123 million vs. Euro 141 million reported in the 2015 interim financial statements.

Comprehensive income for the first half of 2016, consisting of gains for the period and of changes in value of the assets directly recognized in equity reserves, came to Euro 63.8 million.

Return On Equity (ROE) came to 5.1%, whereas Return On Tangible Equity (ROTE) came to 8.2% (as at 30 June 2015 these two values were 6.0% and 9.9%, respectively).

Balance Sheet aggregates

The changes occurred in the first six months of 2016 in its balance sheet aggregates have allowed the Cariparma Crédit Agricole Group to strengthen its role in supporting the real economy, and this could be achieved by always striving to maintain good balance between funding and lending.

Indeed, as at 30 June 2016, total intermediated assets, calculated as the sum of net loans, direct and indirect funding, came to over Euro 139 billion, increasing by almost Euro 4 billion (up by +2.8%) since the beginning of the year.

As at 30 June 2016, loans to customers showed a very positive performance, coming to Euro 37.6 billion and increasing by Euro 1,134 million (up by +3.1%) vs. the same figure as at 31 December 2015. Specifically, within this aggregate, some technical forms regarding short-term loans developed significantly (increasing by Euro +839 million), as did mortgage loans (up by Euro +337 million), with over 11,100 new home loans since the beginning of the year.

Even though in a still very difficult macroeconomic scenario, net **non-performing loans** decreased by approximately Euro 49 million vs. the same figure as at 31 December 2015, with a decrease in their weight on total net loans (8.0% vs. 8.4% as at 31 December 2015) and with a significant improvement in the coverage ratio increasing from 40.5% as at 31 December 2015 to 41.7% as at this reporting date. This prudential approach was applied to all non-performing components, confirming a coverage ratio of over 57% on bad loans, and increasing the coverage ratio on unlikely to Pay positions to 23.4% (vs. 21.8% as at 31 December 2015).

The weight of performing loans on total net loans increased (up by Euro + 1,185 million), with the total amount of adjustments coming to Euro 191 million, which accounted for 0.6% of gross exposures.

Once again **total funding** increased, coming close to Euro 102 billion as at 30 June 2016 (vs. Euro 99 billion as at 31 December 2015), thanks to a significant increase in indirect funding (up by +5.5% vs. 31 December 2015), improving across all components (+4.5% assets under management and +6.3% assets under administration).

Moreover, the high volatility of financial markets in the first half of 2016 generated an increase in funds on the most liquid products (current accounts up by +3.4% vs. December 2015), while the volume of outstanding securities decreased to Euro 9.1 billion vs. Euro 10.6 billion as at 31 December 2015.

The value of **financial assets available for sale**, consisting mainly of Government Securities held within the liquidity risk management policy, slightly decreased to Euro 5,599 million (down by Euro -210 million vs. December 2015).

As at 30 June 2016, the book value of **equity**, including earnings for the period, came to Euro 4,827 million, vs. Euro 4,924 million as at 31 December 2015.

CET 1 came to Euro 2,668 million, the Total Capital ratio to Euro 3,150 million (essentially in line with 31 December 2015, +0.3 and -0.1% respectively), whereas RWA increased by approximately Euro 301 million vs. 31 December 2015 (up by +1.3%). Therefore, as at 30 June 2016, the Common Equity Tier 1 Ratio and the Tier 1 Ratio came to 11.3% while the Total Capital ratio came to 13.3%.

OTHER INFORMATION

Tax-related disputes

As already described in the Annual Report and Financial Statements as at 31 December 2015, a dispute on registration taxes is pending with the *Agenzia delle Entrate*, the Italian Inland Revenue Service. The *Agenzia delle Entrate* has reclassified the transfers of branches from Intesa Sanpaolo to Cariparma and FriulAdria carried out in 2007 and the subsequent transfer of the received equity investments to the institutional Shareholders of the two Banks as sales of business units. Based on this reclassification, the total amount jointly due by the various parties involved on various grounds in the specific transactions would be approximately Euro 40 million, plus interest. A similar dispute arose for a transaction carried out by Crédit Agricole Leasing Italia S.r.l. with the Intesa Group for Euro 2.2 million. On this dispute, favourable decisions were issued by the competent Courts of second instance, against which the *Agenzia delle Entrate* filed appeal with the Italian Court of Cassation. On the other hand, the *Agenzia delle Entrate* did not file appeal for the dispute with CALIT. Also in the light of the opinions, obtained at the beginning of these disputes, from leading Law Firms, as well as in the light of the favourable Court decisions issued, no provisions were allocated for these disputes

In 2014, a dispute started, again on registration taxes and based on the same grounds, regarding a similar transaction carried out in 2011, once again with the Intesa Sanpaolo Group. This dispute entails a request to pay taxes for a total amount of approximately Euro 13.5 million, plus interest. In the first half of this year, a favourable first-instance decision was issued and was appealed against by the Tax Authority. Again in regard to such transaction, in March 2016 other verification notices were served concerning the recalculation of the business unit value for a total of Euro 2.1 million. The considerations set forth above cannot but apply also to these allegations.

In the first half of 2016, a favourable opinion was given on the dropping, for self-defence reasons, of a tax-related dispute concerning Cariparma as regards the sale of loans made in 2005 on a non-recourse basis to an unrelated securitization firm, for a disputed amount of taxes of Euro 5.5 million, plus penalties and interest. The Group had never made any provision for this.

A new dispute started in 2014 subsequent to non-payment to Cariparma of part of the specific tax account receivable provided for by Italian Decree-Law 185/2008 for the amounts credited by it to Customers relating to the State contribution on floating-rate mortgage loans that were taken out by 31 October 2008.

With the above Law, the Italian State provided a contribution to tax payers that took out floating-rate mortgage loans for the purchase of their home amounting to the interest paid by the same tax payers in 2009 at a rate of over 4%. This amount was to be credited directly by the lending banks that would recover it through a tax account receivable.

The Italian Inland Revenue Service has refused to acknowledge the portion of this tax account receivable relating to amounts actually credited to Customers in 2010 and issued the relevant tax payment form. Consequently, Cariparma had to pay an amount of Euro 1.3 million and started a specific dispute.

However, the fist-instance judgement has confirmed the claim of the *Agenzia delle Entrate* as to the tax amount, while it overruled the penalty claim. However, the Bank will continue this dispute, believing that its position has valid grounds, as partially upheld in the fist-instance judgement.

In 2013, Banca Popolare FriulAdria was subject to a general audit by the *Agenzia delle Entrate*, which was followed by a Verification Report (Italian acronym PVC). Based on the allegations made in the Verification Report, in order to reduce the dispute cost, the case was resolved in the past years, within a specific settlement with acceptance petition, thus reducing the subsequent liability to an amount close to Euro 0.1 million. The petition did not include the allegations relating to transfer prices applied in transactions with foreign companies and contained in the verification report; these could lead to an assessment in terms of taxes amounting to approximately Euro 0.5 million, plus penalties and interest. The allegations are deemed groundless, since there are valid arguments supporting the Bank's conduct. Consequently, no provision was allocated for this reason.

As regards Carispezia, in the year, the *Agenzia delle Entrate* filed appeal against the second instance judgement, which was in favour of the Bank, on the dispute concerning registration taxes for an amount of approximately Euro 0.6 million regarding the tax rate applicable to the purchase of a business unit made in 2006 by Carifirenze, at the time Carispezia's Controlling Company. Also in the light of the previous judgements, no provision was allocated for this dispute.

Fee for the conversion of “eligible” deferred tax assets (DTA) into tax receivables

Having regard to the 1.5% fee pursuant to Article 11 of Italian Decree Law No. 59/2016, aimed at maintaining full convertibility into tax receivables of the specific DTAs recognized, the preliminary estimates made by Cariparma on the company perimeter that is relevant for the 2015 tax consolidation (18 companies), including FriulAdria, Carispezia and Calit, on the basis of reasonable interpretations, have showed excess taxes paid vs. the DTA recognized, which has led to believe that, in all likeness, no DTA fee is due. Therefore, no cost was recognized as at 30 June 2016.

RISKS AND UNCERTAINTIES

The policies for the monitoring, management and control of risks remain key and priority pillars based of which the Banks will have to measure, both against one another and against domestic and international markets.

Reference is made to other sections of the Explanatory Note to the Financial Statements for exhaustive reporting on the risks and uncertainties which the Group is exposed to (and on the techniques implemented for their mitigation), while it cannot but be emphasized once more the constant focus that the Group and its Management have kept on the monitoring of risks and uncertainties, also to comply with the countless recommendations that the national and international Authorities have been issuing on this topic Indeed, the Bank’s governance bodies are fully aware that sustainable development and growth absolutely require also an effective analysis of the risks which the Bank is exposed to and of the relating uncertainties, in terms of impacts that these risks could have on the Group’s financial position, cash flows and performance. Effective management and mitigation of the same risks to acceptably low levels are another crucial requirement for sustainable growth, also in order to protect savings (and, with them, Customers’ confidence) on the one hand, and loans (healthy and drivers of growth) on the other.

The Management believes that the present overall performance of the domestic and international economies (financial and real) is such as to require, in addition to monetary and real policy measures to be adopted by supranational and national bodies (with the purpose of boosting the present weak recovery), also appropriate policies for constant enhancement of the monitoring of risks and uncertainties, such as the ones implemented by the Bank. The Management is indeed fully aware that financial players must constantly implement growth and development policies that, at the same time, focus on the safeguarding and protection of the interests of all Stakeholders, without shirking, because of this very reason, the institutional role that the Bank as such plays both in terms of support to the economic and social fabric of its Customer Enterprises, and in terms of enhancement of that key factor for development and success which consists in effective and prudential management of savings.

DIVIDENDS DISTRIBUTED BY THE PARENT COMPANY IN THE HALF-YEAR

The Parent Company’s net profit for 2015 amounted to Euro 216,501,202. In the first half of 2016, in line with the resolution approved by the Shareholders’ General Meeting of 28 April 2016, the Parent Company Cariparma S.p.A. allocated this amount as follows:

5% to the legal reserve	10,825,060
to the charity fund	1,000,000
to the Shareholders	158,167,796
to extraordinary reserve	46,508,346

The dividend was paid on 5 May 2016, at Euro 0.18040 for each one of the 876,761,620 ordinary shares.

Interim Condensed Consolidated Financial Statements

Financial Statements

CONSOLIDATED BALANCE SHEET

Assets		30.06.2016	31.12.2015
10.	Cash and cash equivalents	175,097	1,390,189
20.	Financial assets held for trading	98,284	107,934
30.	Financial assets designated at fair value	-	-
40.	Financial assets available for sale	5,598,797	5,808,849
50.	Investments held to maturity		-
60.	Loans to banks	1,830,486	2,869,109
70.	Loans to customers	37,597,476	36,462,501
80.	Hedging derivatives	906,777	692,455
90.	Fair value change of financial assets in macro-hedge portfolios (+/-)	12,515	11,191
100.	Equity investments	-	2,583
110.	Reinsurers' share of technical reserves	-	-
120.	Property, plant and equipment	489,710	487,556
130.	Intangible Assets	1,877,887	1,894,026
	of which: goodwill	1,575,536	1,575,536
140.	Tax assets	1,007,657	1,177,577
	(a) current	203,317	374,177
	(b) deferred	804,340	803,400
	b1) pursuant to Italian Law No. 214/2011	737,712	738,304
150.	Non-current assets held for sale and discontinued operations	-	
160.	Other assets	467,096	469,207
Total assets		**50,061,781**	**51,373,177**

Liabilities and Equity		30.06.2016	31.12.2015
10.	Due to banks	3,295,505	4,289,627
20.	Due to customers	29,137,540	28,402,451
30.	Debt securities issued	9,155,623	10,597,134
40.	Financial liabilities held for trading	112,468	117,472
50.	Financial liabilities designated at fair value	-	-
60.	Hedging derivatives	701,592	670,155
70.	Fair value change of financial liabilities in macro-hedge portfolios (+/-)	683,778	536,339
80.	Tax liabilities	166,947	335,429
	(a) current	68,607	209,020
	b) deferred	98,340	126,409
90.	Non-current liabilities held for sale and discontinued operations	-	-
100.	Other liabilities	1,489,566	990,561
110.	Employees' severance benefits	147,580	144,318
120.	Provisions for risks and charges	140,476	151,542
	(a) post-employment benefits	19,884	20,117
	b) other provisions	120,592	131,425
130.	Technical reserves	-	-
140.	Valuation reserves	17,847	76,615
150.	Redeemable shares		-
160.	Equity instruments		-
170.	Reserves	1,078,851	1,014,072
180.	Share premium reserve	2,735,462	2,735,462
190.	Capital	876,762	876,762
200.	Treasury shares (+/-)	-4,027	-
210.	Equity attributable to minority shareholders	203,275	214,602
220.	Profit (Loss) for the period	122,535	220,636
Total Liabilities and Shareholders' Equity		**50,061,781**	**51,373,177**

CONSOLIDATED INCOME STATEMENT

Items		30.06.2016	30.06.2015
10.	Interest income and similar revenues	548,862	644,331
20.	Interest expense and similar charges	(109,715)	(165,618)
30.	**Net interest income**	**439,147**	**478,713**
40.	Commission income	337,581	362,499
50.	Commission expense	(13,609)	(13,684)
60.	**Net commission income**	**323,972**	**348,815**
70.	Dividends and similar revenue	8,569	7,379
80.	Net gains (losses) on trading activities	4,969	6,737
90.	Net gains (losses) on hedging activities	(1,331)	(9,222)
100.	Gains (losses) on disposal or repurchase of:	24,130	19,611
	a) loans	*(4,449)*	*(1,424)*
	b) financial assets available for sale	*29,734*	*22,522*
	c) investments held to maturity	*-*	*-*
	d) financial liabilities	*(1,155)*	*(1,487)*
110.	Net gain (loss) on financial assets and liabilities designated at fair value	-	(347)
120.	**Net interest and other banking income**	**799,456**	**851,685**
130.	Net losses/recoveries on impairment of:	(130,196)	(160,327)
	a) loans	*(130,656)*	*(159,524)*
	b) financial assets available for sale	*(39)*	*(826)*
	c) investments held to maturity	*-*	*-*
	d) other financial transactions	*499*	*23*
140.	**Net income from banking activities**	**669,260**	**691,359**
150.	Net premium income	-	-
160.	Balance of other revenues/expenses from insurance operations	-	-
170.	**Net income from banking and insurance activities**	**-**	**-**
180.	Administrative expenses:	(576,307)	(575,865)
	a) personnel expenses	*(301,406)*	*(293,679)*
	b) other administrative expenses	*(274,901)*	*(282,185)*
190.	Net provisions for risks and charges	(6,127)	(6,335)
200.	Net adjustments to/recoveries on property, plant and equipment	(14,099)	(13,650)
210.	Net adjustments to/recoveries on intangible assets	(29,675)	(28,630)
220.	Other operating expenses/income	140,831	147,881
230.	**Operating expenses**	**(485,377)**	**(476,599)**
240.	Gains (losses) on equity investments	9,786	10,810
250.	Net gains (losses) from property, plant and equipment and intangible assets designated at fair value	-	-
260.	Impairment on goodwill	-	-
270.	Gains (losses) on disposal of investments	61	-
280.	**Profit (loss) before tax from continuing operations**	**193,730**	**225,569**
290.	Income taxes for the period from continuing operations	(65,805)	(78,034)
300.	**Profit (loss) after tax from continuing operations**	**127,925**	**147,535**
310.	**Profit (loss) after tax from discontinued operations**	**-**	**-**
320.	**Profit (Loss) for the period**	**127,925**	**147,535**
330.	Profit (Loss) for the period attributable to minority Shareholders	(5,390)	(6,688)
340.	**Parent Company's net profit (loss) for the period**	**122,535**	**140,847**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Items		30.06.2016	30.06.2015
10.	**Profit (loss) for the period**	**127,925**	**147,535**
	Other income components after tax with no reversal to Income Statement		
20.	Property, plant and equipment	-	-
30.	Intangible Assets	-	-
40.	Actuarial gains (losses) on defined-benefit plans	(3,779)	6,321
50.	Non-current assets held for sale	-	-
60.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
	Other income components after tax with reversal to Income Statement	**-**	
70.	Hedges of foreign investments	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	Financial assets available for sale	(57,389)	(48,127)
110.	Non-current assets held for sale	-	-
120.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
130.	**Total other income components after tax**	**(61,168)**	**(41,806)**
140.	**Comprehensive income (Item 10+130)**	**66,757**	**105,729**
150.	Consolidated comprehensive income attributable to minority Shareholders	2,959	4,760
160.	**Consolidated comprehensive income attributable to the Parent Company**	**63,798**	**100,969**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2016

	Capital: Ordinary shares	Share premiums reserve	Reserves: Retained earnings	Reserves: other	Valuation reserves	Treasury shares	Profit (Loss) for the period	Shareholders' equity
GROUP EQUITY AS AT 31 DEC. 2015	**876,762**	**2,735,462**	**1,029,228**	**-15,156**	**76,615**	**-**	**220,636**	**4,923,547**
MINORITY INTEREST AS AT 31 DEC. 2015	**61,502**	**102,913**	**31,877**	**2,939**	**5,123**	**-**	**10,248**	**214,602**
ALLOCATION OF NET PROFIT FOR THE PREVIOUS PERIOD								
Reserves	-	-	60,154	-	-	-	-60,154	-
Dividends and other allocations	-	-	-	-	-	-	-170,730	-170,730
CHANGES FOR THE PERIOD	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in reserves	-	-	-	-	-	-	-	-
Transactions on equity	300	-	-	-	-	-	-	300
Issue of new shares	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-5,000	-	-5,000
Charity	-	-	1,229	-	-	-	-	1,229
Consolidation adjustments	-567	-2,217	2,816	-	-32	-	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-61,168	-	127,925	66,757
GROUP EQUITY AS AT 30 JUNE 2016	**876,762**	**2,735,462**	**1,094,007**	**-15,156**	**17,847**	**-4,027**	**122,535**	**4,827,430**
MINORITY INTEREST AS AT 30 JUNE 2016	**61,235**	**100,696**	**31,297**	**2,939**	**2,691**	**-973**	**5,390**	**203,275**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2015

	Capital: Ordinary shares	Share premiums reserve	Reserves: Retained earnings	Reserves: other	Valuation reserves	Profit (Loss) for the period	Shareholders' equity
GROUP EQUITY AS AT 31 DEC. 2014	**876,762**	**2,735,462**	**968,416**	**-15,156**	**43,254**	**160,155**	**4,768,893**
MINORITY INTEREST AS AT 31 DEC. 2014	**61,477**	**102,913**	**32,127**	**2,939**	**2,305**	**8,927**	**210,688**
ALLOCATION OF NET PROFIT FOR THE PREVIOUS PERIOD							
Reserves	-	-	59,642	-	-	-59,642	-
Dividends and other allocations	-	-	-	-	-	-109,440	-109,440
CHANGES FOR THE PERIOD	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in reserves	-	-	-	-	-	-	-
Transactions on equity	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Charity	-	-	1,229	-	-	-	1,229
Consolidation adjustments	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-41,806	147,535	105,729
GROUP EQUITY AS AT 30 JUNE 2015	**876,762**	**2,735,462**	**1,029,208**	**-15,156**	**3,376**	**140,847**	**4,770,499**
MINORITY INTEREST AS AT 30 JUNE 2015	**61,477**	**102,913**	**31,877**	**2,939**	**377**	**6,688**	**206,271**

CONSOLIDATED STATEMENT OF CASH FLOWS

	30.06.2016	30.06.2015
A. OPERATING ACTIVITIES		
1. Operations	**632,210**	**814,227**
- profit (loss) for the period (+/-)	122,535	140,847
- gains (losses) on financial assets held for trading and financial assets/liabilities designated at fair value (-/+)	653	-138
- gains/losses on hedging operations (-/+)	3,292	7,618
- Net losses/recoveries on impairment (+/-)	119,477	146,616
- net write-offs/write-backs on property, plant and equipment and intangible assets (+/-)	43,774	42,280
- net provisions for risks and charges and other expenses/revenues (+/-)	6,127	6,335
- unpaid taxes and levies (+)	65,805	78,034
- net adjustments/writebacks on discontinued operations net of tax (-/+)	-	-
- other adjustments (+/-)	270,547	392,635
2. Liquidity generated/absorbed by financial assets	**-115,391**	**-309,619**
- financial assets held for trading	8,997	63,880
- financial assets designated at fair value	0	-1,583
- financial assets available for sale	222,168	13,293
- loans to banks: demand	-14,872	8,832
- loans to banks: other loans	1,053,479	-577,522
-loans to customers	-1,265,486	360,432
- other assets	-119,677	-176,951
3. Liquidity generated/absorbed by financial liabilities	**-1,547,625**	**-501,507**
- due to banks: demand	73,723	-119,645
- due to banks: other payables	-1,067,845	291,591
- due to customers	735,089	859,819
- outstanding securities	-1,502,595	-1,314,211
- financial liabilities held for trading	-5,004	-62,431
- financial liabilities designated at fair value	-	-
- other liabilities	219,007	-156,630
Net liquidity generated/absorbed by operating activities	**-1,030,806**	**3,101**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**21,238**	**22,890**
- sales of equity investments	12,669	15,511
- collected dividends on equity investments	8,569	7,379
- sales of investments held to maturity	-	-
- sales of property, plant and equipment	-	-
- sales of intangible assets	-	-
- sales of business units	-	-
2. Liquidity absorbed by	**-29,794**	**-22,175**
- purchases of equity investments	-	-
- purchases of financial assets held to maturity	-	-
- purchases of property, plant and equipment	-16,258	-7,819
- purchases of intangible assets	-13,536	-14,356
- purchases of business units	-	-
Net liquidity generated/absorbed by investment activities	**-8,556**	**715**
C. FUNDING		
- issues/purchases of treasury shares	-5,000	-
- issues/purchases of equity instruments	-	-
- dividend distribution and other	-170,730	-109,440
Net liquidity generated/absorbed by funding	**-175,730**	**-109,440**
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD	**-1,215,092**	**-105,624**

RECONCILIATION

Financial Statement items	30.06.2016	30.06.2015
Opening cash and cash equivalents	1,390,189	285,002
Total net liquidity generated/absorbed in the period	-1,215,092	-105,624
Cash and cash equivalents: effect of exchange rates changes	-	-
Closing cash and cash equivalents	**175,097**	**179,378**

KEY: (+) generated (–) absorbed

Note to the Consolidated Financial Statements

ACCOUNTING POLICIES

Statement of compliance with the International Accounting Standards

This Half-yearly Consolidated Report was prepared in compliance with Italian Legislative Decree No. 38 of 28 February 2005, in accordance with the International Accounting Standards issued by the International Accounting Standards Board (IASB) and the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission, as provided for by Regulation (EC) No. 1606 of 19 July 2002.

Specifically, the accounting standards used to prepare the Half-Year Financial Report and Interim Consolidated Financial Statements are the same ones used to prepare the Annual Report and Financial Statements as at 31 December 2015 and described in the year-end accounting document, except for the new standards and interpretations applicable to reporting periods starting on or after 01 January 2016 issued by the IASB and endorsed by the European Commission.

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

The Interim Condensed Consolidated Financial Statements have been subject to limited audit carried out by the Independent Auditors EY S.p.A.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION AND APPLICABLE TO REPORTING PERIODS STARTING ON OR AFTER 1 JANUARY 2016

Standards, amendments or interpretations	Publication date	Date of first application
Amendments to IAS 16 – Property, Plant and Equipment	24 November 2015 (EU No. 2113/2015)	1 January 2016
Amendment to IAS 41 – Agriculture	24 November 2015 (EU No. 2113/2015)	1 January 2016
Amendments to IAS 1 – Presentation of Financial Statements, IAS 17 – Leases – IAS 23 – Borrowing Costs, IAS 36 – Impairment of Assets and IAS 40 – Investment Property	24 November 2015 (EU No. 2113/2015)	1 January 2016
Amendments to IFRS 11 – Joints Arrangements	25 November 2015 (EU No. 2173/2015)	1 January 2016
Amendments to IAS 16 – Property, Plant and Equipment	3 December 2015 (EU No. 2231/2015)	1 January 2016
Amendment to IAS 38 – Intangible Assets	3 December 2015 (EU No. 2231/2015)	1 January 2016
Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosure, IAS 19 Employee Benefits, IAS 34 Interim Financial Reporting and IFRS 1 First-time Adoption of International Financial Reporting Standards	16 December 2015 (EU No. 2343/2015)	1 January 2016
Amendments to IAS 1 – Presentation of Financial Statements.	19 December 2015 (EU No. 2406/2015)	1 January 2016
Amendments to IAS 34 – Interim Financial Reporting	19 December 2015 (EU No. 2406/2015)	1 January 2016
Amendment to IFRS 7 – Financial instruments	19 December 2015 (EU No. 2406/2015)	1 January 2016
Amendments to IFRS 1 – First-time adoption of International Financial Reporting Standards	23 December 2015 (EU No. 2441/2015)	1 January 2016
Amendments to IAS 27 – Separate Financial Statements	23 December 2015 (EU No. 2441/2015)	1 January 2016
Amendments to IAS 28 – Investments in Associates and Joint Ventures.	23 December 2015 (EU No. 2441/2015)	1 January 2016

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

OTHER INFORMATION

INTERNATIONAL ACCOUNTING STANDARDS NOT YET ENDORSED AS AT 30 JUNE 2016

As already stated in the information section of the Annual Report and Consolidated Financial Statements as at 31 December 2015, to which reference is made for exhaustive information, there are standards and interpretations or revisions thereof that have been already published by the IASB but are not applicable to the Group, since their entry into force and mandatory application is subject to the completion of the endorsement process by the European Union.

This specifically regards IFRS 9, IFRS 15 and IFRS 16.

The International Financial Reporting Standard “IFRS 9 – Financial Instruments”, published by the IASB, shall replace IAS 39 Financial Instruments. IFRS 9 sets down new principles on the classification and measurement of financial instruments, on adjustments for credit risk and on hedging recognition (macro-hedging is excluded).

IFRS 9 is expected to be applicable to financial periods starting on or after 1 January 2018 (granted that it is endorsed by the European Union before such date). At the meeting held on 27 June, the Accounting Regulatory Committee expressed its favourable opinion on the endorsement of IFRS 9. The last step needed to complete the procedure is the opinion of the European Parliament, which is scheduled to be issued in the fourth quarter of 2016.

The Crédit Agricole Group and, as part of it and in line with it, the Cariparma CA Group have made arrangements to implement the new accounting standard within the set terms, joining the Group Administration, Finance and Risk Management functions and involving all subsidiaries. Since the first months of 2015, the Crédit Agricole Group and, as part of it, the Cariparma CA Group have carried diagnosis works on the main financial statement items that will be impacted by IFRS9. The analyses had the priority objective of identifying any changes caused by:

- The new bases for the classification and measurement of financial assets;
- The full review of the writedown model for credit risk, which provides for the switching from a provision for actual credit losses to a provision for Expected Credit Loss (ECL). The new ECL approach aims at earlier recognition of expected credit losses without having to wait for an objective event of actual loss. The new model is based on a wide range of information, including historical loss data, cyclical and structural adjustments, as well as projections of losses based on reasonable scenarios.

At the present stage of the project, the entire Group is focusing on the definition of the structuring options related to the interpretation of the standard. In parallel, the Group started to implement the principle in its operations, in view of the first evolutions in the architecture of its information systems.

On the date of preparation of this Report, the project had not yet progressed enough to allow any reliable estimation of the impacts on the balance sheet subsequent to the first-time application of the new principle.

“IFRS 15 – Revenue from Contracts with Customers” will be applicable (after its endorsement by the EU) to reporting periods starting on or after 1 January 2018. It will replace IAS 11 (Construction Contracts) and IAS 18 (Revenue), as well as the interpretations IFRIC 13 (Customer Loyalty Programmes), IFRIC 15 (Agreements for the Construction of Real Estate), IFRIC 18 (Transfers of Assets from Customers) and SIC 31 Revenue Barter Transactions Involving Advertising Services.

IFRS 15 sets down a single model for the recognition of revenues from sales of long-term contracts and of goods, as well as from the provision of services that do not fall within the scope of application of the standards regarding financial instruments (IAS 39), insurance policies (IFRS 4) or leases (IAS 17). Therefore, the new accounting standard implements some new concepts that could change the methods used to recognize some income components.

In the second half of 2016, an impact analysis on the application of IFRS 15 will be started by the Crédit Agricole Group and, as part of it and in line with it, by the Cariparma Group.

“IFRS 16 – Leases” will be applicable (after its endorsement by the EU) to reporting periods starting on or after 1 January 2019 and will replace IAS 17 (Leases). Early adoption is permitted for entities that have adopted also IFRS 15 – Revenue from Contracts with Customers.

The standards provides for items to be recognized or presented taking account of the substance of the transaction or contract.

Therefore, all lease contracts shall be reported by the entity in the balance sheet, as assets and liabilities, rather than as off-balance-sheet items, as was done before for operating leases.

In the income statement, the standard requires recognition of the asset depreciation and depreciation expense and interest expense cannot be combined in the income statement, but shall be reported as two separate items.

General preparation principles

The Half-yearly Consolidated Report consists of the Interim Condensed Consolidated Financial Statements, of the Interim Report on Operations and of the Certification issued by the Chief Executive Officer and by the Manager in charge of the preparation of corporate accounting documents required by Article 154-bis paragraph 5 of the Italian “Consolidated Act on Financial Intermediation”.

The Interim Condensed Consolidated Financial Statements include:

- the Balance Sheet;
- the Income Statement;
- the Statement of Comprehensive Income;
- the Statements of Changes in Equity;
- the Statement of Cash Flows;
- the Explanatory Notes.

The Half-yearly Consolidated Report has been prepared using the Euro as the reporting currency; the amounts are expressed in thousands of Euro, where not otherwise specified. In addition to the data for the reporting period, the Financial Statements and the table in the Explanatory Notes also report the relevant comparative figures, which, as regards the Balance Sheet, refer to 31 December 2015 and, as regards the Income Statement and the Statement of Comprehensive Income, refer to 30 June 2015.

This Report was prepared, as the Annual Report as at 31 December 2015, on a going-concern basis.

The preparation of the Half-yearly Report entails the use of estimates and assumptions to determine some expense and revenue components, as well as to measure assets and liabilities. For these, reference is also made to the 2015 Annual Report. Moreover, it is stated that, generally, some measurement processes, in particular the most complex ones, such as the assessment of asset impairment, are thoroughly carried out upon preparation of the annual report, when all the necessary information is available, with the exception of those cases where significant impairment indicators require immediate measurement of any impairment.

In order to better compare the different periods and, especially, to provide a more effective representation of income performance, some reclassifications were made vs. the financial statement layouts.

SCOPE AND METHOD OF CONSOLIDATION

Scope of consolidation

In addition to the Parent Company, Cassa di Risparmio di Parma e Piacenza S.p.A., the scope of consolidation includes its subsidiaries and associated companies identified below.

In accordance with IFRS 10, Subsidiaries are companies in which Cariparma, directly or indirectly, concomitantly holds:

- the power to influence the Investee's key activities;
- exposure and/or rights to variable returns of the Investee;
- the ability to exercise its power over the Investee to affect the amount of its returns.

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

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

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

The methods used to consolidate the data of subsidiaries (line-by-line aggregation) are the same ones used to prepare the Annual Report and Consolidated Financial Statements as at 31 December 2015.

Equity investments in subsidiaries

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

- The method of consolidation;
- The type of control;
- The Investee Company;
- The percentage of voting rights held by the Investor.

Company name	HQ	Type of control (1)	Type of investee		% of actual
			Investor	% held	votes held
A. Company					
Parent Company					
Cassa di Risparmio di Parma e Piacenza S.p.A. (Cariparma)	Parma, Italy				
A1. Companies consolidated on a line-item basis					
1. Banca Popolare FriulAdria S.p.A. (FriulAdria)	Pordenone	1	Cariparma S.p.A.	80.17%	80.55%(2)
2. Cassa di Risparmio della Spezia S.p.A. (Carispezia)	La Spezia, Italy	1	Cariparma S.p.A.	80.00%	80.00%
3. Crédit Agricole Leasing Italia S.r.l. (CALIT)	Milan, Italy	1	Cariparma S.p.A.	85.00%	85.00%
4. Slider S.r.l.	Milan, Italy	1	Cariparma S.p.A.	100.00%	100.00%
5. Mondo Mutui Cariparma S.r.l.	Milan, Italy	4	Cariparma S.p.A.	19.00%	19.00%
6. Cariparma OBG S.r.l.	Milan, Italy	1	Cariparma S.p.A.	60.00%	60.00%
7. Crédit Agricole Group Solutions S.c.p.A.	Parma, Italy	1	Cariparma S.p.A.	86.75%	86.75%
			Friuladria S.p.A.	8.75%	8.75%
			Carispezia S.p.A.	2.50%	2.50%
			Calit S.r.l.	1.19%	1.19%

(1) Type of control:
1= Majority of the voting rights in the General Meeting of Shareholders
2= dominant influence in the Extraordinary General Meeting of Shareholders
3= agreement with other shareholders
4= Other forms of control
5= unitary management pursuant to Article 26, paragraph 1, of Italian Legislative Decree No. 87/92
6= unitary management pursuant to Article 26, paragraph 2, of Italian Legislative Decree No. 87/92
7= joint control

(2) The percentage has been calculated taking account of treasury shares held by the Bank as at the reporting date.

EVENTS OCCURRED AFTER THE REPORTING DATE AND OUTLOOK

It is reported that, on 17 June 2016, the Extraordinary General Meeting of the Banks that have joined the voluntary Scheme of the Italian Interbank Deposit Protection Fund – FITD – (including the Cariparma CA Group) approved amendments to its by-laws aimed also at increasing the financial resources of the Scheme (which increased from Euro 300 million to Euro 700 million).

Thanks to the approval of the above amendments, the conditions were created for the recapitalization of CR Cesena, which, first of all, will entail a share capital increase reserved to the FITD voluntary scheme for an amount of Euro 280 million (subsequent to which the voluntary Scheme would hold a controlling equity investment in CR Cesena). The above share capital increase was passed by the General Meeting of Shareholders of CR Cesena on 3 July 2016.

On 19 July 2016, the FITD informed the Banks that are members of the Voluntary Scheme that, once having obtained the ECB's authorization for the acquisition of a controlling equity investment in CR Cesena, the FITD shall call in the contributions to the scheme to be given by every Member Bank (the Group's contribution has been estimated at Euro 8.6 million). As at the reporting date, no contribution had yet been paid. With the same communication, the FITD also informed the Member Banks that in-depth analyses are under way with a group of experts from the Member

Banks, with ABI (the Italian Banking Association), the Bank of Italy and CONSOB (Italian Securities and Exchange Commission), as regards the accounting, tax and prudential treatment to be applied to the above contribution.

As a consequence, for the preparation of the Interim Condensed Consolidated Financial Statements as at 30 June 2016, the Group has recognized the maximum commitment it has undertaken with the FITD Voluntary Scheme, amounting to a share of the authorized amount of Euro 700 million, equal to approximately Euro 22 million.

OTHER MATTERS

OPTION FOR THE NATIONAL TAX CONSOLIDATION BETWEEN THE COMPANIES OF THE CRÉDIT AGRICOLE GROUP IN ITALY

Since 2013, the Italian Parent Company, Cassa di Risparmio di Parma e Piacenza S.p.A. and some Italian Companies of its Group (Banca Popolare FriulAdria, Cassa di Risparmio della Spezia and CALIT) have adopted the "Italian national tax consolidation regime", which is governed by Articles 117-129 of the Italian Consolidated Act on Income Taxes (TUIR) and was introduced in the Italian tax legislation with Legislative Decree No. 344/2003.

In 2015, the newly-incorporated consortium company Crédit Agricole Group Solutions also joined the tax consolidation scheme.

In March 2016, the formal notice was sent to the *Agenzia delle Entrate* (the Italian Inland Revenue Service) with which, effective from 2015, the option was exercised for the national tax consolidation of the CASA Group in Italia, pursuant to Article 6 of Italian Legislative Decree No. 147 of 14 September 2015. In accordance with this regime, also the Italian "sister" companies, whose controlling Company is resident in an EU Member State, may exercise the option for consolidated taxation. 18 Companies of the Group opted to join the tax consolidation scheme and, having been designated by CAsa, Cariparma has undertaken the role of Consolidating Entity.

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

CONTRIBUTIONS TO THE SINGLE RESOLUTION FUND

As reported in the Explanatory Note to the Consolidated Financial Statements as at 31 December 2015, the Bank Recovery and Resolution Directive (BRRD – 2014/59/EU) sets down the new resolution rules applying since 1 January 2015 to all the banks within the European Union.

Effective from 1 January 2015, the relevant measures shall be financed by the National Resolution Fund, which, on 1 January 2016, was merged into the Single Resolution Fund – SRF, managed by the Single Resolution Board – SRB.

The Single Resolution Fund shall reach a target level of financial resources by 31 December 2023 through the payment of a yearly ex-ante contribution, which, normally, pursuant to the Delegated Regulation of the European Commission No. 2015/81, may be paid also with irrevocable payment commitments (IPC). For 2016, the share of irrevocable payment commitments allowed to be used by Banks is 15% of the relevant total contribution and, to secure full payment of the total contributions, intermediaries are required to give collaterals that, for this year, may consist only of cash.

In 2016, the Bank of Italy, in its capacity as the Resolution Authority, provided the Italian Banks that are subject to the above regulation with a communication setting forth the ordinary contribution due for the 2016 financial year, calculated pursuant to the Delegated Regulations of the European Commission No. 2015/63 and 2015/81. This contribution was set down by the Single Resolution Board in cooperation with the Bank of Italy.

Based on the communication received, the ex-ante contribution to the Single Resolution Fund for 2016 of the Cariparma CA Group amounts to Euro 12.0 million. It is reported that the Group exercised the option to settle 15% of its total contribution through irrevocable payment commitments.

Given the above, the expense for the contribution amounting to Euro 10.2 million was recognized in the Income Statement as at 30 June 2016 under the “Other administrative expenses” item, whereas the remaining amount of Euro 1.8 million was recognized as cash collateral.

Economic results

In the following statements, the Income Statement figures as at 30 June 2016 are given and compared to the figures referring to the same period last year. The relevant comments are included in the “Interim Report on Operations”, where the Company’s performance is dealt with.

The Group perimeter, to which the results as at 30 June 2016 refer, consists of Cariparma S.p.A. (Parent Company), Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia S.p.A., Crédit Agricole Leasing Italia S.r.l., Crédit Agricole Group Solutions S.c.p.a., the special-purpose entities Cariparma O.B.G. S.r.l., Mondo Mutui Cariparma S.r.l. and Sliders S.r.l., which have been consolidated on a line-item basis.

Reclassified Consolidated Income Statement

	30.06.2016	30.06.2015	Changes	
			Absolute	%
Net interest income	471,592	515,180	-43,588	-8.5
Net commission income	338,877	368,592	-29,715	-8.1
Dividends	8,569	7,379	1,190	16.1
Gain (loss) on banking activities	33,940	18,288	15,652	85.6
Other operating income (expenses)	5,845	5,393	453	8.4
Net operating revenues	**858,823**	**914,832**	**-56,008**	**-6.1**
Personnel expenses	-301,406	-293,679	7,727	2.6
Administrative expenses	-141,825	-145,929	-4,103	-2.8
Depreciation of Property, plant and equipment and amortization of intangible assets	-43,774	-42,280	1,494	3.5
Operating expenses	**-487,005**	**-481,888**	**5,118**	**1.1**
Operating margin	**371,818**	**432,944**	**-61,126**	**-14.1**
Impairment on goodwill	-	-	-	-
Net provisions for risks and charges	-6,127	-6,335	-208	-3.3
Net value adjustments of loans	-172,086	-200,224	-28,138	-14.1
Net value adjustments of other assets	-	-	-	-
Gains (losses) on investments held to maturity and other investments	125	-816	941	
Profit before taxes on continuing operations	**193,730**	**225,569**	**-31,839**	**-14.1**
Income tax for the period on continuing operations	-65,805	-78,034	-12,229	-15.7
Gains (losses) on discontinued operations after tax	-	-	-	-
Profit for the period	**127,925**	**147,535**	**-19,610**	**-13.3**
Profit (Loss) for the period attributable to minority shareholders	-5,390	-6,688	-1,298	-19.4
Parent Company’s net profit (loss) for the period	**122,535**	**140,847**	**-18,312**	**-13.0**

Reconciliation between the Official and Reclassified Income Statements

	30.06.2016	30.06.2015
Net interest income	**471,592**	**515,180**
30. Net interest income	439,147	478,713
90. Net gains (losses) on hedging activities: of which amortized cost effect on debenture loans coverage	-1,723	
130. Net losses on impairment of: a) loans of which time value on non-performing loans	33,263	36,060
220. Calit IAS gains	905	407
Net fee and commission income	**338,877**	**368,592**
60. Net commission income	323,972	348,815
220: Other operating expenses/income: of which Commission income from Fast Loan Application Processing	14,905	19,777
Dividends = item 70	**8,569**	**7,379**
Gain (loss) on banking activities	**33,940**	**18,288**
80. Net gains (losses) on trading activities	4,969	6,737
90. Net gain (loss) on hedging of loans of which debt securities classified as loans	-1,331	-9,222
90. Net gains (losses) on hedging activities: of which amortized cost effect on debenture loans coverage	1,723	
100. Gains (losses) on disposal or repurchase of: a) loans	-	85
100. Gains (losses) on disposal or repurchase of: b) financial assets available for sale	29,734	22,522
100. Gains (losses) on disposal or repurchase of: d) financial liabilities	-1,155	-1,487
110. Net gain (loss) on financial assets and liabilities designated at fair value	-	-347
Other operating income (expenses)	**5,845**	**5,393**
190. Other operating expenses/revenue	140,831	147,879
130. Net losses on impairment of: d) other financial transactions of which adjustments to/recoveries relating to FITD (Italian Interbank Deposit Protection Fund) actions	-217	-
240. Gains (Losses) on equity investments of which Price Adjustment for disposal of equity investments	9,722	11,626
to deduct: expenses recovered	-124,751	-129,429
to deduct: recovered expenses for the management of non-performing loans	-3,891	-3,673
to deduct: Commission income from Fast Loan Application Processing	-14,905	-19,777
to deduct: Calit IAS gains	-905	-407
130. Net losses on impairment of: b) financial assets available for sale	-39	-826
Net operating revenues	**858,823**	**914,832**
Personnel expenses = item 150 a)	**-301,406**	**-293,679**
Administrative expenses	**-141,825**	**-145,929**
150. Administrative expenses: b) other administrative expenses	-274,901	-282,185
190. Other operating expenses/income: of which expenses recovered	124,751	129,429
150. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	8,325	6,827
Depreciation of Property, plant and equipment and amortization of intangible assets	**-43,774**	**-42,280**
170. Net adjustments to/recoveries on property, plant and equipment	-14,099	-13,650
180. Net adjustments to/recoveries on intangible assets	-29,675	-28,630
Operating expenses	**-487,005**	**-481,888**
Operating margin	**371,818**	**432,944**
Goodwill value adjustments = item 230	**-**	**-**
Net provisions for risks and charges = Item 160	**-6,127**	**-6,335**
Net value adjustments of loans	**-172,086**	**-200,224**
100. Gain/loss on disposal of: a) loans	-4,449	-1,424
100. Gain (loss) on the sale or repurchase of debt securities classified as loans	-	-85
130. Net losses on impairment of: a) loans	-130,656	-159,524
130. Net losses on impairment of: a) loans of which time value on non-performing loans	-33,263	-36,060
150. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	-8,325	-6,827
190. Other operating expenses/income: of which recovered expenses for the management of non-performing loans	3,891	3,673
130. Net losses on impairment of: d) other financial transactions	499	23
to deduct: adjustments/writebacks relating to FITD (Italian Interbank Deposit Protection Fund) actions	217	-
Gains (losses) on investments held to maturity and other investments	**125**	**-816**
210. Gains (losses) on equity investments	9,786	10,810
to deduct: Gains (Losses) on equity investments of which Price Adjustment for disposal of equity investments	-9,722	-11,626
240. Gains (losses) on disposal of investments	61	-
Profit before taxes on continuing operations	**193,730**	**225,569**
Income taxes for the period on continuing operations = item 260	**-65,805**	**-78,034**
Net profit for the period	**127,925**	**147,535**
Profit (loss) attributable to minority Shareholders	-5,390	-6,688
Parent Company's net profit for the period	**122,535**	**140,847**

Net interest income

Items	30.06.2016	30.06.2015	Changes	
			Absolute	%
Business with Customers	398,025	470,074	-72,049	-15.3
Business with banks	5,103	3,339	1,764	
Debt securities issued	-72,289	-115,214	-42,925	-37.3
Spreads on hedging derivatives	97,914	88,379	9,535	10.8
Financial assets held for trading	5	27	-22	-81.5
Investments held to maturity	-	-	-	
Financial assets available for sale	42,666	66,861	-24,195	-36.2
Financial assets and liabilities measured at fair value	-	1,756	-1,756	
Other net interest income	168	-42	210	
Net interest income	**471,592**	**515,180**	**-43,588**	**-8.5**

Net commission income

Items	30.06.2016	30.06.2015	Changes	
			Absolute	%
- guarantees issued	4,432	4,286	146	3.4
- collection and payment services	20,021	21,234	-1,213	-5.7
- current accounts	100,548	109,808	-9,260	-8.4
- debit and credit card services	14,919	14,843	76	0.5
Commercial banking business	**139,920**	**150,171**	**-10,251**	**-6.8**
- securities intermediation and placement	65,841	86,218	-20,377	-23.6
- intermediation in foreign currencies	1,913	2,053	-140	-6.8
- asset management	4,667	2,891	1,776	61.4
- distribution of insurance products	92,631	98,895	-6,264	-6.3
- other intermediation/management commission income	12,537	7,645	4,892	64.0
Management, intermediation and advisory services	**177,589**	**197,702**	**-20,113**	**-10.2**
Tax collection services	**-**	**-**	**-**	
Other net commission income	**21,368**	**20,719**	**649**	**3.1**
Total net commission income	**338,877**	**368,592**	**-29,715**	**-8.1**

Profit (loss) from banking activities

Items	30.06.2016	30.06.2015	Changes	
			Absolute	%
Interest rates	1,145	926	219	23.7
Activities on Stocks	70	-1	71	
Activities on foreign currencies	2,584	4,379	-1,795	-41.0
Activities on goods	15	28	-13	-46.4
Total gains (losses) on financial assets held for trading	**3,814**	**5,332**	**-1,518**	**-28.5**
Total gains (losses) on hedging activities	**391**	**-9,222**	**9,613**	
Gains (losses) on disposal of financial assets available for sale	**29,735**	**22,522**	**7,213**	**32.0**
Net gain (loss) on financial assets and liabilities designated at fair value	**-**	**-347**	**-347**	
Gains (losses) on disposal of debt securities classified as loans	**-**	**3**	**-3**	
Gain (loss) on banking activities	**33,940**	**18,288**	**15,652**	**85.6**

Operating expenses

Items	30.06.2016	30.06.2015	Changes	
			Absolute	%
- wages and salaries	-217,155	-209,016	8,139	3.9
- social security contributions	-56,283	-55,809	474	0.8
- other personnel expenses	-27,968	-28,854	-886	-3.1
Personnel expenses	**-301,406**	**-293,679**	**7,727**	**2.6**
- general operating expenses	-46,433	-35,843	10,590	29.5
- IT services	-33,007	-25,735	7,272	28.3
- direct and indirect taxes	-54,194	-55,970	-1,776	-3.2
- property management	-25,255	-25,519	-264	-1.0
- legal and other professional services	-4,964	-7,108	-2,144	-30.2
- advertising and promotion expenses	-4,750	-4,062	688	16.9
- indirect personnel expenses	-3,445	-3,237	208	6.4
- contributions to SRF/DGS/SPS	-10,201	-7,109	3,092	43.5
- other expenses	-84,328	-117,715	-33,387	-28.4
- expenses and charges recovered	124,751	136,369	-11,618	-8.5
Administrative expenses	**-141,825**	**-145,929**	**-4,104**	**-2.8**
- intangible assets	-29,675	-28,630	1,045	3.7
- property, plant and equipment	-14,099	-13,650	449	3.3
Depreciation and amortization	**-43,774**	**-42,280**	**1,494**	**3.5**
Operating expenses	**-487,005**	**-481,888**	**5,118**	**1.1**

Net value adjustments of loans

	30.06.2016	30.06.2015	Changes	
			Absolute	%
- Bad debts	-96,889	-107,050	-7,648	-7.3
- Unlikely to Pay	-81,565	-89,576	-8,011	-8.9
- Past-due loans	-4,554	-3,333	1,221	36.6
- Performing loans	14,640	-288	14,928	-
Net losses on impairment of loans	**-168,368**	**-200,247**	**-29,366**	**-14.9**
Expenses/recovered expenses for loan management	-4,432	-2,513	1,919	76.4
Net adjustments for guarantees and commitments	714	23	691	
Net value adjustments of loans	**-172,086**	**-200,224**	**-28,138**	**-14.1**

Comprehensive Income

Items		30.06.2016	30.06.2015
10.	**Profit (loss) for the period**	**127,925**	**147,535**
	Other income components after tax with no reversal to Income Statement		
20.	Property, plant and equipment	-	-
30.	Intangible Assets	-	-
40.	Actuarial gains (losses) on defined-benefit plans	(3,779)	6,321
50.	Non-current assets held for sale	-	-
60.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
	Other income components after tax with reversal to Income Statement	**-**	
70.	Hedges of foreign investments	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	Financial assets available for sale	(57,389)	(48,127)
110.	Non-current assets held for sale	-	-
120.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
130.	**Total other income components after tax**	**(61,168)**	**(41,806)**
140.	**Comprehensive income (Item 10+130)**	**66,757**	**105,729**
150.	Consolidated comprehensive income attributable to minority Shareholders	2,959	4,760
160.	**Consolidated comprehensive income attributable to the Parent Company**	**63,798**	**100,969**

In accordance with the changes in the fair value of the items classified as AFS, comprehensive income specifically reflects the changes in creditworthiness of the securities issued by the Republic of Italy, which account for the main component of the Group portfolio.

Balance Sheet aggregates

Balance sheet figures at 30 June 2016 are reported below in comparison with the previous year figures. The relevant remarks can be found in the “Interim Report on Operations”.

Reclassified Consolidated Balance Sheet

Assets	30.06.2016	31.12.2015	Changes	
			Absolute	%
Financial assets designated at fair value	-	-	-	100.0
Financial assets available for sale	5,598,797	5,808,849	-210,052	-3.6
Loans to Customers	37,597,476	36,462,501	1,134,975	3.1
Equity investments	-	2,583	-2,583	-100.0
Property, plant and equipment and intangible assets	2,367,597	2,381,582	-13,985	-0.6
Tax assets	1,007,657	1,177,577	-169,920	-14.4
Other assets	1,561,485	2,563,042	-1,001,557	-39.1
Total Assets	**48,133,011**	**48,396,134**	**-263,123**	**-0.5**

Liabilities	30.06.2016	31.12.2015	Changes	
			Absolute	%
Net due to banks	1,465,019	1,420,518	44,501	3.1
Funding from Customers	38,293,163	38,999,585	-706,422	-1.8
Net Financial Assets/Liabilities held for trading	14,184	9,538	4,646	48.7
Tax liabilities	166,947	335,429	-168,482	-50.2
Other liabilities	2,874,936	2,197,055	677,881	30.9
Specific-purpose provisions	288,056	295,860	-7,804	-2.6
Capital	876,762	876,762	-	-
Reserves (net of treasury shares)	3,810,286	3,749,534	60,752	1.6
Valuation reserves	17,847	76,615	-58,768	-76.7
Equity attributable to minority shareholders	203,275	214,602	-11,327	-5.3
Profit (loss) for the period	122,535	220,636	-98,101	-44.5
Total liabilities and equity	**48,133,011**	**48,396,134**	**-263,123**	**-0.5**

Reconciliation of the Official Balance Sheet and reclassified Balance Sheet

Assets	30.06.2016	31.12.2015
Financial assets designated at fair value	**-**	**-**
30. Financial assets designated at fair value	-	-
Financial assets available for sale	**5,598,797**	**5,808,849**
40. Financial assets available for sale	5,598,797	5,808,849
Loans to Customers	**37,597,476**	**36,462,501**
70. Loans to Customers	37,597,476	36,462,501
Equity investments	**-**	**2,583**
100. Equity investments	-	2,583
Property, plant and equipment and intangible assets	**2,367,597**	**2,381,582**
120. Property, plant and equipment	489,710	487,556
130. Intangible Assets	1,877,887	1,894,026
Tax assets	**1,007,657**	**1,177,577**
140. Tax assets	1,007,657	1,177,577
Other assets	**1,561,485**	**2,563,042**
10. Cash and cash equivalents	175,097	1,390,189
160. Other assets	467,096	469,207
80. Hedging derivatives (Assets)	906,777	692,455
90. Fair value change of financial assets in macro-hedge portfolios	12,515	11,191
Total assets	**48,133,011**	**48,396,134**

Liabilities	30.06.2016	31.12.2015
Net due to banks	**1,465,019**	**1,420,518**
10. Due to banks	3,295,505	4,289,627
60. Loans to banks	-1,830,486	-2,869,109
Funding from Customers	**38,293,163**	**38,999,585**
20. Due to Customers	29,137,540	28,402,451
30. Debt securities issued	9,155,623	10,597,134
Net financial Liabilities/Assets held for trading	**14,184**	**9,538**
40. Financial liabilities held for trading	112,468	117,472
20. Financial assets held for trading	-98,284	-107,934
Tax liabilities	**166,947**	**335,429**
80. Tax liabilities	166,947	335,429
Non-current liabilities held for sale and discontinued operations	**-**	**-**
Other liabilities	**2,874,936**	**2,197,055**
100. Other liabilities	1,489,566	990,561
60. Hedging derivatives (Liabilities)	701,592	670,155
70. Fair value change of financial liabilities in macro-hedge portfolios	683,778	536,339
Specific-purpose provisions	**288,056**	**295,860**
110. Employees' severance benefits	147,580	144,318
120. Provisions for risks and charges	140,476	151,542
Share Capital	**876,762**	**876,762**
180. Share Capital	876,762	876,762
Reserves (net of treasury shares)	**3,810,286**	**3,749,534**
160. Reserves	1,078,851	1,014,072
170. Share premium reserve	2,735,462	2,735,462
190. Treasury Shares	-4,027	-
Valuation reserves	**17,847**	**76,615**
130. Valuation reserves	17,847	76,615
Equity attributable to minority shareholders	**203,275**	**214,602**
210. Equity attributable to minority shareholders	203,275	214,602
Profit (loss) for the period	**122,535**	**220,636**
200. Profit (loss) for the period	122,535	220,636
Total Liabilities and Shareholders' Equity	**48,133,011**	**48,396,134**

Loans to Customers

Items	30.06.2016	31.12.2015	Changes	
			Absolute	%
- Current accounts	2,672,640	2,600,310	72,330	2.8
- Mortgage loans	22,001,755	21,664,592	337,163	1.6
- Advances and credit facilities	9,739,493	8,972,494	766,999	8.5
- Repurchase agreements	-	-	-	-
- Non-performing loans	3,015,296	3,064,743	-49,447	-1.6
Loans	**37,429,184**	**36,302,139**	**1,127,045**	**3.1**
Loans represented by securities	**168,292**	**160,362**	**7,930**	**4.9**
Loans to Customers	**37,597,476**	**36,462,501**	**1,134,975**	**3.1**

Loans to Customers: credit quality

Items	30.06.2016			31.12.2015		
	Gross exposure	Total adjustments	Net exposure	Gross exposure	Total adjustments	Net exposure
- Bad debts	2,844,175	1,628,512	1,215,663	2,735,457	1,576,129	1,159,328
- Unlikely to Pay	2,238,831	523,255	1,715,576	2,321,933	507,330	1,814,603
- of which “former Substandard loans”	*1,455,758*	*396,442*	*1,059,316*	*1,444,295*	*376,109*	*1,068,186*
- of which “former Restructured loans”	*783,073*	*126,813*	*656,260*	*877,638*	*131,221*	*746,417*
- Past-due/overlimit loans	91,545	7,488	84,057	97,087	6,275	90,812
Non-performing loans	**5,174,551**	**2,159,255**	**3,015,296**	**5,154,477**	**2,089,734**	**3,064,743**
Performing loans	**34,773,671**	**191,491**	**34,582,180**	**33,605,068**	**207,310**	**33,397,758**
Total	**39,948,222**	**2,350,746**	**37,597,476**	**38,759,545**	**2,297,044**	**36,462,501**

Funding from Customers

Items	30.06.2016	31.12.2015	Changes	
			Absolute	%
- Deposits	2,816,043	2,968,018	-151,975	-5.1
- Current and other accounts	26,103,165	25,235,642	867,523	3.4
- Other items	218,334	197,791	20,543	10.4
- Repurchase agreements	–	1,000	-1,000	
Due to Customers	**29,137,542**	**28,402,451**	**735,091**	**2.6**
Debt securities issued	9,155,621	10,597,134	-1,441,513	-13.6
Total direct funding	**38,293,163**	**38,999,585**	**-706,422**	**-1.8**
Indirect funding	**63,526,585**	**60,198,338**	**3,328,247**	**5.5**
Total funding	**101,819,748**	**99,197,923**	**2,621,825**	**2.6**

Indirect funding

Items	30.06.2016	31.12.2015	Changes	
			Absolute	%
- Asset management products	12,164,540	11,820,172	344,368	2.9
- Insurance products	14,440,409	13,634,733	805,676	5.9
Total assets under management	**26,604,949**	**25,454,905**	**1,150,044**	**4.5**
Assets under administration	**36,921,636**	**34,743,433**	**2,178,203**	**6.3**
Indirect funding	**63,526,585**	**60,198,338**	**3,328,247**	**5.5**

Financial assets available for sale

Items	30.06.2016	31.12.2015	Changes	
			Absolute	%
- Bonds and other debt securities	5,374,818	5,579,644	-204,826	-3.7
- Equity securities and units of collective investment undertakings	800	918	-118	-12.9
Securities available for sale	**5,375,618**	**5,580,562**	**-204,944**	**-3.7**
- Equity investments	223,179	228,287	-5,108	-2.2
Shareholdings available for sale	**223,179**	**228,287**	**-5,108**	**-2.2**
Financial assets available for sale	**5,598,797**	**5,808,849**	**-210,052**	**-3.6**

Government securities held

	30.06.2016		
	Nominal Value	Book value	Revaluation reserve
FVTPL			
Italian Government securities	2	3	-
Argentinian Government securities	21	1	-
Turkish Government securities	-	-	-
AFS			
Italian Government securities	4,435,000	5,374,818	63,625
Argentinian Government securities	2	2	1
French Government securities	-	-	-
Total	**4,435,025**	**5,374,824**	**63,626**

Specific-purpose provisions

Items	30.06.2016	31.12.2015	Changes	
			Absolute	%
Employee severance benefits	147,580	144,318	3,262	2.3
Provisions for risks and charges	140,476	151,542	-11,066	-7.3
- post-employment benefits	19,884	20,117	-233	-1.2
- other provisions	120,592	131,425	-10,833	-8.2
Total specific-purpose provisions	**288,056**	**295,860**	**-7,804**	**-2.6**

Equity

Items	30.06.2016	31.12.2015	Changes	
			Absolute	%
Share capital	876,762	876,762	0	0.0
Share premium reserve	2,735,462	2,735,462	0	0.0
Reserves	1,078,851	1,014,072	64,779	6.4
Reserves from valuation of financial assets available for sale	48,691	103,825	-55,134	-53.1
Reserves from valuation of actuarial gains (losses) relating to defined-benefit pension plans	-30,845	-27,210	3,635	13.4
Treasury Shares	-4,027	-	4,027	0.0
Net profit for the period	122,536	220,636	-98,100	-44.5
Total (book) equity	**4,827,430**	**4,923,547**	**-96,117**	**-2.0**

Own Funds

Own Funds and capital ratios	30.06.2016	31.12.2015
Common Equity Tier 1 (CET1)	**2,668,415**	**2,660,810**
Additional Tier 1 (AT1)		-
Tier 1 – T1	**2,668,415**	**2,660,810**
Tier 2 (T2)	481,343	492,868
Own Funds	**3,149,758**	**3,153,678**
Risk-weighted assets	**23,694,124**	**23,387,753**
of which by credit and counterparty risks and by the risk of value adjustment of the loan	21,098,021	20,777,395
CAPITAL RATIOS		
Common Equity Tier 1 ratio	**11.3%**	**11.4%**
Tier 1 ratio	**11.3%**	**11.4%**
Total Capital ratio	**13.3%**	**13.5%**

Consolidated Own Funds as at 30 June 2016 included, as per the prior authorization given by the Competent Authority (Article 26, par. 2 of EU Regulation No. 575/2013, EU Decision No. 2015/656 of the ECB), the share of the profit for the period eligible to be included, net of foreseeable charges and dividends; as regards the latter, the higher percentage of distribution was chosen between the one in the last FY and the average of the last three FYs.

In calculating Own Funds, the developments in the transitional provisions set down by the supervisory regulation for banks (Regulation (EU) No. 575/2013; Circular No. 285 of the Bank of Italy).

FAIR VALUE REPORTING

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

Reporting on the fair value hierarchy as required by IFRS 13 applies to financial instruments and to non-financial assets/liabilities that are designated at fair value (irrespectively of whether they are designated on a recurring or non-recurring basis). The standard classifies fair value into three different levels based on the observability of the inputs used for its measurement:

- **Level 1:** Fair value equal to quoted prices (with no adjustments) in active markets. Level 1 includes financial instruments that are quoted on active markets. Specifically, these financial instruments are stocks and bonds quoted on active markets, investment schemes quoted on active markets (EFT) and derivatives traded on regulated markets.

  Markets are considered active if the quotations are easily and regularly available on the stock exchange, from brokers, intermediaries, price quotation services or regulatory agencies and these prices represent actual transactions that are regularly carried out in the market on an arm's length basis.
- **Level 2:** Fair value determined using measurement models that are universally acknowledged and based on observable or indirectly observable market inputs. These data are directly observable or indirectly observable (for example, determining the interest rate curve based on the interest rates that can be observed directly on the market as at a reference date).

  Level 2 includes:
  - Stocks and bonds that are quoted on markets considered inactive or that are not quoted on an active market, but whose fair value is determined using a universally acknowledged measurement model based on observable or indirectly observable inputs;
  - Financial instruments whose fair value is determined with measurement models using observable market inputs.
- **Level 3:** Financial instruments whose fair value is determined using, to a significant extent, inputs that do not meet the set observability requirements.

The fair value of some complex instruments that are not traded on active markets is determined with measurement techniques based on inputs that are not observable on the market. The above are mainly complex interest rate instruments, stock derivatives and structured loans, where the measured correlation or volatility inputs are not directly comparable to market inputs.

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

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

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

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

Level 3: this level includes all financial instruments for which there is no active market and whose measurement is not based on observable market inputs, it also includes the measurements communicated by qualified market players.

In accordance with the IFRS 13 regulatory framework, the fair value of derivatives shall be based on market factors, as well as on the possible effects of the risk of the counterparty's default, which comprises the risk associated to the counterparty's creditworthiness, by calculating the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA).

As provided for by the IFRS13, in certain conditions, risk mitigation tools may be used, such as ISDA master agreements and Credit Support Annexes (CSA), and, therefore, , the Bank can calculate the CVA and DVA by netting set or by counterparty, after assessing the netting effect potentially resulting from such Agreements, rather than calculating it by single derivative.

As at 30 June 2016, the CVA value for the Cariparma Crédit Agricole Group, calculated in accordance with the method used for the 2015 Annual Report and Financial Statements, was Euro 15.9 million. Similarly, as at 30 June 2016, the DVA value was Euro 1.5 million.

As regards the narrative description of the sensitivity of the fair value measurement of L3-classified instruments required by IFRS 13, it is pointed out that such instruments mainly consist of equity securities and OTC derivatives. For these investments no quantitative sensitivity analysis of the fair value based on the change in unobservable inputs was carried out, since either the fair value was obtained from third-party sources without any adjustments or resulted from a model whose inputs are specific for the entity being measured (for example the company equity values) and for which alternative values cannot be reasonably assumed.

● *Fair value reporting – Fair value hierarchy*

For assets and liabilities recognized, the Financial Management Division of Cariparma assesses whether transfers between fair value levels have occurred and reviews the fair value categorization at each reporting date.

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

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

● *Fair value reporting – Transfers between portfolios*

In the first half of 2016 no transfers between portfolios were made.

Portfolio reporting: breakdown by fair value level

Financial assets/liabilities designated at fair value	30.06.2016			31.12.2015		
	L1	L2	L3	L1	L2	L3
1. Financial assets held for trading	3	98,242	39	4	107,257	673
2. Financial assets designated at fair value	-	-	-	-	-	-
3. Financial assets available for sale	5,383,568	-	215,229	5,589,313	-	219,536
4. Hedging derivatives	-	906,716	61	-	692,455	-
5. Property, plant and equipment	-	-	-	-	-	-
6. Intangible Assets	-	-	-	-	-	-
Total	**5,383,571**	**1,004,958**	**215,329**	**5,589,317**	**799,712**	**220,209**
1. Financial liabilities held for trading	-	112,468	-	-	117,465	7
2. Financial Liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	280,068	421,524	-	276,169	393,986
Total	**-**	**392,536**	**421,524**	**-**	**393,634**	**393,993**

Changes for the period in financial assets designated at fair value (Level 3)

	Financial assets held for trading	Financial assets designated at fair value	Financial assets available for sale	Hedging derivatives	Property, plant and equipment	Intangible Assets
1. Opening balance	**673**	**-**	**219,536**	**-**	**-**	**-**
2. Increases	**102**	**-**	**8,524**	**61**	**-**	**-**
2.1 Purchases	-	-	3,239	61	-	-
2.2 Profits recognized in:	-	-	-	-	-	-
2.2.1 Income Statement	100	-	4,432	-	-	-
- of which: Capital gains	4	-	4,317	-	-	-
2.2.2 Equity	X	X	853	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-
2.4 Other increases	2	-	-	-	-	-
3. Decreases	**736**	**-**	**12,831**	**-**	**-**	**-**
3.1 Sales	714	-	2,362	-	-	-
3.2 Redemptions	-	-	7,740	-	-	-
3.3 Losses recognized in:	-	-	-	-	-	-
3.3.1 Income Statement	1	-	39	-	-	-
- of which Capital losses	1	-	-	-	-	-
3.3.2 Equity	X	X	2,690	-	-	-
3.4 Transfers to other levels	15	-	-	-	-	-
3.5 Other decreases	6	-	-	-	-	-
4. Closing Inventories	**39**	**-**	**215,229**	**61**	**-**	**-**

Changes for the period in financial liabilities designated at fair value (Level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening balance	**7**	**-**	**393,986**
2. Increases	**-**	**-**	**41,475**
2.1 Issues	-	-	25,791
2.2 Losses recognized in:			-
2.2.1 Income Statement	-	-	15,684
- of which Capital losses	-	-	15,684
2.2.2 Equity	X	X	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**7**	**-**	**13,937**
3.1 Redemptions	-	-	11,658
3.2 Repurchases	-	-	230
3.3 Profits recognized in:			-
3.3.1 Income Statement	-	-	2,049
- of which Capital gains	-	-	2,049
3.3.2 Equity	X	X	-
3.4 Transfers to other levels	7	-	-
3.5 Other decreases	-	-	-
4. Closing Inventories	**-**	**-**	**421,524**

Assets and liabilities that are not designated at fair value or are designated at fair value on a non-recurring basis: breakdown by fair value level

Assets and liabilities that are not designated at fair value or are designated at fair value on a non-recurring basis	30.06.2016				31.12.2015			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Investments held to maturity	-	-	-	-	-	-	-	-
2. Loans to banks	1,830,486	-	1,830,486	-	2,869,109	-	2,869,109	-
3. Loans to Customers	37,597,476	-	-	40,123,809	36,462,501	-	-	38,779,348
4. Investment property	27,890	-	-	49,559	28,069	-	-	51,108
5. Non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
Total	**39,455,852**	**-**	**1,830,486**	**40,173,368**	**39,359,679**	**-**	**2,869,109**	**38,830,456**
1. Due to banks	3,295,505	-	3,295,505	-	4,289,627	-	4,289,627	-
2. Due to Customers	29,137,540	-	29,100,911	36,629	28,402,451	-	28,371,884	30,567
3. Debt securities issued	9,155,623	-	8,534,709	658,282	10,597,134	-	9,586,075	1,025,717
4. Non-current liabilities held for sale and discontinued operations	-	-	-	-	-	-	-	-
Total	**41,588,668**	**-**	**40,931,125**	**694,911**	**43,289,212**	**-**	**42,247,586**	**1,056,284**

OPERATIONS AND INCOME BY BUSINESS SEGMENT

Data relating to operations and income by business segment are given in compliance with IFRS 8 – Operating Segments using the "management reporting approach".

In compliance with the Bank of Italy provisions, segment reporting was prepared using the multiple ITR (internal transfer rate) method, integrating also the cost of liquidity and the balance sheet component on funding.

The Cariparma CA Group operates through an organizational structure that includes: the **Retail** and **Private Banking** channels designed to provide services to individuals, households and small businesses, as well as to institutional customers, the **Corporate Banking** channel designed to provide services to larger-sized companies. Therefore, given the features of the Cariparma Crédit Agricole Group, the **Other** channel is of a residual nature and includes the activities pertaining to central departments, with specific reference to governance.

Income from the Retail and Private Banking channels came to Euro 784 million, decreasing by -5.6% vs. the previous FY, mainly due to the fee and commission component, subsequent to the decrease in income from intermediation and management of assets under management, as well as in revenues from current account administration. Net interest income also decreased, even though to a lesser extent (down by -2.4%), being impacted by the spread on the loan component; the same effect, to a lesser, has been generated on funding products.

Total revenues from the Corporate Banking segment also decreased, coming to Euro 140 million (down by -3.5% vs. June 2015). This change was essentially due to net interest income, while fee and commission income was stable.

As regards costs, the Retail and Private Banking channels posted a decrease vs. June 2015 of -3.8%, thanks to a significant decrease in the cost of credit (down by -11.3%) and to the enhanced efficiency of operating expenses (down by -1.9%). The same changes were shown also by the Corporate Banking segment, posting a decrease in both losses on impairment of loans (down by -28.7%) and in operating costs (down by -3.6%).

Assets by segment (point volumes) mainly consisted of loans to Customers, property, plant and equipment and intangible assets that can be directly allocated to the operating segments. As at 30 June 2016, the assets of the Retail and Private Banking channels came to Euro 25.4 billion, in line with 31 December 2015, whereas the assets of the Corporate Banking segment increased coming close to Euro 14.8 billion (up by +7.8% vs. 31 December 2015).

Liabilities by segment (point volumes) consisted of direct funding from Customers, which can be directly allocated to the operating segments. Within this aggregate, the Retail and Private Banking channels accounted for Euro 29.2 billion worth of funding, essentially in line with 31 December 2015. The contribution from Corporate Banking Channel slowed down and came to Euro 6.7 billion, decreasing by -8.8% vs. 31 December 2015.

It is pointed out that unallocated assets and liabilities report the set of the inter-bank transactions, the issue of the covered bond, as well as other balance sheet aggregates, such as: financial assets available for sale (including the Government securities portfolio), unallocated property, plant and equipment/ intangible assets, tax assets/liabilities, specific-purpose provisions and equity.

In accordance with IFRS 8, it is reported that the Group business operations are essentially carried out in the Italian national territory, are not subject to periodic performance reporting to the management breaking down by foreign geographical area. The Group has not achieved revenues resulting from transactions with single external customers for amounts exceeding 10% of the income recognized in the financial statements.

SEGMENT REPORTING AS AT 30 JUNE 2016

	Retail and Private Banking	Corporate Banking	Other	Total
External operating income:				
Net interest income	371,096	93,540	-25,489	439,147
Net commission income	271,260	43,051	9,662	323,973
Net gain (loss) on trading activities	3,973	3,055	-2,059	4,969
Dividends	0	0	8,569	8,569
Other net operating revenues (item 90,100,190)	137,220	871	25,538	163,629
Total operating revenues	**783,549**	**140,517**	**16,221**	**940,287**
Losses on impairment of loans	-80,866	-49,663	-127	-130,656
Losses on impairment of AFS financial assets and other financial transactions	0	0	459	459
Personnel and administrative expenses and depreciation and amortization	-479,756	-31,733	-108,592	-620,081
Accruals to provisions for risks	-1,688	-4,471	32	-6,127
Total costs	**-562,310**	**-85,867**	**-108,228**	**-756,405**
Gains (losses) on equity investments	9,218	504	0	9,722
Impairment on goodwill	0	0	0	0
Gains on disposal of investments	0	0	61	61
Profit (loss) by segment	**230,457**	**55,154**	**-91,946**	**193,665**
Unallocated operating expenses	0	0	0	0
Operating margin	0	0	0	0
Share of profit of associates attributable to the Group	0	0	65	65
Profit before tax	**230,457**	**55,154**	**-91,881**	**193,730**
Taxes	-82,930	-19,880	37,005	-65,805
Net profit for the period	**147,527**	**35,274**	**-54,876**	**127,925**
Data as at 30 June 2016				
Assets and liabilities				
Assets by segment	25,454,302	14,765,636	212,231	40,432,169
Equity investments in associates	0	0	0	0
Unallocated assets	0	0	9,629,611	9,629,611
Total assets	**25,454,302**	**14,765,636**	**9,841,842**	**50,061,780**
Liabilities by segment	29,165,982	6,702,113	364,122	36,232,217
Unallocated liabilities	0	0	8,998,106	8,998,106
Total liabilities	**29,165,982**	**6,702,113**	**9,362,228**	**45,230,323**

SEGMENT REPORTING AS AT 30 JUNE 2015

	Retail and Private Banking	Corporate Banking	Other	Total
External operating income:				
Net interest income	380,192	100,026	-1,505	478,713
Net commission income	300,001	42,656	6,158	348,815
Net gain (loss) on trading activities	2,372	2,371	1,647	6,390
Dividends	0	0	7,379	7,379
Other net operating revenues (item 90,100,190)	147,559	575	10,135	158,269
Total operating revenues	**830,124**	**145,628**	**23,814**	**999,566**
Losses on impairment of loans	-91,130	-69,692	1,298	-159,524
Losses on impairment of AFS financial assets and other financial transactions	0	0	-803	-803
Personnel and administrative expenses and depreciation and amortization	-489,155	-32,908	-96,082	-618,145
Accruals to provisions for risks	-4,477	-2,054	196	-6,335
Total costs	**-584,762**	**-104,654**	**-95,391**	**-784,807**
Gains (losses) on equity investments	0	0	10,810	10,810
Impairment on goodwill	0	0	0	0
Gains on disposal of investments	0	0	0	0
Profit (loss) by segment	**245,362**	**40,974**	**-60,767**	**225,569**
Unallocated operating expenses	0	0	0	0
Operating margin	0	0	0	0
Share of profit of associates attributable to the Group	0	0	0	0
Profit before tax	**245,362**	**40,974**	**-60,767**	**225,569**
Taxes	-87,583	-14,575	24,124	-78,034
Net profit for the period	**157,779**	**26,399**	**-36,643**	**147,535**
Data as at 31 December 2015				
Assets and liabilities				
Assets by segment	25,320,468	13,703,435	289,387	39,313,290
Equity investments in associates	0	0	2,583	2,583
Unallocated assets	0	0	12,057,302	12,057,302
Total assets	**25,320,468**	**13,703,435**	**12,349,272**	**51,373,175**
Liabilities by segment	29,310,074	7,352,684	335,972	36,998,730
Unallocated liabilities	0	0	9,450,766	9,450,766
Total liabilities	**29,310,074**	**7,352,684**	**9,786,738**	**46,449,496**

RISKS AND RISK MANAGEMENT

This section is meant to provide an update of the information on risks and risk management policies, as at 30 June 2016, to complete the reporting given in Part E of the Annual Report as at 31 December 2015.

The Cariparma Crédit Agricole Group attaches great importance to the measurement, management and control of risks, as an essential factor to achieve sustainable growth in a political-economic situation, such as the present one.

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.

In designing the risk management system, Cariparma complies with both the Italian legislation (with specific reference to the provisions of the Bank of Italy's Circular No. 285/2013), as well as with guidelines issued by the Parent Company CAsa, whose general model is the reference one for the Cariparma Crédit Agricole Group.

The Group companies have their own risk management and control structures in compliance with the Group's guidelines, benefit from the functions directly performed by Cariparma, when centralized, and operate in their respective reference perimeters.

Internal Capital Adequacy Assessment Process (ICAAP) Report

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

Even though the Crédit Agricole Group and, therefore, also the Cariparma Crédit Agricole Group are subject to the direct prudential supervision exercised by the ECB, also this year the Cariparma Crédit Agricole Group prepared, in addition to the ICAAP for the Parent Company – whose results are used as the main indicator of the RAF (Risk Appetite Framework), also an ICAAP Report for the Bank of Italy, as required by Circular No. 285 of the Bank of Italy (Part 1, Title III, Chapter 1, Section 1, paragraph 1).

Therefore, at the end of April 2016, the Cariparma Crédit Agricole Group sent the consolidated report relating to its capital adequacy (Report) as at 31 December 2015 to the Bank of Italy:

- the quantitative analyses concerned, in addition to First Pillar risks, concentration risk and interest rate risk of the banking book (the so-called Second Pillar risks) and were carried out both on actuals, with reference to the Group consolidated balance sheet as at 31 December 2015, and on a forward-looking basis, with reference to 31 December 2016. On the other hand, qualitative measurements, control or mitigation measures were used for the following risks: liquidity, residual, strategic and reputational risks; Other risks to be assessed within the ICAAP were also taken into account, in accordance with Circular No. 285 of the Bank of Italy (excessive financial leverage risk, Country risk, transfer risk and base risk), as well as non-compliance risk, the risk associated to the share of Encumbered Assets and the Information and Communication Technology risk (ICT), since they are deemed relevant for the Cariparma Crédit Agricole Group;
- The Report also contains the strategic guidelines and the forecasting horizon considered; the description of the corporate governance, the organisational structure and the ICAAP-related control systems; risk exposure, risk measurement and aggregation methods, as well as stress testing; components, estimates and allocation methods of internal capital; reconciliation between internal capital, regulatory requirements and regulatory capital and, finally, the ICAAP self-assessment, highlighting areas where the methodological model needs to be further developed.

The Internal Capital Adequacy Assessment Process (ICAAP) is the first phase in the prudential supervision process envisaged by the Second Pillar of the new "Basel 3" prudential supervision regulation. The second phase consists of the Supervisory Review and Evaluation Process – SREP and it falls within the Supervisory Authority's competence, which shall review the ICAAP and issue an overall opinion on the Group.

The Internal Controls System

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

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

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

In the Cariparma Crédit Agricole Group, the Risk Management and Permanent Controls Department and the Compliance Department are in charge of the permanent control activities, while the Audit Department is in charge of the periodic control activities.

The regulations in force envisage that the control functions provide the management bodies having strategic responsibilities with periodic information on the single risks, both through specific reporting and taking part in specific Committees, set up at Group level, among which: Internal Control Committee, Compliance Committee, Risk Management Committee

On the Internal Controls System, actions have started to strengthen this System in order for it to be compliant with Bank of Italy Circular No. 285/2013 on four key scopes:

- *RAF ("Risk Appetite Framework"), the Group's reference framework for determining risk appetite;*
- *Governance, upgrading and strengthening of governance mechanisms;*
- *Controls Systems, upgrading, updating and strengthening of control systems;*
- *Outsourcing, Governance of information systems and business continuity, actions on specific items (e.g. policies).*

Credit risk

The Cariparma Crédit Agricole Group continues to attach great importance to the management and control of credit risk, as a key precondition to ensure sustainable development over time, especially in the present complex economic situation.

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

In the present economic situation, the Cariparma Crédit Agricole Group has further strengthened its systematic control on the developments in the quality of the Loans-to Customers Portfolio, using both IT procedures and systematic monitoring, with the objective of making the monitoring on the riskiest exposures even more effective, from early warnings on, to promptly detect any sign of their being non-performing, and to take more and more effective action to control credit risk.

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

The evolution in the economic and market scenario, supported by an overall analysis of the progressive improvement in the credit quality of new loans vs. the Group loans portfolio, has steered the actions implemented in the first half of 2016. Among the main actions, the following are worth specific mentioning:

- Consolidation of the actions that started being implemented in 2014 within the structures, tools and organizational processes in the lending department, which was achieved also by completing the integration of all documents in a single "Lending Regulations" framework, aimed at optimizing the process for the authorization of ordinary loans and at maximizing the performances and the ability to manage Non-Performing Loans. The main updates to the "Lending Regulations" consisted of:
  - Optimization of the process for the authorization of ordinary loans: the developments in the economic and market scenario have entailed a selective review of the authorization powers and skills; this update has entailed

– without prejudice to the prudential criteria adopted by the Banking Group – a selective increase in the lending powers delegated and to be applied to the best Customers, with no change in the centralization of decision-making powers for more risky counterparties;
- Strengthening and streamlining of a single central Lending Chain for all accounts belonging to a single Economic Group;
- Streamlining and strengthening of the Process for the Management of Non-Performing Loans, by integrating, within the full implementation of the Management Electronic Process (Italian acronym PEG) – started in August 2014 –, of the prioritization of actions required by the changes in the reference regulatory framework (Forbearance) and by the further evolution of the internal management processes and strategies, from the most relevant non-performing exposures detected to the least relevant.

- Revision of Lending Policies for Enterprises, Supply Chains and Public Administration Bodies, consistently with the changed economic scenario, planning the consolidation of the selective criteria in force with which the Banks of the Group manage credit risk, further differentiating based on the specific creditworthiness (counterparty risk of Customers) and fine-tuning the consolidated steering strategies that are different for the Corporate Banking and Retail Banking regulatory segments. Moreover, the sector risk clusters have been redefined and extended, to higher detail, identifying specific micro-sectors of economic activity in order to take account of nay higher variability in their riskiness and attractiveness vs. the reference macro-sector.
- Revision of lending policies for individuals, fine-tuning the parameters to be taken into account and to be complied with for every loan, and specifically: setting down standards in terms of monthly net income, financial commitments, debt affordability, minimum basic income, maximum age of the applicants and of third-party guarantors. In this regard, the centrality of loan to value and of the instalment/income ratio was reasserted, as discriminating factors to assess mortgage loan applications.
- Further implementations of the Management Electronic Procedure (Italian acronym PEG), which has the purpose of optimizing the effectiveness of the processes for the recovery of non-performing loans, for all types of Customers and is supported by specific organizational and management actions, with the objective to improve the effectiveness and proactivity of the actions for credit risk mitigation.
- Evolutionary implementations of the EPC legal service platform, which, from being an accounting tool, has become a fully-integrated IT procedure supporting the management of Unlikely to Pay positions, from the very time the dossier is taken charge of by the Network and by the Central Departments.

Credit quality

Items	30.06.2016			31.12.2015		
	Gross exposure	Total adjustments	Net exposure	Gross exposure	Total adjustments	Net exposure
- Bad debts	2,844,175	1,628,512	1,215,663	2,735,457	1,576,129	1,159,328
- Unlikely to Pay	2,238,831	523,255	1,715,576	2,321,933	507,330	1,814,603
- of which "former Substandard loans"	*1,455,758*	*396,442*	*1,059,316*	*1,444,295*	*376,109*	*1,068,186*
- of which "former Restructured loans"	*783,073*	*126,813*	*656,260*	*877,638*	*131,221*	*746,417*
- Past-due/overlimit loans	91,545	7,488	84,057	97,087	6,275	90,812
Non-performing loans	**5,174,551**	**2,159,255**	**3,015,296**	**5,154,477**	**2,089,734**	**3,064,743**
Performing loans	**34,773,671**	**191,491**	**34,582,180**	**33,605,068**	**207,310**	**33,397,758**
Total	**39,948,222**	**2,350,746**	**37,597,476**	**38,759,545**	**2,297,044**	**36,462,501**

Items	30.06.2016			31.12.2015		
	Gross exposure weight	Net exposure weight	Coverage ratio	Gross exposure weight	Net exposure weight	Coverage ratio
- Bad debts	7.1%	3.2%	57.3%	7.1%	3.2%	57.6%
- Unlikely to Pay	5.6%	4.6%	23.4%	6.0%	5.0%	21.8%
- of which "former Substandard loans"	*3.6%*	*2.8%*	*27.2%*	*3.7%*	*2.9%*	*26.0%*
- of which "former Restructured loans"	*2.0%*	*1.7%*	*16.2%*	*2.3%*	*2.0%*	*15.0%*
- Past-due/overlimit loans	0.2%	0.2%	8.2%	0.3%	0.2%	6.5%
Non-performing loans	**13.0%**	**8.0%**	**41.7%**	**13.3%**	**8.4%**	**40.5%**
Performing loans	**87.0%**	**92.0%**	**0.6%**	**86.7%**	**91.6%**	**0.6%**
Total	**100.0%**	**100.0%**	**5.9%**	**100.0%**	**100.0%**	**5.9%**

In a market scenario still featuring very weak signs of recovery, the consolidated lending volumes of the Cariparma Crédit Agricole Group, as at 30 June 2016, posted a significant increase of 4% vs. the same figure as at 31 December 2015.

The Tables summarizing Credit Quality show a modest increase in the set of Non-Performing Loans, gross of any value adjustments, which went up by Euro 20 million vs. 31 December 2015, thus with an increasing trend that has significantly reduced vs. the first half of 2015.

In the first half of 2016, the above performance resulted in a weight of Non-Performing exposures on total loans to Customers of 12.8%, with an increasing trend for the Bad Debts category (up by + 4%), along with a decrease in the Unlikely to Pay (down by -3.5%) and Past-due/Overlimit (down by - 5.7%) categories.

The overall coverage ratio of Non-Performing Loans increased to 41.7% (from 40.5% as at 31 December 2015)

Market risk

TRADING BOOK

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

BANKING BOOK

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

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

Global limits on banking book price risks are defined on the basis of the types of instruments that can be held (Italian, German, and French Government Bonds) and are expressed with reference to the maximum nominal value that can be held and to the potential loss in stress conditions.

FAIR VALUE HEDGING

The purpose of hedging interest rate risk is to immunize the Banking Book from changes in the interest rate curve or to lower the volatility of cash flows linked to a given asset/liability. Specifically, the following have been hedged:

- Debenture loans issued at fixed-rate (subject to micro-hedging)
- Fixed-rate gaps shown by the internal model through macro-hedging. The hedging were made by purchasing Interest Rate Swaps. The optional component of capped mortgage loans sold to Customers is subject to monitoring and, where necessary, to hedging by trading cap options on the market.
- The liquidity reserve portfolio, consisting of Government securities (micro-hedging).

Liquidity risk

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

The limit system is based on stress scenarios, with the purpose of ensuring a liquidity surplus on different time horizons and in increasingly serious scenarios. The stress assumptions used cover idiosyncratic crises, systemic crises and global crises. Moreover, the limit structure is completed by a set of management and early warning indicators provided for in the Contingency Funding Plan.

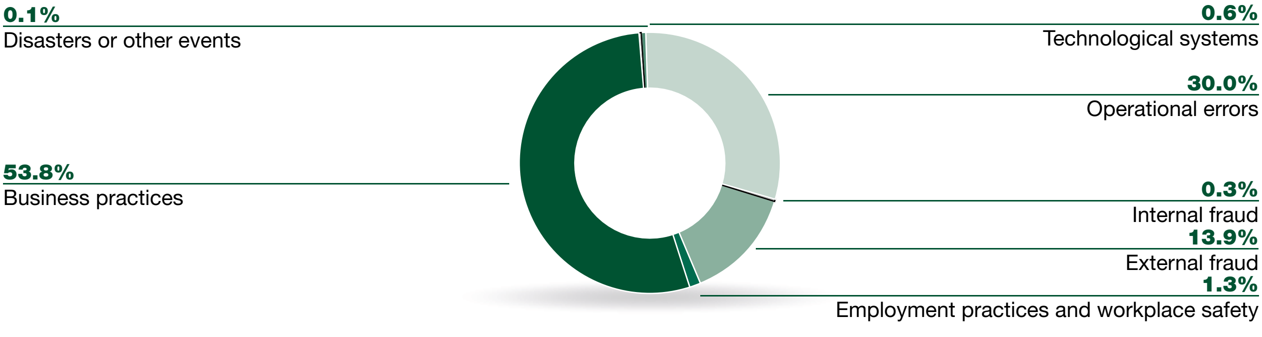
Finally, it is reported that the calculation of the Liquidity Coverage Ratio (LCR) provided for by the Basel 3 regulations is compliant with the regulatory levels.

Operational risks

BREAKDOWN OF LOSSES

Operational losses recognized in the first half of 2016 came to approximately Euro 4.6 million.

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



MAIN ACTIONS

The management of operational risks featured the strengthening of control of IT risks, which required an IT Risk Piloting Function to be set up (Piloting of Information Security Risks, Italian acronym PRSI) implementing the guidelines issued by the Parent Company and the Italian regulatory legislation (Circular No. 285 of the Bank of Italy – Chapter 4.) In order to improve control of IT risks, a process was started for the implementation and strengthening of the framework of permanent controls on information systems, in terms of independence in their execution, traceability of outcomes and perimeter.

BUSINESS COMBINATIONS CONCERNING COMPANIES OR BUSINESS UNITS

Transactions in the period

In the first half of 2016, the Cariparma Crédit Agricole Group did not carry out any business combination transactions.

TRANSACTIONS WITH RELATED PARTIES

The regulation issued by the Bank of Italy on 12 December 2011, on risk activities and conflicts of interest with associated persons falls within the scope of the framework regulation concerning related parties (Article 2391-bis of the Italian Civil Code, Article 53 of the Italian Consolidated Law on Banking 53 of the Italian Consolidated Law on Banking (TUB) and CONSOB Regulation No. 17221/10) and has been designed to "*control the risk that the closeness of some persons to the Bank's decision-making centers may compromise the objectivity and impartiality of decisions relating to loan granting and other transactions with the same persons, with possible distortions in the allocation of resources, in the Bank's exposure to risks not adequately measured or controlled, potential damages to depositors and shareholders*".

The Cariparma Crédit Agricole Group had already adopted a Regulation on transactions with related parties implementing the original CONSOB regulation of 2010; on 11 December 2012, in accordance with the regulation issued by the Bank of Italy, Cariparma approved the Document "Regulation for Risk Assets and Conflicts of Interests with Parties associated to the Cariparma Crédit Agricole Group", in order to give the Group a specific internal regulation that amounts to the new body of law on these issues and in order to harmonize the various regulations in force.

On 29 July 2014, the Board of Directors approved an update to the above-mentioned document. In addition to identifying the related parties of the Cariparma Crédit Agricole Group, this Regulation provides for the introduction of prudential limits for risk assets towards associated parties, sets the procedures to process and approve transactions with related parties, defines specific rules with regard to transactions with related parties made by the Group companies and sets procedures and timeframe for the provision of the disclosure and appropriate documentation relating to the transactions to be resolved to (i) independent directors, as well as, where necessary, (ii) to the control bodies.

With regard to controls, the required control activities are carried out by different corporate roles, in different capacities and in the different phases of the process, in order to ensure constant compliance with the prudential limits and resolution-making procedures as provided for by the legislation, also pursuing the objective to appropriately prevent and manage potential conflicts of interests associated to transactions with associated parties.

Related parties of the Cariparma Crédit Agricole Group are the following:

a) corporate officers, namely the members of the Board of Directors, of the Board of Auditors and of the Senior Management of the Companies in the Group;
b) the shareholder, that is to say, the natural or legal person controlling or exercising significant influence on the company;
c) the person, other than a shareholder, who can appoint, on his/her/its own, one or more members of the body engaged in strategic oversight functions, also based on any agreement whatsoever or clauses of the Articles of Association dealing with or providing for the exercise of the above rights and powers;
d) a company or an enterprise, also set up in a legal form other than that of a company, on which a Group company can exercise control or a significant influence;
e) The identified staff.

Connected persons

Persons connected to a related party are defined as follows:

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

Associated Persons

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

Information on transactions with related parties

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

Transactions carried out with related parties have followed the specific procedures provided for by the above Regulation.

During the first half of 2016, no atypical or unusual transactions were carried out whose significance/materiality might have jeopardized or affected 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	Loans to banks	Due to Customers	Due to Banks	Guarantees issued
Controlling Company	-	-	-	972,710	-	983,516	8,914
Entity exercising significant influence on Company	-	-	-	-	18,583	-	-
Associates	274	-	27,719	-	12,296	-	1,633
Directors and Managers with strategic responsibilities	-	-	2,074	-	4,610	-	-
Other related parties	9,603	-	3,354,007	603,817	726,183	288,415	94,735
	9,877	**-**	**3,383,800**	**1,576,527**	**761,672**	**1,271,931**	**105,282**

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

CARIPARMA
CRÉDIT AGRICOLE

1. The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Debourdeaux,Manager responsible for preparing of the Company's financial reports of Cariparma S.p.A., taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, do hereby certify:
   - the adequacy in relation to the Company's features an
   - the actual application of the administrative and accounting procedures employed for drawing up the condensed consolidated half-yearly financial statements, in the first half of 2016.

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

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

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

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

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

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

Parma, 26 July 2016

Giampiero Maioli
Chief Executive Officer

Pierre Débourdeaux
Manager responsible for preparing the Company's financial reports

Cassa di Risparmio di Parma e Piacenza S.p.A. - Sede Legale Via Università 1 – 43121 Parma - Tel. 0521/912111 - Capitale Sociale € 876.761.620 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 Crédit Agricole iscritto all'Albo dei Gruppi Bancari - Soggetta all'attività di Direzione e Coordinamento di Crédit Agricole S.A..

Independent Auditors' Review Report

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

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

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the balance sheet as of June 30, 2016, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended and the related explanatory notes of Cassa di Risparmio di Parma e Piacenza S.p.A. and its subsidiaries (the "Cariparma Crédit Agricole Group"). The Directors of Cassa di Risparmio di Parma e Piacenza S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Cariparma Crédit Agricole Group as of June 30, 2016 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, August 2, 2016

EY S.p.A.
Signed by: Massimiliano Bonfiglio, Partner

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

EY S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale € 2.750.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
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Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

Annexes

Financial Statements of the Parent Company

BALANCE SHEET

Assets		30.06.2016	31.12.2015
10.	Cash and cash equivalents	113,949,200	1,311,618,708
20.	Financial assets held for trading	90,108,421	100,304,730
30.	Financial assets designated at fair value	-	-
40.	Financial assets available for sale	4,314,670,611	4,414,468,148
50.	Investments held to maturity	-	-
60.	Loans to banks	3,059,997,180	4,200,735,948
70.	Loans to Customers	28,239,408,857	27,444,046,623
80.	Hedging derivatives	676,805,795	511,573,225
90.	Fair value change of financial assets in macro-hedge portfolios (+/-)	7,702,849	6,620,008
100.	Equity investments	1,309,709,335	1,310,009,335
110.	Property, plant and equipment	293,920,034	285,329,661
120.	Intangible Assets	1,042,388,133	1,050,523,290
	of which: goodwill	922,339,723	922,339,723
130.	Tax assets	820,346,203	969,888,382
	(a) current	153,997,340	304,543,655
	(b) deferred	666,348,863	665,344,727
	b1) pursuant to Italian Law No. 214/2011	618,383,771	618,383,771
140.	Non-current assets held for sale and discontinued operations	-	-
150.	Other assets	349,640,631	367,424,954
Total assets		**40,318,647,249**	**41,972,543,012**

Liabilities and Equity		30.06.2016	31.12.2015
10.	Due to banks	3,422,003,309	4,870,847,126
20.	Due to Customers	22,082,741,667	21,465,748,949
30.	Debt securities issued	7,607,691,502	8,753,615,674
40.	Financial liabilities held for trading	102,879,427	109,752,525
50.	Financial Liabilities designated at fair value	-	-
60.	Hedging derivatives	531,969,819	507,536,635
70.	Fair value change of financial liabilities in macro-hedge portfolios (+/-)	489,222,807	385,862,205
80.	Tax liabilities	102,045,322	246,370,900
	(a) current	50,462,518	175,655,622
	b) deferred	51,582,804	70,715,278
90.	Non-current liabilities held for sale and discontinued operations	-	-
100.	Other liabilities	1,063,142,521	642,067,198
110.	Employees' severance benefits	100,083,787	97,709,793
120.	Provisions for risks and charges	110,616,716	118,971,115
	(a) Post-employment benefits	17,096,546	17,268,789
	b) other provisions	93,520,170	101,702,326
130.	Valuation reserves	17,523,298	67,361,566
140.	Redeemable shares	-	-
150.	Equity instruments	-	-
160.	Reserves	934,766,227	877,432,821
170.	Share premium reserve	2,736,003,683	2,736,003,683
180.	Capital	876,761,620	876,761,620
190.	Treasury shares (+/-)	-	-
200.	Profit (loss) for the period	141,195,544	216,501,202
Total Liabilities and Shareholders' Equity		**40,318,647,249**	**41,972,543,012**

INCOME STATEMENT

Items		30.06.2016	30.06.2015
10.	Interest income and similar revenues	400,236,053	478,888,603
20.	Interest expense and similar charges	(91,524,255)	(138,722,034)
30.	**Net interest income**	**308,711,798**	**340,166,569**
40.	Commission income	246,567,333	260,246,667
50.	Coimmission expense	(11,057,534)	(11,053,768)
60.	**Net commission income**	**235,509,799**	**249,192,899**
70.	Dividends and similar revenues	49,862,302	43,951,550
80.	Net gains (losses) on trading activities	2,141,854	4,381,996
90.	Net gains (losses) on hedging activities	(1,151,504)	(8,630,221)
100.	Gains (losses) on disposal or repurchase of:	19,284,293	19,646,244
	a) loans	*(4,149,003)*	*(915,915)*
	b) financial assets available for sale	*24,323,912*	*21,783,782*
	c) investments held to maturity	-	-
	d) financial liabilities	*(890,616)*	*(1,221,623)*
110.	Gains (losses) on financial assets and liabilities designated at fair value	-	(347,100)
120.	**Net interest and other banking income**	**614,358,542**	**648,361,937**
130.	Net losses/recoveries on impairment of:	(90,880,566)	(116,334,440)
	a) loans	*(91,305,906)*	*(115,734,607)*
	b) financial assets available for sale	*(39,424)*	*(562,285)*
	c) investments held to maturity	-	-
	d) other financial transactions	*464,764*	*(37,548)*
140.	**income from banking activities**	**523,477,976**	**532,027,497**
150.	expenses:	(434,000,697)	(421,667,691)
	a) personnel expenses	*(200,487,300)*	*(214,940,781)*
	b) other administrative expenses	*(233,513,397)*	*(206,726,910)*
160.	Net provisions for risks and charges	(4,446,514)	(4,501,048)
170.	Net adjustments to/recoveries on property, plant and equipment	(6,597,328)	(9,601,007)
180.	Net adjustments to/recoveries on intangible assets	(8,135,157)	(23,279,035)
190.	Other operating expenses/income	112,440,838	124,956,355
200.	**Operating expenses**	**(340,738,858)**	**(334,092,426)**
210.	Gains (losses) on equity investments	9,721,864	10,205,001
220.	Net gains (losses) from property, plant and equipment and intangible assets designated at fair value	-	-
230.	Impairment on goodwill	-	-
240.	Gains (losses) on disposal of investments	52,163	-
250.	**Profit (loss) before tax from continuing operations**	**192,513,145**	**208,140,072**
260.	Income taxes for the period from continuing operations	(51,317,601)	(59,970,459)
270.	**Profit (loss) after tax on continuing operations**	**141,195,544**	**148,169,613**
280.	**Gain (loss) after tax from discontinued operations**	**-**	**-**
290.	**Profit (loss) for the period**	**141,195,544**	**148,169,613**

STATEMENT OF COMPREHENSIVE INCOME

Items		30.06.2016	30.06.2015
10.	**Profit (loss) for the period**	**141,195,544**	**148,169,613**
	Other income components after tax with no reversal to Income Statement		
20.	Property, plant and equipment	-	-
30.	Intangible Assets	-	-
40.	Actuarial gains (losses) on defined-benefit plans	(2,804,373)	5,217,709
50.	Non-current assets held for sale	-	-
60.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
	Other income components after tax with reversal to Income Statement		
70.	Hedges of foreign investments	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	Financial assets available for sale	(47,033,895)	(37,319,071)
110.	Non-current assets held for sale	-	-
120.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
130.	**Total other income components after tax**	**(49,838,268)**	**(32,101,362)**
140.	**Comprehensive income (Item 10+130)**	**91,357,276**	**116,068,251**

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2016

	Capital: Ordinary shares	Share premiums reserve	Reserves: Retained earnings	Reserves: other	Valuation reserves	Profit (Loss) for the period	Shareholders' equity
EQUITY AS AT 31 DEC. 2015	**876,761,620**	**2,736,003,683**	**875,071,910**	**2,360,911**	**67,361,566**	**216,501,202**	**4,774,060,892**
ALLOCATION OF NET PROFIT FOR THE PREVIOUS PERIOD							-
Reserves	-	-	57,333,406	-	-	-57,333,406	-
Dividends and other allocations	-	-	-	-	-	-159,167,796	-159,167,796
CHANGES FOR THE PERIOD							-
Change in reserves	-	-	-	-	-	-	-
Transactions on equity							-
Issue of new shares	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary dividend distribution	-	-	-	-	-	-	-
Change in equity instruments	-	-	-	-	-	-	-
Derivatives on treasury shares	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company							-
assigned to Employees and Directors	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-49,838,268	141,195,544	91,357,276
EQUITY AS AT 30 JUNE 2016	**876,761,620**	**2,736,003,683**	**932,405,316**	**2,360,911**	**17,523,298**	**141,195,544**	**4,706,250,372**

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2015

	Capital: Ordinary shares	Share premiums reserve	Reserves: Retained earnings	Reserves: other	Valuation reserves	Profit (Loss) for the period	Shareholders' equity
EQUITY AS AT 31 DEC. 2014	**876,761,620**	**2,736,003,683**	**836,385,317**	**2,360,911**	**45,151,815**	**138,050,480**	**4,634,713,826**
ALLOCATION OF NET PROFIT FOR THE PREVIOUS PERIOD	-		-	-	-	-	-
Reserves	-	-	38,686,593	-	-	-38,686,593	-
Dividends and other allocations	-	-	-	-	-	-99,363,887	-99,363,887
CHANGES FOR THE PERIOD							
Change in reserves	-	-	-	-	-	-	-
Transactions on equity	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary dividend distribution	-	-	-	-	-	-	-
Change in equity instruments	-	-	-	-	-	-	-
Derivatives on treasury shares	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company							
assigned to Employees and Directors	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-32,101,362	148,169,613	116,068,251
EQUITY AS AT 30 JUNE 2015	**876,761,620**	**2,736,003,683**	**875,071,910**	**2,360,911**	**13,050,453**	**148,169,613**	**4,651,418,190**

STATEMENT OF CASH FLOWS

		30.06.2016	30.06.2015
A.	**OPERATING ACTIVITIES**		
1.	**Operations**	**331,906,457**	**469,808,304**
-	profit (loss) for the period (+/-)	141,195,544	148,169,613
-	gains (losses) on financial assets held for trading and on financial assets/liabilities designated at fair value (-/+)	1,376,519	-1,297,227
-	gains/losses on hedging operations (-/+)	2,794,109	10,360,468
-	Net losses/recoveries on impairment (+/-)	81,158,702	103,023,391
-	net adjustments to/recoveries on property, plant and equipment and intangible assets (+/-)	14,732,485	32,880,042
-	net provisions for risks and charges and other expenses/revenues (+/-)	4,446,514	4,501,048
-	unpaid taxes and levies (+)	51,317,601	59,970,459
-	net adjustments/write-backs on discontinued operations net of tax (-/+)	-	-
-	other adjustments (+/-)	34,884,983	112,200,510
2.	**Liquidity generated/absorbed by financial assets**	**309,721,827**	**-431,324,794**
-	financial assets held for trading	8,819,790	61,356,845
-	financial assets designated at fair value	-	3,400
-	financial assets available for sale	108,329,323	8,744,583
-	loans to banks: demand	-108,888,492	-181,174,257
-	loans to banks: other loans	1,249,627,260	-813,381,072
-	loans to customers	-886,780,698	604,368,350
-	other assets	-61,385,356	-111,242,643
3.	**Liquidity generated/absorbed by financial liabilities**	**-1,714,740,086**	**-52,403,374**
-	due to banks: demand	115,644,142	-218,156,285
-	due to banks: other payables	-1,564,487,959	258,712,369
-	due to customers	616,992,718	1,074,630,890
-	outstanding securities	-1,209,919,127	-1,130,671,039
-	financial liabilities held for trading	-6,873,098	-59,716,725
-	financial liabilities designated at fair value	-	-
-	other liabilities	333,903,238	22,797,416
Net liquidity generated/absorbed by operating activities		**-1,073,111,802**	**-13,919,864**
B.	**INVESTMENT ACTIVITIES**		
1.	**Liquidity generated by:**	**50,162,302**	**55,030,550**
-	sales of equity investments	300,000	11,079,000
-	collected dividends on equity investments	49,862,302	43,951,550
-	sale of financial assets held to maturity	-	-
-	sales of property, plant and equipment	-	-
-	sales of intangible assets	-	-
-	sales of business units	-	-
2.	**Liquidity absorbed by:**	**-15,552,212**	**-20,226,351**
-	purchases of equity investments	-	-
-	purchases of investments held to maturity	-	-
-	purchases of property, plant and equipment	-15,552,212	-6,142,391
-	purchases of intangible assets	-	-14,083,960
-	purchases of business units	-	-
Net liquidity generated/absorbed by investment activities		**34,610,090**	**34,804,199**
C.	**FUNDING**		
-	issues/purchases of treasury shares	-	-
-	issues/purchases of equity instruments	-	-
-	dividend distribution and other	-159,167,796	-99,363,887
Net liquidity generated/absorbed by funding		**-159,167,796**	**-99,363,887**
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD		**-1,197,669,508**	**-78,479,552**

RECONCILIATION

Financial Statement items	**30.06.2016**	**30.06.2015**
Opening cash and cash equivalents	1,311,618,708	194,040,091
Total net liquidity generated/absorbed in the period	-1,197,669,508	-78,479,552
Cash and cash equivalents: effect of exchange rates changes	-	-
Closing cash and cash equivalents	**113,949,200**	**115,560,539**

KEY: (+) generated (–) absorbed

STATEMENT OF RECONCILIATION OF THE PARENT COMPANY EQUITY AND PROFIT (LOSS) FOR THE PERIOD AND CONSOLIDATED EQUITY AND PROFIT (LOSS) FOR THE PERIOD

	30.06.2016	
	Equity	of which: Profit for the period
Balances of the Parent Company accounts	4,706,250	141,196
Effect of consolidation of subsidiaries	121,180	23,313
Effect of the equity method accounting of significant equity investments	-	-
Dividends collected in the period	-	-41,974
Other changes	-	-
Consolidated account balances	**4,827,430**	**122,535**

GRUPPO CARIPARMA
CRÉDIT AGRICOLE

CARISPEZIA | FRIULADRIA | CARIPARMA

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Registered Office: Via Università, 1 - 43121 Parma, Italy
Phone +39.0521.912111
Share Capital € 876,761,620.00 fully paid-up
Entry number in the Business Register of Parma, Tax ID and VAT registration number 02113530345
Member of the Interbank Deposit Protection Fund and of the Italian National Compensation Fund
Entered 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 management and coordination of Crédit Agricole S.A.