ANNUAL REPORT TWOTHOUSAND 14

GRUPPO CARIPARMA CRÉDIT AGRICOLE

CARISPEZIA | FRIULADRIA | CARIPARMA

Cariparma Crédit Agricole Group Annual Report and Consolidated Financial Statements as at 31 December 2014

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Letter from the Chairperson

Confidence in Italy's ability to respond, even in a scenario featuring overall uncertainty, has been the basis of the main strategic choices made by our Group that, also in 2014, continued to invest in innovation and to support young people, households and businesses in its reference communities.

The forecasts, made by analysts and research institutes, expected some recovery, which indeed did not take place and the Italian GDP further decreased by 0.4%, even though, at the end of the year, the first signs emerged that the downward trend was stopping.

In this scenario of economic recession, the Cariparma Crédit Agricole Group once again succeeded in achieving positive performances, maintaining capital and liquidity at more than adequate levels and progressively improving its profitability.

The Group closed its 2014 financial statements with a net profit of Euro 160 million, up by 6% vs. 2013, thanks to the increasing contribution of income from operations, to effective cost control and to a decrease, even though to a limited extent, in the cost of credit.

In a market experiencing a general decrease in total funding, the Group increased its lending, especially supporting households with a very innovative range of mortgage loans, which generated a 30% increase in total loans. Also other sectors, such as the agri-food business, have posted fast development.
Direct funding increased vs. 2013, supported also by the issue of a Covered Bond in December 2014. Commission income, especially from wealth management, achieved very good performances and indirect funding posted a strong increase.

Its capital ratios substantiate that the Group has adequate capitalization: the Common Equity Tier 1 ratio came to 11.2% and the Total Capital ratio to 13.5%, that is to say, higher than the regulatory minimum requirements set by the ECB in its recent recommendations.

Once again the Group's belonging to the Crédit Agricole Group proved to be a decisive strong point, not only for the important synergies resulting from the product factories in Italy, but also for the outcomes of the recent stress tests, which demonstrated that the Bank's soundness is one of the best in Europe.

Its continuing good performance is the pillar supporting the development and innovation that the Group firmly pursues through the drivers of enhancement of human resources and technological development, in a fast-evolving market.

This is well represented by the project for transformation of the "MoSer" service model, which has been designed for multichannel development and is one of the most significant strategic actions within the three-year investment plan amounting to Euro 300 million. The new procedures for operations (through the groups of Branches and Small Business centres) and the completion of about 350 state-of-the-art Branches (AgenziePerTe) have the objective of improving commercial effectiveness, of responding increasingly well to the Customers' changed requirements and of enhancing the integration of the physical network with the direct channels. This path towards innovation and renewal also included the recruitment, in 2014, of 100 young people, mainly intended to work in the Network, who were selected through an innovative outdoor process that has been designed to assess also the candidates' cross-skills.

We are confident that the performances achieved and the innovations underway will allow the Group to continue as one of the leading players in the Italian banking sector. Innovation, quality and skills in the services provided will make the Bank fit to play a crucial role in supporting Italy's economy, all the more so, if, as we hope, this long recession finally comes to an end.

The Chairperson
ARIBERTO FASSATI

Corporate Officers and Independent Auditors

Board of directors

CHAIRPERSON

Ariberto Fassati(*)

DEPUTY CHAIRPERSON

Xavier Musca(*)

Fabrizio Pezzani(*)

CHIEF EXECUTIVE OFFICER

Giampiero Maioli(*)

DIRECTORS

Pomaret Thierry

Daniel Epron

Marco Granelli(°)

Nicolas Langevin

Michel Mathieu

Germano Montanari(°)

Marc Oppenheim(*)

Lorenzo Ornaghi(°)

Jean-Louis Roveyaz

Annalisa Sassi(°)

Alberto Figna(§°)

(*) Members of the Executive Committee

(§) In office since 9 February 2015

(°) Independent

Board of auditors

CHAIRPERSON

Paolo Alinovi

STANDING AUDITORS

Luigi Capitani

Angelo Gilardi

Stefano Lottici

Marco Ziliotti

ALTERNATE AUDITORS

Alberto Cacciani

Isotta Parenti

Senior management

CO-GENERAL MANAGER

Hughes Brasseur

DEPUTY GENERAL MANAGER

Massimo Basso Ricci

OFFICER RESPONSIBLE FOR THE PREPARATION OF THE CORPORATE ACCOUNTING DOCUMENTS

Pierre Débourdeaux

Independent auditors

Reconta Ernst & Young S.p.A.

Key figures of the Cariparma Crédit Agricole Group

Income Statement data (thousands of Euro)	2014	2013	2012
Net operating revenues	1,728,570	1,736,960	1,702,024
Operating margin	770,956	753,669	545,327
Net gain (loss)	160,155	150,444	160,026

Balance Sheet data (thousands of Euro)	2014	2013	2012
Loans to Customers	37,275,835	36,391,853	35,128,149
Funding from Customers	37,146,030	36,593,702	36,219,988
Indirect funding from Customers	56,976,170	50,892,431	51,292,493

Operating structure	2014	2013	2012
Number of employees	8,424	8,652	8,775
Number of branches	842	863	882

Profitability, efficiency and credit quality ratios	2014	2013	2012
Cost/income ratio	55.4%	56.9%	68.0%
Net income/Average equity (ROE)	3.4%	3.3%	3.8%
Net income/Average Tangible Equity (ROTE)	5.8%	5.9%	7.1%
Net non-performing loans/ Net loans to Customers	7.1%	6.3%	5.1%
Adjustments of non-performing loans/Gross non-performing loans	39.0%	40.1%	40.3%

Capital ratios	2014	2013(°)	2012(°)
Common Equity Tier 1 ratio	11.2%	10.4%	9.0%
Tier 1 ratio	11.2%	10.9%	9.4%
Total capital ratio	13.5%	13.4%	12.3%

(°) Basel II-compliant data as at 31 December 2012 and 31 December 2013

Significant events

JAN.

The new regulation came into force concerning credit institutions and investment firms as provided for in Regulation (EU) No. 575/2013 (the so-called "CRR") and in Directive 2013/36/EU (the so-called "CRD IV") of 26 June 2013, which implement - in the European Union - the standards issued by the Basel Committee on Banking Supervision ("Basel 3 framework").

FEB.

At the "Financial Innovation Day" Meeting, organized by AIFIn (Italian Association for Financial Innovation), the Cariparma CA Group was acknowledged as leading player in the Banking sector also for its innovative approach to intermediation, ranking first in the category "Financial Intermediary of the year".

MAR.

The Cariparma CA Group was acknowledged as Top Employer in Italy for the sixth time in a row. This award was given by the Top Employer Institute and acknowledges the Group's ability to develop an innovative and responsible corporate culture, with an excellent work environment and state-of-the-art policies for HR management, with a specific focus on training.

MAY

The Liguria Project was completed, which had been designed for the rationalization of operations in terms of geographical areas by strengthening Carispezia in the Liguria Region. This Project entailed the transfer to Carispezia of 16 Cariparma branches located in the Provinces of Genoa, Imperia and Savona. The subsequent higher geographical effectiveness, resulting from better knowledge of the area of operations, is the basis for higher development, growth and enhancement of Carispezia in the Liguria Region.

With Decree-Law No. 66 of 24 April 2014, the Italian Legislator amended the taxation on the revaluation of the Bank of Italy shares held, increasing the tax rate from 12%, as provided for by the legislation in force as at 31 December 2013, to 26%;

SEPT.

First Targeted long term refinancing operation (TLTRO) by the ECB, which the Cariparma CA Group participated in;

Within the scope of the Italian National Prize for Innovation ("Prize of Prizes"), the "Orizzonte Agroalimentare" (Agri-food Horizon) Project of the Cariparma Crédit Agricole Group was awarded a prize by the Italian Minister of Education, University and Research for its"Innovativeness of the service model and specialist and advisory approach focussing on and dedicated to the agri-food sector".

OCT.

The outcomes of the Comprehensive Assessment were published and rank the Crédit Agricole Group (and, in such Group, the Cariparma CA Group) at the third place among the big significant Banks in Europe, demonstrating the soundness of its financial structure. Indeed, the above outcomes generated a limited and strictly prudential impact, equal to 0.18% of CET1, while the stress test demonstrated the Group's resilience to a severe economic shock, with CET1 at 8%, well above the minimum threshold required by the ECB.

NOV.

The Single Supervisory Mechanism entered into force: the Crédit Agricole Group and, therefore, the Cariparma Crédit Agricole Group, has become subject to the prudential supervision directly performed by ECB (with the support of the Bank of Italy);

The "Pellicano Ethical Bonds" were launched, with which the Group gave a part of its funding to the "Il Pellicano Piacenza Onlus" Non-Profit Association for the upgrading of the Paediatrics Unit of the Piacenza Hospital.

DEC.

The Cariparma CA Group successfully carried out the issue of Covered Bonds carrying a 7-year maturity for Euro 1 billion, in order to support its banking operations, as well as to support its lending to households and businesses. Investors proved very interested in this issue, thanks to the widely acknowledged high soundness standards of Cariparma CA and of its Parent Company Crédit Agricole. Finally, it is worth pointing out that this issued was carried out at the lowest price ever before obtained by an Italian Bank for a covered bond.

CRÉDIT AGRICOLE S.A.

Crédit Agricole Group is the leading partner of 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, Crédit Agricole Group is a responsible and responsive bank serving 50 million customers, 8.2 million mutual shareholders and 1.1 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 - Crédit Agricole Group supports its customers' projects in France and around the world: 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. The results of the Asset Quality Review (AQR) and the stress tests performed by the Central European Bank give evidence of the solidity of the financial structure of the Crédit Agricole Group which is able to absorb severe stress with no need to supplement its own funds and it
ranks third among the large banks in the European system.

54
THE COUNTRIES IN THE WORLD IT OPERATES IN

50 Mln
CUSTOMERS WORLDWIDE

140,000
STAFF

4.9 Bln
NET INCOME - GROUP SHARE

86.7 Bln
EQUITY - GROUP SHARE

13.1%
CORE TIER ONE RATIO FULLY LOADED

THE GROUP’S ORGANISATION

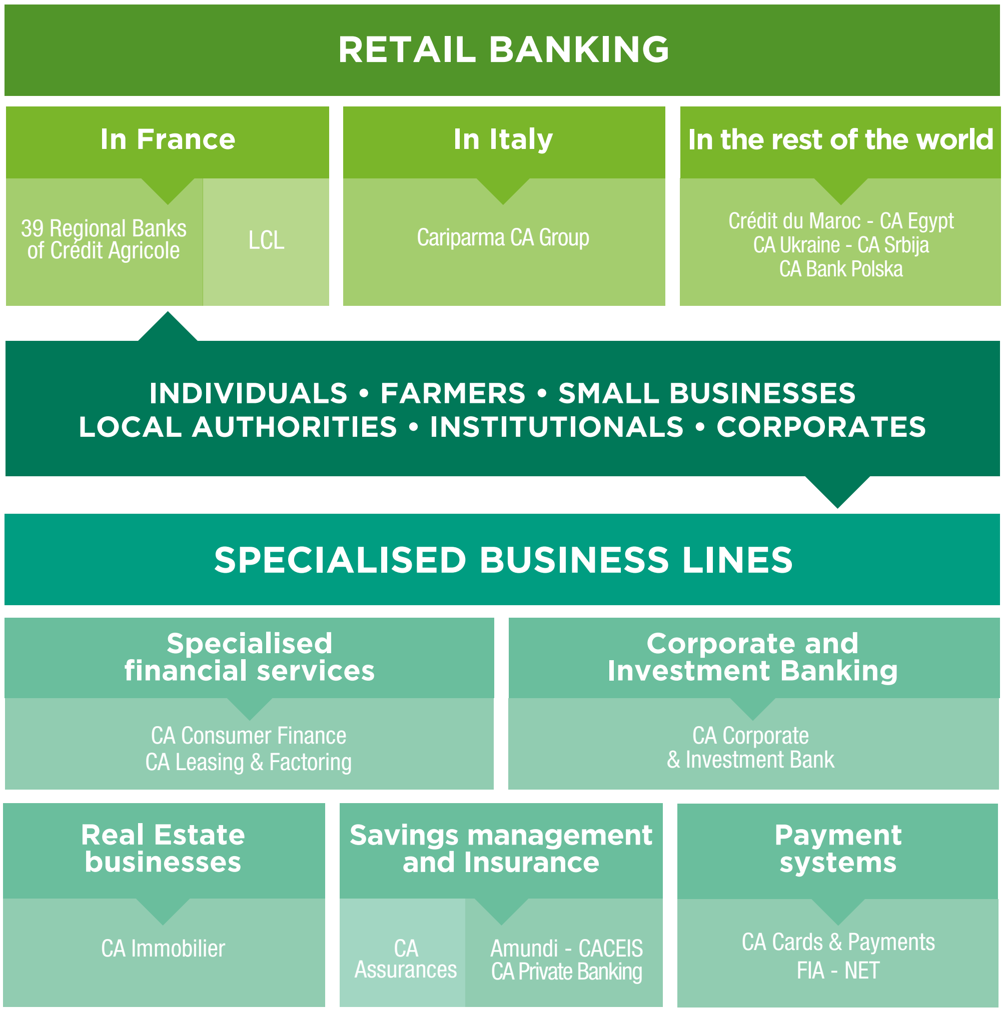
8.2 million mutual shareholders are the base of Crédit Agricole cooperative structure. They hold stakes in the capital of the **2,489 Local Banks** and, every year, they appoint their representatives: **31,500 Directors,** who bring their interests to the Group's attention.

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

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

Through the Federation, the Regional Banks are the controlling shareholder of Crédit Agricole S.A, with a 56.5% shareholding. Crédit Agricole S.A. holds 25% of the capital of the Regional Banks (except for Corsica); in cooperation with the specialist product companies, it coordinates the strategies for the various business lines in France and abroad.

UNIVERSAL CUSTOMER-FOCUSED BANK



LEADING FINANCIAL PARTNER OF THE FRENCH ECONOMY

1° BANCASSURER IN EUROPE

1° EUROPEAN ASSET MANAGER

THE UNIVERSAL COMMERCIAL BANKING MODEL IN ITALY

The Crédit Agricole Group has been present in Italy for over 40 years since it acquired the Banque Indosuez in the '70s. It has since developed its activities, successively engaging in commercial banking, consumer credit, corporate and investment banking, asset management, insurance, and completed its range of services with private banking.

The **Universal Commercial Banking Model** is the organisational model designed by Crédit Agricole to offer an integrated range of banking products and specialised services for all customer segments. This model has been up and running in Italy since 2014.

Close co-operation between the commercial banking network and the business lines makes it possible for Crédit Agricole to propose a comprehensive, integrated offering, serving all financial players.

THE ORGANISATION MODEL OFFERS:

CORPORATE AND INVESTMENT BANKING
for financial institutions and corporates

COMMERCIAL BANKING
for individuals and businesses

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

INSURANCE AND ASSET MANAGEMENT SERVICES
for customers of Group banks
and of independent networks

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

THE IMPORTANCE OF ITALY TO CRÉDIT AGRICOLE

KEY FIGURES IN 2014

€ 61 billion
Loans to the economy

€ 3.3 billion
Revenues

€ 112 billion
Deposits and Clients' funds under management*

in Italy

12,000
employees

3.5 million
customers

*AuM/AuA individuals and institutionals.

COMMERCIAL BANKING

GRUPPO CARIPARMA CRÉDIT AGRICOLE
CARISPEZIA | FRIULADRIA | CARIPARMA

FINANCIAL SERVICES

Agos DUCATO
FCA BANK
CRÉDIT AGRICOLE LEASING
CRÉDIT AGRICOLE COMMERCIAL FINANCE

ASSET MANAGEMENT

Amundi ASSET MANAGEMENT

CORPORATE AND INVESTMENT BANKING

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

WEALTH MANAGEMENT

INDOSUEZ WEALTH MANAGEMENT
CRÉDIT AGRICOLE FIDUCIARIA

INSURANCE

CRÉDIT AGRICOLE VITA
CRÉDIT AGRICOLE ASSICURAZIONI
CRÉDIT AGRICOLE CREDITOR INSURANCE

PRIVATE EQUITY

AGRO-ALIMENTARE S.p.A.
IDIA CAPITAL INVESTISSEMENT

ASSET SERVICING

caceis INVESTOR SERVICES

PROFILE OF THE CARIPARMA CRÉDIT AGRICOLE GROUP

7th player in the Italian banking sector in terms of	910 points of sale	over 8,000 employees	1,700,000 Customers

CAPITAL SOUNDNESS AS AT 31 DECEMBER 2014: CET 1 11.2% (TOTAL CAPITAL RATIO 13.5%)

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).

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 78% of the Italian GDP, with mid-corporate, 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 842 branches
PRIVATE BANKING with 20 Private Banking markets and 11 branch offices
CORPORATE BANKING with 20 mid-corporate markets,16 large corporate centers 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. In addition to its presence in the historical provinces of Parma and Piacenza, it is present in the main production centers of the country, such as Turin, Milan, Florence, Bologna, Rome and Naples.

609 points of sale in total | **€28.3 Bln** worth of loans | **€76.5 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 14,000 mutual shareholders that give evidence of its strong bond with the social and economic fabric; today, it is a reference point for households and businesses in Northeastern Italy and is implementing a significant plan to expand operations to the Veneto Region.

207 points of sale in total | **€6.4 Bln** worth of loans | **€12.2 Bln** worth of total funding

CARISPEZIA CRÉDIT AGRICOLE

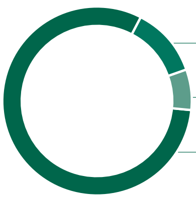
Carispezia, one of the Italy's oldest banks, joined the Cariparma Crédit Agricole Group in 2011. Leader in the historical provinces of La Spezia and Massa Carrara, in 2014 it launched its expansion project to include western Liguria branching out to the markets of Genoa, Savona and Imperia. Today it ranks 5th among financial players in the Liguria region.

94 points of sale in total | **€2.4 Bln** worth of loans | **€5.8 Bln** worth of total funding

CRÉDIT AGRICOLE LEASING

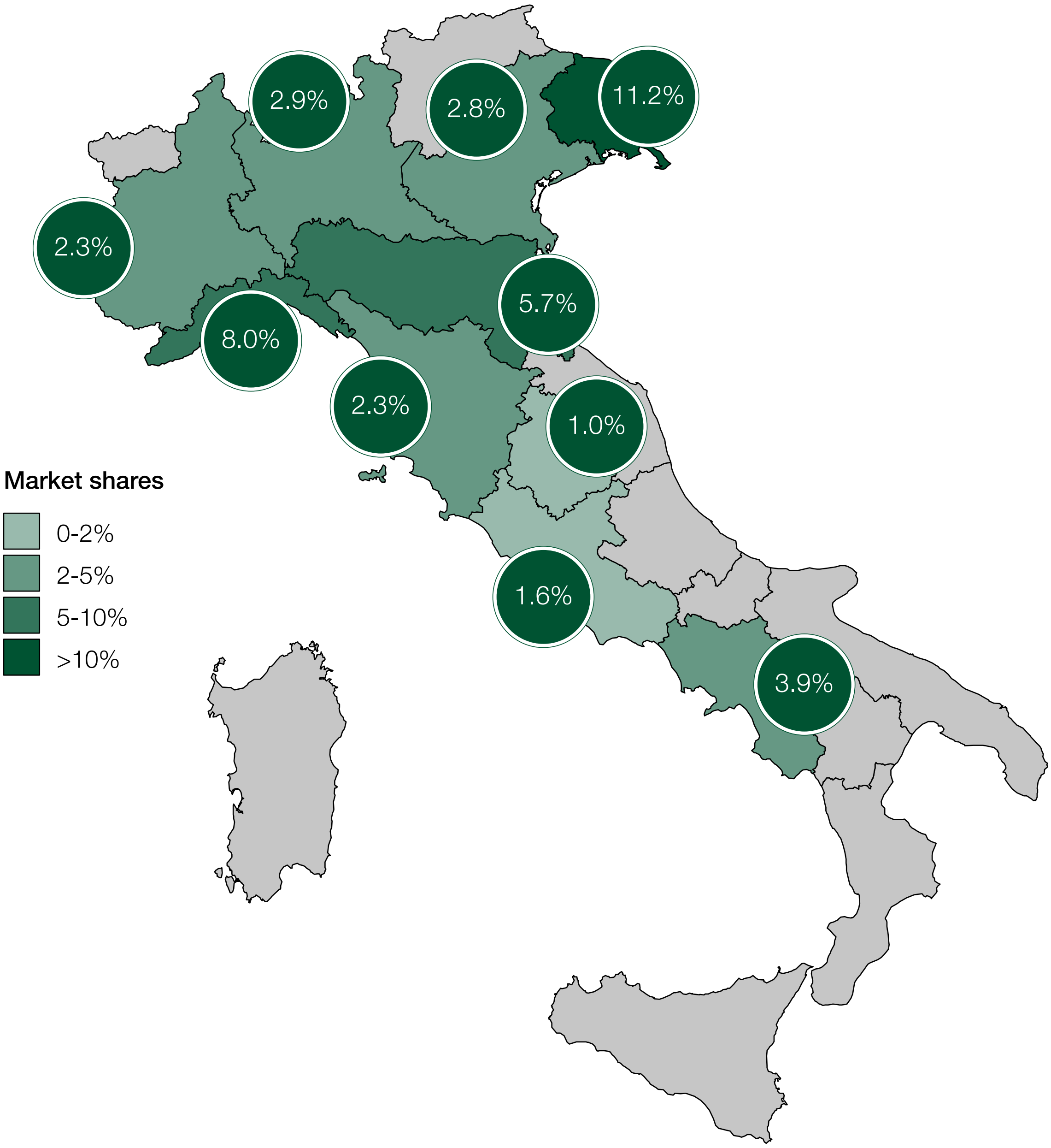
Crédit Agricole Leasing ranks 13th in the Italian lease sector, with a 2% market share, and in operates in the property, equipment, vehicle and energy leasing segments. At the end of 2014, the loan portfolio amounted to Euro 2 Bln.

DISTRIBUTION BY GEOGRAPHICAL AREA



Central Italy 107 points of sale
12%
Southern Italy 62 points of sale
7%
Northern Italy 741 points of sale
81%

GEOGRAPHICAL DISTRIBUTION OF MARKET SHARES IN TERMS OF BRANCHES



NOTES
- System data: source Bank of Italy, 30 September 2014
- CRP data as at 31 December 2014

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

Consolidated financial highlights and ratios

Income Statement highlights(°) *(in thousands of Euro)*	**31.12.2014**	**31.12.2013**(*)	**Changes %**
Net interest income	1,005,946	952,639	5.6
Net commission income	696,448	639,694	8.9
Dividends	8,400	1,694	
Net gain (loss) from financial operations	23,784	159,472	-85.1
Other operating income (expenses)	-6,008	-16,539	-63.7
Net operating revenues	1,728,570	1,736,960	-0.5
Operating expenses	-957,614	-983,291	-2.6
Operating margin	770,956	753,669	2.3
Provisions for contingencies and liabilities	-19,518	-27,665	-29.4
Net value adjustments of loans	-459,026	-528,403	-13.1
Net profit for the period	160,155	150,444	6.5

Balance Sheet highlights(°) *(in thousands of Euro)*	**31.12.2014**	**31.12.2013**	**Changes %**
Loans to Customers	37,275,835	36,391,853	2.4
Net financial assets/liabilities held for trading	-8,628	928	
Available-for-sale financial assets	6,207,042	5,096,003	21.8
Equity investments	18,909	19,263	-1.8
Property, plant and equipment and intangible assets	2,366,847	2,370,377	-0.1
Total net assets	48,714,770	46,642,334	4.4
Net due to banks	3,503,635	2,779,223	26.1
Funding from Customers	37,146,030	36,593,702	1.5
Indirect funding from Customers	56,976,170	50,892,431	12.0
of which: asset management	*22,883,332*	*19,077,566*	*19.9*
Equity	4,768,894	4,598,786	3.7

Operating structure	**31.12.2014**	**31.12.2013**	**Changes %**
Number of employees	8,424	8,652	-2.6
Average number of employees(§)	7,988	8,253	-3.2
Number of branches	842	863	-2.4

(°) Income statement and balance sheet data are those restated in the reclassified financial statements shown on pages 25 and 34.

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

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

Structure ratios[°]	31.12.2014	31.12.2013
Loans to customers /Total net assets	76.5%	78.0%
Direct funding from Customers/Total net assets	76.3%	78.5%
Asset management/Total indirect funding from Customers	40.2%	37.5%
Loans to Customers/ Direct funding from Customers	100.3%	99.4%
Total assets/Equity	10.9	10.9

Profitability ratios[°]	31.12.2014	31.12.2013
Net interest income/Net operating revenues	58.2%	54.8%
Net commissions income/Net operating revenues	40.3%	36.8%
Cost/income ratio[*]	55.4%	56.6%
Bet income/Average equity (ROE)[a]	3.4%	3.3%
Net income/Average Tangible Equity (ROTE)[a]	5.8%	5.9%
Net income/Total assets (ROA)	0.3%	0.3%
Net income/Risk-weighted assets[g]	0.7%	0.6%

Risk ratios[°]	31.12.2014	31.12.2013
Gross bad debts/Gross loans to Customers	6.5%	5.5%
Net bad debts/Net loans to Customers	2.9%	2.5%
Net value adjustments of loans/Net loans to Customers[f]	1.2%	1.5%
Cost of risk(b)/Operating margin[f]	62.1%	74.3%
Net bad debts/Total Capital[c] [g]	34.1%	29.4%
Net Non-performing loans/Net loans to Customers	7.1%	6.3%
Total value adjustments of Non-performing loans/Gross Non-performing loans	39.0%	40.1%

Productivity ratios[°] (in income terms)	31.12.2014	31.12.2013
Operating expenses/No. of Employees (average)[f]	119.9	119.1
Operating revenues/No. of Employees (average)	216.4	210.5

Productivity ratios[°] (in financial terms)	31.12.2014	31.12.2013
Loans to customers / No of employees (average)	4,666.5	4,409.5
Direct funding from Customers/No. of Employees (average)	4,650.2	4,434.0

Capital ratios	31.12.2014	31.12.2013[h]
Common Equity Tier 1[d] /Risk-weighted assets (CET 1 ratio)	11.2%	n,a
Tier 1[e] /Risk-weighted assets (Tier 1 ratio)	11.2%	n,a
Total Capital[c] /Risk-weighted assets (Total capital ratio)	13.5%	n,a
Risk-weighted assets (Euro thousands)	23,588,581	n,a

(°) The Ratios are based on the balance sheet and income statement data of the reclassified financial statements shown on pages 25 and 34.

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

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

(c) Total Capital: total regulatory own funds (as at December 2013 Total Regulatory Capital) Data as at 31 December 2013 - Basel II.

(d) Common Equity Tier 1: Common Equity Tier 1

(e) Tier 1: Tier 1 Capital

(f) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the "Operating expenses" item to the "Net value adjustments of loans" item.

(g) Data as at 31 December 2013 – Basel II.

(h) The same ratios as at 31 December 2013, although not comparable (Basel II), were 10.4%, 10.9% and 13.4%, respectively.

Management Report

THE MACROECONOMIC SCENARIO AND THE BANKING SYSTEM IN 2014

The macroeconomic scenario in 2014

In 2014, the world economy continued to recover at a modest rate: the latest data show a growth in the gross world product (GWP) of +3.1% YOY[1], in line with the previous year and weaker that expected at the beginning of the year.

The world economy expanded unevenly in the various geographical areas. In the United States, the positive contribution of domestic demand shielded the Country's economy from the fragility of the international economic situation, allowing the GDP to increase by +2.4% YOY; conversely, for the Japanese economy, the negative phase continued beyond expectations, with a modest growth of +0.2% YOY[1]. Emerging Countries also performed in unevenly: the good performance of China and India, and the essential stability of most Asian economies on the one hand, and Brazil's weakness and recession in the Russian economy, on the other.

In Europe, the recovery remained weak also in the second half of the year, subsequent to the ongoing stagnation in investments, with weak foreign demand and households' consumption. Because of this, in 2014, the European GDP increased by +0.8% YOY[1]. Moreover, in 2014, inflation in the Euro area decreased to its lowest in December, coming to -0.2%[2], mainly due to the slump in oil prices.

In this situation, the European Central Bank implemented unconventional measures in order to deal with deflation risks, as well as to stimulate recovery in lending to the real economy. The ECB's actions concerned: the cut in interest rates (to their all-time low, with refinancing rates at 0.05%; the rate on deposits was negative coming to -0.20%); the allotment to 306 credit institutions of Euro 212 billion in the Targeted Long Term Refinancing Operations (T-LTRO) in September and December; the start-up of the programme for the purchase of ABS and Covered Bonds.

In the Euro Area, Italy is one of the Countries where the economic recovery has proven difficult: the latest data show that the Italian economy continued in recession also in the second half of the year, causing the GDP to decrease by -0.4%[1] vs. the previous year.

Except for the slow recovery in households' spending (+0.3% YOY)[1], supported also by the "Personal Income Tax bonus" (equal to Euro 80 a month), which was implemented by the Italian Government for incomes below Euro 26 thousand, all the other items in domestic demand gave a negative contribution to the Country's growth. The demand for investment assets decreased significantly (investments in buildings down by -3.3% YOY; investments in machinery and equipment down by -1.6% YOY)[1], despite the measures implemented by the Italian Government and the credit conditions becoming progressively less hard and less stringent. In this situation, exports gave a positive contribution to the economic recovery (up by +2.0% YOY)[1], despite being affected by the slowdown in the German economy and in the economies of some emerging Countries, and further impacted by the sanctions enforced by the European Union against Russia.

The progressive fading of recovery expectations during the year impacted also the labour market: the latest data show the unemployment rate at 12.9%[3] in December, up by +0.3% vs. the previous year, with 42% of young people unemployed.

1 Source: Prometeia Forecast Report January 2015
2 Source: Eurostat
3 Source: ISTAT (Italian National Institute of Statistics)

In 2014, the inflation rate progressively decreased coming to its lowest in August at -0.2%. Despite recovering in October (+0.2%), the subsequent slump in oil prices confirmed the outlook for very low inflation: in terms of annual average, inflation came to 0.2%[4] in 2014, posting a significant decrease vs. 2013 (1.3%).

The Banking System in 2014

The difficult environment of operations and the ongoing uncertainty on any economic recovery, combined with the applicable regulation that has become more complex and stringent have impacted on the Italian banking system and curbed its development in terms of intermediated assets, with credit risk constantly high.

Lending remained weak also in the second half of 2014, posting a 1.6% decrease[5] at the end of the year, vs. the same period of the previous year. As shown also by the ECB in its "Bank Lending Survey", the lending performance seems to reflect most of all a want of demand, especially from businesses, whereas the supply terms seem less tight, also subsequent to the decrease in official interest rates and to the above unconventional measures implemented by the ECB to support lending.

However, credit supply is still affected by credit quality deterioration, which is the main factor for the fragility of the Italian banking system: the latest data on bad debts show that they came close to Euro 184 billion as December 2014[6], about Euro 28 billion more than one year before. In December 2014, the weight of bad debts on total loans came to 9.6%, which is the highest value since 1996 (this ratio came to 8.1% a year before and 2.8% at the end of 2007, before the crisis started). This worsening was more marked for small businesses and mid-corporate companies, with a ratio of gross bad debts to total loans coming to 16.1% and 16.2% respectively (which were 14.0% and 13.3%, respectively, in December 2013), whereas for households, this ratio came to 6.9% (6.5% in December 2013).

As to funding, in 2014, the difference in the performance of the two components increased: the latest data show a still negative trend in bonds (-18.1% YOY[5]) due to the low interest rates, while deposits from residing Customers performed well, increasing, on a yearly basis, by +1.9%[5].

Based on its breakdown, this aggregate was driven by the call component (current accounts posted an annual increase of +9.1%[5]) and, especially, by cash-in-hand of mid-corporate Customers: this trend, which has been recorded also in the other European Countries, seems to result from the intention of keeping a portion of gains in cash and cash equivalents, given that access to external financing may prove difficult.

The recomposition of funding towards less onerous components was also supported using the liquidity issued by the ECB through the two T-LTROs in September and December, within which Italian banks applied for a total of over Euro 49 billion, which also favoured repayment of the previous LTROs.

The net interest spread widened vs. 2013, coming to 200 basis points[5] (186 basis points in 2013), subsequent to the improved conditions for access to funding markets and, especially, to the decrease in the interest rate applied to deposits, as well as to the increased focus on less onerous funding components. On the other hand, the average interest rate on loans came to 3.3%[5] and was essentially in line with the previous year.

In terms of income, the widening in the net interest spread and the funding recomposition towards less onerous components led to a first recovery in net interest income, which increased by +1.8%[5] vs. the previous year.

Net income from services was also positive, being driven by intermediation and asset management operations, which benefited from the favourable performance of market rates and from the Banks' supply policy, which favoured asset management products. In 2014, this segment posted a record increase, with total funding that came to Euro 129 billion[7]; this performance was also fostered by the recovery in savings accumulated by households to restore the wealth that was eroded over the years of crisis.

4 Source: ISTAT (the Italian National Institute of Statistics)
5 Source: Prometeia Updated Banking Sector Forecast – February 2015
6 Source: ABI Monthly Outlook – February 2015
7 Source: Assogestioni

As regards operating expenses, the actions for cost optimization continued being implemented, with significant cuts in various expense items, which were made possible by corporate reorganization and social funds for incentives to voluntary termination.

Nevertheless, the profitability of the Italian banking system is still penalized by the high cost of credit: indeed, value adjustments of loans, as recognized in 2014, totalled Euro 34 billion, including the additional adjustments required as a result of the Asset Quality Review for the 15 Italian banks that were subject to the Comprehensive Assessment by the European Central Bank.

In 2014, however, the Italian banking system improved its balance sheet position, thanks to the completion of various share capital increase transactions, for over Euro 10 billion during the year. This improvement in the balance sheet position resulted in only two Italian Banking Groups (Monte Paschi di Siena and Carige) that were not compliant with the minimum capital requirements set down within the Stress tests that were carried out by the EBA, in cooperation with the ECB, whose results were published on 26 October 2014.

MACROECONOMIC AND BANKING OUTLOOK FOR 2015

Based on the latest estimates[8], the gross world product (GWP) is expected to increase by 3.2% YOY in 2015. The United States will be the global growth engine, with an expected increase in the GDP of 3.3% YOY. Japan is expected to grow at more modest rate (GDP up by +1% YOY), whereas the economies of emerging Countries are expected to perform unevenly: specifically, China will continue to grow at a good pace (GDP up by +7% YOY), even though slower than in 2014, whereas Russia will still be affected by the present geopolitical tensions.

In the Euro Area, recovery is expected to remain modest in 2015, with the GDP expected to increase by approximately 1.2% YOY vs. 0.8% in 2014. Growth will be mainly driven by domestic demand, which in turn is supported by the low prices of energy products that decreased in line with the slump in oil prices. Also for next year, the high unemployment rate and the risk of deflation will affect the rate of growth of the European economy, combined with external factors, such as the developments in the Russia-Ukraine geopolitical tensions and the uncertain situation of Greece.

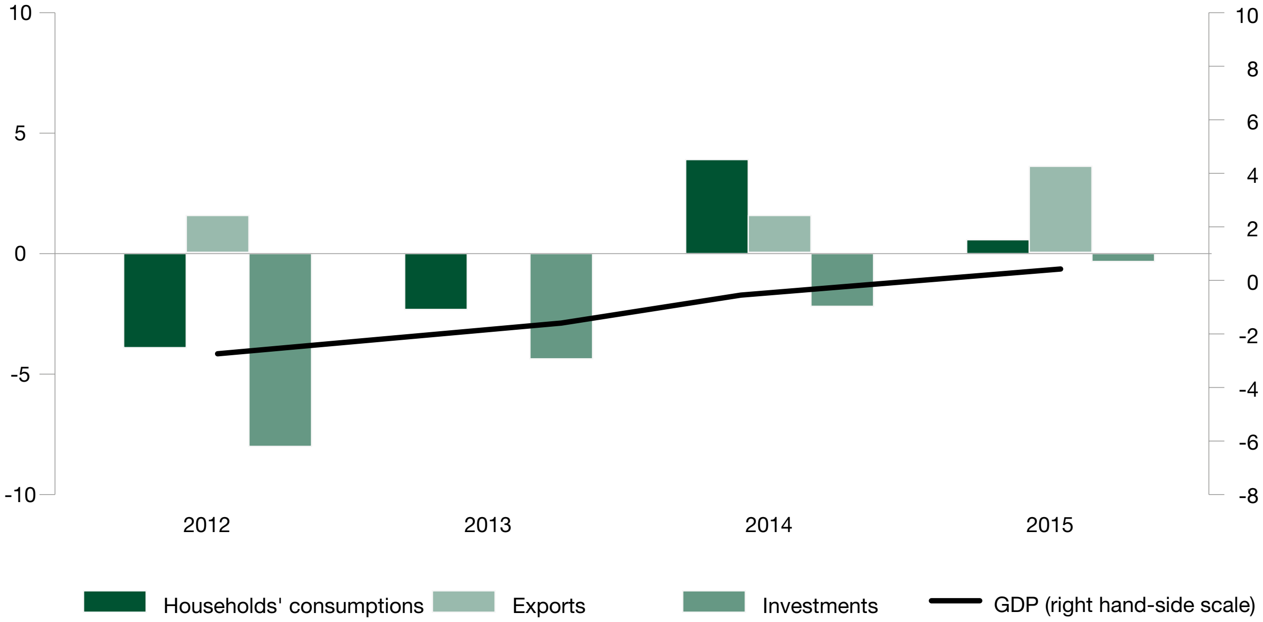
In this scenario, the ECB will continue to implement expansionary policies, with further unconventional measures aimed at supporting the recovery of the real economy: indeed, in January 2015, a Quantitative Easing programme was announced; it will concern sovereign debt securities, for Euro 60 billion a month worth of purchased securities, starting from March 2015 until September 2016.

As for Europe, also for Italy the positive results of the Euro depreciation, of the decrease in oil prices and of the expansionary monetary policy will support the economic recovery, combined with the expansionary effects of internal factors, such as less restrictive tax and lending policies. In 2015, the Italian gross domestic product is expected to increase by 0.7% YOY, once again driven by the good performance of exports (up by +4.9% YOY), by gradual recovery in consumptions (up by +1.1%) and by a first increase in productive investments (up by +0.4% YOY), which are expected to grow at a higher rate starting from 2016. Building investments are also expected to return to grow, but not earlier than from 2016.

Employment recovery is expected to remain modest also in 2015 and the unemployment rate to remain at 12.8%, unchanged from its average for 2014. After decreasing to 0.2% in 2014, inflation is expected to return to grow in 2015, however remaining below 2%.

8 Source: Prometeia Forecast Report January 2015

Italy: GDP components (%, YOY)[9]



In a still complex macroeconomic situation, the banking business is expected to grow at still modest rates. Overall, bank funding will continue to decrease in the next two years (down by -3.8% YOY in 2015, and by -1.8% YOY in 2016[10]), because of the strong decrease in the bond component. The liquidity received from the ECB will indeed allow maturing securities to be repaid and part of the remaining LTRO funds, thus steering the funding recomposition towards less onerous components and creating new growth for the placement of asset management and insurance products.

As the economic conditions slowly improve, lending to the private sector is expected to return to grow in 2015 (up by +2.0% YOY[10]), thanks to improved demand from households and businesses, as well as to the boost in credit supply generated by the ECB-issued funding.

In income terms, the net interest income is expected to perform well also in 2015, driven by loans returning to grow, even though at a modest rate, as well as by the above reported replacement of the most onerous components of funding. The most considerable support to the development in revenues will result, also in 2015, from the good performance of net commission income (up by +6.0% YOY[10]), especially in the asset management area.

The high risk of credit will remain the biggest obstacle to a significant recovery in income from the traditional banking business. The inflows to bad debt status, especially for mid-corporate positions, will remain high, even though slowly decreasing and value adjustments of loans is expected to be significant also in 2015.

In this scenario, where net income from the traditional banking business will prove difficult to expand, actions for the rationalization of the physical structure and of operating costs will be important: also in 2015, operating expenses will decrease as planned (down by -1.6% YOY[10]), thus fostering the progressive improvement in the cost/income ratio.

Overall, Italian banks are expected to generate profits in 2015, with improved return on capital (1.9%[10]), even though well below the pre-crisis figures.

9 Source: Prometeia Forecast Report January 2015
10 Source: Prometeia Updated Banking Sector Forecast – February 2015

Performance

In a macroeconomic situation featuring uncertainty in the financial markets and high credit risk, constant control of income factors allowed the Cariparma Crédit Agricole Group to achieve important commercial and operating performances:

- increase in total lending (volumes came to Euro 37.3 billion, up by +2.4% YOY), as well as in direct funding (volumes came to Euro 37.1 billion, up by +1.5% YOY);
- considerable increase in asset management (up by +20% YOY), with over Euro 6 billion worth of placed products;
- control of operating costs through important action for structural rationalization, while keeping investments at a considerable level (approximately Euro 90 million);
- income from operations improved (up by +2.3%) driven by the growth in income from the traditional banking business (interest income up by +5.6%; commission income up by +8.9%) and by the decrease in operating expenses (down by -2.6%);

The Group made a net profit amounting to Euro 160.2 million, increasing by Euro 9.7 million (+6.5%) vs. the previous year, in spite of non-recurring taxes that came to Euro 22.2 million and were paid in 2014, but referred to the gains resulting (in 2013) from the derecognition of the Bank of Italy shares held. Net of this effect, growth would come to Euro +31.9 million (+21.2%), driven by the good performance of income from operations and by the decrease in net value adjustments of loans.

PERFORMANCE

The Group perimeter, to which the performance as at 31 December 2014 refers, consists of Cariparma S.p.A. (Parent Company), Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia S.p.A., Crédit Agricole Leasing Italia S.r.l., the special-purpose entities Cariparma O.B.G. S.r.l., Mondo Mutui Cariparma S.r.l. and Sliders S.r.l., which have been consolidated on a line-item basis, and of CA Agro-Alimentare S.p.A., which has been consolidated using the equity method.

Income Statement classification

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

The reclassifications concerned the following:

- the recovery of the time value component on loans has been reported under “Net Interest Income” rather than under “Net Value Adjustments of Loans”, since it results directly from applying the amortized cost method when there are no changes in expected future cash flows;
- Net Gain (Loss) on trading operations, Net Gain (Loss) on financial assets and liabilities measured at fair value have been reported under Profit (Loss) on Financial Operations;
- Gains and Losses on the sale or repurchase of available-for-sale financial assets and financial liabilities have been reallocated to Profit (Loss) on Financial Operations;
- Expenses, taxes and levies recovered have been reported as a direct decrease in Administrative Expenses, rather than being recognized under Other operating income/expenses;
- the expenses for the management of non-performing loans and the relevant recoveries have been reclassified as net value adjustments of loans;
- Commission income for fast loan application processing has been taken to Commission Income rather than being recognized under Other operating income/expenses;
- net adjustments/writebacks for impairment of available-for-sale financial assets have been reclassified under Other Operating Income/Expenses;
- net impairment adjustments of other financial transactions (net of the actions in favour of the Deposit Guarantee Schemes, which have been taken to Other operating income/expenses), mainly referring to guarantees and commitments, have been reclassified under Net value adjustments of loans.

The figures presented below are expressed in thousands of Euros.

Reclassified Consolidated Income Statement

	31.12.2014	31.12.2013(*)	Changes	
			Absolute	%
Net interest income	1,005,946	952,639	53,307	5.6
Net commission income	696,448	639,694	56,754	8.9
Dividends	8,400	1,694	6,706	
Gain (loss) on financial operations	23,784	159,472	-135,688	-85.1
Other operating revenues (expenses)	-6,008	-16,539	-10,531	-63.7
Net operating revenues	**1,728,570**	**1,736,960**	**-8,390**	**-0.5**
Staff expenses	-580,934	-595,066	-14,132	-2.4
Administrative expenses	-287,150	-295,174	-8,024	-2.7
Depreciation of Property, plant and equipment and amortization of intangible assets	-89,530	-93,051	-3,521	-3.8
Operating expenses	**-957,614**	**-983,291**	**-25,677**	**-2.6**
Operating margin	**770,956**	**753,669**	**17,287**	**2.3**
Goodwill value adjustments	-	-	-	-
Net provisions for contingencies and liabilities	-19,518	-27,665	-8,147	-29.4
Net value adjustments of loans	-459,026	-528,403	-69,377	-13.1
Net value adjustments of other assets	-	-	-	-
Gain (loss) from financial assets held to maturity and other investments	206	-938	1,144	
Profit before tax on continuing operations	**292,618**	**196,663**	**95,955**	**48.8**
Income tax for the period on continuing operations	-123,536	-39,494	84,042	
Gain (loss) after tax of groups of assets/liabilities under disposal before tax	-	-	-	-
Profit for the period	**169,082**	**157,169**	**11,913**	**7.6**
Profit (loss) attributable to minority shareholders	-8,927	-6,725	2,202	32.8
Profit (loss) for the period attributable to the Parent Company	**160,155**	**150,444**	**9,711**	**6.5**

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

Reconciliation between the Official and Reclassified Income Statements

	31.12.2014	31.12.2013(*)
Net interest income	**1,005,946**	**952,639**
30. Net interest income	941,571	908,587
130. Net impairment adjustments of: a) loans of which time value on non-performing loans	63,146	43,342
220. Other operating expenses/income: of which Calit IAS gains	1,229	710
Net commission income	**696,448**	**639,694**
60. Net commission income	649,344	587,739
220. Other operating expenses/income: of which Commission income from Fast Loan Application Processing	47,104	51,955
Dividends = item 70	**8,400**	**1,694**
Net gain (loss) from financial operations	**23,784**	**159,472**
80. Net gain (loss) on trading operations	2,154	12,870
90. Net gain (loss) on hedging activities	-4,756	9,570
100. Gain (loss) on the sale or repurchase of: a) loans	3,161	-
100. Gain (loss) on the sale or repurchase of: b) available-for-sale financial assets	29,372	133,961
100. Gain (loss) on the sale or repurchase of: d) financial liabilities	-4,214	3,071
110. Net gain (loss) on financial assets and liabilities measured at fair value	-1,933	-
Other operating income (expenses)	**-6,008**	**-16,539**
220. Other operating expenses/income	281,604	252,378
to deduct: expenses recovered	-233,394	-200,387
to deduct: recovered expenses for the management of non-performing loans	-5,584	-5,016
to deduct: Commission income from Fast Loan Application Processing	-47,104	-51,955
130. Net impairment adjustments of: d) other financial transactions of which adjustments/writebacks relating to FITD (Italian Interbank Deposit Protection Fund) actions	-	-8,834
220. Other operating expenses/income: of which Calit IAS gains	-1,229	-710
130. Net impairment adjustments of: b) available-for-sale financial assets	-301	-2,015
Net operating revenues	**1,728,570**	**1,736,960**
Staff expenses = item 180 a)	**-580,934**	**-595,066**
Administrative expenses	**-287,150**	**-295,174**
180. Administrative expenses: b) other administrative expenses	-531,845	-505,343
220. Other operating expenses/income: of which expenses recovered	233,394	200,387
150. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	11,301	9,782
Depreciation of Property, plant and equipment and amortization of intangible assets	**-89,530**	**-93,051**
200. Net adjustments/writebacks of property, plant and equipment	-28,631	-29,392
210. Net adjustments/writebacks of intangible assets	-60,899	-63,659
Operating expenses	**-957,614**	**-983,291**
Operating margin	**770,956**	**753,669**
Goodwill value adjustments = item 230	**-**	**-**
Net provisions for contingencies and liabilities = Item 160	**-19,518**	**-27,665**
Net value adjustments of loans	**-459,026**	**-528,403**
100. Gain/loss on the sale of: a) loans	3,157	-9
100. Gain (loss) on the sale or repurchase of: a) available-for-sale financial assets	-3,161	-
130. Net impairment adjustments of: a) loans	-391,010	-480,217
130. Net impairment adjustments of: a) loans of which time value on non-performing loans	-63,146	-43,342
150. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	-11,301	-9,782
190. Other operating expenses/income: of which recovered expenses for the management of non-performing loans	5,584	5,016
130. Net impairment adjustments of: d) other financial transactions	851	-8,903
to deduct: adjustments/writebacks relating to FITD (Italian Interbank Deposit Protection Fund) actions	-	8,834
Gains (losses) on financial assets held to maturity and other investments	**206**	**-938**
240. Gains (Losses) on equity investments	210	-1,170
270. Gains (Losses) on Sales of investments	-4	232
Profit before taxes on continuing operations	**292,618**	**196,663**
Income tax for the period on continuing operations = item 260	**-123,536**	**-39,494**
Gains for the period	**169,082**	**157,169**
Gains attributable to minority shareholders	-8,927	-6,725
Net income attributable to the shareholders of the Parent Company	**160,155**	**150,444**

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

Net operating revenues

The net operating revenues of the Cariparma Crédit Agricole Group, which summarize the total revenues from lending and service provision, came to Euro 1,729 million, essentially in line (-0.5%) with the same figure for 2013. However, the above change reflects the difference vs. the non-recurring gain reported in 2013, resulting from the derecognition of the Bank of Italy shares held and amounting to approximately Euro 92 million. Net of this effect, net operating revenues posted a marked increase (up by +5.1%) driven by both the increase in net interest income (up by +5.6%) and by the positive performance of commission income (up by +8.9%).

Net interest income

Items	31.12.2014	31.12.2013	Changes Absolute	Changes %
Business with Customers	1,007,967	963,132	44,835	4.7
Business with banks	-7,446	-1,241	6,205	
Outstanding securities	-311,233	-359,137	-47,904	-13.3
Spreads on hedging derivatives	168,170	199,921	-31,751	-15.9
Financial assets held for trading	2,169	731	1,438	
Financial assets held to maturity	-	-	-	
Financial assets available for sale	146,469	149,372	-2,903	-1.9
Other net interest income	-150	-139	11	7.9
Net interest income	**1,005,946**	**952,639**	**53,307**	**5.6**

Net interest income came to Euro 1,005.9 million, increasing by Euro 53.3 million (up by +5.6%) vs. the previous year, mainly thanks to the improved contribution of the Customer component (up by Euro +44.8 million), which was driven especially by the development in total lending for mortgage loans/loans and by the decrease in the cost of funding.

Interest expenses from outstanding securities, which came to Euro -311.2 million, down by Euro 47.9 million vs. the previous year, mainly due to the volume downsizing that resulted from the Customers' preference for asset management products having higher profitability.

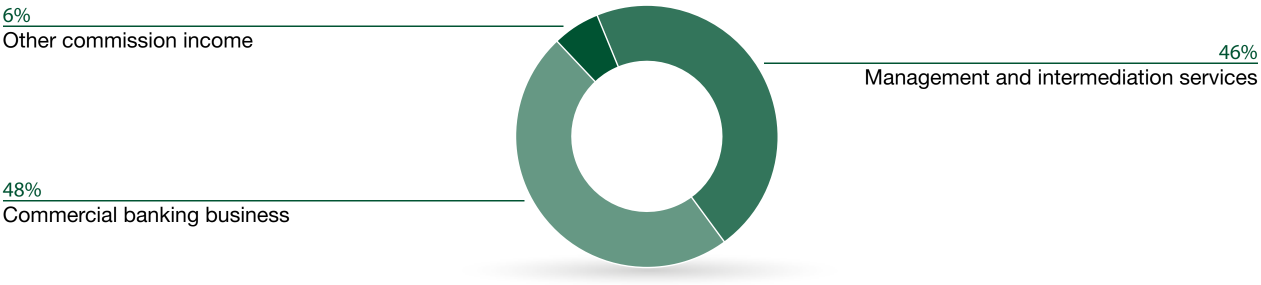
The balance of interest on available-for-sale financial assets came to Euro 146.5 million, decreasing by Euro 2.9 million vs. 2013, due to the decrease in the yields of government securities held in the proprietary portfolio.

The contribution of the spreads on hedging derivatives (especially linked to the macro hedge accounting set on funding) came to Euro 168.2 million.

Net commission income

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
- guarantees issued	7,925	11,075	-3,150	-28.4
- collection and payment services	42,452	42,719	-267	-0.6
- current accounts	235,099	236,440	-1,341	-0.6
- debit and credit card services	36,395	37,955	-1,560	-4.1
Commercial banking business	**321,871**	**328,189**	**-6,318**	**-1.9**
- securities intermediation and placement	143,302	120,428	22,874	19.0
- intermediation in foreign currencies	3,750	3,500	250	7.1
- asset management	5,305	5,948	-643	-10.8
- distribution of insurance products	179,022	143,122	35,900	25.1
- other intermediation/management commission income	4,682	2,023	2,659	
Management, intermediation and advisory services	**336,061**	**275,021**	**61,040**	**22.2**
Tax collection services	**-**	**-**	**-**	
Other net commission income	**38,516**	**36,484**	**2,032**	**5.6**
Total net commission income	**696,448**	**639,694**	**56,754**	**8.9**

Net commission income came to Euro 696.4 million, increasing by Euro 56.8 million (up by +8.9%) vs. the previous year, thanks to the positive performance of management, intermediation and advisory services (up by Euro +61.0 million, i.e. +22.2%). On the other hand, commission income from the traditional banking business decreased (down by Euro -6.3 million, i.e. -1.9%).



Specifically, the increase in commission income from management, intermediation and advisory services was driven by the considerable growth in commission income for the placement of insurance products, amounting to Euro 35.9 million (up by +25.1%), as well as in commission income from intermediation and placement of securities, amounting to Euro 22.9 million (up by +19.0%). Both items benefited mainly from higher intermediation volumes referring to asset management and insurance products (increasing by Euro +2.3 billion; up by +56.4%).

The lower income flow from the traditional banking business, down by Euro -6.3 million (-1.9%), was spread over commission income from guarantees issued, down by Euro -3.2 million (-28.4%), current accounts down by Euro -1.3 million (-0.6%) and on debit and credit card services, down by Euro -1.6 million (-4.1%).

Profit (loss) from financial operations

Items	31.12.2014	31.12.2013	Changes Absolute	Changes %
Interest rates	-6,699	14,027	-20,726	
Stocks	-21	-	21	
Foreign exchange	4,645	1,909	2,736	
Commodities	13	5	8	
Total gains (losses) on financial assets held for trading	**-2,062**	**15,941**	**-18,003**	
Total gains (losses) on assets held for hedging	**-4,755**	**9,570**	**-14,325**	
Gains (losses) on disposal of available-for-sale financial assets	**29,373**	**133,961**	**-104,588**	**-78.1**
Net gain (loss) of financial assets and liabilities measured at fair value	**-1,933**	**-**	**1,933**	
Gains (Losses) on disposal of debt securities classified as loans	**3,161**	**-**	**3,161**	
Gain (loss) on financial operations	**23,784**	**159,472**	**-135,688**	**-85.1**

Profit (loss) from financial operations came to Euro 23.8 million, decreasing by Euro 135.7 million vs. the previous year, especially due to the fact that, in 2013, some non-recurring items were recognized.

Specifically:

Gains on disposal of available-for-sale financial assets came to Euro 29.4 million, decreasing by Euro 104.6 million vs. 2013, because of the non-recurring effect on the 2013 financial statements resulting from the derecognition of the Bank of Italy shares held. Net of this effect, income would decrease by Euro 12.6 million, due to lower arbitrage transactions on Government securities and to the actions for the portfolio recomposition, in order to reduce its average duration and, therefore, its sensitivity to the performance of market rates.

The performance of hedging decreased by Euro -14.3 million vs. 2013; this was due to some non-recurring gains made in 2013 and amounting to Euro 8.5 million, for the early repayment of derivative instruments hedging call deposits (for the review of the modelling of the same deposits); the remaining part also decreased vs. the previous year because of the measurement components that caused the net effect of the fair value change between the hedging instrument and the hedged asset.

Other operating income (expenses)

Other operating income/expenses posted a balance of Euro -6 million and a positive performance vs. the previous year (-63.7%).

Operating expenses

Items	31.12.2014	31.12.2013(*)	Changes	
			Absolute	%
- wages and salaries	-414,274	-426,110	-11,836	-2.8
- social security contributions	-107,675	-110,861	-3,186	-2.9
- other staff expenses	-58,985	-58,095	890	1.5
Staff expenses	**-580,934**	**-595,066**	**-14,132**	**-2.4**
- general operating expenses	-77,568	-85,144	-7,576	-8.9
- IT services	-52,170	-52,235	-65	-0.1
- direct and indirect taxes	-111,253	-102,793	8,460	8.2
- property management	-55,423	-59,662	-4,239	-7.1
- legal and other professional services	-17,534	-15,137	2,397	15.8
- advertising and promotion expenses	-8,665	-9,588	-923	-9.6
- indirect staff expenses	-7,498	-8,690	-1,192	-13.7
- other expenses	-190,431	-162,313	28,118	17.3
- recovery of expenses and charges	233,392	200,388	33,004	16.5
Administrative expenses	**-287,150**	**-295,174**	**-8,024**	**-2.7**
- intangible assets	-60,899	-63,659	-2,760	-4.3
- property, plant and equipment	-28,631	-29,392	-761	-2.6
Depreciation and amortization	**-89,530**	**-93,051**	**-3,521**	**-3.8**
Operating expenses	**-957,614**	**-983,291**	**-25,677**	**-2.6**

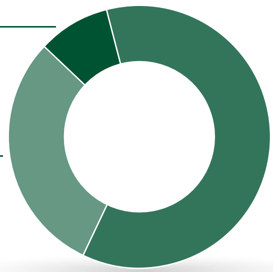
(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

Operating expenses for 2014 came to Euro 957.6 million, decreasing by Euro 25.7 million vs. the previous year.

This item is broken down below:

- **Staff expenses,** this item accounted for 61% of total operating expenses and came to Euro 580.9 million, decreasing by Euro -14.1 million (down by -2.4%) vs. the previous year. The above change essentially resulted from the decrease in the average number of staff (down by -223 YOY).
- **Administrative expenses,** this item came to Euro 287.1 million, decreasing by Euro 8 million (down by -2.7%) vs. 2013, thanks to important actions for the structural rationalization and control of expenses. Specifically, the items that posted the most considerable decreases are: General Operating Expenses (down by Euro -7.6 million) and Expenses for Property Management (down by Euro -4.2 million). The latter benefited from the renegotiation of important lease agreements and from actions that were implemented to optimize the distribution network. Indirect taxes performed against the trend (up by Euro +8.5 million) and were impacted mainly by the new legislation provisions on revenu stamp duties on financial products.
- **Depreciation and amortization,** this item came to Euro 89.5 million, decreasing by 3.8% vs. the previous year, even though with investments at a considerable level (approximately Euro 90 million);

The cost/income ratio came to 55.4%, decreasing by 1 percentage point vs. the same figure as at 31 December 2013.



Operating margin

The operating margin improved and came to Euro 771.0 million, increasing by Euro 17.3 million (up by +2.3%) despite the comparison is affected by the non-recurring effect resulting from the derecognition of the Bank of Italy shares in 2013, net of which this item would increase by Euro +109.3 million (up by +16.5%).

Value adjustments of goodwill

In 2014, the goodwill resulting from the various business combinations carried out by the Group since 2007 was tested for impairment.

For the Retail/Private Banking and Mid-corporate/Large-corporate Cash Generating Units, the test did not show any need to recognize impairment.

Provisions and other components

Net Provisions for contingencies and liabilities

Net provisions for contingencies and liabilities came to Euro 19.5 million, decreasing by Euro -8.1 million (-29.5%) vs. Euro 27.7 million in 2013. These provisions include an amount of Euro 14.3 million, which was allocated for non-lending disputes and increased by Euro 4.7 million vs. the previous year, an increase that was more than offset by lower amounts allocated to provision for contingencies relating to repayments to Customers of securities in default, which decreased by Euro -13.2 million.

Net value adjustments of loans

			Changes	
Items	**31.12.2014**	**31.12.2013(*)**	**Absolute**	**%**
- bad debts	-254,885	-213,473	41,412	19.4
- substandard loans	-174,238	-146,739	27,499	18.7
- restructured loans	-43,872	-34,522	9,350	27.1
- past-due loans	-5,009	-4,288	721	16.8
- performing loans	18,127	-129,312	147,439	0.0
Net impairment adjustments of loans	-459,877	-528,334	-68,457	-13.0
Net adjustments for guarantees and commitments	**851**	**-69**	**920**	
Net value adjustments of loans	**-459,026**	**-528,403**	**-69,377**	**-13.1**

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the “Net value adjustments of loans” item.

Net value adjustments of loans came to Euro 459.0 million, significantly decreasing vs. 2013 by Euro -69.4 million (down by -13.1%), taking account also of the Asset Quality Review (Individual File Review).

■ Gains (losses) on financial assets held to maturity and other investments

This aggregated reports a positive balance amounting to Euro 0.2 million, increasing vs. the same figure for 2013.

■ Profit before taxes on continuing operations

Profit before taxes on continuing operations came to Euro 292.6 million, increasing by Euro 96.0 million vs. the previous year, thanks to both the positive performance of income from operations and to the effective control of the Cost of Risk.

■ Income tax for the period on continuing operations

Current taxes and deferred tax liabilities came to Euro 123.5 million, increasing by Euro 84 million vs. the previous year, mainly subsequent to the significant increase in gross profit.

It is to be pointed out that both years featured non-recurring tax components, which, in 2013, amounted to very significant tax assets. Specifically, the financial statements for the previous year reported the positive effects generated by the realignment between the values for statutory purposes and the values for tax purposes of some goodwill components and intangible assets with finite useful life, which resulted from the acquisition of controlling equity investments or from transfers of branches; such positive effects amounted to approximately Euro 35.7 million. The recognition for tax purposes of another goodwill item and of assets referring to branches that were tax-neutral upon acquisition generated further positive effects amounting to Euro 1.6 million. Moreover, again in 2013, the gains resulting from the new assignation of Bank of Italy shares were recognized, amounting to approximately Euro 92 million, and a provisions for taxes was concomitantly allocated, pursuant to the legislation then in force, amounting to approximately Euro 11 million.

On the other hand, non-recurring components for 2014 consisted in the higher taxes that were finally due on the value of the Bank of Italy shares under the implemented amendments to the legislation (pursuant to Italian Law 147/2013), with subsequent provisioning of Euro 22.2 million.

On the other hand, in the year, excess provisions allocated in previous years were released for approximately Euro 17.3 million.

Net of the above non-recurring tax components, in percentage terms, the tax burden for 2014 came close to 41%, of which 13.9% for the Italian Regional Tax on Productive Activities (IRAP). Taxation on gross profits is, therefore, only apparently increasing vs. 2013; in fact, it is to be taken into account that, in that year, as reported above, non-recurring tax components, which were overall positive, were recognized, but gains from the assignation of Bank of Italy shares were also recognized and taxed at a rate that was lower than the nominal ones.

■ Net profit (loss) and comprehensive income

● *Net profit (loss)*

The net profit came to Euro 160.2 million, increasing by Euro 9.7 million (up by +6.5%) vs. 2013; if considered net of non-recurring tax impacts generated by the additional tax on the revaluation of the Bank of Italy shares held, the net profit would have come to Euro 182 million (up by +21%).

Comprehensive income

Items	31.12.2014	31.12.2013
10. Net Profit (loss) for the period	**169,082**	**157,169**
Other income components after tax without reversal to Income Statement		
20. Property, plant and equipment	-	-
30. Intangible Assets	-	-
40. Actuarial gains (losses) on defined-benefit plans	-10,836	3,335
50. Disposal groups	-	-
60. Share of Valuation Reserves on equity investments measured using the equity method	-	-
Other income components after tax with reversal to Income Statement		
70. Hedging of foreign investments	-	-
80. Exchange rate differences	-	-
90. Cash flow hedges	-	-
100. Financial assets available for sale	100,069	116,893
110. Disposal groups	-	-
120. Share of Valuation Reserves on equity investments measured using the equity method	-	-
130. Total other income components after tax	**89,233**	**120,228**
140. Comprehensive income (Item 10+130)	**258,315**	**277,397**
150. Consolidated comprehensive income attributable to minority Shareholders	11,434	9,035
160. Total comprehensive income attributable to the Parent Company	**246,881**	**268,362**

Comprehensive income consists of the profit for the period and of the changes in assets directly recognized in equity reserves. Comprehensive income for 2014 achieved a positive result coming to Euro 247 million, mainly thanks to the net profit (including the portion of it attributable to minority shareholders), but also to the reserve for measurement of available-for-sale financial assets, which, in 2014, increased by Euro 100 million.

The inclusion in comprehensive income of the item referring to available-for-sale financial assets generates high volatility, which is to be considered when examining the relevant table.

THE PERFORMANCE OF BALANCE SHEET AGGREGATES

Reclassification of the Balance Sheet

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

- presentation of financial Assets/Liabilities held for trading on a net basis;
- presentation of Loans to banks/Due to banks on a net basis;
- inclusion of the value of hedging Derivatives and of the Value Adjustment of financial assets/liabilities subject to macro-hedging in the Other Assets/Other Liabilities items;
- grouping of Intangible Assets and Property, Plant and Equipment into a single aggregate;
- inclusion of the item "Cash and cash equivalents" in the "Other Assets" residual item;
- grouping in the "Funding from customers" item of the "Due to customers" and "Outstanding securities" items;
- grouping of specific-purpose provisions (i.e. employee severance benefits and provisions for contingencies and liabilities) into a single aggregate.

Reclassified Consolidated Balance Sheet

Assets	31.12.2014	31.12.2013	Changes Absolute	Changes %
Financial assets measured at fair value	15,972	-	15,972	100.0
Financial assets available for sale	6,207,042	5,096,003	1,111,040	21.8
Net loans to banks	-	-	-	100.0
Loans to Customers	37,275,835	36,391,853	883,982	2.4
Equity investments	18,909	19,263	-353	-1.8
Property, plant and equipment and intangible assets	2,366,847	2,370,376	-3,529	-0.1
Tax assets	1,168,780	1,196,793	-28,013	-2.3
Other assets	1,661,384	1,568,046	93,337	6.0
Total Assets	**48,714,770**	**46,642,334**	**2,072,436**	**4.4**

Liabilities	31.12.2014	31.12.2013	Changes Absolute	Changes %
Net due to banks	3,503,635	2,779,223	724,412	26.1
Funding from Customers	37,146,030	36,593,702	552,328	1.5
Net Financial Assets/Liabilities held for trading	8,628	-928	9,556	
Tax liabilities	373,426	386,232	-12,806	-3.3
Other liabilities	2,371,406	1,722,343	649,063	37.7
Specific-purpose provisions	332,063	363,657	-31,594	-8.7
Capital	876,762	876,762	-0	-
Reserves (net of treasury shares)	3,688,722	3,615,053	73,669	2.0
Valuation reserves	43,254	-43,473	86,727	
Equity attributable to minority shareholders	210,689	199,318	11,371	5.7
Net Profit (Loss) for the period	160,155	150,444	9,712	6.5
Total liabilities and equity	**48,714,770**	**46,642,334**	**2,072,436**	**4.4**

Reconciliation of the official and reclassified balance sheets

Assets	31.12.2014	31.12.2013
Financial assets measured at fair value	**15,972**	**-**
30. Financial assets measured at fair value	15,972	-
Financial assets available for sale	**6,207,042**	**5,096,003**
40. Financial assets available for sale	6,207,042	5,096,003
Loans to Customers	**37,275,835**	**36,391,853**
70. Loans to Customers	37,275,835	36,391,853
Equity investments	**18,909**	**19,263**
100. Equity investments	18,909	19,263
Property, plant and equipment and intangible assets	**2,366,847**	**2,370,376**
110. Property, plant and equipment	460,169	442,815
120. Intangible Assets	1,906,679	1,927,562
Tax assets	**1,168,780**	**1,196,793**
130. Tax assets	1,168,780	1,196,793
Other assets	**1,661,384**	**1,568,046**
10. Cash and cash equivalents	285,002	334,127
150. Other assets	441,032	539,785
80. Hedging derivatives (Assets)	924,205	692,941
90. Value adjustment of financial assets subject to macro hedging	11,144	1,192
Total Assets	**48,714,770**	**46,642,334**

Liabilities	31.12.2014	31.12.2013
Net due to banks	**3,503,635**	**2,779,223**
10. Due to banks	6,781,410	6,084,875
60. Loans to banks	-3,277,775	-3,305,651
Funding from Customers	**37,146,030**	**36,593,702**
20. Due to Customers	25,314,421	23,360,593
30. Outstanding securities	11,831,609	13,233,109
Net financial Liabilities/Assets held for trading	**8,628**	**-928**
40. Financial liabilities held for trading	219,593	213,804
20. Financial assets held for trading	-210,965	-214,732
Tax liabilities	**373,426**	**386,232**
80. Tax liabilities	373,426	386,232
Liabilities in respect of assets being divested	**-**	**-**
Other liabilities	**2,371,406**	**1,722,343**
100. Other liabilities	1,013,357	1,026,440
60. Hedging derivatives (Liabilities)	702,955	345,373
70. Adjustment of macro-hedged financial liabilities	655,095	350,530
Specific-purpose provisions	**332,063**	**363,657**
110. Employees' severance benefits	156,011	151,648
120. Provisions for contingencies and liabilities	176,052	212,009
Capital	**876,762**	**876,762**
180. Capital	876,762	876,762
Reserves *(net of treasury shares)*	**3,688,722**	**3,615,053**
160. Reserves	953,260	879,591
170. Share premium reserve	2,735,462	2,735,462
Valuation reserves	**43,254**	**-43,473**
130. Valuation reserves	43,254	-43,473
Equity attributable to minority shareholders	**210,689**	**199,318**
210. Equity attributable to minority shareholders	210,689	199,318
Net Profit (Loss) for the period	**160,155**	**150,444**
200. Profit (loss) for the period	160,155	150,444
Total liabilities and equity	**48,714,770**	**46,642,334**

Operations with customers

The difficult environment of operations and the ongoing uncertainty on any economic recovery, combined with the applicable regulation that has become more complex and stringent have impacted on the Italian banking system and curbed its development in terms of intermediated assets, with credit risk constantly high. In such an environment, the Cariparma Crédit Agricole Group nevertheless continued to support the real economy increasing its loans to Customers and total funding, even though with a different asset mix.

Intermediated assets, which are the sum of loans, direct and indirect funding, came to Euro 131,398 million, increasing by Euro 7,520 million (up by +6.1%) vs. 2013.

Loans came to Euro 37,275 million, posting an increase of Euro 883 million in the year (up by +2.4%), which referred to advances and credit facilities.

Total funding from Customers (which, as at the end of 2013, amounted to Euro 94,122 million) posted a consistent increase vs. the previous year of Euro 6,636 million (up by +7.6&).

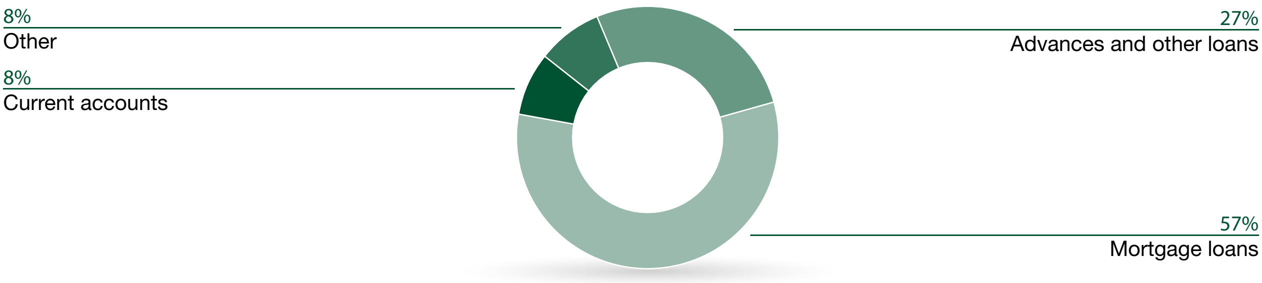
Direct funding came to Euro 37,146 million, increasing vs. the previous year (up by +1.5%) and indirect funding posted a significant increase (up by +12.0%) coming to Euro 50,976 million.

Loans to Customers

			Changes	
Items	**31.12.2014**	**31.12.2013**	**Absolute**	**%**
- Current accounts	2,936,115	3,714,912	-778,797	-21.0
- Mortgage loans	21,173,065	21,222,416	-49,351	-0.2
- Advances and other loans	10,042,632	9,152,483	890,149	9.7
- Repurchase agreements	-	-		
- Non-performing loans	2,992,272	2,296,530	695,742	30.3
Loans	**37,144,084**	**36,386,341**	**757,743**	**2.1**
Loans represented by securities	**131,751**	**5,512**	**126,239**	
Loans to Customers	**37,275,835**	**36,391,853**	**883,982**	**2.4**

Loans to Customers came to Euro 37,276 million, increasing by Euro 884 million (up by +2.4%) vs. 2013, thus substantiating the Group's focus on households and businesses, even while focusing also on credit quality, as well as substantiating the support to the product companies of the Crédit Agricole Group in Italy.

This growth was driven by the performance of advances and credit facilities, which came to Euro 10,043 million, increasing by Euro 890 million (up by +9.7%) vs. the previous year. Mortgage loans came to Euro 21,173 million, i.e. essentially in line with the previous year (-0.2%), but with a significant development in new mortgage loans that came to Euro 1.9 billion (up by +25%).



Credit quality

Items	31.12.2014			31.12.2013		
	Gross exposure	Total adjustments	Net exposure	Gross exposure	Total adjustments	Net exposure
- Bad debts	2,574,063	1,482,966	1,091,097	2,103,865	1,184,845	919,020
- Substandard loans	1,374,662	315,971	1,058,691	1,056,353	288,576	767,777
- Restructured loans	730,034	101,995	628,039	430,824	56,354	374,470
Past-due/overlimit loans	222,294	8,029	214,265	243,711	8,448	235,263
Non-performing loans	**4,901,053**	**1,908,961**	**2,992,092**	**3,834,753**	**1,538,223**	**2,296,530**
Performing loans	**34,501,525**	**217,782**	**34,283,743**	**34,354,686**	**259,363**	**34,095,323**
Total	**39,402,578**	**2,126,743**	**37,275,835**	**38,189,439**	**1,797,586**	**36,391,853**

Items	31.12.2014			31.12.2013		
	Gross exposure weight	Net exposure weight	Coverage ratio	Gross exposure weight	Net exposure weight	Coverage ratio
- Bad debts	6.5%	2.9%	57.6%	5.5%	2.5%	56.3%
- Substandard loans	3.5%	2.8%	23.0%	2.8%	2.1%	27.3%
- Restructured loans	1.9%	1.7%	14.0%	1.1%	1.0%	13.1%
Past-due/overlimit loans	0.6%	0.6%	3.6%	0.6%	0.6%	3.5%
Non-performing loans	**12.4%**	**8.0%**	**39.0%**	**10.0%**	**6.3%**	**40.1%**
Performing loans	**87.6%**	**92.0%**	**0.6%**	**90.0%**	**93.7%**	**0.8%**
Total	**100.0%**	**100.0%**	**5.4%**	**100.0%**	**100.0%**	**4.7%**

Net of total value adjustments, non-performing loans increased by 30.3%, coming to Euro 2,992 million vs. Euro 2,297 million in the previous year. As at the reporting date, the set of non-performing loans had a 8.0% weight on total loans, vs. a 6.3% weight in 2013, with a coverage ratio of 39.0%.

Net bad loans came to Euro 1,091 million vs. Euro 919 million in December 2013, and the coverage ratio also increased to 57.6% (up +1.3%), since the weight of bad loans on total loans increased to 2.9% (up by +0.4%).

Net substandard positions came to Euro 1,059 million, with a weight on total loans to Customers of 2.8%, increasing vs. the 2.1% figure in 2013, and the relevant coverage ratio came to 23.0%, decreasing from 27.3% in the previous year. This change resulted from a significant increase in loans backed by mortgages within the overall asset mix, compared with the previous year.

Net restructured loans came to Euro 628 million, increasing from Euro 374 million in the previous year and accounting for 1.7% of total loans to Customers.

Past-due/overlimit loans performed against the trend, decreasing vs. 2013, and came to Euro 214 million, that is to say, 0.6% of total loans to Customers. The relevant coverage ratio came to 3.6% and increased consistently with the Group policies.

Finally, as regards performing loans, the amount of cumulative adjustments came to Euro 218 million with a coverage ratio of 0.6%.

Funding from Customers

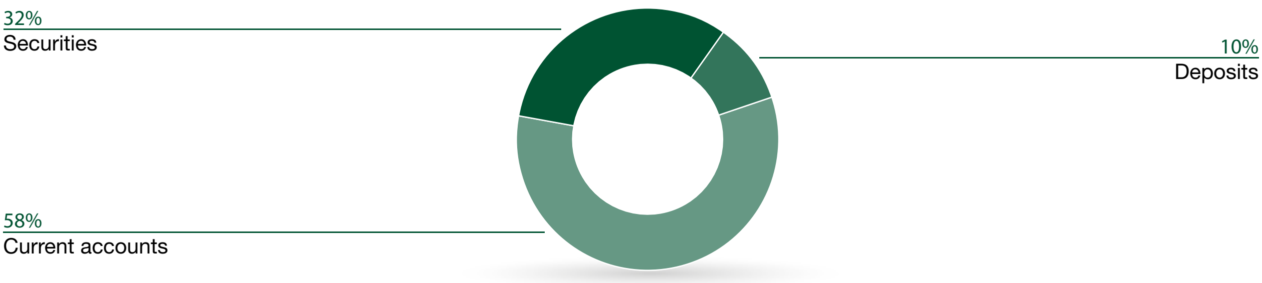
Items	31.12.2014	31.12.2013	Changes Absolute	Changes %
- Deposits	3,392,771	3,462,075	-69,304	-2.0
- Current and other accounts	21,685,541	19,643,563	2,041,978	10.4
- Other items	176,529	146,148	30,381	20.8
- Repurchase agreements	59,580	108,807	-49,227	-45.2
Due to Customers	**25,314,421**	**23,360,593**	**1,953,828**	**8.4**
Outstanding securities	11,831,609	13,233,109	-1,401,500	-10.6
Total direct funding	**37,146,030**	**36,593,702**	**552,328**	**1.5**
Indirect funding	**56,976,170**	**50,892,431**	**6,083,739**	**12.0**
Total funding	**94,122,200**	**87,486,133**	**6,636,067**	**7.6**

Total funding, which is the aggregate of all sources of funding from Customers, came to Euro 94,122 million, posting a marked increase of Euro +6.6 billion vs. the previous year (up by +7.6%).

The performance of these aggregates shows the portfolio recomposition towards short-term forms. In fact, direct funding came to Euro 37,146 million, increasing by 1.5% vs. the previous year, and such increase mainly referred to current accounts (which came to Euro 21,685 million), increasing by Euro 2,042 million (up by +10.4%).

On the other hand, outstanding securities came to Euro 11,831 million (including the Covered Bond issued in December amounting to Euro 994 million and accounting for 32% of direct funding), posting a significant decrease (down by -10.6%).

In the light of the new developments in the market, direct funding was composed as follows: current accounts 58%, outstanding securities 32% and deposits 10%.



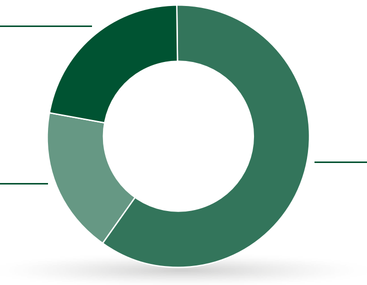
The increase in direct funding and the concomitant development in loans allowed the Cariparma Group to consolidate its liquidity level in December 2014.

Indirect funding

Items	31.12.2014	31.12.2013	Changes Absolute	Changes %
- Asset management products	10,330,858	8,627,449	1,703,409	19.7
- Insurance products	12,552,474	10,450,117	2,102,357	20.1
Total assets under management	**22,883,332**	**19,077,566**	**3,805,766**	**19.9**
Assets under administration	**34,092,838**	**31,814,865**	**2,277,973**	**7.2**
Indirect funding	**56,976,170**	**50,892,431**	**6,083,739**	**12.0**

At market values, indirect funding accounted for 61% of total funding and came to Euro 56,976 million, increasing by Euro 6,083 million (up by +12.0%) vs the previous year.

This increase was due to the growth in asset under administration, which went up by Euro 2,278 million (+7,2%) coming to Euro 34,093 million, as well as to assets under management, which came to Euro 22,883 million, increasing by Euro 3,806 million (up by +19.9%). This performance was the result of a significant commercial action, which led to over Euro 6 billion worth of products placed, both asset management products (up by +19.7%) and insurance products (up by +20.1%).



Net interbank position

The net interbank debt position of the Cariparma Crédit Agricole Group reports a total debt position amounting to Euro 3,504 million, increasing by Euro 724 million vs. the previous year. This performance was mainly due to the implemented policy for the development of loans to Customers.

Available-for-sale financial assets

			Changes	
Items	**31.12.2014**	**31.12.2013**	**Absolute**	**%**
- Bonds and other debt securities	5,995,627	4,877,691	1,117,936	22.9
- Equity securities and units of collective investment undertakings	3,003	2,478	525	21.2
Securities available for sale	**5,998,630**	**4,880,169**	**1,118,461**	**22.9**
- Equity investments	208,412	215,834	-7,422	-3.4
Shareholdings available for sale	**208,412**	**215,834**	**-7,422**	**-3.4**
Financial assets available for sale	**6,207,042**	**5,096,003**	**1,111,039**	**21.8**

Available-for-sale financial assets, almost totally consisting of Government securities and of corporate securities for modest amounts, came to Euro 6,207 million, increasing by Euro 1,111 million (up by +21.8%) vs. the previous year; this increase includes Euro 767 million worth of assets purchased in the year and Euro 434 million worth of increases in the prices of securities.

The table below shows that the composition of the Government Securities held by the Cariparma Group are nearly entirely classified in the “Available-for-sale financial assets” category and are exclusively Italian Government securities.

● *Government securities held*

	31.12.2014		
	Nominal Value	Book value	Revaluation reserve
FVTPL			
Italian Government securities	3	4	-
Argentinian Government securities	21	1	1
Turkish Government securities	-	-	-
AFS			
Italian Government securities	5,000,000	5,946,617	1,414,298
Argentinian Government securities	24	28	28
French Government securities	-	-	-
Total	**5,000,048**	**5,946,650**	**1,414,327**

■ Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets came to Euro 2,367 million, essentially in line with the Euro 2,370 million figure for the previous year. This item reports goodwill and intangible assets that were recognized subsequent to the acquisitions from Intesa Sanpaolo, in 2007 of FriulAdria and 202 branches, in 2008 of the lease operations transferred to Crédit Agricole Leasing Italia and, in 2011, of Carispezia and 96 branches.

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

■ SPECIFIC-PURPOSE PROVISIONS

			Changes	
Items	31.12.2014	31.12.2013	Absolute	%
Employees' severance benefits	156,011	151,648	4,363	2.9
Provisions for contingencies and liabilities	176,052	212,009	-35,957	-17.0
- retirement and similar liabilities	22,873	23,151	-278	-1.2
- other provisions	153,179	188,858	-35,679	-18.9
Total specific-purpose provisions	**332,063**	**363,657**	**-31,594**	**-8.7**

Specific-purpose provisions came to Euro 332 million, decreasing by Euro 32 million vs. the previous year (down by -8.7%). Specifically, this change occurred in the “Other provisions” item, which refers to legal disputes, staff expenses and operational risks and came to Euro 152 million, (decreasing by Euro 36 million vs. the previous year), whereas the provisions for employees’ severance benefits increased by Euro 4.4 million, coming to Euro 156.0 million.

Equity and Own Funds Equity

Equity

Items	31.12.2014	31.12.2013	Changes Absolute	Changes %.
Share capital	876,762	876,762	0	0.0
Share premium reserve	2,735,462	2,735,462	0	0.0
Reserves	953,260	879,591	73,669	8.4
Valuation reserves for available-for-sale financial assets	76,090	-21,047	97,137	
Valuation reserves for actuarial gains (losses) relating to defined-benefit pension plans	-32,836	-22,426	10,410	46.4
Net profit for the period	160,155	150,444	9,711	6.5
Total (book) equity	**4,768,893**	**4,598,786**	**170,107**	**3.7**

As at 31 December 2014, the book value of equity, including the earnings for the period, came to Euro 4,769 million, increasing by Euro 170.1 million from Euro 4,599 million as at 31 December 2013.

This change in equity was mainly due to the increase in the positive balance of reserves from the valuation of available-for-sale financial assets (up by Euro + 97.1 million) and of the “Other reserves” item (up by Euro +73.7 million), which resulted mainly from the allocation to reserves of Euro 64.5 million worth of earnings for 2013.

As at 31 December 2014, the Group held no treasury shares and no shares in the Controlling Company.

Own Funds

Own Funds and capital ratios	31.12.2014	31.12.2013
Common Equity Tier 1 (CET1)	**2,638,019**	**n,a**
Additional Tier 1 (AT1)	-	-
Tier 1 (T1)	**2,638,019**	**n,a**
Tier 2 (T2)	543,917	n,a
Own Funds	**3,181,936**	**n,a**
Risk-weighted assets	**23,588,581**	**n,a**
of which by credit and counterparty risks and by the risk of value adjustment of the loan	20,872,591	n,a
CAPITAL RATIOS		
Common Equity Tier 1 ratio	**11.2%**	**n,a**
Tier 1 ratio	**11.2%**	**n,a**
Total Capital ratio	**13.5%**	**n,a**

On 1 January 2014, the new regulation for banks and investment firms (Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013; Circular No. 285 of the Bank of Italy) entered into force and significantly affected capital ratios, generating impacts both on the calculation of Own Funds and on the calculation of risk-weighted assets (RWA) and making any comparison to 2013 non-significant.

The Common Equity Tier 1 ratio and the Tier 1 ratio as at 31 December 2014 came to 11.2%, while the Total Capital Ratio came to 13.5% and RWAs amounted to Euro 23,589 million.

It is pointed out that, in 2013, for the calculation of the capital requirement for credit risk, the Cariparma Crédit Agricole Group obtained the Regulator’s authorization to use internal rating systems in accordance with the advanced approach (Internal Rating Based - Advanced AIRB), for Retail Loan Exposures (the so-called “Retail portfolio”) of Cariparma and Banca Popolare FriulAdria.

CORPORATE DEVELOPMENT LINES

Strategic plan and corporate development

In 2014, the Cariparma Crédit Agricole Group confirmed the action lines of its "OPERA" Strategic Plan, which was launched in 2011, consistently with the new Medium-Term Plan to 2016 prepared by the Parent Company Crédit Agricole S.A.

The OPERA Plan reasserts the objective of an organic growth, based on a strategy that, by adopting a clear and efficient business model, aims at increasing profitability in a sustainable way, while maintaining a sound capital position, through actions based on the following three pillars:
- customer centrality, which is pursued by innovating the Retail Service Model and by concomitantly enhancing skills and specialist advisory services, as well as by fully integrating the different access channels (Multichannel mode) and evolving the service to Mid-corporate Customers;
- efficiency and soundness of the model, by optimizing the organizational structure and the Operating Machine, by effective risk control and credit management;
- the Group's Values that stand out thanks to its focus on Customers and its support to the communities where it operates.

In 2014, the various Project Sites continued operation and some of them were completed.

As to the main action lines at Group level, based on the Customers' requirements, on the market situation and on the first feedbacks that were received on the new Retail Service Model, activities continued for the implementation of the Moser Project, by:
- launching the Branch groups on 100% of the Network, which have a Manager, who is responsible for the objectives and for the coordination of the Branches included in the Group;
- implementing 9 Small Business Centers, dedicated to Retail Small Businesses;
- starting up approximately 150 "Agenzie per Te", which embody the concept of full integration of the physical network with Direct Channels, while providing more advisory-oriented services to Customers.

In the year, the development lines of the Multichannel Strategy were set, which provide for the Group repositioning towards distinctive and leading digital banking services dedicated to digital-oriented Customers, leveraging on the expertise of the Crédit Agricole Group in order to:
- constantly innovate remote platforms and "Banca Telefonica" (phone banking) tools;
- complete the range of products that can be sold remotely;
- develop a new CRM;
- strengthen its presence on the social networks.

Within the multichannel innovation, it is also to be reported the ongoing evolution that led to the launch of the new App "Nowbanking" and to the online account "Conto Adesso", as well as the start-up of remote sales and of the renewal of the "Protezione Guida" car insurance through "Banca Telefonica".

In order to ensure higher and higher service levels for the Corporate segment the following actions were implemented:
- the reorganization of the Mid-Corporate and Large-Corporate commercial Channels and the subsequent creation of the Corporate Banking structure, aimed at increasing the service level along with a better product range model, focusing on products with higher value added;
- the start-up of a project aimed at enhancing the Group operations in the Mid-Corporate segment through a specific service model, by creating a dedicated structure and the launch of targeted actions, thanks to a close cooperation with Crédit Agricole Corporate & Investment Bank, in order to meet the requirements of sophisticated Customers;
- the continuation of the Agri-food Project, which, in line with the Group's strong bond with the communities it operates in, focuses on a development strategy that is structured on the specific requirements of every production chain (specifically, in 2014, services started for the grain and fruit and vegetable production chains); the above strategy is developed through agreements with the trade associations, with manufacturers of agricultural machinery and by creating a new, dedicated Retail distribution model.

As regards the Lending Process, in 2014, a project was launched, which, consistently with the projects already implemented in the previous years, aims at enhancing the operation model, by comparing it to the market best practices and focusing the priority actions on the main geographical areas where the cost of credit is generated. Specifically, this project comprises three action scopes:

- review of the organizational model and responsibilities, also by strengthening intelligence actions and reviewing the lending supply;
- review of the key operation processes, by strengthening the processes for the recovery of substandard positions and bad loans;
- top quality of the supporting tools, industrializing the tools for the monitoring of recovery activities and reporting.

In order to ensure better better services to Customers, investments continued to be made in the upgrading of the Operating Machine with:

- the release of the New Branch Platform and of the Digital Signature on the three Distribution Networks;
- the actions for the dematerialization of documents and rationalization of the relevant mailing costs;
- the continuation of the New Cavagnari Project.

Moreover, the Cost Excellence Project continued to be implemented pursuing the rationalization and control of operating cost structure. The rationalization of the organizational model is also to be reported, which, in order to make the “decision-making chain” more responsive, reduced the Group hierarchical levels by one, also achieving significant internal synergies.

Specifically, the MUST Project continued, which was started in order to achieve important cost synergies across the Crédit Agricole S.A. Group, and consists of three lines: IT; Real Estate; Purchases.

Finally, to ensure effective operations in and support to the Group’s reference communities, a project was completed for the restructuring and optimization of the geographical coverage of the Liguria Region, which led to position Carispezia as the Regional Bank of Liguria. This entailed the transfer from Cariparma to Carispezia of a business unit consisting of: 16 Cariparma Retail Branches; 1 Mid-Corporate Center; 1 Private Banking Center.

In the meanwhile, in order to maximize the synergies resulting from this action, Carispezia launched a three-year forward-looking plan on all Customer segments, which is expected to ensure that it play the role of Community Bank also in the new geographical areas of operations.

The relevant organizational structures of the of the Cariparma Crédit Agricole Group are constantly involved and engaged in the actions for the implementation of the Strategic Plan, with the support provided by the specialist of the Banque de Proximité à l’International, the structure of the Controlling Company Crédit Agricole S.A. dedicated to the Banks based outside France.

■ RETAIL AND PRIVATE BANKING COMMERCIAL CHANNELS

■ Retail – Private Banking and Small Business Commercial Channel

● *Retail Commercial Channel*

In 2014, despite the ongoing economic stagnation and uncertainty experienced by Italy, the Retail Channel of the Cariparma Crédit Agricole Group succeeded in further enhancing its ability to combine innovation and development with its traditional mission of Proximity Bank.

This is the reason why, in 2014, more than 112,000 new Customers were acquired (over 40% of whom below 35 years of age) and 16,500 home loans paid out to households, posting a +32% increase vs. the previous year; in the asset management segment, a significant performance was achieved in terms of funding, with over Euro 5.6 billion worth of placed products (up by +40% vs. 2013).

Thanks to this effective commercial action that also enhanced business with Customers, the Group Retail Channel posted a net increase in total funding of +0.7% vs. the previous year, with a concomitant increase in its customer satisfaction index for the services provided, which posted a significant increase for all three Banks.

The above performances were achieved thanks to several marketing and product innovation actions, based on the analysis of the requirements and needs that were found in the customer satisfaction surveys, as well as on the requirements and suggestions expressed by the Distribution Network.

● *Mortgage loans and other loans*

The range of home loans supplied in 2014 reflected the structural changes that are taking place in the market: demand for flexibility and multichannel mode.

The inclusion of options for the suspension of instalment payment and for the flexibility of the amortization schedule has become a structural feature of the "Gran Mutuo Casa Semplice" range: a token of the Group's proximity to households and young people in a still uncertain economic situation.

Again in this direction, specifically for the first-home purchase, the Group has adopted the ABI-MEF Protocol – First-Home Guarantee Fund, which favours access to credit by young people, including "atypical" workers, on a priority basis.

Once again mortgage loans proved to be a driver for Customer acquisition: over 70% of 2014 mortgage loans were issued to new Customers.

The Group's will to provide people with support was implemented also by starting up the "Linea Diretta Gran Mutuo" project, a remote advisory service that features innovative modes for interaction with people looking for a home-loan and that will evolve over time.

The promotions that were carried out within the 2014 commercial campaign, regarding both fixed-rate and floating-rate products, contributed to the achievement of significant performances. As at 31 December 2014, paid-out loans posted a 32% increase vs. the previous year.

In 2014 the cooperation with traditional credit brokerage partners, such as Kiron, Auxilia, Mediofimaa, as well as with on-line credit brokers, such asm MutuiOnline, MutuiSuperMarket and Telemutuo, further increased. As at the reporting date, new agreements were being finalized with leading counterparties, such as the Finint Group, Euroansa, Piumutuicasa, and other smaller partners operating at al regional or interregional level.

The Group continued to operate in the consumer credit market and continued to support households in their requirements, through a number of promotional actions aimed at supporting households' consumption, with a significant increase in the loans granted vs. the previous year (up by +27%).

To this end, a new commercial agreement was signed with Agos Ducato that, thanks to its skills as one of the most experienced companies in the sector, will allow innovative products and services to be developed.

● *Wealth management*

The actions implemented in the Wealth Management segment were also significant: the commercial activities focused on advisory services in order to provide Customers with the best possible portfolio asset allocation consistently with the market conditions and each Customer's specific risk profile, also through an important evolution in business with Customers, thanks to the support given by the Personal Financial Planning platform.

Financial advisory services have evolved with the inclusion of the "Raccomandazione di Portafoglio" (Porfolio Recommendations) into the Personal Financial Planning platform; this has allowed better relations with Customers and higher quality of the services provided,in order to provide Customers with the best possible portfolio asset allocation consistently with the market conditions and each Customer's specific risk profile.

Asset Management performed well with over Euro 5.6 billion worth of placed products in the Retail Channel, thanks to effective sales-focused entertainment actions. Many actions were implemented – both in terms of training and sales-focused – which were designed to enhance the partnership with product companies, both the Group's ones and others, thus substantiating the multi-manager connotation of the products.

The main contribution to the significant sales performance achieved was given by the asset management segment, with over Euro 3.4 billion worth of placed products and a net increase in total assets of over Euro 1.3 billion; sales of insurance products performed just as well: Euro 2.3 billion worth of products placed, increasing by nearly Euro 900 million.

Finally, the actions dedicated to the Supplementary Pension segment were very significant, thanks to the sale of dedicated products and to the considerable training plan that concerned all sales roles in the Retail Network.

● *Small Business*

Also in 2014, the Cariparma Group continued to operate supporting Italian businesses, by allocating funds for Pre-authorized loans intended to be used to grant both short- and medium-/long-term credit lines (over Euro 1 billion). Thus, once again, the Group proved its vocation in promoting the best entrepreneurial initiatives, providing the best-performing and dynamic businesses with financial resources and skilled advice in a fast and transparent way.

The Group continued to be committed to the agri-food sector with dedicated commercial initiatives and confirming its important partnership with the Trade Associations Creditagri-Coldiretti and Confagricoltura.

Again in order to provide businesses with its support, fostering also their fast digital evolution, the Group entered into another important partnership with BorsadelCredito.it, the first web portal in Italy, which fosters the meeting between Banks and businesses, trying to meet their respective requirements in terms of credit: on the one hand, granting loans in a selective way and, on the other, making access to credit easier, not only for businesses already in operations, but also for start-ups.

The range of leasing products, which resulted from the synergy between the Cariparma Group and the product company Calit, completes the supply of products intended for businesses and freelancers: the excellent sales performance give evidence of the Customers' appreciation for such products.

● *Women Entrepreneurship*

"DonnAzienda" is a project that was designed by the Retail Central Department, fine-tuned and promoted in cooperation with Università Cattolica of Piacenza and with the "Valore D" Association; this project was designed to support businesses led by women, who are by many considered a winning development model and engine for Italy. Thanks to the proactive involvement of many employees of the Group, of women entrepreneurs and trade associations (through exchange meetings and one-to-one interviews), this system project, which started at the end of 2013, allowed the specific requirements of women that do business to be detected and, at the same time, the main action scopes to be identified.

The new range of products and services has been designed specifically based on the knowledge acquired through the exchange meetings and included not only banking products but also non-banking services, namely welfare and advisory ones:

- in 2014, a business financing product was launched, with purposes and flexibility options linked to aspects of the woman entrepreneur personal life (such as the maternity leave of the owner/partner or the illness of a live-in family member) and the ABI (Italian Banking Association) Protocol was entered into for the development and growth of businesses mainly held by women and women freelancers, allocating Euro 28 million worth of funds at Group level (and providing for more purposes and flexibility options than required by the Protocol);
- in 2015, a network of services for businesses and households will be launched, the first one ever on the market, in order to foster the reconciliation of work and personal life, with solutions designed to provide support to both the business and the household.

● *Non-Life Bancassurance*

In 2014 the Non-Life Bancassurance segment of the Cariparma Crédit Agricole Group continued to grow, achieving a good performance compared to the market.

In order to align the products supplied to the increasing protection requirements of Customers, the range of products was extended with three new policies for the Non-Life line and a new policy for the CPI segment. The latest products, which were designed in cooperation with Crédit Agricole Assicurazioni, offer significant coverage for the insured party's personal property and health: "Protezione Mobile" is a product providing insurance coverage for the portable electronic devices of the entire household, "Protezione Mezzi di Pagamento" provides protection against fraudulent use of credit and debit cards and cheques, "Protezione Interventi Chirurgici" is a product providing health insurance coverage. In cooperation with Crédit Agricole Creditor Insurance (CACI), "Protezione Affidamenti" has been designed as a product intended for businesses having short-term credit lines. The Cariparma Crédit Agricole Group once again proved its focus on product innovation, which is deemed a key strategy to stand out and to be a reference point in the banking and insurance markets.

● *E-money*

Promotions on e-money products proved a strategic driver for growth and for the acquisition of new Customers, in cooperation with MasterCard and CartaSi.

These segment performed well, especially as regards POS services (up by +8% vs. 2013), CartaConto and Carta-Conto Paysmart (up by +65% vs. 2013), supported by several actions aimed at development and retention.

● *New Service Model: Mo.Ser.*

In 2014, the Cariparma Crédit Agricole Group continued to implement its strategy for the review of its service model, combining innovation with the enhancement of the Bank-Customer relation.

This was the very principle on which "Agenzia per Te" was designed. "Agenzia per Te" is a new-generation branch model where the traditional "counter" concept is replaced by a innovative mode of receiving Customers, who are focused on in order to meet their requirements by using safe and user-friendly tools that, at the same time, optimize response times.

At the "Agenzia Per Te" Branches, all traditional transactions can be carried out, but technology is made available to Customers in order to ensure a new cultural approach in receiving them at Branches.

The challenge of "Agenzia per Te" is to combine the value of technology with that of personal relations and its has been proving a win, with over 94% of Customers happy with the new model and 90% of the interviewed Customers that defined it as a distinctive features compared with that of other Banks. Based on the favourable feedback from Customers, more than 150 "Agenzie per Te" Branches were completed and as significant a number of new ones has been planned for the next few years.

The same logic is at the basis of the partnership with Microsoft. Its objective is to provided Customers with a new purchasing experience with the Bank, as well as to foster wider use by them of new technologies, in line with the increasing development of the digital business and the fast growth of the mobile channel.

Thanks to this partnership, our Customers can buy Microsoft tablets and smartphones at subsidized prices, either at Branches or directly from home, and can choose the payment solution that best fits their requirements, with flexible instalment payments, with no charges or interest due.

With this Branch concept, we aim at transforming our Branches into places to meet our Customers with enhanced welcoming and distinctive features.

● *Community-focused activities*

In line with its vocation as a Bank focusing on the Communities it operates in, during the year several activities were carried out aimed at providing support to local businesses, including the "Obbligazioni del territorio" bond issue dedicated to the Provinces of Parma, Piacenza and Pavia. All the implemented initiatives aimed at raising funds to finance the development and growth of local SMEs.

Moreover, in order to increase its support to charity initiatives, the Group has issued its first charity products:

- customized "CarteConto" for the Veronesi Foundation and for the "Il Pellicano Piacenza" Non-profit Association. Our Customers can take out the cards free of charge if they make a minimum donation (5 Euro) and can make a periodic donation;
- "Obbligazione Solidale Pellicano" (ethical bonds). The Group donated 0.20% of total funding from this product (Euro 20 million) to the "Il Pellicano Piacenza" Non-profit Association for the upgrading of the Paediatrics Unit of the Piacenza Hospital.

In order to provide distinctive services to its Customers, all the Area Management Central Departments, organized meetings with Customers and Prospects.

During such meetings, called "Investment Compass", the topics dealt with concerned finance, pensions, social security and succession, in order to provide Customer with valuable insights into the present macro-economic situation and increase their awareness on the importance of complementary pension schemes.

Finally, on 31 October, the Italian National Savings Day, a seminar was organized for the students of the Università Cattolica of Piacenza, aimed at increasing their awareness on savings and pension topics.

● *Awards*

In 2014, the Group's expertise and commitment were again acknowledged with significant awards given by sector experts.

The Group received three important awards within the MF 2014 Innovation Award. In the "Non-financial Services" category, "DonnAzienda: Cariparma per l'imprenditoria femminile" was awarded the prize, in the "Payment Cards" category, the awarded product was "PaySmart CartaConto", while in the "SMEs" cateogory the prize went to the new policy "Creditl Line Protection".

Within the 2014 Green Globe Banking Award, the first prize was awarded to the "EasyCash, in PET-G" project, featuring debit cards made of recyclable materials, in the "Direct Impacts" category.

Moreover, within the AIFIn "Bank and Community" prize, the Group was awarded the 3rd prize in the "Social Initiatives" category for the "Il Pellicano ONLUS" charity bond.

The Group achieved three important places in the "Cerchio d'Oro dell'Innovazione" (Innovation Golden Circle) again promoted by AIFIn. The "PaySmart CartaConto, an innovative card for mobile payments" project ranked second in the "Payment Products and Services" category, "Agenzia per Te" ranked second in the "Distribution Channels" category and "Protezione Infortuni" ranked third in the "Non-life Insurance Products and Services (non-car products)". On top of all the above, the Group was awarded the Special Prize for "Innovative Intermediary of the Year" for the good places achieved in the various categories.

The German Quality and Finance institute acknowledged "Risparmio Più" as the best single-premium policy in terms of return and product features.

Finally, the 2014 Leadership Forum Awards resulted in the Group winning the prize for the "Best Mortgage Loan for Customers of the Credit Advice Networks".

■ Direct channels

In 2014, the Group strongly focused on extending its multichannel product range, with important releases in terms of platforms/functions and in terms of development initiatives.

Our Customers are increasingly adopting a "multichannel" approach, are requiring more and more customized banking services and are increasingly using remote channels (Internet banking, mobile banking, contact center), whose best-liked feature is the possibility to make transactions with no limits in terms of time of the day, place or available tool.

For the Group, not only are Direct Channels an important mode for business with Customers, but they are also and most of all a significant business opportunity, thanks to the possibility to keep in contact with Customers, detect and meet their requirements by remotely selling products and services directly and/or as a support to Branches.

The Group's strategy for 2014 mainly focused on the development and integration of its multichannel offer, on the acquisition of new Customers/funding driven by the digital business, on the development of remote products and services, as well as on promoting and enhancing the use of direct channels. This strategy was implemented by developing the following main projects:

- the launch of the new mobile banking channel, though the new apps for Smartphone and Tablet, iOS and Android;
- the launch of the "Remote Digital Signature" tool for on-line opening of current accounts, with a 100% paperless process;
- the launch of the pilot phase of the new corporate banking channel, which will become fully operational in 2015;
- the start-up of the multi-channel CRM project, with the first releases scheduled for 2015, which will allow Customers to be managed in a multi-channel mode, with a consistent and effective integrated approach, as well as increased contact opportunities;
- the start-up of the project concerning mobile payments, and specifically the peer-to-peer exchange of money through mobile devices, with the release scheduled for 2015;
- the evolution of the existing platforms by releasing new functions and tools, in order to meet the Customers' requirements and streamline transactions (for example, credit transfer with tax deduction on Internet banking), as well as to comply with new regulatory requirements (e.g. SEPA);
- the start-up and full operation of important partnership agreements with third-party companies for the acquisition and development of new Customers, leveraging the synergies within the Crédit Agricole Group in Italy;
- the consolidation of the support given by "Banca Telefonica" to the development of sales, especially for the sale of home loans through online brokers and the sale/renewal of Vehicle Civil Liability Insurance and of Accident Insurance policies directly through the contact center.

In 2014, the Group continued to invest in the security of its platforms, once again achieving the placement of its Nowbanking platforms at the top levels in the banking system.

Continuing to implement the plan started in 2012, also in 2014 actions were taken in order to reduce periodic communications to Customers in paper form, replacing them with digital documents that are available on the Internet Banking platforms. This action generated considerable savings for the Group, as well as advantages for its Customers, since digital communications are free of charge. Moreover, thanks to the Remote Digital Signature, the process for remote opening of current accounts could also be digitalized.

In 2014, important marketing and communication actions were implemented focusing on the following lines:

- continuous presence of the Web, especially on search engines, and specific promotion actions to communicate the Group's online product range based on "Conto Adesso", as well as to contribute to the online acquisition of new Customers;
- development of co-creation projects for the Mobile Channel growth, involving Customers and Prospects (on the social media), as well as the Group employees and bloggers;
- promotion of the Mobile Banking service through the presence and launch of contests on the social networks, especially Facebook;
- incentives to the use of the online channel for transactions, with specific reference to asset management.

In 2014, these actions contributed to the significant increase in the main figures of Direct Channels:

- nearly 530,000 individuals and 136,000 Small Business customers were connected online through Nowbanking, with a market penetration index in terms of current accounts of 53% for Individuals and of 61.9% for Small Business customers;
- more than 70.5% of transactions were carried out by Customers trough the Direct Channels;
- over 60,000 downloads of the new apps in less than 6 months, with positive feedbacks on the stores that were opened in the year; over 28,000 new "Conti Adesso", of which approximately 2,500 were generated online (and finalized directly online or at Branches);
- "Banca Telefonica" posted an increase vs. 2013 of 8,500 contacts with Customers managed through the operator;
- significant performance in terms of sales/renewal of Car insurance policies through "Banca Telefonica".

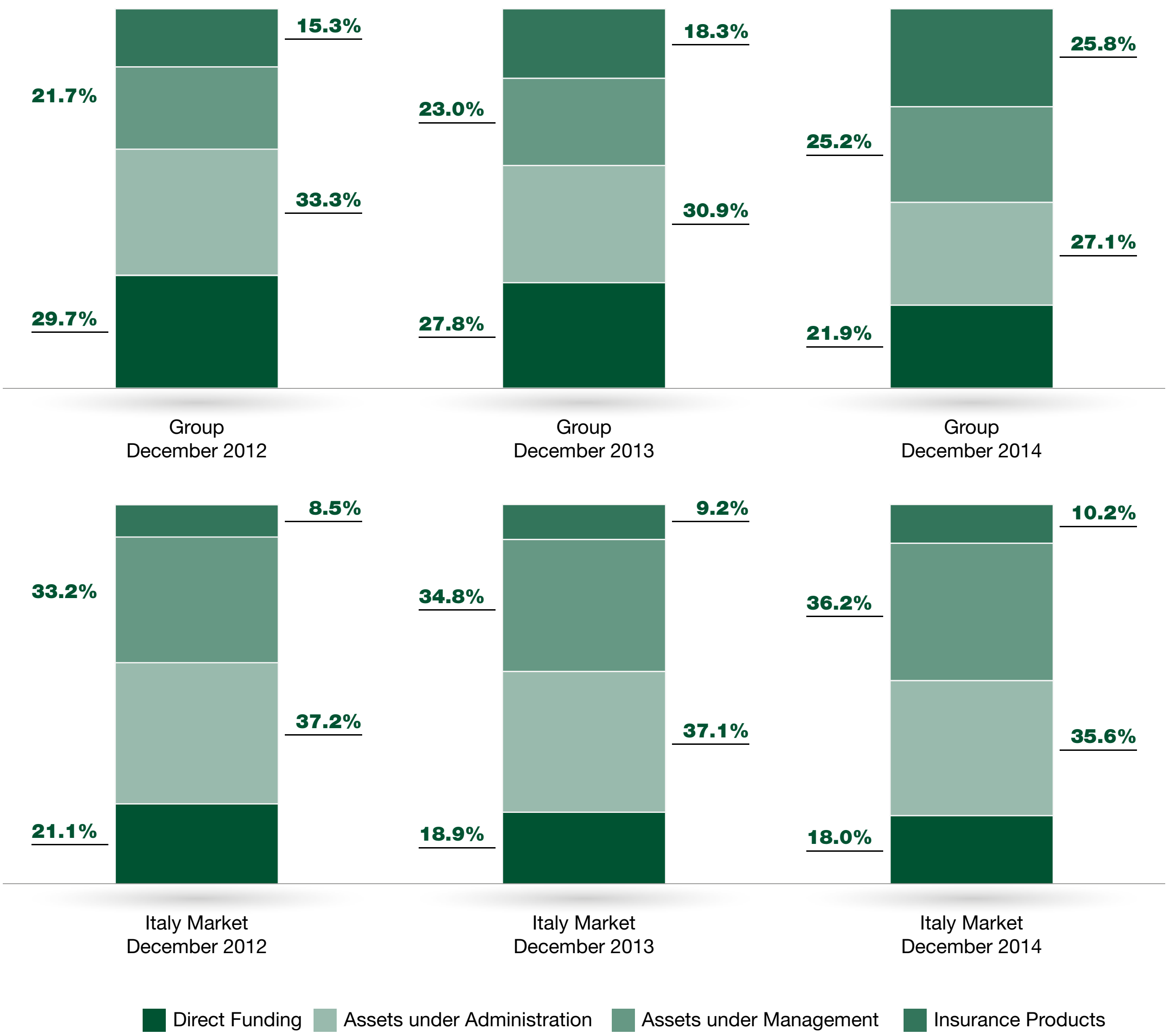
Private Banking Commercial Channel

In 2014, some of the trends that had prevailed in the previous 3 years continued: the reduction in yields and in spreads as regards bonds, the good performance of stock prices driven by the high liquidity in the markets.

All the above occurred in a situation of modest global growth, where the gaps between the economic growth in the USA and the stagnation in Europe continued, where deflation and the geopolitical crisis were the main sources of concern in the year.

Conflicting macroeconomic data coming one after the other and the expectations from the actions implemented by the World Monetary Authorities caused, especially in the second half of the year, strong volatility and uncertainty.

In such a difficult market situation, the Private Banking Channel of the Cariparma Crédit Agricole Group succeeded in achieving positive performances thanks to the effective actions for both exogenous and endogenous development, which led to an increase in the Customer base (up by +1% vs. 2013) and a subsequent increase in funding (up by +4.5% vs. 2013).



SOURCE: Served Market Analysis Italian Private Banking Association (AIPB)

Therefore, the performance of volumes and their upgrading generated revenues that significantly increased vs. the previous year (up by +21.0% vs. 2013).

In 2014, important changes in the Private Banking Distribution Channel of the Cariparma Crédit Agricole Group, which started in 2013, were fully implemented:

- change from a "One-to-One" management approach to a "Team" management approach, after the training provided to all the Network resources throughout the various phases of the New Organizational Model;
- enhanced cooperation with the staff working in the Corporate Banking channel (Synergies) in order to develop full-scale business with Corporate customers for their personal requirements.
- evolution of the range of Private Banking core products: review of the range of Asset Management products and product innovation with the inclusion of new management lines; new range of Insurance Products (Multi-line, LTC); enlargement of the range of multibrand SICAVs and Funds with a best-in-class approach.

These important projects played a strategic role in the achievement of the Channel's objectives and led to the professional growth of the Group's staff working in the Private Banking segment, who succeeded in combining commercial effectiveness with efficiency in ensuring regulatory compliance.

Corporate Banking Commercial Channel

The Corporate Banking Channel, i.e. the commercial division dedicated to the corporate segment, contributed to support growth and investments by offering products and services in line with the requirements of the marker and of highly sophisticated Customers, thanks also to the progress in the MidCorp Project for the development of synergies with CACIB Italy.

In 2014, in order to provide better and better response to the requirements of the different Customer segments, the Corporate Banking Department implemented a new service model that sets down different distribution models in accordance with different requirements and behaviours of Customers; this model has made the organization better fit to focus on Customers and on the marker, as well as to implement more effective synergies within the Group and to improve control of credit risk starting as early as in the first stage of business negotiations.

In the year, several actions were implemented by the Corporate Banking Department in the communities it operates in, such as:

- the consolidation of the partnership with SACE, through which support was provided to small, medium and large Italian companies intending to invest in internationalization projects;
- the enhancement of the cooperation with Euler Hermes, which, thanks to the supply of insurance products, allowed companies to have coverage against commercial risks;
- new partnerships with other trade associations in geographical areas where the Group has planned development;
- adoption of the ABI (Italian Banking Association) MEF (Italian Ministry of the Economy and Finance) moratorium for the renegotiation of medium-term loans (extension or suspension);
- the enhancement of relations with Confidi (Italian mutual loan-guarantee consortia) for the acquisition of mutual guarantees to mitigate credit risk;
- the action to mitigate credit risk by acquiring the guarantee provided by the Guarantee Fund for SMEs, was intensified in order to mitigate the risk linked to the granting of new loans;
- the ABI-CDP (Italian State-owned company) agreement for the "Capital assets Loans" project, which allowed many companies to make sector-specific new investments;
- a new agreement with the European Investment Bank (EIB), which provides for Euro 80 million worth of loans for SMEs and Mid Cap, to finance project that have a maximum cost of Euro 25 million each;
- "Preauthorized loans" initiative dedicated to the best Customer companies in strategic target industries giving the possibility to immediately obtain the liquidity required to make investments, pursue innovation and develop exports;
- organization of Trade Workshops, i.e. meetings held locally and open to companies interested in international projects, in order to focus on the main opportunities, the main problems and possible solutions.

Again regarding internationalization and in order to improve the synergies with the Credit Agricole Group, in October, a Corporate Banking Team was part of the mission to Morocco "Italian Banks in Morocco with Companies and Institutions to support Italian and Moroccan entrepreneurs and to finance investment projects and new business in the local market", with a double objective: on the one hand, to exhaustively assess the business opportunities for Italian companies in the agri-food, materials and building machinery, automotive and healthcare sectors, and, on the other hand, to introduce the Group to the same Italian companies as a skilled financial partner for their export and internationalization processes.

In the year, the corporate finance division completed a number of transactions, thanks to the strong cooperation with the Network. The important role of the Cariparma Crédit Agricole Group was thus reasserted in the structured finance scenario, which led to significant commission income.

In 2014, the Corporate Banking Department won two innovation-based prizes, with "Orizzonte Agroalimentare", a true service model intended for the supply chain players and providing not only products and services but also fast loan application processing and expert advice.

Several new products were launched, such as the CBI (Italian Interbank Association for Corporate Banking) "Nowbanking Corporate" platform, a new, complete and fully-integrated modular solution for the management of collections and payments, in a both domestic and SEPA perspective. In addition to the Electronic Invoicing Module, the Cash Management Value Proposition (bilateral agreements in force with 50 Countries) and Misys Trade Portal tools allow better management of treasury and foreign trade operations.

The Corporate Banking objective for 2015 is:

- to continue to grow with the best Customers and Prospects, as well as to improve its loan portfolio;
- to provide its Customers with new solutions and products having high value added in different scopes, such as corporate finance, collections and payments, desk and foreign trade;
- to further progress in the implementation of the MidCorp Project for the enhancement of the synergies with CACIB, in order to increase and improve the Group revenues in Italy and to become one of the leading Banks working with the Mid Corporate segment in Italy;
- to enhance cross-selling activities with its product companies.

● *Main figures*

The synergies with the product companies continued to increase; in the year, operations with Crédit Agricole Leasing Italia totalled Euro 225 million worth of leases. Moreover, the strong cooperation with Crédit Agricole Commercial Finance led to more scouted Customers and to a subsequent increase in loans and turnover, up by 5% vs. the previous year, coming to over Euro 1.8 billion.

■ Organization and IT

In 2014, operations continued to implement the development strategies set down in the Business Plan and required by the new regulatory developments.

In order to comply with the requirements of the SEPA European regulation that entered into force (February 2014), the IT infrastructures have been fully renewed for the management of Customers' collection and payment flows, in order to adequately support the opportunity for the Banks to extend operations in the payment sector relying on integrated services that are innovative and competitive on a European scale. In this regard, during 2014, the works were completed in the following scopes:

- SEPA Project: implementation of a new platform for the management of SCTs (SEPA Credit Transfers), both incoming and outgoing to Banks in the SEPA. Concomitantly, the procedure for SDDs (SEPA Direct Debits) was also implemented, along with the additional optional service SEDA (SEPA Electronic Database Alignment), which allows a Bank to be chosen as Alignment Bank, as well as with the new value-added service for the Management of Creditor Mandates (MCM or with the Italian acronym GMC), which offers the Payee the possibility to delegate the full management of the mandate database to the Bank;
- Fircosoft SEPA credit transfers: implementation of automated verifications in Fircosoft for SEPA credit transfers, for the prevention of terrorism financing.

The development of the Mo.Ser project, which started in the previous year, continued. This project provides for a new Service Model aimed at reviewing and innovating the model for the management of Retail Customers as a strategic driver to support the achievement of commercial effectiveness and organizational/operational efficiency objectives. Also in 2014, the activities continued based on two key modules:

- "Agenzia Per Te": a new Branch model that is more open, fast and welcoming, with a new layout of the premises (large reception area and machines with high technology content) and aims at generating operational efficiency, increasing user-friendliness and security of cash management and of transactions with low value added at the Branch, as well as at increasing the level of service to Customers thanks to the "Self Area" that is opened on a 24/7 basis;
- Groups of Branches and Small Business Center: two models that aim at improving commercial effectiveness, increasing the service level and reducing the cost of risk, by reorganizing the Retail Network into Groups of Branches and Small Business Centers.

As at the reporting date, 112 "Agenzie Per Te" had been opened, the roll-out had been completed on all Cariparma Area Management Departments for the Groups of Branches and the Small Business Centers of Milan, Reggio Emilia, Pordenone, Turin, Naples, Rome, Udine and Venezia Terraferma were opened.

Other "Agenzie Per Te" have been scheduled for opening in the two-year period 2015-2016.

Consistently with the Channel renewal plan, which started being implemented earlier, in 2014 the development of the single platform for Retail Branches (the New Branch Platform) was completed as regards the two scopes listed below:

- Teller: intended to manage the Customers' transactions at the counter;
- Digital graphometric signature: an innovative tool that allows paper agreements to be replaced with their electronic version having full legal value thanks to the Customer's and the Bank's signatures on certified devices. This solution allows higher operational efficiency, better control of regulatory compliance and higher service level, by dematerializing agreements and transaction slips; it also allows reduction of losses from disputes on not properly singed agreements, as well as full mitigation of the risk of the Customer's identity being stolen by third parties.

In the year, remote sale of products with Remote Digital Signature started to open "Conto Adesso" current accounts.

Within the projects aimed at innovating the products supplied to the Group's Customers, in 2014 the actions continued for the implementation of two new platforms supporting multichannel innovation:

- Corporate Banking: it replaced the BanklinkNet2 tool to support the acquisition of new local Corporate Banking Customers, thanks to the development of new tools and functions, as well as the supply of specific products. The relevant activities were regularly carried out and, in 2014, resulted in the first Release, which mainly allowed the extension of the range of online-available products, such as the accounting balance and amount available for the day, c/a conditions, list of credit lines, portfolio maturities schedule, information on existing loans, exchange rate list and management of SEPA payments. The development activities for the subsequent releases will continue;
- Mobile Banking: it concerned the creation of a new mobile channel for the Group, aimed at:
  - allowing Customers to have a complete range of services to interact on the move with the Bank;
  - selling remotely and acquiring Customers from target evolved consumers; increasing the market penetration of multichannel services and filling market gaps; increasing Customers satisfaction and retention.

In the year, the main tools for smartphone and tablet were released subdivided into three considerable Release tranches (Release1, Release2 and Release2BIS).

In order to extend the finance range, the OTC Pro Model project was completed, whose objective was to implement a new service model dedicated to professional Customers (companies with revenues >40 M and individuals with specific features) allowing trading in OTC financial derivatives.

As regards lending, in 2013 a two-year project was started aimed at reviewing the full set of lending tools and processes. The planned tools are: the new PEF (Electronic Loan Application Processing), "Sistema Esperto", Pratica di Rating, PEG (Electronic Management Process), Tableau de Board. As at the reporting date, the first two releases of the "Sistema Esperto" had been made. The PEG roll-out was completed; this tool supports the management and monitoring process of problem loans or early warnings. The Pilot tool of the Tableau de Board was started (a tool for automated reporting production).

A significant part of the investments for 2014 was allocated for the upgrading to the new regulatory provisions (Basel III, Garante II and Asset Quality Review). The operations were carried out in compliance with the regulatory obligations and deadlines.

In 2014, the Property Technical Service was engaged in the Mo.Ser project, as well as in the usual openings, renovations and transfer/downsizing works regarding the Group Branches.

As regards property, its is reported that the works for the extension of the Cavagnari Office Center continued (this extension will allow the Center to house all employees that are currently based in rented buildings). The demolition of the warehouse foundations was completed and the preparation of the call for tenders is underway.

The works for the renovation of the Milan premises continued in order to reduce rental costs. This project provides for the renovation/optimization of the Via Armorari premises and for the creation of a single Center on Via Imperia to gather the structures that are currently in six different venues (for both modules of the project the relevant contract was signed).

■ The workforce

As at 31 December 2014, the Group's staff consisted of 8,415 employees that can be broken down by entity as follows: Cariparma 6,095, FriulAdria 1,566, Carispezia 701 and CALIT 53; considering the 155 terminations at the end of the year subsequent to the joining of the Solidarity Fund, the staff consists of a total of 8,260 employees, broken down as follows: Cariparma 5,949, FriulAdria 1,565, Carispezia 693 and CALIT 53.

In 2014, at Group level, net of transfers/acquisitions of contracts/business units, 155 new employees were recruited against 393 terminations. The transfers of single contracts, made between the Group Banks, concerned a total of 4 people, whereas the transfer of a business unit from Cariparma to Carispezia (Liguria Project) concerned 151 people.

The newly-recruited employees, 18.1% of whom consists of expert staff, have been taken on to strengthen the Central Management structures, to partially replace the people that left and to comply with the obligation to hire apprentices as set down by the Agreement of the Solidarity Fund. Of the 393 terminations, 300 referred to the Solidarity Fund activated in 2012.

Intragroup mobility involved 146 employees, equal to 1.7% of staff as at the reporting date. Of these 146 people, 54 refer to the centralization of some services into Cariparma, which took place in July 2014.

The staff consists by 99.7% of employees with an indefinite employment contract, while, terms of gender, women account for 48.2% of it.

The Group operates in 10 Regions of Italy, with Cariparma being deeply rootes in the Emilia-Romagna Region, FriulAdria in the Friuli Venezia Giulia Region and Carispezia in the Liguria Region; 51.7% of the Group staff works in these three Regions.

The employees' average age is 45 years 11 months (of which years, months – Senior Managers 52.01 – Junior Managers 48.09 – Professional Areas 43.07), whereas the average seniority came to 19 year and 9 months (of which years, months - Senior Managers 15.03 – Junior Managers 21.10 – Professional Areas 18.02).

36.5% of staff is a university graduate or holds a postgraduate title.

Training, at Group level, continued to be a priority. Indeed, 48,216 man-days worth of training were provided involving 95.4% of the staff, thus substantiating that training, carried out through different distribution channels, is one of the key drivers for the Group development.

Specifically, investments aimed at the quality improvement of the resources' effectiveness and responsibility-taking; that is to say, at providing training that, in compliance with the regulatory requirements, is fit to generate sustainable actions and performances.

● *Remuneration Policies*

The Group Remuneration Policies for 2014 were essentially in line with those for 2013 and were approved by the Board of Directors of the Parent Company on 25 March 2014 and by the General Meeting of Shareholders on 29 April 2014.

The guidelines and directions at the basis of the Group remuneration policy are set by the Parent Company Crédit Agricole in order to ensure shared and consistent management at a global level; such guidelines and directions are then adopted by the Cariparma Crédit Agricole Group, who adjusts them to its own reference scope and submits them to the Board of Directors of each Company and, finally, to the individual General Meetings of Shareholders for final approval.

The remuneration policies of the Cariparma Crédit Agricole Group are different in accordance with the reference target staff, both as regards corporate governance processes and as regards the systems and tools used, and they are based on the following principles:

- alignment with the business strategies of the Banks and of the Group;
- attraction, motivation and retention of professionally qualified resources;
- merit recognition in order to appropriately reward the resources' personal contribution;
- actual value creation and orienting the performances of the entire staff towards short-, medium- and long-term objectives, within a reference regulation framework designed for proper control of corporate risks, both present and prospective, as well as for maintaining adequate liquidity and capital;
- internal remuneration fairness, ensuring fair reward for the contribution given and the responsibilities assigned;
- external remuneration competitiveness through constant reference to the market, also with the support of tools designed to analyse and measure work positions by specialized companies providing reference benchmarks for each type of position, company size and market, in order to attract and retain the best managerial and professional resources in the market;
- affordability of the remuneration systems implemented by controlling the weight of labour cost on the Income Statement, of the single Banks and of the Group as a whole, over the short-, medium- and long-term;
- compliance with the law and regulatory provisions that apply to the single Banks and to the Group as a whole.

A significant regulatory development on this matter is currently under way, at both a European level (CRD-IV and EU Regulations) and at a domestic level, with the issue by the Bank of Italy, in November 2014, of the new supervisory provisions concerning banks' remuneration and incentive policies and practices, which shall be implemented, at the latest, in the Remuneration Policies to be submitted to the General Meeting of Shareholders convened for the approval of the 2014 Annual Report and Financial Statements.

● *Internal customer satisfaction*

In order to achieve effective corporate governance of processes and good corporate operation, the Internal Customer Satisfaction (ICS) process was set up and has been implemented for five years now. It is a tool designed to detect, verify and measure the perception by the different Group departments of the services they received from other internal departments.

The process key targets are:

- to increase the Group's ability to generate effective team work between its various teams;
- to contribute to the creation of a corporate culture that increasingly focuses on the requirements of internal customers.

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

To complete the survey, the HR Department organized in-depth analysis meetings with the departments and units that gave unfavourable feedbacks on other structures and in-depth analyses in terms of quality were assessed to foster continuous improvement.

■ Finance

The directions followed by the Cariparma Crédit Agricole Group concerning financial balances rest of three main guidelines:

- the management of interest rate risk;
- the management of liquidity risk;
- capital management.

The objectives regarding the management of interest rate risk, consistently with the past, concerned the hedging of the Group cumulative exposure by Bank. The exposure was kept at very modest levels and the implementation of this policy allowed significant protection of profitability, as substantiated, also for 2014, by the contributions to the Income Statement of the hedges made in the reporting year and in previous ones.

As regards liquidity, in the reporting year, the financial system recorded a progressive increase in risk appetite, which entailed continuous reductions in liquidity cost spreads; however, on the domestic market, this cost remained higher than the European average.

The above led to a new issue of Covered Bonds on the market, at the beginning of December, based on the same pool of loans as a guarantee (to which all the Group Banks contributed) of the self-held security issued in July 2013 after partial buy-back of the previous issue. This issue received a favourable feedback from institutional investors and Euro 1 billion worth of bonds were successfully placed, thus allowing to stabilize funding at modest costs and with longer maturities (7 years) that those that can normally be obtained with Customers.

Other elements that characterized the period are reported below:

i) the increase in reserves, which was achieved thanks to the extension of the LCR portfolio limit on Government Securities by increasing the BTPs (Italian Government securities) held. The portfolio nominal value came to Euro 5 billion, in compliance with the new limits set by the Parent Company Crédit Agricole S.A;
ii) the Cariparma Crédit Agricole Group participation in the Targeted Long Term Refinancing Operations (T-LTROs) conducted by the ECB for an amount of Euro 1.4 billion. This allowed an increase in intra-group loans to CASA consumer credit companies in Italy, enhancing the existing synergies and feeding revenues in the Income Statement, until the hoped-for economic recovery allows new developments in loans to businesses. Each one of these specific lending lines is guarantees by the Parent Company through its subsidiary CACF, with a subsequent reduction of the weight on weighted assets.

Capital management focused on the measurement of the prospective impacts of regulatory implementations in accordance with Basel III requirements and subsequent directions, taking account of the transition to advanced approaches for Retail Credit Risk for two of the three Banks (Cariparma and FriulAdria), which took place in 2013, as well as of the uncertainty and implementation times of the new regulatory provisions, including the Single Supervisory Mechanism, in force from 4 November 2014.

● *The (CPR) Code for Responsible Payments*

In January 2015, the Bank Banca signed the Codice Italiano Pagamenti Responsabili (CPR), the Italian Code for Responsible Payments, launched by Assolombarda, the Employers' Association of the Lombardy Region; by signing the Code, the Bank formalized its commitment to comply with the payment terms agreed on with its suppliers/providers and to promote efficient, punctual and fast payment practices. By signing the Code, the Bank has given evidence of its focus on and awareness of payment fairness and transparency, which is a key topic for the economic and financial balance, as well as for the development of the business system. The average time for payment to suppliers/providers is 60 days, as provided for by the relevant agreements.

■ Risk management

● *Objectives and policies on risk taking, management and hedging*

1. SUMMARY OF THE SYSTEM, PERIMETER AND ROLES

The Cariparma Crédit Agricole Group attaches great importance to the measurement, management and control of risks, in order to achieve sustainable growth in a political-economic situation, such as the present one, featuring high complexity and evolving rapidly.

Within the Cariparma Crédit Agricole Group, the Parent Company Cariparma is responsible for overall steering, managing and controlling risks at a Group level, triggering operating action plans allowing reliable control on all risk situations. In turn, the system set by Cariparma is based on the Supervisory regulations and on the directions issued by Credit Agricole S.A. concerning its subsidiaries. In 2014, within an organizational restructuring action that aimed at rationalizing the Group control structures, the Risk Management Services of the subsidiary Banks were centralized into the Parent Company. Therefore, since July 2014, the Risk Management and Permanent Controls Department (DRCP) has been carrying out the activities for risk management and control for the 3 Banks of the Group.

The founding principles informing all activities for risk management and control are the following:

- clear identification of risk-taking responsibilities;
- measurement and control systems that are compliant with the Supervisory instructions and in line with the solutions more frequently adopted at an international level;
- organizational separations between operating and control functions.

The perimeter of detected, monitored and integrated risks (taking account of diversification advantages) in the economic capital includes:

- credit and counterparty risks; this category also includes concentration risk;
- market risk of the Trading Book;
- price risk of the Banking Book;
- interest rate risk of the Banking Book;
- liquidity risk;
- exchange rate risk of the Banking Book;
- operational risk.

The Cariparma CA Group updates, normally on a yearly basis, its Risk Strategy, which sets the levels of risk (credit, financial, market and operational risks) which the Group deems adequate to its development strategy. Through this Strategy, which is submitted to the Risk Committee of Crédit Agricole S.A. for its approval, the global limits (alert thresholds) are set and are appropriately integrated with operational limits fixed for each single entity in the Group.This system setting limits and/or alert thresholds is submitted for their approval to the Boards of Directors of the Parent Company Cariparma and of the single entities in the Group.

Within the process for upgrading to the Supervisory regulations, the Cariparma CA Group, in 2014, started a process for the definition of its Risk Appetite Framework (RAF) consistently with the guidelines and the strategic plan of the Parent Company, which will be completed in 2015.

This framework has the objective of ensuring close consistency between the business model, the strategic and budget plan, the ICAAP process and the internal controls system, setting the maximum risk that can be taken for the various scopes.

The RAF operating structure is based on the global and operational limits set by the Group Risk Strategy; this process is carried out on a yearly basis.

Moreover, the management of risk is ensured also by dedicated Committees, including:

- the Internal Control Committee that coordinates the control departments (Audit, Compliance, Risk Management and Permanent Controls), as well as the internal control system as a whole, in accordance with the procedures implemented by Crédit Agricole at Group level;
- the Operational Risks Committee that approves the guidelines and action plans concerning operational risks (other than Compliance ones), monitors the relevant outcomes and control activities and steers the Business Continuity system for the Group;
- the Credit Risk Committee that carries out analyses and measurements, steers the risk strategy in the management and monitoring of global and operational credit limits;
- the ALM and Financial Risks Committee that is responsible for the monitoring and control of all matters concerning financial risks (market and counterparty risks for liquidity market transactions), interest rate and exchange rate risks;
- the Compliance Management Committee that analyzes the status of the applicable regulations and makes proposals for corrective actions, where needed.

In the first months of 2015, the various Committees dealing with risks will be rationalized by grouping them into a single Risk Management Committee that will ensure integrated control of the various risk profiles.

In accordance with their respective responsibilities, the Departments engaged in control functions sit also on other management Committees, including the New Activities and New Products Committee (Italian acronym NAP), the Investment Committee, the Loan Committee and the Loan Monitoring Committee (the latter is not a Group Committee but a single Bank one).

Finally, the Departments engaged in control functions participate in and report to the Audit Committee for Internal Control; this is a Board Committee set up by the Board of Directors in order to have support in ensuring the effectiveness of the internal control system, pursuant to the "Supervisory provisions concerning banks' organization and corporate governance" issued by the Bank of Italy on 4 March 2008, which recommend that Board Committees be set up within entities that are large-sized or feature high complexity.

The Audit Committee for Internal Control also verifies whether the incentive system implemented by the Bank is consistent with the applicable regulatory provisions.

2. RISK MANAGEMENT AND HEDGING

Credit Risk

In the Cariparma Crédit Agricole Group, the lending process (strategies, powers, rules for the granting and management of loans) is carried out consistently with the guidelines issued by the Parent Company Crédit Agricole S.A and aims at:
- achieving an objective that is sustainable and consistent with its risk appetite and with the creation of value of the Group, ensuring and improving the quality of lending assets;
- diversifying the portfolio, by limiting the concentration of exposures by counterparty/group, economic activity sector or geographical area;
- efficiently selecting the economic groups and single borrowers, by means of thorough analysis of credit worthiness in order to mitigate the risk of default;
- favouring, in the present economic situation, lending actions that support the real economy, the productive system and develop business with Customers;
- constant control of accounts and relating exposures, both through IT procedures and through systemic monitoring of less than fully performing positions, in order to promptly detect any signs of impairment.

This process is regulated based on different phases, in order to identify the risk management standards, the actions to implement for the proper application of such standards, the units responsible for carrying out the above activities and the procedures supporting them. The subdivision into phases and the assignment of tasks to the different organizational structures are made focussing on the process operativeness, that is to say its fitness to achieve the set objectives (effectiveness) and its ability to achieve then at consistent costs (efficiency).

The Cariparma Crédit Agricole confirmed, upon the updating of its Risk Strategy at the end of the reporting year for 2015, the priority objective of a controlled growth, which, in the present economic situation, must be focused on less risky Customer segments and aimed at maintaining a balance between funding and lending, as well as at controlling the cost of credit risk.

As regards the regulatory implementations required by the Bank of Italy with the 15th update to Circular No. 263/2006, the Board of Directors of the Parent Company implemented the new provisions that have been put in practice by the Risk Management and Permanent Controls Department since December 2014.

Also in 2014, the constant monitoring of the loan portfolio quality was pursued by adopting precise operating procedures in all phases of the loan position management, in order to ensure preventive management of default risk. The set of problem loans and non-performing loans is subject to specific management processes that entail thorough monitoring by means of a preset control system based on ratings and early warnings that allow prompt management of positions at the very earliest warning and interact with the processes and procedures for loans management and control.

The organizational structure, the procedures and tool supporting the system for the management of problem loans ensure prompt triggering of the actions and measures required to restore the position of a performing status, or of recovery actions where the conditions rule out the continuance of the business relation.

The Group has implemented a wide set of tools for the measurement and management of credit risks, which can ensure control on an individual basis of the quality of its loan portfolio.

The Group pursues the mitigation of credit risk by entering into ancillary agreements or by adopting tools and techniques that ensure actual mitigation of this risk. Particular attention is given to securing and managing guarantees through the definition of and compliance with general and specific requirements, and to updating the value of the guarantees.

After the loan authorization and disbursement, the position is assessed on a time basis (fixed deadlines or set frequency) or upon reporting/initiative of dedicated structures (for example, loan monitoring), or subject to a review of the credit facilities, in order to verify that:

- the borrower and the relevant guarantors remain solvent;
- the requirements of the guarantees remain complied with (legal certainty, prompt realization and value consistency with the exposure).

Interest Rate risk and Price Risk of the Banking Book

The measurement, management and control of financial balance (ALM) concern the Banking Book positions, focusing mainly on fixed-rate positions and on base risk. The banking book includes typical positions of banking business operations, which are lending and funding without trading objectives. Interest rate risk, therefore, refers to all on-balance-sheet and off-balance-sheet transactions, excluding the supervisory trading book.

The Governance model adopted by the Cariparma Crédit Agricole Group assigns the responsibility for the measurement and management of the interest rate risk to the CFO, who, through the Financial Management Area (FMA or with the Italian acronym AGF) of Cariparma, performs the centralized management of this risk at Group level, in accordance with the guidelines set down by Crédit Agricole S.A. The Risk and Permanent Controls Department is responsible for an independent control of the interest rate risk management system, by assessing its compliance with the risk measurement model defined with management and regulatory requirements.

Global limits on banking book price risks are defined on the basis of the type of instruments that can be held (Italian, German, and French Government Bonds) and are expressed both with reference to the maximum nominal value that can be held and with reference to the stress test approach on the prices of the relevant assets.

In accordance with the guidelines issued by the Crédit Agricole S.A. Group and with the prudential regulations, the framework system for interest rate risk and price risk of the Banking Book is reviewed normally on a yearly basis within the Group Risk Strategy and is approved by both the Board of Directors of the Banks and by the Group Risks Committee of Crédit Agricole S.A.

Liquidity risk

The Governance model adopted by the Cariparma Crédit Agricole Group assigns the responsibility for the measurement and management of the liquidity risk to the CFO, who, through the Financial Management Area (FMA or with the Italian acronym AGF) of Cariparma, performs the centralized management of this risk at Group level, in accordance with the guidelines set down by the Crédit Agricole S.A. Group. The Risk Management and Permanent Controls Department (Italian acronym DRCP) is tasked with the monitoring of liquidity risk, again in accordance with the guidelines set down by the Crédit Agricole S.A. Group.

The management of short-term liquidity, that is to say, the management of events impacting on the liquidity position of the Cariparma Crédit Agricole Group in a time horizon from over-night to 12 months, has the main objective of maintaining the Group ability to meet its recurring and non-recurring payment obligations, minimizing the relevant costs.

Again as regards short-term liquidity, the Cariparma Crédit Agricole Group, in line with the provisions issued by the Credit Agricole SA Group, has implemented a system of limits based on stress scenarios, which aims at ensuring excess liquidity on various time horizons and in increasingly serious scenarios. The stress assumptions used cover idiosyncratic crises, systemic crises and global crises.

Medium-/long-term liquidity management entails the identification of alert thresholds by determining the Position en Resources Stable (PRS) and Coefficient en Resources Stable (CRS) indicators. They aim at ensuring the Group financial balance between stable resources (medium-/long-term market resources, resources from Customers, own funds) and long-term uses (non-current assets, loans to Customers, Customers' securities and investment securities). PRS and CRS positive levels substantiate the Bank's ability to support its assets during a crisis.

In 2014, within the Group portfolio of ECB eligible securities, the position of the self-held covered bond was reduced (from Euro 2.3 billion to Euro 1 billion). In December 2014, the Liquidity Reserves held consisted of two internal securitization transactions, one bank covered bond and of the LCR portfolio of Government securities.

Market risk of the Trading Book

Maket risk is generated by the position of the Banks that make up the Cariparma Crédit Agricole Group limited to the Trading Book for supervisory purposes. The Group does not carry out significant proprietary trading activities in financial and capital markets; the positions reported are exclusively those resulting from placing and trading operations performed to meet Customers' requirements.

The Group sells "over the counter" (OTC) derivatives to the various Customer segments, through a specialist team supporting its intermediation activities. Intermediated derivatives are hedged back-to-back in order to be immunized from market risk. Credit support annex (CSA) agreements have been signed with the main market counterparties, in order to mitigate total exposure, while counterparty risk on Customers has not been mitigated.

The Group aims at meeting the financial requirements of Customers that use derivative instruments for their own purposes, mostly to hedge interest rate risk and exchange rate risk (companies).

In accordance with the guidelines issued by the Crédit Agricole S.A. Group and with the prudential regulations, the framework system for market risk is reviewed normally on a yearly basis within the Group Risk Strategy and is approved by both the Board of Directors of the Banks and by the Group Risks Committee of Crédit Agricole S.A.

Operational risks

The definition of operational risk adopted by the Group is the one set down in the document "Basel II - International Convergence of Capital Measurement and Capital Standards" prepared by the Basel Committee on Banking Supervision, which reads "Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". This definition includes Legal risk, which covers but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

The Risk Management and Permanent Controls Department is the reference structure in the management of operational risks at Group level and is responsible for ensuring the existence, completeness and relevance of the permanent controls implemented by the Group, by means of a structured and traceable control plan, as well, consequently, for assuring the General Management and the Boards of Directors that the various types of risks are actually under control.

In this regard, the Risk Management and Permanent Controls Department proactively participates in the most important corporate projects, especially those with high organizational impact, in order to provide its contribution, from the earliest phases, for consistent and complete preparation of the mechanisms for the management of the risks that are inherent in each project.

In 2014, within an organizational restructuring action that aimed at rationalizing the Group control structures, the Risk Management Services of the subsidiary Banks were centralized into the Parent Company. Therefore, since July 2014, the Risk Management and Permanent Controls Department (DRCP) has been carrying out the activities for risk management and control for the 3 Banks of the Group.

The Risk Management and Permanent Controls Department is the reference structure in the management of operational risks at Group level and is responsible for ensuring the existence, completeness and relevance of the permanent controls implemented by the Group, by means of a structured and traceable control plan, as well, consequently, for assuring the General Management and the Boards of Directors that the various types of risks are actually under control.

In this regard, the Risk Management and Permanent Controls Department proactively participates in the most important corporate projects, especially those with high organizational impact, in order to provide its contribution, from the earliest phases, for consistent and complete preparation of the mechanisms for the management of the risks that are inherent in each project.

In 2014, the preparation of the Risk Appetite Framework started, which has its operational basis in the limits set by the risk strategy.

The management of operational risks also requires sharing with and proactive engagement of all corporate structures;

therefore, within the scope of permanent controls and operational risks, in order to be at all times fully aware of the risk problems associated to the different corporate processes, both specific control roles within the corporate departments, and mechanisms that are functional to the set targets are operating:

- Operational Risk Manager (ORM or with the Italian acronym MRO), who has the task of reporting the presence of actual and potential risks in the various corporate structures and of coordinating the execution of permanent controls;
- Security Control and Business Continuity Plan (BCP or with the Italian acronym PCO), with the task of coordinating and monitoring the actions concerning security problems (physical and IT) and the Business Continuity Plan;
- the Information System Security Manager (ISSM or with the Italian acronym RSSI), with the objective of controlling all aspects concerning IT security, from the relevant policy to risk analysis and action plans;
- the Business Continuity Manager (BCM);
- Persons in charge of Controls, within the Distribution Network structures, with the task of performing 2nd degree 1st level permanent controls;
- Fraud Prevention Unit (FPU or with the Italian acronym NAF), having the task of monitoring and making decisions on fraud-related problems;
- structures and tools, instrumental for proper risk control and for the management of mitigation/improvement actions, including:
  - the Operational Risks Committee, which is described above;
  - the system of remote controls for the Distribution Network, together with the early warning indicators, aimed at detecting any irregular situations;
  - Improvement Work Groups, meetings with the Branches that showed problems in the outcomes of permanent controls, of inspections carried out by the Internal Audit Department and in other verifications; during such meetings, together with the Area Central Management Departments, the problems detected are analyzed and an action plan for improvement is prepared;
  - the interfunction Work Group on Important Operating Functions Outsourced/Provision of Essential Services Outsourced (Italian acronym FOIE/PSEE), having the task of monitoring and making decisions on any problems regarding the contracting out of functions that are defined as “essential or important” in accordance with the Supervisory and corporate rules.

As regards the activities that are outsourced and contracted out to external providers, they are always governed by a service agreement that, in addition to regulating the provision of the service, provides for a system of controls on the set qualitative and quantitative levels. In accordance with the various scopes, internal reference roles are identified within the Bank’s structures, who report to the competent Departments of the Parent Company on the general reliability of the contract agreement.

Finally, special controls are triggered where the activities outsourced can be defined as “important/essential operating functions” – FOI – pursuant to the Bank of Italy – CONSOB (Italian Securities and Exchange Commission) joint regulation and to the 15th update of Bank of Italy Circular No. 263/2006; in this regard, the main corporate regulatory reference, consisting of a specific Group policy that implements the Supervisory provisions, organically defines the system of controls as required in case of outsourcing of important operating functions.

3. INTERNAL CONTROL SYSTEM

The Cariparma Crédit Agricole Group has progressively upgraded its internal control system to the applicable Supervisory provisions (Bank of Italy Circulars No. 263/2006 and 285/2013) and to the model implemented by the Controlling Company Crédit Agricole S.A.; therefore, it implements a system aimed at:

- constant control of risks;
- adequacy of the control activities to its organizational structure;
- ensuring reliability, accuracy and promptness of reporting.

The internal control system provides for the involvement:

- of the Collective Bodies,
- of the Departments engaged in control functions,
- of the Supervisory Body,
- of the Independent Auditors,
- of the Banks' Top Management;
- of all Staff.

The analysis and monitoring of risks are carried out based on Group references, which provide for verification of compliance with the regulatory terms, of the reliability of process and their exercise, security and compliance.

The controls system provides also for the implementation of a mechanism of:

- permanent control, which comprises:
  - 1st degree controls, exercised on a continuous basis, at the start-up of an operation and during the process for its validation, by the employees performing it, by the persons they report to on solid line, or executed by the automated systems for operation processing; the activities for the production of accounting data and for the preparation of the Annual Report and Financial Statements are subject to specific first-degree controls that are carried out within the accounting units;
  - 2nd degree/first level (2.1) controls, which are carried out by persons engaged in operating tasks, but other than those involved in making the decisions on the transactions subject to control; specifically, within the central administrative structures, controls are performed to monitor all departments that can access the accounting information system;
  - 2nd degree/second level (2.2) controls, which are carried out by staff who is engaged in specialist functions for top level permanent controls is not authorized to take risks, i.e. staff engaged in Compliance, Risk Management and Permanent Controls.
- periodic control, consisting of a 3rd degree control, which is performed by the Internal Audit Department on a periodic basis through remote verifications, on-site inspections and audits of documents.

The updating of the regulatory system is also constantly focused on and, in addition to the upgrading to the regulation already implemented, also entails a coverage extension through specific policies that are in force for the Group as a whole.

The Departments and Services engaged in 2n degree/2nd level (2.2) and 3rd degree controls report to the Board of Directors and to Crédit Agricole SA. on:

- activities carried out;
- main risks detected;
- identification and implementation of the mitigation mechanisms and the effects of their implementation.

IRB/Basel II advanced approach

For determining its capital requirement for credit risk (asset class "Retail Loan Exposure" (the so-called "Retail Portfolio") on PD and LGD models), the Cariparma Crédit Agricole Group has been using (since December 2013) internal ratings with an advanced approach (Internal Rating Based – Advanced), for Cariparma and Banca Popolare FriulAdria.

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

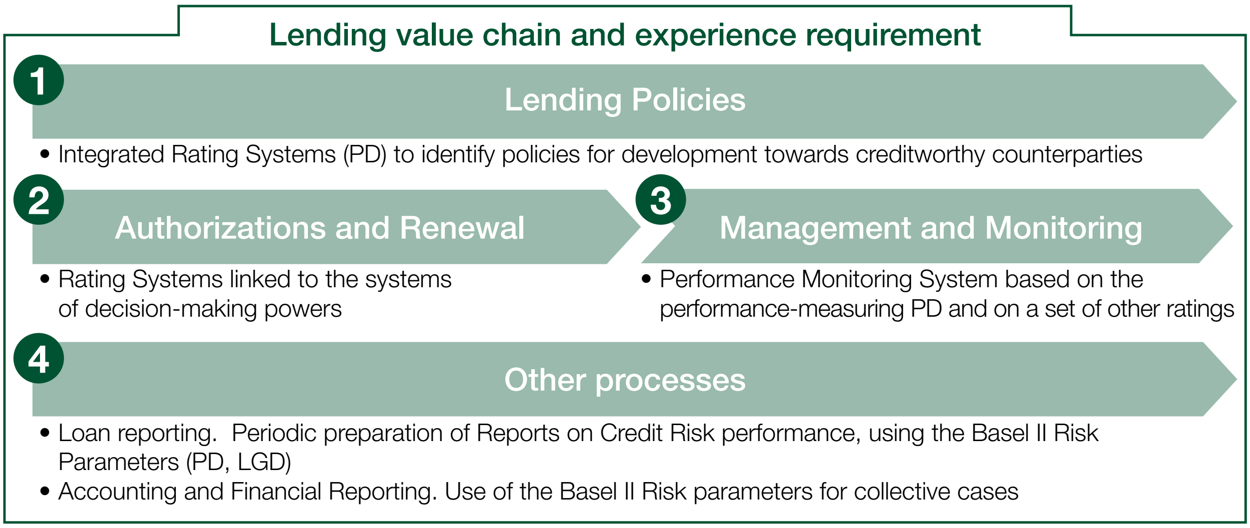
As regards the "Exposures to Corporate Customers" portfolio, in line with the strategic directions issued by the Parent Company Crédit Agricole S.A., the Cariparma Crédit Agricole Group is assessing the actions required to obtain the validation also for this exposure class.

The present choice of treating all exposures referring to the subsidiary Crédit Agricole Leasing (hereinafter CALIT) on a Permanent Partial Use (PPU) basis results from the immateriality of the portfolio sizes and from the specificity of CALIT core business within the Cariparma Crédit Agricole Group as a whole.

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

The rating systems are used within the main phases in the lending value chain. With specific reference to loan disbursement and monitoring, the management use of the rating system results in:

- (lending policies) the definition of the lending policies through which the Banks and the Companies of the Cariparma Crédit Agricole Group grant loans and manage credit risk;
- (loan authorization) the assessment of the creditworthiness upon the first authorization and upon review of/change in credit lines, as well as for determination of decision-making powers in terms of loan authorization;
- (loan monitoring) the use of the performance-measuring PD, combined with other variables, for performance monitoring, in order to detect and correct non-performing positions before they are classified as in default;
- (collective write-down) the approach for the collective write-down of Performing Loans implemented by the Bank uses the Basel II metrics to determine the amount of the provision (PD and LGD), as well as to identify sensitive loans subject to write-down;
- (Bank reporting) the use of risk measures produced by the Bank's reporting model.



Such full integration in the loan management processes allows the creation and development of internal models that support the measurement of creditworthiness and can be used to assess, with statistical objectivity, the probability that the (Retail) counterparties default.

The calculation of the mandatory capital requirements using internal rating-based approaches allows optimal management of the regulatory capital, as it also allows a "weighted" analysis of the loan portfolio, "aware" lending development considering the risks taken and, thus, better planning of loans and of credit risk over the medium-/long-term.

Finally, more effective detection and measurement of risks allows better disclosure and subsequent enhanced transparency in reporting, which is a key element to meet the requirements of the Bank's various Stakeholders.

Activities of the Validation Unit

The activities of the Validation Unit are governed by a specific Corporate Policy that, after being approved by the BoDs of the Parent Company and of its subsidiaries, sets down its work approaches, scopes of action, any significance thresholds for its verifications, as well as the reporting process and the control of evidence, as well as of the relevant corrective actions.

The Validation Unit, which is provided for by the supervisory regulations, is responsible, among other things, for assessing:

- the development process and the performances of risk measurement systems;
- whether their proper operation is ensured over time;
- whether the systems as defined are actually used within the various management scopes.

The Group Validation Unit is part of the Risk Management and Permanent Controls Department of Cariparma and operates also in cooperation with the relevant Corporate Departments of the French Parent Company Crédit Agricole. The independence and objectivity of its assessment are ensured by both its organizational placement reporting directly to the Executive at the Head of the Risk Management and Permanent Controls Department (Italian acronym DRCP), as well as by the auditing actions carried out by the Department in charge of third-level controls.

Internal Audit

The Internal Audit Department is independent of any and all departments and roles engaged in management and decision-making functions that entail risk-taking: indeed, its organizational placement provides for its reporting on a dotted line directly to the Chief Executive Officer of the Cariparma Crédit Agricole Group and for its solid-line reporting to the Group Internal Audit Department of the Parent Company Crédit Agricole SA.

The Internal Audit Department

- performs periodic controls on the processes and on the organizational units of all the Companies in the Cariparma Crédit Agricole Group, through constant and independent supervision on the regular course of operations, in order to prevent or detect any behaviours or situations that are irregular and/or risky.
- assesses whether the overall internal controls system operates effectively and whether it is fit to ensure:
  - the effectiveness and efficiency of the corporate processes as implemented;
  - the protection of the value of the assets;
  - protection from losses;
  - the reliability and integrity of accounting and management data;
  - the compliance of operations with both the policies set down by the corporate governance bodies and with all applicable internal and external regulations.
- exercises a governance and steering action on the Internal Audit Services of the companies in the Cariparma Crédit Agricole Group
- provides the Top Management, the Corporate Bodies and the Parent Company C.A.sa with prompt and systematic reporting on the activities carried out.

Other information

In 2013, the option to adopt the tax consolidation scheme between the Group Companies was exercised, pursuant to Article 117 and following ones of the Italian Consolidated Act on Income Taxes (TUIR), in order to obtain the advantages, also in terms of profit and both actual and potential, resulting from its adoption.

● *Tax-related disputes*

A disputed is pending on registration taxes 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 CALIT with the Intesa Group for Euro 2.2 million. On these disputes, favourable decisions were issued by the competent Court of second instance, against which the *Agenzia delle Entrate* filed appeal with the Italian Court of Cassation.

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. The consideration set forth above cannot but apply also to the latest dispute.

A tax-related dispute is pending 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 for taxes of Euro 5.5 million, plus penalties and interest. In the light of both the opinions obtained from leading Law Firms and of the latest issued administrative law practices that are relevant for this dispute, the Group believes that no provision is necessary.

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 No. 185/2008 for the amounts credited by it to Customers relating to the State contribution on floating-rate mortgage loans that were taken out by 31 October 2008.

With the above Decree-Law, the Italian State provided a contribution to tax payers that took out floating-rate mortgage loans for the purchase of their home amounting to the interest paid by the same tax payers in 2009 at a rate over 4%. 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.

Since the same Inland Revenue Service has admitted in its own documents that the contribution could be made also in 2010, no provision has been allocated for this dispute.

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 settled 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 led 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, the dispute on 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, was finally closed with a favourable outcome by the Court of second instance.

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

The qualitative and quantitative analysis of the transactions made in the year with parties falling within the definition of related party as given by the "Regulation on Risk Assets and Conflict of Interest with Parties associated to the Companies in the Cariparma Crédit Agricole Group" which was adopted by the Group in December 2012 and updated in July 2014, is reported in Part H of the Note to the Financial Statements, to which reference is made. Part H also includes the analysis of any atypical and/or unusual transactions in accordance with the definition given in CONSOB (Italian Securities and Exchange Commission) Regulation No. 11971/99.

PERFORMANCE OF THE CONSOLIDATED COMPANIES

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

Banca Popolare FriulAdria is subject to the management and coordination activity of Cariparma, who holds 80.17% of its share capital, while the remaining capital portion is publicly held.

In 2014, the Bank made a profit, thanks to improved income from operations and effective control of expenses. Banca Popolare FriulAdria continued to play its important role in supporting the local economy, especially at a regional level.

Moreover, the process continued for the optimization of its organizational structure and the strengthening of its processes, both control and lending ones.

As at 31 December 2014, its net profit came to Euro 32.4 million, increasing by Euro 3.9 vs. the previous year (up by +13.6%).

Income from operations came to Euro 133.0 million, increasing by Euro 13.0 million (up by +10.8%) vs. the previous year, mainly due to the effective control of operating expenses and to the increase in income.

Operating income came to Euro 311,5 million, posting a slight increase vs. 2013 (up by +1.0%), thanks to the good performance of both commission income, which increased by Euro 9.1 million (up by +7.5%), and of net interest income, which increased by Euro 5.5 million (up by +3.2%). Income from trading operations performed against the trend, decreasing by Euro 11.4 million (down by -56.9%) because of more limited operations on the proprietary security portfolio.

The decrease in operating expenses (down by -4.7%) mainly concerned staff expenses (down by -5.8%) decreasing from Euro 110 million in 2013 to Euro 103.5 million in 2014. Administrative expenses also decreased (down by -3.5%), whereas depreciation and amortization came essentially in line with the previous year.

Net value adjustments of loans came to Euro 78.8 million, increasing by Euro 14.2 million (up by +21.9%) vs. the previous year: the performance of this aggregate continued to be affected by the weak economic cycle.

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

Cassa di Risparmio della Spezia is subject to the management and coordination activity of Cariparma, who holds 80% of its share capital, while the remaining capital portion is held by Fondazione Cassa di Risparmio della Spezia.

Carispezia, in 2014, increased its weight in the Cariparma Crédit Agricole Group by acquiring new assets from the Parent Company Cariparma (16 branches, 1 mid-corporate center, 1 private banking market and 1 large-corporate manager), thus increasing its geographical area of operations.

In 2014, Carispezia had a very good performance, with its net profit coming to Euro 21.1 million and increasing by Euro 6.7 million vs. the previous year, thanks to the good performance of income from operations with a different perimeter. Net income from operation increased from Euro 109.8 million in 2013 to Euro 131.8 million in 2014 (up by +20.0%); net commission income also performed well increasing from Euro 45.4 million to Euro 58.4 million (up by +28.7%), as well as net interest income, which came to Euro 72,2 million, increasing by Euro 16.6 million vs. 2013 (up by +29.9%). Net income from financial operations contributed to a lesser extent than in the previous year, decreasing from Euro 9.3 million in 2013 to Euro 1.1 million in 2014 (down by -88.5%). Operating expenses came to Euro 80.1 million increasing by Euro 10.6 million vs. the previous year (up by 15.4%); they were affected also by the new perimeter resulting from the extension of the distribution network.

Net provisions for contingencies and liabilities posted a negative balance of Euro 6.1 million, due to some non-recurring effects that were recognized in 2013.

Net value adjustments of loans came to Euro 18.0 million.

Based on the above, the profit before taxes on continuing operations came to Euro 33.0 million, increasing by Euro 10.9 million (up by +49.2%) vs. 2013.

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

The leasing market

2014 was the year of recovery after a two-year period (2012/2013) of continuous decrease; new leases totalled approximately Euro 16 billion, posting a YOY increase of approximately 9% and with a 11% increase in the number of lease agreements. The driving segments were the real estate one, which posted a YOY increase of 38% and the vehicle one, which increased by 10.40%. The naval-aviation segment increased by 15.57%, but still with modest volumes (Euro 207 million), whereas the energy segment decreased by –70% YOY.

Real estate

This segment benefited from the opportunities that were generated by the developments in the tax regulation implemented by the Italian Stability Law for 2014 (which provides for the reduction in the tax duration of operating property from 18 to 12 year and full deductibility of operating property for freelancers); these opportunities led to a development in this segment that increased by 38% YOY and accounted for 25% of total production (Euro 4 billion over Euro 16 billion).

The average value of the agreements signed was of Euro 1 million and 63% of the agreements had a value higher than Euro 2.5 million.

The market also recovered in terms of industrial real estate and production in the real estate segment with the main players came close to, and in some cases exceeded, 50% of total production.

Vehicles

As regards this segment, the market increased by 10% in terms of volumes and by 12% in terms of number of agreements (33% of total production). In this segment, auto captive finance companies play the lord and master.

Operating assets

As regards this segment, the market increased by 6% in terms of volumes and by 9% in terms of number of agreements, posting a first sign of businesses returning to invest.

Renewable energy

The effect of the reduction in or termination of incentives on photovoltaics caused a YOY decrease in production of 70%.

The Company's performance

As at 31 December 2014, new agreements came to Euro 349 million (up by +1.15% vs. 2013 and missing the budgeted figure by -5.6%), posting a significant increase in the number of new agreements that were 2725 (up by +19% vs. 2013 and exceeding the budgeted figure by +10.3%).

The volume of agreements that entered into force in 2014 is worth being mentioned, since it came to Euro 356 million (up by +16% vs. 2013 when it came to Euro 307 million).

The volumes of the agreements that entered into force in the year report actual loans as recognized in the Balance Sheet; this performance, which resulted from a targeted action with all the counterparties involved (suppliers/providers, assessors, customers), allowed the average loans to increase in 2014, reversing the trend (as at 31 December 2014, they came to Euro 1,995 million vs. Euro 1,981 million in 2013), as well as a YOY point increase in loans.

The profit margin on agreements signed in 2014 is worth mentioning, since it came to 2.49% vs. a set objective of 2.15%.

This significant performance, which generates an immediate impact on the Income Statement (in the leasing market that is highly competitive in terms of pricing) was the result of a targeted commercial policy with the inclusion of objectives in the incentive system at all levels. The objective was achieved also thanks to the parcelling of the average value of agreements, which decreased by 15%, from Euro 151,000 in 2013 to Euro 128,000 in 2014.

The breakdown of 2014 production by component reports a strong contribution of operating assets accounting for 58% of total production, followed by the real estate segment accounting for 17%, vehicles for 13% and renewable energy accounting for 11%.

In terms of risk, in addition to the above-mentioned increased parcelling of agreements, with a significant decrease in their average value, it is to be reported that the average duration of agreements was maintained at 88 months, essentially in line with 2013.

The figure for production in the agri-food sector is worth reporting, since it accounted for 14.7% of total production vs. the 14% figure for 2013. In terms of loans, the weight of outstanding loans on total loans increased from 6.1% in 2013 to 7.2% in 2014.

The following table summarizes business performance for 2014:

	Number of agreements	Value of agreements (€/1000)	2014/2013 no. of agreements	2014/2013 value	% weight in 2014 (value)	% weight in 2013 (value)
Vehicles	1,213	46,162	19.0%	17.7%	13.2%	11.1%
Operating assets	1,390	204,418	17.5%	0.8%	58.5%	49.6%
Real estate	95	61,308	61.0%	46.3%	17.6%	14.8%
Renewable energy	27	37,283	8.0%	-39.1%	10.7%	24.5%
TOTAL	**2,725**	**349,171**	**19.2%**	**1.2%**	**100.0%**	**100.0%**

● *Performance*

Profit or losses

Net interest income increased by 9.2% vs. 2013.

Net interest income, which accounts for over 90% of net operating revenues, benefited from the stability in market rates and of the profitability of the new agreements, which generated an increase in the average comprehensive return on the portfolio. The average profitability of the portfolio indeed increased from 1.19% in 2013 to 1.29% in 2014.

Net commission income came to Euro 0.7 million, essentially in line with the previous year.

The “Other net operating revenues” item reports all cost and revenue items from leasing operations. This item increased by nearly 50% vs. 2013, thanks to the implemented actions aimed at profitability recovery and despite the increase in operating costs for the management of assets that were surrended and could not be recovered, which posted a 56% increase vs. the previous year.

Operating expenses decreased by 3.6 % vs. the previous year.

Staff expenses decreased by 3.8% and other administrative expenses decreased by 3.3%, thanks to the continuing implementation by the Company of effective policies for expense control.

The average number of people on staff, included those seconded to the Company, decreased from the 57 figure for 2013 to 54 in 2014.

Thanks to the decrease in expenses and to the increase in Net Banking Income, the Cost/Income ratio once again performed well coming to 28.7% (32.9% in 2013), thus substantiating the structure effectiveness based on business volumes.

Gross income from operations came to Euro 19.9 million, increasing by 17% (up by Euro +2.9 million) vs. 2013.

The cost of risk remained at high levels, (Euro 19.9 million), slightly increasing vs. 2013 (up by +4.3%) with a 1% weight on average loans, in line with 2013.

In 2014, the policies for prudential hedging of risks continued being implemented and the management of non-performing exposures was even more thorough and effective.

The improvement in Net Banking Income and effective cost control allowed the Cost of Risk to be absorbed and a gross profit of Euro 0.9 million to be made, compared with the gross loss of Euro -1.2 million reported in 2013.

Net of tax expenses amounting to Euro 0.8 million, the net profit came to Euro 0.1 million, after reporting losses for the last three years.

The Balance Sheet

Loans and receivables were generated almost exclusively by lease transaction and came to Euro 1,914 million, slightly increasing vs. 2013 (up by +0.2%); total loans to and receivables from Customers accounted for 94.6% of total assets. Loans and receivables also report those referring to assets under construction and agreements not yet entered into force for Euro 38.3 million.

This item also reports the account receivable from the Controlling Company for taxes paid within the Italian national tax consolidation scheme (Euro 4.2 million).

The ongoing recession continued to impact on the impairment of the loan portfolio, even though at rates that were markedly lower than in previous years, with Substandard loans and bad debts increasing by 5.6% in 2014 vs. a +21% increase in 2013.

Net non-performing loans came to Euro 233.6 million, up by 5% vs. 2013 and accounted for 12.2% of total net loans to Customers. The relevant write-downs totalled Euro 70.9 million (up by +2.7%), while the average coverage ratio came to 23.3%, essentially in line with 2013.

Specifically, bad debts had a coverage ratio of 32.3%, while substandard loans had a coverage ratio of 14.5%. The ratio of Net bad debts to Loans to Customers came to 6.7%.

Collective write-downs, which were made on homogeneous categories of performing loans, totalled Euro 13.7 million, increasing by Euro 3 million vs. 2013 and ensured a coverage ratio of 0.8%.

The overall coverage ratio of the portfolio came to 4.2%, increasing from the 4% figure in 2013.

The portfolio riskiness, with specific reference to the weight of substandard loans and bad debts on total loans, remained at a markedly lower level than the average one for the sector.

Property, plant and equipment consisted of furniture, fittings, office equipment and other operating assets, as well as of a building that was formerly leased and has returned available for the Company subsequent to the termination of the relevant agreement and waiver of any credit rights against the lessee, which was recognized as worth Euro 8.1 million.

Intangible assets consisted of costs for the purchase of software licences and expenses borne for the development of the Company information system and came to Euro 0.7 million.

The total amount of the aggregate came to Euro 8.9 million, vs. Euro 1.2 million in the previous year.

The Other Assets item came to Euro 29.6 million.

This item mainly consisted of the VAT account receivable and of other receivables from the Italian Inland Revenue Service amounting to Euro 2.8 million, of advances paid to suppliers/providers amounting to Euro 4.4 million, of other assets worth Euro 1 million and of tax assets amounting to Euro 21.4 million.

Specifically, Deferred tax assets were recognized amounting to Euro 20.4 million, pursuant to Italian Law No. 214/2 011, which could become tax receivable where losses for both statutory and tax purposes are reported, as provided for by the legislation in force.

Due and accounts payable came to Euro 1,905.5 million and mainly consisted of Due to Banks for loans taken out for Euro 1,882.6 million.

Net of cash equivalents on current accounts, the Net Due to Banks item came to Euro 1,826.6 million.

The main liability items are Payables to supplies/providers, both for current Payables and for invoices to be received, amounting to Euro 21.5 million. The Provision for Employees' severance benefits, covering all benefits accrued by the Employees, has been recognized based on its actuarial value of Euro 0.7 million.

The Provisions for Contingencies and Liabilities report the amounts that were allocated to provision based on the estimated probable liabilities for bonds not yet matured and with uncertain maturity or amount, for a total of Euro 0.5 million. This item also reports the remaining liability relating to the Solidarity Fund, which, as at the reporting date, amounted to Euro 0.5 million.

Equity

Equity, broken down by component, consisted of the Share Capital amounting to Euro 90.5 million and of Valuation Reserves, which posted a negative balance of Euro 0.2 million.

In 2014, a Capital increase was made for a total of Euro 35 million, of which Euro 21 million as Share Capital Increase (which increased from Euro 69.5 million to Euro 90.5 million) and Euro 14 million as share premium, which was used, as resolved by the Extraordinary General Meeting of Shareholders on 17 December, to reduced the losses carried forward (which decreased from Euro 14.1 million to Euro 0.1 million as at the reporting date).

Taking account also of the Profit for the period amounting to Euro 0.1 million, Equity came to Euro 90.4 million (Euro 55.3 million as at 31 December 2013).

As regards Capital Ratios, the Tier Total Capital ratio came to 8.9% vs. the 6.3% figure as at 31 December 2013.

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

	31.12.2014	
	Equity	of which: Net profit (loss) for the period
Balance of the Parent Company accounts	**4,634,714**	**138,050**
Effect of consolidation of subsidiaries	134,182	51,064
Effect of equity method accounting of significant equity investmentsù	-3	-3
Dividends received in the period	-	-28,956
Other changes	-	-
Balances in consolidated accounts	**4,768,893**	**160,155**

Outlook

General aspects

SIGNIFICANT EVENTS OCCURRED AFTER THE REPORTING DATE

As regards the Group, it is reported that, from 31 December 2014 to the date of approval of this Report, no events occurred which could generate significant changes in the Group's structure and in its profit (loss) for 2014.

RESEARCH AND DEVELOPMENT

No research and development activities were performed in the year.

RISKS AND UNCERTAINTIES

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

Reference is made to other sections of the 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, in accordance with the legislation provisions, also of the Italian Civil Code at Article 2428, as well as of Bank of Italy Circulars No. 285/2013 and 263/2006 (as updated). In this regard, it cannot but be emphasized again, briefly, what was reported in the previous periods, that is to say, the constant focus that, for quite a few years now, the Group and its Management have kept on the monitoring of risks and uncertainties, also to comply with the countless recommendations that the national and international Authorities have been issuing on this topic.

The Group's governance bodies are fully aware, now more than ever, that sustainable development and growth absolutely require an effective analysis of the risks which the Group is exposed to and of the relating uncertainties, in terms of impacts that these risks could have on the Group's financial position, cash flows and performance. Effective management and mitigation of the same risks to acceptably low levels are another crucial requirement for sustainable growth, also in order to protect a precious resource for development and growth, that is to say, savings (and, with them, Customers' confidence) on the one hand, and loans (healthy and drivers of growth) on the other.

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

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 Group 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.

■ Information pursuant to Article 123 – *bis* paragraph 2, letter b) of Italian Legislative Decree No. 58/98 (Italian Consolidated Act on Finance – TUF)

● *Internal Controls System*

The Cariparma Crédit Agricole Group has progressively upgraded its internal controls system to the model implemented by the Controlling Company Crédit Agricole S.A., while ensuring the compliance of such system both with the Italian legislation, with reference to the Supervisory Provisions (specifically, Bank of Italy Circulars No. 285/2013 and 263/2006, 15th update), and with the French legislation (where consistent with the Italian one).

The Group implements an internal controls systems aimed at constant management of risks and at full adequacy of the control activities to its organizational structure, as well as at ensuring reliable, dependable, accurate and prompt reporting.

The internal control system provides for the involvement:
- of the Top Management;
- of the Collective Bodies;
- of the Supervisory Body;
- of the Departments engaged in control functions;
- of all Staff;
- of the Independent Auditors.

Risk analysis and monitoring are carried out based on Group indications that provide for verifications of abidance by regulatory terms, dependability of the processes and of their exercise, security and compliance.

The controls system provides also for the implementation of mechanisms of:
- permanent control, which comprises:
    - 1st degree controls, exercised on a continuous basis, at the start-up of an operation and during the process for its validation, by the employees performing it, by the persons they report to on solid line, or executed by the automated systems for operation processing; the activities for the production of accounting data and for the preparation of the Annual Report and Financial Statements are subject to specific first-degree controls that are carried out within the accounting units;
    - 2nd degree/first level (2.1) controls, which are carried out by persons engaged in operating tasks, but other than those involved in making the decisions on the transactions subject to control; specifically, within the central administrative structures, controls are performed to monitor all departments that can access the accounting information system;
    - 2nd degree/second level (2.2) controls, which are carried out by staff who is engaged in specialist functions for top level permanent controls is not authorized to take risks, i.e. staff engaged in Compliance, Risk Management and Permanent Controls.
- periodic control, consisting of a 3rd degree control, which is performed by the Internal Audit Department on a periodic basis through remote verifications, on-site inspections and audits of documents.

The updating of the regulatory system is also constantly focused on and, in addition to the upgrading to the regulation already implemented, also entails a coverage extension through specific policies that are in force for the Group as a whole.

The Departments and Services engaged in 2n degree/2nd level (2.2) and 3rd degree controls report to the Board of Directors and to Crédit Agricole SA. on:
- activities carried out;
- main risks detected;
- identification and implementation of the mitigation mechanisms and the effects of their implementation.

● *Collective Bodies*

In line with the Group features, in the traditional governance model of Cariparma, FriulAdria and Carispezia, the Board of Directors has a key role in achieving an effective and efficient system for the management and control of risks.

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

The Boards of Directors of the subsidiaries implement the risk policies providing for the management and the mitigation of risks as approved by the Board of Directors of the Parent Company; moreover, the Boards of Directors of the Group Banks determine the responsibilities of the corporate structures and departments, in order for the respective duties and tasks to be clearly assigned and for potential conflicts of interest to be prevented.

The Audit Committee for Internal Control, which is composed of Independent Directors, has the function to provide the Board of Directors with advice and proposals on the management of risks, of the accounting information system and on the internal controls system, in order to ensure an efficient and effective control system, and it reports on a regular basis to the Board on these topics, expressing its opinions and assessments, and promptly triggering, where necessary, the appropriate corrective actions in case shortfalls or irregularities are detected.

The Chief Executive Officer, together with the Executive Manager in Charge, in a specific document attached to the Annual Report and Financial Statements, both separate and consolidated, and to the condensed Half-year Financial Report, shall state that the administrative and accounting procedures used for financial reporting, both on a separate and consolidated basis, have been actually applied and are adequate for effective and reliable financial reporting.

● *Departments engaged in control functions*

The organization of the Cariparma Crédit Agricole includes three main structures that are engaged in control functions and are independent; within the scope of action and in accordance with their functions, these structures ensure constant control on all corporate operations and on the risks generated by such operations:

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

Moreover, in accordance with the provisions set down in Article 154-*bis* of the Italian Consolidated Act on Finance, the Executive Manager in charge has the task of overseeing the internal controls system concerning accounting and financial reporting.

● *Risk Management and Permanent Controls Department*

The Risk Management and Permanent Controls Department (Italian acronym DRPC) of the Cariparma Crédit Agricole Group, who is engaged in the function of risk management and permanent controls, is independent of any and all departments and roles engaged in management and decision-making functions that entail risk-taking: indeed, its organizational placement provides for its reporting on a dotted line directly to the Chief Executive Officer of the Cariparma Crédit Agricole Group and for its solid-line reporting to the DRG (Direction des Risques et contrôles permanents Groupe) of the Parent Company Crédit Agricole SA.

As regards control of structural and operational consistency, it is worth pointing out that, in 2014, within an organizational restructuring action that aimed at rationalizing the Group control structures, the Risk Management Services of the subsidiary Banks were centralized into the Parent Company. Therefore, since July 2014, the Risk Management and Permanent Controls Department carries out the management and control of risks for the three Banks of the Group, in terms of implementation and constant updating of the control system within the Group full perimeter.

The Risk Management and Permanent Controls Department ensures that the relevant risks are monitored and oversees the relevant controls, through specialist structures that operate within the Department itself and are dedicated to the following scopes:

- credit risks, including:
  1. concentration risks:
  2. counterparty risks;
- market and financial risks;
- operational risks, specifically including:
  1. fraud risks;
  2. insurance coverage risks;
  3. risks concerning the Security of Information Systems (ISS);
  4. risks concerning the Business Continuity Plan (BCP);
  5. risks concerning the Provision of “Important Operating Functions Outsourced (Italian acronym FOIE)”, which the Parent Company CAsa calls “Provision of Outsourced Essential Services (PSEE)”.

The activities of the Validation Unit have the objective of providing independent verification:

- of tools;
- of the technical organizational mechanisms;

- of the system of the controls implemented for risk measurement, for the calculation of the minimum regulatory capital requirements, in order to verify their consistency over time with the regulatory provisions applicable for the use of advanced approaches.

The Risk Management and Permanent Controls Department of the Cariparma Crédit Agricole Group contributes to the definition and implementation of the Group risk management policies. Specifically, within its scope of operation:

- it defines, in cooperation with the Chief Financial Officer (CFO), the Group Risk Appetite Framework, consistently with the guidelines and the strategic plan of the Parent Company CAsa, setting the global operating limits within the scope of the Group Risk Strategy;
- it contributes to the definition of lending policies;
- it contributes to and validates the quantitative approaches for provisioning;
- it gives its opinion on the main risk-taking instances.

The Risk Management and Permanent Controls Department is responsible also for the Group risk reporting. These reports are submitted on a quarterly basis to the Boards of Directors of the single Banks. The reporting produced by this Department covers, among other things, the policies for loan coverage and is addressed to the Top Management, with the objective of presenting the performance of the key risk indicators for more effective and prompter preparation of the action plans required to mitigate, prevent or avoid risk factors.

● *Compliance Department*

The Compliance Department has the mission of controlling and managing compliance risks, by continuously identifying the regulations that apply to the Group, as well as by measuring and assessing the impact of such regulations on the corporate processes and procedures and by defining the relevant prevention and control policies. Specifically, this Department has the objective of ensuring that the Customers' interest are always focused on, of ensuring crime prevention pursuant to Italian Legislative Decree No. 231/01, prevention of money-laundering and market abuses, protection of the Group Companies, of its Employees and Top Management against risks of penalties, financial losses and reputational damage, also by providing advice and assistance.

● *Executive Manager in charge*

Pursuant to the above-mentioned Article 154-bis, the Executive Manager in charge, together with the Chief Executive Officer, in a specific document attached to the Annual Report and Financial Statements, both separate and consolidated, and to the condensed Half-year Financial Report, shall state:

- the adequacy and actual application of the administrative and accounting procedures;
- the consistency of the corporate and accounting documents with the records in the corporate boos and with the accounts;
- that the above Reports and Financial Statements are fit to provide a true and correct representation of the financial and cash flow position, as well as of the performance of the Bank and of the Group;

The Executive Manager in charge shall also state that the Management Report includes a reliable analysis of the performance and profit (loss) from operations, as well as of the situation of the Bank and of the Group, and the description of the main risks and uncertainties to which they are exposed.

● *Internal Audit Department*

Third-degree controls are performed by the Internal Audit Department through periodic audits of the organizational structures, processes and behaviours; these activities are carried out consistently with its own audit model through on-site audit inspections and remote audits.

● *Statutory audit of the accounts*

The statutory audit of the accounts of the Cariparma Crédit Agricole Group is assigned to an independent auditing company that carries out the activities provided for by Article 14, paragraph 1 of Italian Legislative Decree No. 39 of 27 January 2010.

In specific reports, the independent Auditing Company expresses its opinion on the separate and consolidated financial statements, as well as on the half-year financial report.

The statutory audit of the accounts has been assigned to the company Reconta Ernst & Young S.p.A. until 31 December 2020.

■ CORPORATE SOCIAL RESPONSIBILITY

Social responsibility is an integral part of the corporate culture of the Cariparma Crédit Agricole Group, who, with specific tools, wants to improve its relations with all its Stakeholders.

Specifically, to this end, the Group has implemented two specific tools: the Corporate Social responsibility Report and the FReD Project.

The Sustainability Report is the most important tool for the Group to communicate with all its Stakeholders and with its reference Communities; it is a document intended to summarize all the initiatives implemented by our Banks within the Corporate Social Responsibility scope, continuing along a path for sustainable growth with the objective of supporting the economies of the communities where we operate.

This report sets forth our Company's founding Values and Principles, our activities, the performances we have achieved and the objectives we have set as regards the three sustainability aspects: economic, social and environmental.

This document has been prepared in accordance with the new GRI-G4 Sustainability Reporting Guidelines and takes account of the instructions issued by the Italian Banking Association (ABI) on sustainability reporting in the banking sector.

The fact that Cariparma Board of Directors approves the Sustainability Report concomitantly with its Annual Report and Financial Statements allows the Cariparma Crédit Agricole Group to inform all its Stakeholders, in one go, on its performance, in financial, social and environmental terms.

The FReD Project, which was promoted by Crédit Agricole S.A., is intended to provide the various entities in the Group with a common reference framework for CSR policies, as well as with tools to measure the progress made and the results achieved.

FReD comprises a total of 15 actions, 5 for each one of the three pillars of sustainability: confidence of its Customers, respect for its Employees, confidence in its Customers; the process continuity is ensured by the fact that, for each action that is completed, another shall be concomitantly identified and started concerning the same pillar.

In 2014, the project implemented by the Cariparma Crédit Agricole Group were the following:

	Project	Description
Confidence	FATCA (Foreign Account Tax Compliance Act)	Project, aimed at fighting tax evasion by US Customers
	Relations Monitoring Centre on Bank-Consumers relations	A monitoring centre that aims at getting to know and exchanging opinions on some topics that are deemed priorities for the Customers' interest, in cooperation with Università Cattolica of Piacenza and Consumers Associations.
	NORKOM Project (Controls for money-laundering prevention)	Detection of suspicious transactions
	Ethical financial product (ethical bonds)	The ethical bonds provide for a percentage of the total funding from this product to be donated to the Non-profit Association «Il Pellicano Piacenza onlus».
	Investment Compass	Financial education events aimed at increasing the Customers' financial culture and awareness
Respect	Focus Groups with Employees	Focus groups aimed at fostering proactive participation by Employees and at improving the climate within the Company.
	Joint Committee on Social Responsibility Unions	To develop constant communication and exchange with the Company Trade
	Age Management Orientation Project age ranges	To foster the development, management and training in accordance with the different of the Group staff.
	Payroll giving	Thanks to the involvement of the Employees, of the Company and of the Trade Unions funds were raised to purchase a three-dimensional endoscope for the Meyer Children's Hospital of Florence.
	Artemisia Project Development of female talent	Help and support to female Employees during maternity leave.
Demetra	Monitoring and remote control of systems	Installation of a remote control of systems in order to reduce energy consumption.
	Photovoltaic systems	Installation of solar panels to produce clean energy.
	TOGO Project	Extension of the assistance center in Amadahomé, Togo.
	Installation of a lighting system with latest generation bulbs	Installation of a lighting system with latest generation bulbs to reduce energy consumption.
	Dematerialization of transaction slips	This Project aims at reducing paper consumption by discontinuing the sending of paper copies of transaction slips.

The Cariparma Crédit Agricole does not want to overlook two founding principles: its proximity to and focus on the communities it operates in and the social role for the support of the economy which a credit institution must be able to retain at all times, and all the more so in difficult times.

Therefore, the "Aperti al tuo mondo" (Open to your world) slogan of the brand of the Cariparma Crédit Agricole Group highlights the commitment that the Bank has undertaken to the communities it operates in. Confiding in the value of relationships and of communication, the Group promotes a number of projects for the development of the communities it operates in: Cariparma, Carispezia and FriulAdria have always been working side to side with the social and economic players in their communities of operation, seeking the development of the relevant geographical area; support to the local economy, constant focus on people and categories experiencing difficulties, support to the arts, culture and sports, are the principles informing the many projects that were started and supported.

For more information of the CSR actions implemented by the Cariparma Crédit Agricole Group, reference is made to the 2014 Corporate Social Responsibility Report and to the Website www.gruppocariparma.it/menu/responsabilita-sociale-d-impresa.

Certification of the Consolidated Financial Statement pursuant to Article 154-bis of Legislative decree no. 58/1998

CARIPARMA
CRÉDIT AGRICOLE

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

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

of the administrative and accounting procedures for the formation of the Consolidated Financial Statement during the course of the 2014 financial year.

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

3. The undersigned certify also that:

3.1 the consolidated report and financial statements as at 31 December 2014:

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

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

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

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

Parma, 24 March 2015

Giampiero Maioli
Chief Executive Officer

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

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..

Report of the Board of Auditors to the Statutory Separate Financial Statements and to the Consolidated Financial Statements as at 31 December 2014

Dear Shareholders,

the supervisory tasks of the Board of Auditors of Cassa di Risparmio di Parma e Piacenza S.p.A. (hereinafter also referred to simply as Cariparma) are regulated mainly by the Italian Civil Code, by Italian Legislative Decree No. 39 of 27 January 2010 ("Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts"), by Italian Legislative Decree No. 58 of 24 February 1998 ("Italian Consolidated Act on Finance") and by the regulations concerning the supervisory activities of the Bank of Italy, with specific reference, as regards this point, to Italian Legislative Decree 385 of 1 September 1993 ("Italian Consolidated Act of Banking"), to Italian Legislative Decree No. 231 of 21 September 2007 ("Implementation of Directive 2005/60/EC of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as well as of Directive 2006/70/EC laying down implementing measures for and amendments and integrations to Directive 2005/60/EC"), as well as to the Instructions and Provisions issued by the Bank of Italy (specifically "Supervisory provisions concerning banks' organization and corporate governance" issued on 4 March 2008). The above being given, in the period, this Board of Auditors performed the supervisory activities provided for by the above regulations, also in accordance with the conduct principles recommended by the Italian National Board of Chartered Accountants.

Supervisory activities

In the period, this Board supervised:

- compliance with the law, regulatory provisions and with the Company's Articles of Association, on proper management, on the adequacy of the organizational and accounting structure (for the aspcts falling within its responsibility);
- on the effectiveness and proper operation of the overall internal controls system;
- on the adequacy of the system for the management and control of risks;
- on the proper execution of the strategic and management control activities exercised by Cariparma in its capacity as the Parent Company.

Moreover, pursuant to Articles 16 and 19 of the above-mentioned Italian Legislative Decree No. 39/2010, this Board supervised the following:

a) the financial reporting process;
b) the effectiveness of the internal control, internal audit and risk management systems;
c) the statutory audit of annual accounts and of consolidated accounts;
d) the independence of the statutory auditor or of the statutory audit company, especially as regards the provision of non-auditing services to the entity subject to the statutory audit of the accounts.

In order to fulfil the above duties and tasks, in the period after the date of preparation of the Report to the 2013 Financial Statements and until today's date, the Board of Auditors has held 49 meetings (as per the minutes recorded in the specific Register of Minutes of the Meetings of the Board of Auditors), and, specifically:

- it carried out its self-assessment on 21 March 2014, with reference to the 2013 period, verifying its own adequacy in terms of composition, professional skills, availability of time and operation. The self-assessment was carried out in accordance with Article 29 of the Company's Articles of Association in force, which complies with the regulatory provisions issued by the Bank of Italy;

- it implemented its annual work plan, which included systematic meetings with the various corporate departments. The above activities mainly regarded meetings with the Top Management, with the Executives at the head of departments engaged in control functions (Compliance, Risk Management and Permanent Controls, Internal Audit) and with the Executives engaged in the management of operations and administration;
- it carried out professional updating and training activities, also by attending the meeting, organized by the Company, on training for the Corporate Bodies of the Group Banks, within the "Circular No. 263 Project" (15th update to the Bank of Italy Circular No. 263/2006).

Moreover, this Board:

1) attended all General Meetings of Shareholders, all the meetings of the Board of Directors and of the Executive Committee; therefore, it can state that such meetings were carried out in compliance with the legislation provisions and with the Articles of Association governing their operation, and can reasonably state that all resolutions made were compliant with the law and with the Articles of Association and that they were not blatantly imprudent, risky, in conflict of interest of such as to jeopardize the integrity of the Company's equity;
2) was provided by the Directors, thanks to the attendance at the meetings of the Boards of Directors and of the Committees, as well as to the meetings and exchanges of information with the Top Management (the Chief Executive Officer, the Co-General Manager, the Deputy General Manager), with information on the general performance of operations and on the outlook, as well as on the transactions that were carried out by the Company and were most significant due to their size or features. The Executive Committee and the Chief Executive Officer regularly reported to the Board of Directors on the exercise of their respective responsibilities and powers, as well as on all significant transactions;
3) supervised intra-group transactions and transactions with related parties, by attending, represented by the Chairman or his Deputy, the meetings of the Related Parties Committee (which was set up with a resolution passed by the Board of Directors on 24 November 2010) and at the relevant meetings of the BoD and of the Executive Committee. In this regard, as reported in "Part H" of the Note to the Separate Financial Statements and to the Consolidated Financial Statements, this Board hereby reports that, on 29 July 2014, the new "Regulation on Risk Assets and Conflicts of Interest with Associated Parties" of the Cariparma Crédit Agricole Group, in order for the Group to implement a new dedicated regulation on this matter. The Board of Auditors also reports that, in paragraph 2 of "Part H" of the Note to the Financial Statements, the Board of Directors states that "in the period no atypical or unusual transactions were carried out which, for their materiality/significance may have raised doubts concerning the safeguarding of the Company equity and the protection of minority shareholders";
4) attended, represented by its Chairman and/or another Auditor, the meetings of the Loan Committee of the Bank and of the Group;
5) monitored, specifically at the meetings between the Board of Auditors, the Top Management and the Executives at the head of departments engaged in control functions (the so-called Internal Control Committee) the outcomes of the control activities, the progress of the internal audit, risk management and compliance projects and with regard, among other things, to the Integrated Controls System, to money-laundering prevention and to the MiFID regulation;
6) supervised the effectiveness and operation of the overall internal controls system, also through periodic and regular meetings with the Risk Management and Permanent Controls Central Department, the Internal Audit Central Department, the Compliance Central Department and with the Executive Manager in charge of the preparation of the accounting documents, acquiring copies of the reports prepared by the various Corporate Bodies and Committees engaged in control functions. Moreover, in this regard, it is reported that this Board attended, represented by its Chairman and/or by another Auditor, the meetings of the Audit Committee for Internal Control;
7) worked in coordination with the Company tasked with the statutory audit of the accounts, Reconta Ernst & Young S.p.A (to whom this tasks has been assigned for the 2012-2020 period with resolution passed by the General Meeting of Shareholders on 23 April 2012): to this end, regular meetings were held, for the examination of quarterly accounts, for the exchange of relevant data and information required for the performance of the respective tasks, and for the analysis of the outcomes of the work done by the Independent Audit Company. It is specified that the Independent Audit Company did not inform this Board, at the above meetings or in other ways, of any irregularities, problems and/or inadequacy detected: moreover, the Board hereby acknowledges receipt of the report pursuant to Article 19, paragraph 3, of Italian Legislative Decree No. 39/2010 issued on 31 March 2015, which does not set forth significant shortfalls in the internal control system as regards the financial reporting process. This Board also verified that the Independent Auditing Company tasked with the statutory audit of the accounts published the

annual transparency report on its website, pursuant to Article 18 of Italian Legislative Decree No. 39 of 27 January 2010, within the set terms; the Independent Audit Company sent the annual confirmation of independence to this Board, pursuant to Article 17, paragraph 9, letter a of Italian Legislative Decree No. 39/2010;

8) supervised the adequacy and consistency of the process for the determination of internal capital (ICAAP) with the regulatory requirements. Moreover, the Board was provided with relevant information by the competent Departments – including by the Risk Management and Permanent Controls Department – at the regularly held meetings. Specifically, the document “ICAAP Report as at 31 December 2013” was submitted to the Board of Directors on 29 April 2014 after being examined by this Board. The ICAAP Report as at 31 December 2014 will be submitted to the Board of Directors for examination on 29 April 2015;
9) worked in close cooperation with the Board of Auditors of the Subsidiaries, also through joint meetings held with the respective Control Bodies. In these meetings, no aspects emerged which are to be submitted to the Shareholders of the Parent Company;
10) worked in coordination, also through dedicated meetings and contacts, with the Supervisory Body that was appointed pursuant to Italian Legislative Decree No. 231/01; the Chairman of the Board of Auditors and/or another Auditor is invited to attend the meetings of the Supervisory Body.

Moreover, this Board expressed its favourable opinion specifically on the following matters:

- on the co-option of two Directors to replace two Members of the Board of Directors that left office;
- with separate minutes taken on 16 April 2014 and 19 March 2015, on the proposal for the variable remuneration due to the Chief Executive Officer for 2013 and for 2014;
- with minutes taken on 31 July 2014, on the Letter replying to the Bank of Italy on “Money-laundering Prevention Profiles” (communication dated 16 June 2014 sent by the Bank of Italy, Rome Office – Banking and Financial Supervision Area). On the same date, the Board also examined the text of the reply sent by the Bank and by the subsidiary Carispezia to the letter dated 20 June 2014 and received from the Genova Office of the Bank of Italy on “Transparency Verifications”;
- with minutes dated 8 September 2014, on the issue of Covered Bonds, “2014 Program”.

As set forth in the Report to the Financial Statements for the previous year, this Board, within the scope of its responsibilities, continued to monitor the activities and projects for the strengthening and upgrading of the governance structures to the present size of the Cariparma Crédit Agricole Group and to the complex market situation, with specific regard to the adequacy of the structures for the management and control of corporate risks. In this regard, the Board states that (as exhaustively described in the Management Report) the Cariparma Crédit Agricole Group proactively continued, in 2014, to implement the existing internal controls system, in compliance with the legislation on companies, with the supervisory provisions issued by the Bank of Italy and with the guidelines issued by the Controlling Company Crédit Agricole S.A.

Specifically, in the year, the Board monitored the process for the progressive upgrading of the Group’s and the Bank’s structures to the “New Prudential Supervisory Regulations for Banks - internal control system, information system and business continuity” pursuant to the update to the Bank of Italy Circular No. 263/2006 issued on 2 July 2013.

In the year and until today’s date, no complaints were filed pursuant to Article 2408 of the Italian Civil Code.

Separate and Consolidated Financial Statements

The Separate Financial Statements as at 31 December 2014 are subject to the provisions of Italian Legislative Decree No. 38 of 28 February 2005 and of the Bank of Italy Circular No. 262 of 22 December 2005, as updated on 22 December 2014, and were prepared in compliance with the IAS/IFRS applicable and in force as at 31 December 2014, and endorsed by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002. In the Note to the financial statements, the Management Body states that no derogations were made to the application of the IAS/IFRS.

The Separate Financial Statements and the Management Report to the same are deemed adequate to provide information on the Bank’s situation, the performance of its operations in the reporting period and the relevant outlook (taking account also of the indications contained in the document jointly issued by the Bank of Italy, CONSOB (Italian Securities and Exchange Commission) and ISVAP (Italian Private Insurance Supervisory Authority) No. 4 of 3 March 2010, concerning the application of the IAS/IFRS).

With specific regard to the Consolidated Financial Statements as at 31 December 2014, it is stated that they are subject to the provisions set down in Italian Legislative Decree No. 38 of 28 February 2005 and of the Bank of Italy Circular No. 262 of 22 December 2005, as updated on 22 December 2014, and were prepared in compliance with the IAS/IFRS and the relevant interpretations issued by the IFRIC, and endorsed by the European Commission, as provided for in the European Union Regulation No. 1606 of 19 July 2002.

As specified by the Directors in the Note to the Consolidated Financial Statements, the consolidation perimeter consists of the Parent Company Cariparma, its subsidiaries Banca Popolare Friuladria S.p.A., Cassa di Risparmio della Spezia S.p.A., Crédit Agricole Leasing Italia S.r.l., Sliders S.r.l., Cariparma OBG S.r.l. and by the Company Mondo Mutui Cariparma S.r.l (which, even though not a formal subsidiary, since it is a special-purpose entity, has been consolidated on a line-item basis pursuant to IFRS 10 – Special-purpose Entities), as well as of CA Agro-Alimentare S.p.A. that has been consolidated using the equity method.

As regards the Consolidated Financial Statements as at 31 December 2014, in addition to the above, the General Meeting of Shareholders is hereby informed that this Board supervised their general layout, their general compliance with the law in terms of their preparation and structure, and that, in this regard, no remarks are to be made. Moreover, this Board verified compliance with the applicable regulations concerning the preparation of the Management Report.

The Board of Auditors also informs you that it has received from the Independent Audit Company tasked with the statutory audit of the accounts its reports on the Separate Financial Statements and on the Consolidated Financial Statements as at 31 December 2014, which were issued on 31 March 2014 and which do not contain any remarks and any request for additional reporting.

Conclusions

Dear Shareholders,

considering that the reports received from Reconta Ernst & Young S.p.A., the auditing company tasked with the statutory audit of the accounts of Cariparma S.p.A. as at 31 December 2014, do not set forth any requests for additional reporting, that the information as received to date from the Executive Manager in charge of the preparation of the accounting documents, as well as his Report pursuant to Article 154-bis of the Italian Consolidated Act on Finance do not set forth any shortfalls or problems, the Board of Auditors, based on the activities performed and on the above, expresses its favourable opinion on the approval of the Separate Financial Statements and of the relevant Management Report, as well as on the proposal for the allocation of the profit for the period as submitted by the Board of Directors for your approval.

Parma, Italy, 7 April 2015

The Board of Auditors

(Paolo Alinovi)

(Luigi Capitani)

(Angelo Gilardi)

(Stefano Lottici)

(Marco Ziliotti)

Independent Auditors' Report

Building a better working world

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

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ey.com

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

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

1. We have audited the consolidated financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. and its subsidiaries ("Cariparma Crédit Agricole Group") as of and for the year ended December 31, 2014, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Cassa di Risparmio di Parma e Piacenza S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated March 28, 2014.

3. In our opinion, the consolidated financial statements of the Cariparma Crédit Agricole Group at December 31, 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the Cariparma Crédit Agricole Group for the year then ended.

4. The management of Cassa di Risparmio di Parma e Piacenza S.p.A. is responsible for the preparation of the Management Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Management Report and the specific section on Corporate Governance and the Company's Ownership Structure regarding the information included therein in compliance with art. 123-bis paragraph 2, letter b) of Legislative Decree n. 58/1998, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In our opinion the Management Report and the information reported therein in compliance with article 123-bis paragraph 2, letter b) of the Legislative Decree n. 58/1998,in the specific section of the report, are consistent with the consolidated financial statements of the Cariparma Crédit Agricole Group as of December 31, 2014.

Milan, March 31, 2015

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

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

Assets	31.12.2014	31.12.2013
10. Cash and cash equivalents	285,002	334,127
20. Financial assets held for trading	210,965	214,732
30. Financial assets measured at fair value	15,972	-
40. Financial assets available for sale	6,207,042	5,096,003
50. Financial assets held to maturity		
60. Loans to banks	3,277,775	3,305,651
70. Loans to Customers	37,275,835	36,391,853
80. Hedging derivatives	924,205	692,941
90. Value adjustment of financial assets subject to macro hedging (+/-)	11,144	1,192
100. Equity investments	18,909	19,263
110. Reinsurers' share of technical reserves	-	-
120. Property, plant and equipment	460,169	442,815
130. Intangible Assets	1,906,679	1,927,562
of which: goodwill	1,575,536	1,575,536
140. Tax assets	1,168,780	1,196,793
(a) current	347,586	360,629
(b) deferred	821,194	836,164
b1) pursuant to Italian Law No. 214/2011	745,945	721,653
150. Non-current assets or groups of assets being divested	-	-
160. Other assets	441,032	539,785
Total assets	**52,203,510**	**50,162,717**

Liabilities and Equity	31.12.2014	31.12.2013
10. Due to banks	6,781,410	6,084,875
20. Due to Customers	25,314,421	23,360,593
30. Outstanding securities	11,831,609	13,233,109
40. Financial liabilities held for trading	219,593	213,804
50. Financial Liabilities measured at fair value	-	-
60. Hedging derivatives	702,955	345,373
70. Adjustment of financial liabilities subject to macro-hedging (+/-)	655,095	350,530
80. Tax liabilities	373,426	386,232
(a) current	251,673	292,708
b) deferred	121,754	93,524
90. Liabilities in respect of assets being divested		
100. Other liabilities	1,013,357	1,026,440
110. Employee severance benefits	156,011	151,648
120. Provisions for contingencies and liabilities	176,052	212,009
(a) retirement and similar liabilities	22,873	23,151
b) other provisions	153,179	188,858
130. Technical reserves	-	-
140. Valuation reserves	43,254	-43,473
150. Redeemable shares		
160. Equity instruments		
170. Reserves	953,260	879,591
180. Share premium reserve	2,735,462	2,735,462
190. Share Capital	876,762	876,762
200. Treasury shares (+/-)	-	-
210. Equity attributable to minority shareholders	210,689	199,318
220. Profit (loss) for the period	160,155	150,444
Total liabilities and equity	**52,203,510**	**50,162,717**

CONSOLIDATED INCOME STATEMENT

Items	31.12.2014	31.12.2013 (*)
10. Interest income and similar revenues	1,392,722	1,428,837
20. Interest expense and similar charges	(451,151)	(520,250)
30. Net interest income	**941,571**	**908,587**
40. Commission income	676,116	613,514
50. Commission expense	(26,772)	(25,775)
60. Net commission income	**649,344**	**587,739**
70. Dividend income and similar revenues	8,400	1,694
80. Net gain (loss) on trading activities	2,154	12,870
90. Net gain (loss) on hedging activities	(4,756)	9,570
100. Gains (losses) on disposal or repurchase of:	28,315	137,023
a) loans	*3,157*	*(9)*
b) financial assets available for sale	*29,372*	*133,961*
c) financial assets held to maturity	-	-
d) financial liabilities	*(4,214)*	*3,071*
110. Net gain (loss) of financial assets and liabilities measured at fair value	(1,933)	-
120. Net banking income	**1,623,095**	**1,657,483**
130. Net impairment adjustments/writebacks of:	(390,460)	(491,135)
a) loans	*(391,010)*	*(480,217)*
b) financial assets available for sale	*(301)*	*(2,015)*
c) financial assets held to maturity	-	-
d) other financial transactions	*851*	*(8,903)*
140. Net profit (loss) from financial operations	**1,232,635**	**1,166,348**
150. Net premiums	-	-
160. Balance of other revenues/expenses from insurance operations	-	-
170. Net profit (loss) from financial and insurance operations	**-**	**-**
180. Administrative expenses:	(1,112,779)	(1,100,409)
a) staff expenses	*(580,934)*	*(595,066)*
b) other administrative expenses	*(531,845)*	*(505,343)*
190. Net provisions for contingencies and liabilities	(19,518)	(27,665)
200. Net adjustments/writebacks of property, plant and equipment	(28,631)	(29,392)
210. Net adjustments/writebacks of intangible assets	(60,899)	(63,659)
220. Other operating expenses/revenues	281,604	252,378
230. Operating expenses	**(940,223)**	**(968,747)**
240. Gain (loss) on equity investments	210	(1,170)
250. Net gains (losses) from property, plant and equipment and intangible assets measured at fair value	-	-
260. Value adjustments of goodwill	-	-
270. Gain (loss) on disposal of investments	(4)	232
280. Gain (loss) before tax on continuing operations	**292,618**	**196,663**
290. Income tax for the period on continuing operations	(123,536)	(39,494)
300. Gain (loss) after tax on continuing operations	**169,082**	**157,169**
310. Gain (loss) after tax of groups of assets/liabilities under disposal	**-**	**-**
320. Net profit (loss) for the period	**169,082**	**157,169**
330. Profit (loss) attributable to minority shareholders	(8,927)	(6,725)
340. Profit (loss) for the period attributable to the Parent Company	**160,155**	**150,444**

(*) Restated in accordance with the Bank of Italy provisions concerning the recognition of actions in favour of Deposit Guarantee Schemes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Items		31.12.2014	31.12.2013
10.	**Net Profit (loss) for the period**	**169,082**	**157,169**
	Other income components after tax without reversal to Income Statement		
20.	Property, plant and equipment	-	-
30.	Intangible Assets	-	-
40.	Actuarial gains (losses) on defined-benefit plans	(10,836)	3,335
50.	Disposal groups	-	-
60.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
	Other income components after tax with reversal to Income Statement		
70.	Hedging of foreign investments	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	Financial assets available for sale	100,069	116,893
110.	Disposal groups	-	-
120.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
130.	**Total other income components after tax**	**89,233**	**120,228**
140.	**Comprehensive income (Item 10+130)**	**258,315**	**277,397**
150.	Consolidated comprehensive income attributable to minority Shareholders	11,434	9,035
160.	**Total comprehensive income attributable to the Parent Company**	**246,881**	**268,362**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2014

	Capital: Ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Gain (loss) for the period	Equity
			retained earnings	other			
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY AS AT 31 DEC. 2013	**876,762**	**2,735,462**	**898,779**	**-19,188**	**-43,473**	**150,444**	**4,598,786**
EQUITY ATTRIBUTABLE TO MINORITY SHAREHOLDERS AS AT 31 DEC. 2013	**53,998**	**101,905**	**33,953**	**2,939**	**-202**	**6,725**	**199,318**
ALLOCATION OF NET PROFIT FOR PREVIOUS PERIOD	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reserves	-	-	64,589	-	-	-64,589	-
Dividends and other allocations	-	-	-	-	-	-92,580	-92,580
CHANGES FOR THE PERIOD	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in reserves	-	-	-	-	-	-	-
Equity transactions	-	-	2,100	-	-	-	2,100
Issue of new shares	7,479	5,040	-	-	-	-	12,519
Purchase of treasury shares	-	-	-	-	-	-	-
Charity	-	-	1,300	-	-	-	1,300
Consolidation adjustments	-	-4,032	-	4,032	-	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	89,234	169,082	258,316
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY AS AT 31 DEC. 2014	**876,762**	**2,735,462**	**968,416**	**-15,156**	**43,254**	**160,155**	**4,768,893**
EQUITY ATTRIBUTABLE TO MINORITY SHAREHOLDERS AS AT 31 DEC. 2014	**61,477**	**102,913**	**32,127**	**2,939**	**2,305**	**8,927**	**210,688**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2013

	Capital: Ordinary shares	Share premium reserve	Reserves: retained earnings	Reserves: other	Valuation reserves	Gain (loss) for the period	Equity
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY AS AT 31 DEC. 2012(*)	**876,762**	**2,735,462**	**793,737**	**-21,489**	**-161,391**	**160,026**	**4,383,107**
EQUITY ATTRIBUTABLE TO MINORITY SHAREHOLDERS AS AT 31 DEC. 2012(*)	**53,994**	**101,905**	**38,027**	**1,864**	**-2,512**	**1,653**	**194,931**
ALLOCATION OF EARNINGS FOR THE PREVIOUS PERIOD							
Reserves	-	-	99,918	-	-	-99,918	-
Dividends and other allocations	-	-	-	-	-	-61,761	-61,761
CHANGES FOR THE PERIOD							
Changes in reserves	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-
Charity	-	-	1,050	-	-	-	1,050
Other changes	-	-	-	750	-	-	750
Consolidation adjustments	4	-	-	1,941	-	-	1,945
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	685	-	-	685
Comprehensive income	-	-	-	-	120,228	157,169	277,397
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY AS AT 31 DEC. 2013	**876,762**	**2,735,462**	**898,779**	**-19,188**	**-43,473**	**150,444**	**4,598,786**
EQUITY ATTRIBUTABLE TO MINORITY SHAREHOLDERS AS AT 31 DEC. 2013	**53,998**	**101,905**	**33,953**	**2,939**	**-202**	**6,725**	**199,318**

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

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2014

	31.12.2014	31.12.2013
A. OPERATING ACTIVITIES		
1. Operations	**1,250,634**	**882,429**
- Gain (Loss) for the period (+/-)	160,155	150,444
- gains (losses) on financial assets held for trading and financial assets/liabilities measured at fair value (-/+)	5,582	-10,145
- gains/losses on hedging activities (-/+)	-4,756	-9,570
- net impairment adjustments/writebacks (+/-)	371,397	478,474
- net adjustments/writebacks of property, plant and equipment and intangible assets (+/-)	89,530	93,051
- net provisions for contingencies and liabilities and other costs/revenues (+/-)	19,518	27,665
- unpaid taxes and levies (+)	123,536	39,494
- net adjustments/writebacks of discontinuing operations net of tax effects (-/+)	-	-
- other adjustments (+/-)	485,672	113,016
2. Liquidity generated/absorbed by financial assets	**-2,495,442**	**-1,397,449**
- financial assets held for trading	118	107,343
- financial assets measured at fair value	-17,905	-
- available-for-sale financial assets	-1,217,216	-1,078,188
- loans to banks: demand	-69,504	89,905
- loans to banks: other loans	97,380	728,352
- loans to customers	-1,256,139	-1,738,924
- other assets	-32,176	494,063
3. Liquidity generated/absorbed by financial liabilities	**1,350,685**	**697,528**
- due to banks: demand	31,708	-421,572
- due to banks: other payables	664,827	1,231,002
- due to customers	1,953,828	1,096,124
- outstanding securities	-1,076,457	-627,729
- financial liabilities held for trading	5,789	-98,344
- financial liabilities measured at fair value	-	-
- other liabilities	-229,010	-481,953
Net liquidity generated/absorbed by operating activities	**105,877**	**182,508**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**9,155**	**2,058**
- sale of equity investments	564	-
- dividends from equity investments	8,400	1,694
- sale of financial assets held to maturity	-	-
- sale of property, plant and equipment	191	364
- sale of intangible assets	-	-
- sale of business units	-	-
2. Liquidity absorbed by	**-86,196**	**-74,644**
- purchases of equity investments	-	-
- purchases of financial assets held to maturity	-	-
- purchases of property, plant and equipment	-46,180	-29,547
- purchases of intangible assets	-40,016	-45,097
- purchases of business units	-	-
Net liquidity generated/absorbed by investment activities	**-77,041**	**-72,586**
C. FUNDING		
- issues/purchases of treasury shares	14,619	-
- issues/purchases of equity instruments	-	-
- dividend distribution and other	-92,580	-61,761
Net liquidity generated/absorbed by funding	**-77,961**	**-61,761**
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD	**-49,125**	**48,161**

RECONCILIATION

Financial Statement items	31.12.2014	31.12.2013
Opening cash and cash equivalents	334,127	285,966
Total net increase/decrease in cash and cash equivalents for the period	-49,125	48,161
Cash and cash equivalents: effect of exchange rates changes	-	-
Closing cash and cash equivalents	**285,002**	**334,127**

KEY: (+) from (–) used

Note to the Consolidated Financial Statements

Part A – Accounting policies

A.1 General Part

Section 1 – Statement of compliance with the International Accounting Standards

The consolidated Financial Statements of the Cariparma Crédit Agricole Group have been prepared pursuant to Italian Legislative Decree No. 38 of 28 February 2005, in accordance with the International Accounting Standards issued by the International Accounting Standards Board (IASB) and 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.

Therefore, the IAS/IFRS in force as at 31 December 2014 (including the interpretations documents called SIC and IFRIC) have been applied, as endorsed by the European Commission and listed in detail in the specific table in an annex to these Financial Statements.

The layouts of the financial statements and of the note to the financial statements have been prepared in accordance with the provisions set down in Circular No. 262 “Banks’ financial statements: layout and preparation” issued by the Bank of Italy on 22 December 2005, within the exercise of its powers as provided for in Article 9 of Italian Legislative Decree No. 38/2005, and, specifically, the developments set down in the third update (of 22 December 2014) have been implemented.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION AND ENTERED INTO FORCE IN 2014

Standard, amendments or interpretations	Date of publication	Date of first application
Adoption of IFRS 10 Consolidated finacial statement	11 December 2012 (UE n° 1254/2012)	1 January 2014
Adoption of IFRS 11 Joint Arrangements	11 December 2012 (UE n° 1254/2012)	1 January 2014
Adoption of IFRS 12 Disclosures on Interests in Other Entities	11 December 2012 (UE n° 1254/2012)	1 January 2014
Amendments of IAS 27 Separeted Financial Statement	11 December 2012 (UE n° 1254/2012)	1 January 2014
Amendments of IAS 28 Investments in Associates and Joint Ventures	11 December 2012 (UE n° 1254/2012)	1 January 2014
Amendments of Ias 32 Disclosures related to the compensation of financial assets and liabilities	13 December 2012 (UE n° 1256/2012)	1 January 2014
Amendments of IFRS 10. IFRS11. IFRS12	04 April 2013 (UE n° 313/2013)	1 January 2014
Amendments of IFRS10. IFRS12 for relations with companies of investment	20 November 2013 (UE n° 1174/2013)	1 January 2014
Amendments of Ias 36 informations provided on the Recoverable amount for non-financial assets	19 December 2013 (UE n° 1174/2013)	1 January 2014
Amendmens of IAS 39 financial instruments	19 December 2013 (UE n°1174/2013)	1 January 2014

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

The application of IFRS 10 and of the subsequent amendments to IAS 27 and to IAS 28 aim at providing a single model for the consolidated financial statements, which envisages "control" o "de facto control" as the basis for the consolidation of all possible types of entities. IFRS 10 sets down that, in order to have control over an entity, an investor must have the power, resulting from a legal right or simply from the state of affairs, to significantly steer the type of management choices to be made concerning the entity's material assets and operations and is exposed to variable returns of the investee.

The amendment to IFRS 11 provides for the accounting and financial reporting principles for entities that "jointly control an arrangement". The amendment to IFRS 12 combined, enhances and replaces the reporting obligations for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

Finally, the amendments to IAS 32 and to IAS 39 concern the offsetting of financial assets and financial liabilities and hedge accounting, respectively.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION IN 2014 BUT NOT YET ENTERED INTO FORCE

Standard, amendments or interpretations	Date of publication	Effective Date
IFRIC 21 Levies	14 June 2014 (UE n° 634/2014)	1 January 2015
Amendments of IFRS 3 Business combinations IFRS 13 Fair Value Measurement IAS 40 Real estate investments	19 December 2014 (UE n° 1361/2014)	1 January 2015
Amendments of IFRS 2 Share Based Payment. IFRS 3 Business combinations. IFRS 8 Operating Segments. IAS 16 Property, Plant and Equipment. IAS 24 Disclosures of financial statement on Related Parties. IAS 38 Intangible Assets and IAS 19 Employee Benefits	9 January 2015 (UE n° 28/2015)	1 January 2015

Based on the thorough analysis made, the application of these new regulatory provisions is not expected to generate significant impacts on the Company's Profit (Loss) and on its corporate procedures.

● *Section 2 - General preparation principles*

The Annual Report and Financial Statements consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Note to the financial statements, as well as of the Management Report on the performance of operations, on the profits (losses) made and on the Group's financial and cash flow position.

In accordance with Article 5 of Legislative Decree No. 38/2005, the Euro has been used as the reporting currency in the preparation of the financial statements. The amounts in the Financial Statements, in the Note to the financial statements and in the Management Report are expressed in thousands of Euro, where not otherwise specified.

The Annual Report and Financial Statements have been prepared in compliance with the general presentation principles set down by IAS 1 and with the specific accounting standards endorsed by the European Commission and reported in Part A 2 of this Note.

No exceptions were made in applying the IASs/IFRSs.

The Annual Report and Financial Statements as at 31 December 2014 have been prepared on a going-concern basis, since the Group is believed to continue in operation in the foreseeable future.

As regards the reporting required pursuant to IFRS 7 on the risks which the Group is exposed to, appropriate information is provided in the Management Report and in the Note to the financial statements, specifically in Section E.

The Note to the financial statements also reports the verifications that were carried out in order to assess any impairment of equity investments, available-for-sale securities and intang ble assets (including goodwill).

The Financial Statements and the Note also report comparative figures for the year ended as at 31 December 2013, as well as the figures for the year being reported.

USE OF ESTIMATES AND ASSUMPTIONS IN PREPARING THE ANNUAL REPORT AND FINANCIAL STATEMENTS

To prepare the Annual Report and Financial Statements, estimates and assumptions must be made, which can generate significant effects on the values recognized in the Balance Sheet and in the Income Statement, as well as on the information on contingent assets and liabilities reported. Making such estimates entails the use of the information that is available at the relevant time and of subjective assessments.

By their very nature, the estimates and assumptions used may vary from one period to another. Therefore, it cannot be ruled out that the recognized values fr this reporting period may vary, even to a significant extent, in future periods, subsequent to any changes in the subjective assessments used. The main instances that require the use of subjective assessments to be made by the Senior Management are the following:
- quantifying losses resulting from the impairment of loans and of other financial assets in general;
- calculating the fair value of financial instruments to be used for financial reporting purposes;
- using measurement models for the recognition of the fair value of financial instruments that are not listed on active markets;
- assessing the consistency of the value of goodwill and of the other intangible assets;
- quantifying the provisions for staff and for contingencies and liabilities;
- making estimates and assumptions concerning the recoverability of deferred tax assets.

The description of the accounting policies applied to the main aggregates reported in the financial statements provides detailed information on the major assumptions made and subjective assessments used in preparing the financial statements.

CONTENTS OF THE FINANCIAL STATEMENTS

Balance Sheet and Income Statement

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

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

Statement of Comprehensive Income

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

As for the Balance Sheet and the Income Statement, in the layouts, as defined by the Bank of Italy, the items with no amounts for the reporting year, nor for the previous one, have been stated also.

Negative amounts are set forth in parenthesis.

Statement of Changes in Equity

In order to facilitate understanding of the figures, the rows and columns of the statement of changes in equity were inverted with respect to the same statement prepared in accordance with the above Bank of Italy Circular no. 262/2005. The statement shows the composition and movements of the shareholders’ equity items during the reporting year and in the previous one, broken down into share capital (ordinary shares and savings shares), capital reserves, income reserves, comprehensive income and net profit or loss. The value of treasury shares is deducted from equity.

No equity instruments other than ordinary shares have been issued.

Statement of cash flows

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

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

In the Statement, cash flows generated in the period are reported without sign, while those absorbed are reported with a negative sign.

CONTENTS OF THE NOTE TO THE FINANCIAL STATEMENTS

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

As for the Balance Sheet and the Income Statement, in the layouts, as defined by the Bank of Italy, the items with no amounts for the reporting year, nor for the previous one, have been stated also.

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

Section 3 – Scope and method of consolidation

SCOPE OF CONSOLIDATION

In addition to the Parent Company, Cassa di Risparmio di Parma e Piacenza S.p.A., the consolidation perimeter includes the subsidiaries and associates specified below.

In accordance with IFRS10, 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 Cariparma 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.

CONSOLIDATION METHODS

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

After attributing the relevant portion of the equity and profits or losses to minority shareholders, under a separate dedicated item, the value of the equity investment is derecognized with the remaining value of the equity of the subsidiary as the balancing item.

Positive differences resulting from this operation are recognized under "Intangible assets" as goodwill or other intangible assets, after taking the subsidiary's assets or liabilities, where applicable. Negative differences are taken to the Income Statement.

Acquisitions of businesses are recognized using the acquisition method provided for by IFRS 3, applied starting from the date of acquisition, that is to say, from the moment in which control of the business is effectively achieved.

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

Consolidation using the Equity method involves initial recognition of the equity investment at cost and subsequently its adjustment based on the pertaining equity portion of the investee company's equity. The difference between the value of the equity investment and the shareholders' equity of that portion held are included in the book value of the equity investment

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

The other major consolidation operations include:

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

The reporting date of the Financial Statements of the Parent Company and of the other consolidated companies is 31 December 2014.

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

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

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

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

Company name	Registered office	Type of relationship (1)	Equity investment		Disponibilità
			Investor	% holding	% Actual votes available
A. Company					
Parent Company					
Cassa di Risparmio di Parma e Piacenza S.p.A. (Cariparma)	Parma				
A1. Consolidated on a line-by-line basis					
1,Banca Popolare FriulAdria S.p.A. (FriulAdria)	Pordenone	1	Cariparma S.p.A.	80.17%	80.17%
2, Cassa di Risparmio della Spezia S.p.A. (Carispezia)	La Spezia	1	Cariparma S.p.A.	80.00%	80.00%
3, Crédit Agricole Leasing Italia S.r.l. (Calit)	Milano	1	Cariparma S.p.A.	85.00%	85.00%
4, Slider S.r.l.	Milano	1	Cariparma S.p.A.	100.00%	100.00%
5, Mondo Mutui Cariparma S.r.l. (2)	Milano	4	Cariparma S.p.A.	19.00%	19.00%
5, Cariparma OBG S.r.l. (2)	Milano	1	Cariparma S.p.A.	60.00%	60.00%
A2. Proportionately consolidated					
1, CA Agroalimentare	Parma	1	Cariparma S.p.A.	26.32%	26.32%
			Friuladria s,p,A	10.53%	10.53%

(1) Type of relationship:
1= Majority of the voting rights in the General Meeting of Shareholders
2= Controlling influence in the Extraordinary General Meeting
3= Agreements 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) Please, see point 2 below Other Information.

2. Other information

In the Consolidated Financial Statements as at 31 December 2014, the company Mondo Mutui Cariparma S.r.l. was included in the consolidation perimeter, since it is a special-purpose vehicle (SPV) whose operations are carried out exclusively on behalf of the Parent Company with regard to its specific corporate requirements in order for the Parent Company to obtain benefits and advantages from the SPV's operations.

● *Section 4 – Events occurred after the reporting date*

From 31 December 2014 to the date of approval of the Annual Report and Financial Statements, no events occurred which could significantly change the structures of the Cariparma Crédit Agricole.

● *Section 5 – Other aspects*

ASSET QUALITY REVIEW – AQR

As reported among the significant events occurred in 2014, the Cariparma Group, as part of the Crédit Agricole international Group (CA Group), was subject, in preparation for the Single Supervisory Mechanism, to the Comprehensive Assessment exercise. This exercise was carried out by the European Central Bank together with the Italian National Competent Authority, as regards the leading Italian Banks, and was essentially completed in July 2014, with the publication of the results for the Crédit Agricole Group as a whole on 26 October 2014; no breakdown was published of the results by single Bank of the CA Group.

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

The comprehensive assessment consisted of three phases:
(i) an analysis of risks for supervisory purposes;
(ii) the Asset Quality Review;
(iii) a Stress Test to verify the resilience of the banks' balance sheets in stress scenarios.

As regards the Asset Quality Review, it is reported that the ECB Reviewers, after selecting the asset portfolio to be reviewed, examined the quality of the assets, which also included the validation of the integrity of the data supplied by the CA Group, a number of on-site audits and, ultimately, the assessment of the collaterals, the recalculation of the value adjustments and of risk-weighted assets ("Credit File Review" and "Challenger Model").

The Stress Test was carried out using two assumed scenarios for the three-year period 2014-2016: a baseline one, designed based on the forecasts of the European Commission of February 2014, and an adverse scenario. The simulation was conducted on the financial statement data as at 31 December 2013, as adjusted to take account of the AQR results. In the baseline scenario the capital adequacy of the Banks in the CA Group was assessed against a 8% requirement; in the adverse scenario, the minimum requirement used was 5.5%, also in this case higher than the minimum regulatory one.

The results of the Comprehensive Assessment for the CA Group as a whole can be found on the following web pages:
- the Website of the Central Bank of France: https://acpr.banque-france.fr/international/les-grands-enjeux/stress-tests.html;
- the Website of the European Central Bank: http://www.ecb.europa.eu/ssm/assessment/html/index.en.html.

The Cariparma Group took account of the results of the Comprehensive Assessment in preparing its annual accounts, assessing all data and information made available by the French Parent Company as they met the appropriate reliability requirements and fully including the impacts of the Asset Quality Review (Individual File Review) in the cost of credit for 2014.

INTRA-GROUP BUSINESS COMBINATIONS

In the period, an intra-group business combination was carried out. It consisted in the transfer of a business unit from Cariparma to Carispezia (transaction between entities under common control). Given that reorganization was the only purpose of this transaction and in accordance with the Group policy on this matter, this intra-group business combination was recognized at pre-combination carrying amounts as reported in the financial statements of the companies involved, without recognizing any economic effect of such transaction.

OPTION FOR THE ITALIAN NATIONAL TAX CONSOLIDATION REGIME

Since 2013, the Italian Controlling Company Cassa di Risparmio di Parma e Piacenza S.p.A. and some Italian Companies in its Group (Banca Popolare FriulAdria, Cassa di Risparmio della Spezia 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. No. 344/2003.

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

AUDIT OF THE ACCOUNTS

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

A.2 Part reporting on the main financial statement items

1. Financial assets held for trading

CLASSIFICATION

This category consists of debt and equity securities and the positive value of derivatives contracts held for trading.

Derivatives contracts include derivatives embedded in complex financial instruments that have been recognized separately because:
- their economic characteristics and risks are not closely related to the characteristics of the host contract;

the embedded instruments, also when separated, meet the definition of derivative;
- the hybrid instruments which they belong to are not measured at fair value with the relevant changes taken to the Income Statement.

RECOGNITION

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

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

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

MEASUREMENT

After initial recognition, financial assets held for trading are measured at fair value. The effects of the application of this measurement standard are taken to the Income Statement.

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

To measure the fair value of financial instruments that are listed on an active market, market prices are used. Where there is no active market, fair value is measured using estimation methods and measurement models that take account of all the risk factors correlated to the instruments and that are based on information available on the market, such as: the measurement of the price of listed instruments with similar features, discounted cash flows, option pricing models, values reported for recent comparable transactions, etc.

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

DERECOGNITION

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

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

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

2. Available-for-sale financial assets

CLASSIFICATION

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

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

RECOGNITION

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

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

MEASUREMENT

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

Fair value is determined using the criteria adopted for “Financial assets held for trading”.

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

“Financial assets available for sale” undergo impairment testing to determine whether there is objective evidence of impairment.

Where impairment is found, the amount of the loss is measured as the difference between purchase cost and fair value, net of any losses already recognized in the Income Statement.

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

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

For equity instruments this writeback is recognized in equity.

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

LOAN RESTRUCTURING TRANSACTIONS ENTAILING THE PARTIAL OR FULL CONVERSION INTO EQUITY INSTRUMENTS CLASSIFIED AS AVAILABLE-FOR-SALE FINANCIAL ASSETS.

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

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

DERECOGNITION

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

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

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

3. Financial assets held to maturity

CLASSIFICATION

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

RECOGNITION

Financial assets are initially recognized at the settlement date.

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

MEASUREMENT

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

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

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

Where impairment is found, the amount of the loss is measured as the difference between purchase cost of the asset and the present value of expected future cash flows, discounted using the original effective interest rate.

The amount of the loss is recognized in the income statement. If the reasons for the impairment should be removed subsequent to the recognition of write-down for impairment, a writeback is taken to the Income Statement. The amount of the writeback shall not in any event exceed the amortized cost that the financial instrument would have had in the absence of prior adjustments.

DERECOGNITION

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

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

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

4. Loans and Receivables

CLASSIFICATION

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

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

RECOGNITION

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

MEASUREMENT

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

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

Loans are tested to determine whether events subsequent to recognition have given rise to objective evidence of possible impairment. Loans subject to testing include loans classified as bad debts, substandard loans, restructured loans or past-due positions in accordance with the Bank of Italy's rules in force as at 31 December 2014 and consistent with the IAS/IFRS.

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

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

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

The writedown is recognized in the Income Statement.

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

Value restoration instances linked with the passage of time are reported under writebacks.

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

Collective impairment losses are taken to the income statement.

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

DERECOGNITION

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

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

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

5. Financial assets measured at fair value

CLASSIFICATION

In accordance with the IAS/IFRS endorsed by the European Commission, any financial assets so defined upon acquisition may be classified in the “financial instruments measured at fair value” category with a balancing item in the Income Statement, in compliance with the cases provided for by the applicable regulation.

No reclassifications to other financial assets categories are allowed. The Group classifies some hybrid instruments in this category, which, otherwise, would have required to be separated from the host contract.

RECOGNITION

Financial assets are initially recognized at fair value, excluding transaction expenses or income that can be directly attributed to the instrument itself. Measurement. After initial recognition, these financial instruments are measured at fair value. The effects of the application of this measurement standard are taken to the Income Statement.

DERECOGNITION

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

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

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

6. Hedging

TYPES OF HEDGES

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

The following types of hedges are used:
- fair value hedges: these are used to hedge exposures to changes in the fair value (attributable to the different types of risk) of assets and liabilities or portions thereof, groups of assets and liabilities, irrevocable commitments and portfolios of financial assets and liabilities, including core deposits, as permitted by IAS 39 as endorsed by the European Commission;
- hedge of an investment in a foreign currency: it is used to hedge risks of an investment in a foreign operation expressed in a foreign currency.

MEASUREMENT

Hedging derivatives are measured at fair value. Specifically:
- in case of fair value hedging, changes in the fair value of the hedged item are offset against changes in the fair value of the hedging instrument. This offset is recognized by reporting changes in value in the income statement, both for the hedged item and for the hedging instrument. Any difference that may arise, since it represents the partial ineffectiveness of the hedge, also represents its net economic effect;
- in case of of hedging of currency investments, changes in the fair value of the derivative is recognized in equity, for the hedging effective portion of hedging, and are recognized in the Income Statement only when, with reference to the hedged investment, hedging is not effective.

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

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

Hedging is deemed effective when changes in the fair value (or the cash flows) of the hedging instrument almost entirely – i.e. within an interval of between 80% and 125% - offset changes in the value of the hedged item for the hedged risk factor.

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

- prospective tests, which justify the application of hedge accounting, since they demonstrate the expected effectiveness of the hedge;
- retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how actual results deviate from the perfect hedge.

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

If the tests do not confirm the effectiveness of the hedge, hedge accounting, as described above, is discontinued and the hedge derivative contract is reclassified under trading instruments, while the hedged financial instrument is again measured using the criteria applicable to its original category. In case of macrohedging, IAS 39 allows fair value hedging of the exposure to interest rate risk of designated amount of financial assets or liabilities such that a group of derivative contracts can be used to reduce changes in the fair value of the items hedged against fluctuations in market interest rates.

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

7. Equity investments

RECOGNITION, CLASSIFICATION AND MEASUREMENT

This item includes shares held in associates and joint ventures.

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

Associates are companies in which the Group exercises a significant influence, holding, directly or indirectly, at least 20% of the voting rights (including “potential” voting rights as defined above) or having the power to participate in determining its financial and management policies, despite holding less than 20% of the voting rights, owing to specific legal ties, such as being party to a shareholders’ agreement.

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

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

If the recoverable value is lower than the book value, the difference is recognized in the Income Statement.

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

8. Property, plant and equipment

CLASSIFICATION

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

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

RECOGNITION

"Property, plant and equipment" items are initially recognized at cost, which includes, in addition to the purchase cost, all costs directly attributable to the transaction and placing the asset in service. Extraordinary maintenance expenses that increase the future economic benefits generated by such assets are recognized as an increase in the value of the assets, while ordinary maintenance costs are recognized in the Income Statement.

MEASUREMENT

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

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

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

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

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

The following assets are not depreciated:

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

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

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

DERECOGNITION

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

9. Intangible Assets

CLASSIFICATION

Intangible assets are recognized as such if they are identifiable and are based on legal or contractual rights (for example, software). Intangible assets also include:

- software acquired from external sources or with licence for use;
- in-house developed software;
- residual goodwill recognized as the difference between purchase cost and the fair value of the assets and liabilities acquired and potential assets and liabilities recognized upon acquisition;
- the intangibles representing business with Customers are recognized subsequent to the application of IFRS 3.

RECOGNITION AND MEASUREMENT

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

After initial recognition, intangible assets are recognized net of the accumulated amortization and of any accumulated impairment losses. Intangible assets' useful life is assessed as finite or indefinite.

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

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

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

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

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

DERECOGNITION

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

Profits or losses resulting from the derecognition of intangible assets are calculated as the difference between the net disposal revenue and the book value of the intangible asset and are recognized in the income statement for the year in which the derecognition is made.

10. Non-current assets and disposal groups being divested

“Non-current assets and disposal groups held for sale” and “Liabilities in respect of assets held for sale” include non-current assets or groups of assets/liabilities which are in the process of being divested, and for which a sale is considered highly probable. In case of transactions subject to authorization to be issued by Supervisory Authorities, the Group’s accounting policy, since it attaches an essential value to such authorization, provides for “Non-current Assets/Liabilities and groups of assets being divested” to be recognized as from the date of receipt of the such authorization (whether express or tacit).

These assets/liabilities are measured at the lower between their book value and their fair value net of disposal costs. The related income and expenses (net of tax effects) are recognized as a separate item in the Income Statement.

11. Current and Deferred Taxes

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

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

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

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

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

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

Deferred tax assets and deferred tax liabilities are recognized in the balance sheet with open balances and without any offsetting, taking the former under the “Tax assets” item and the latter under the “Tax liabilities” item.

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

12. Provisions for contingencies and liabilities

RETIREMENT AND SIMILAR LIABILITIES

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

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

OTHER PROVISIONS

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

Where the time factor is significant, provisions are discounted using current market rates. The accrual is recognized in the Income Statement and includes the increase in the provision due to the passage of time.

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

13. Debt and securities issued

CLASSIFICATION

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

RECOGNITION

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

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

MEASUREMENT

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

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

DERECOGNITION

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

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

14. Financial liabilities held for trading

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

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

15. Financial Liabilities measured at fair value

No Company in the Cariparma Crédit Agricole Group has exercised the fair value option. In other words, no Group Company has opted to measure financial liabilities at fair value, taking the result of such measurement to the income statement, with the exception of financial liabilities for which IAS 39 provides for fair value measurement owing to their specific functional purpose. Therefore, only financial liabilities classified in the trading book, subject to fair value hedging and fair value hedging derivatives are measured at fair value and the results of this measurement are recognized in the Income Statement.

16. Foreign currency transactions

INITIAL RECOGNITION

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

SUBSEQUENT RECOGNITION

At each annual and interim financial reporting date, foreign currency items are measured as follows:

- monetary items are translated at the exchange rate prevailing at the reporting date;
- non-monetary items measured at historical cost are translated at the exchange rate in force as at the transaction date;
- non-monetary items measured at historical cost are translated at the exchange rate in force as at the reporting date.

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

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

17. Other information

FORBORNE EXPOSURES – PERFORMING AND NON-PERFORMING

Within performing loans, single exposures are identified and classified as “forborne” (that is to say, subject to Forbearance measures), for which the Bank, due to the deterioration in the debtor’s business and financial conditions (experiencing “financial difficulties”), consents to amend the original agreement conditions or to total/partial refinancing of the contract, which would not have been granted if the debtor had not been experiencing such difficulties. These exposures do not make up a separate category, but they are a shared feature across the various categories of assets and are recognized on the single position that is subject to forbearance measures.

Therefore, from among Performing Loans, Performing Forborne Exposures are identified to which the “forbearance measure” applies. In order to recover from the status as a Forborne exposure, an observation period of at least 2 year from the application of the forbearance measure (the so-called probation period) is required.

Within Non-performing loans, the Non Performing Forborne exposures are, in practice, the category of Restructured loans

LEASES

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

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

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

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

CLASSIFICATION OF LEASES

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

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

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

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

The Group has also entered into operating lease agreements as Lessee, concerning cars and other operating assets. The payments associated with these operating lease agreements have been recognized in the Income Statement on a straight-line basis over the duration of the agreement.

As at the reporting date, the Group had no finance lease agreements in force.

INSURANCE ASSETS AND LIABILITIES

The Financial Statements of the Group do not report any assets or liabilities bearing insurance risks.

TREASURY SHARES

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

LEASEHOLD IMPROVEMENT

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

EMPLOYEE SEVERANCE BENEFITS

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

Therefore, with reference to the defined benefit scheme component the benefit cost is calculated separately for each scheme using the actuarial unitary credit projection method. Under this method, future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

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

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

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

PROVISIONS FOR GUARANTEES ISSUED AND COMMITMENTS

Financial guarantee liabilities issued by the Group are the contracts requiring a payment to refund the holder of a loss following the default of a specific debtor in making the payment due at the set maturity date based on the contract clauses debt instrument. Financial guarantee contracts are initially recognized as liabilities at fair value, increased by the transaction costs directly ascribable to the guarantee issue.

Later, liabilities are measured as the higher between the best estimate of the cost required to meet the actual obligation as at the reporting date and the amount initially recognised after deducting the accrued amortization. These guarantees are recognized under "Other Liabilities", pursuant to the above-mentioned Bank of Italy Circular letter No. 262/2005.

SHARE-BASED PAYMENT

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

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

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

REVENUE RECOGNITION

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

- interest revenues are recognized on an accrual basis, using the contractual interest rate or the effective interest rate where the amortized cost method is applied;
- default interest, if any is contractually provided for, is recognized in the Income Statement only upon collection;
- dividends are recognized in the income statement when their distribution is authorized;
- commissions for revenues from services are recognized, in accordance with the terms of the relevant agreement, in the period in which the services have been provided;
- revenues from intermediation of financial instruments held for trading, calculated as the difference between the transaction price and the instrument fair value, are recognized in the Income Statement when the transaction is recognized, if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded.

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

FAIR VALUE MEASUREMENT

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

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price) on the main (or more advantageous) market, irrespective of whether this price can be directly observed or estimated using a valuation technique. Fair value applies to each financial asset or liability on an individual basis. As an exception, it can be estimated at a portfolio level, if the strategy for the management and monitoring of risk allow it and it appropriate documentation is provided. However, certain fair value parameters are calculated on a net basis, when a group of financial assets and financial liabilities is managed based on its net exposure to market or credit risks. This is the case for calculation of Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA).

More exhaustive reporting on these parameters is given in Part A.4 of the Note to the financial statements.

● *FINANCIAL INSTRUMENTS*

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

A market is considered active if quoted prices, representing effective and regular market transactions occurring during an appropriate reference period, are readily and regularly available from sources such as securities markets, dealers, stockbrokers, industry companies, pricing services or regulatory agencies. Collective investment schemes (EFT), spot exchange transactions, futures, options and shares listed on a regulated market and bonds for which at least two executable prices can be detected on a quotation service with a bid-asking spread that is less than an interval deemed consistent, are all considered as listed in an active market meeting the above requirements. Otherwise, all securities and derivatives that do not belong to the above categories are not considered as traded on an active market.

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

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

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

With finance products for which the fair value determined with measurement techniques cannot guarantee a sufficient degree of reliability, the value is prudentially calculated as the fair value at the reference date communicated by the parties with which the transactions were signed.

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

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

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

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

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

For available-for-sale loan assets and for loan assets and liabilities recognized at cost or at amortized cost, the fair value for recognition purposes or reported in the Note to the Financial Statements is determined using the following method:

- medium- and long-term assets and liabilities are primarily measured by discounting future cash flows, taking account of the riskiness of the relevant portfolio;
- a good approximation of the fair value of demand or short-term assets and liabilities is represented by the initial book value, net of collective/individual writedowns;
- the book value of non-performing loans (bad debts, substandard loans, past-due loans and restructured loans) is deemed to be a reasonable fair value approximation;
- the initial book value of floating-rate and short-term fixed-rate securities is deemed a reasonable fair value approximation , due to the fact that it reflects both the change in rates and the measurement of the credit risk associated with the issuer. An analogous approach is applied for the fair value measurement of medium-/long-term fixed-rate securities and structured securities that are hedged for interest rate risk, for which the book value determined for hedge accounting purposes already takes into account interest rate risk measurement. For the latter, in determining the fair value reported in the note to the financial statements, changes in their credit spread were not taken into account, given that they are immaterial.

● *NON-FINANCIAL ACTIVITIES*

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

METHOD FOR AMORTIZED COST CALCULATION

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

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability.

To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

Subsequent to initial recognition, the amortized cost method makes it possible to allocate revenues and costs pertaining to the instruments over their expected lifetime. The determination of the amortized cost varies according to whether the financial assets/liabilities being assessed are at fixed or variable rate, and - in the latter case - according to whether the rate variability is known or not beforehand. For fixed-rate instruments, or instruments with fixed rate over specified time periods, future cash flows are measured using the known interest rate (single or variable) over the life of the loan. For floating rate financial assets and liabilities whose variability is not known ahead of time (e.g. because it is linked to an index), cash flows are determined using the last known rate. Each time the rate is changed, the amortization schedule is recalculated, as is the effective rate of return over the entire useful life of the instruments, i.e. through maturity. Any adjustments are recognized as expense or income in the Income Statement.

Amortized cost is calculated for loans and receivables, financial assets held to maturity financial assets available for sale, debt and securities issued.

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

Transaction costs are marginal internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument that cannot be charged to the customer. These commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for retrocession, failure to use a credit line, early repayment, underwriting, facility and arrangement.

In addition, not considered in the amortized cost calculation are the costs that the Group would sustain independently of the transaction (for example, administrative costs, recording and communication expenses), nor those that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as commissions for services collected for the completion of Structured Finance operations, which would however have been collected independently of the subsequent financing of the transaction (such as, for example, arrangement commissions).

With specific reference to loans, costs attributable to the financial instrument include commission paid to distribution channels, fees paid for advice/assistance to the organization and/or participation in syndicated loans, expenses borne for loans acquired by subrogation and, finally, up-front commissions relating to loans granted at a higher-than-market rates; while the revenues considered in the calculation of amortized cost are up-front commissions relating to loans granted at lower-than-market rates, commissions for participation in syndicated transactions and brokerage fees linked to commissions paid by intermediation companies.

As to securities not classified as held for trading, transaction costs include commissions on contracts with stockbrokers operating in Italian markets, commissions paid to intermediaries operating in foreign stock and bond markets based on a prepared schedule of commissions. The amortized cost does not include stamp duties, as these are deemed immaterial.

With regard to securities issued, amortized cost is calculated taking into account commission for placing debenture loans paid to third parties, legal expenses, fees paid to stock exchanges and fees paid to auditors for work done on each individual issue, while the amortized cost excludes commissions paid to rating agencies, legal and advice/revision expenses for the annual update of prospectuses, expenses for the use of indexes and commissions that arise during the life of the debenture loan issued.

Following initial measurement, they are measured at amortized cost, reporting effective interest rates that are higher or lower than the nominal rates. Finally, structured assets or liabilities not assessed at fair value are assessed at depreciated cost as well, and attributed to the Profit and Loss Account where the derivative contract incorporated in the financial instrument is separated and entered separately.

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

METHODS FOR DETERMINING IMPAIRMENT LOSSES

● *FINANCIAL ASSETS*

At every reporting date, financial assets not classified as “Financial Assets held for trading” undergo impairment testing to determine whether there is objective evidence that their book value is not fully recoverable.

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

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

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

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

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

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. To this end performing loans are subdivided into categories with uniform credit risk profile, referred to as “rating classes”, and the scope of application is defined by identifying “sensitive” loans, considered as loans that implicitly include the possibility of incurred losses.

The collective impairment value of sensitive loans is, therefore, calculated applying the percentage expressing the probability of default assigned to the rating class, considering also the residual life of the loan (maturity) and the loss given default rate, defined in a perspective of Basel 2 prudential supervision . The loss given default rate is, moreover, further corrected by a sector coefficient, established based on the run-off rates published by the Bank of Italy. The collective impairment loss measurement also takes into account the risk associated with the counterparty's country of residence.

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

Please, see the relevant section of the Note for information on measurement methods used to calculate fair value.

● *OTHER NON-FINANCIAL ACTIVITIES*

Property, plant and equipment and intangible assets with definite useful life undergo impairment testing if there is evidence that the book value of the asset can no longer be recovered.

The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent from those generated by other assets or groups of assets.

If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently written down to the recoverable value.

The recoverable value is determined with reference to the fair value of the property, plant and equipment asset or intangible asset net of divestment expenses or to the use value, if it can be determined and is higher than the fair value

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

For other Property, plant and equipment items and intangible assets (other than goodwill), the Group determines the value in use as the present value of the estimated future cash flows using a discount rate before-taxes reflecting market data (the current cost of money and asset-specific risks).

SEGMENT REPORTING METHOD

The Bank presents segment reporting, as required by IFRS 8.

The sectors of economic activity included in segment reporting are determined based on the Group's organisational and management structure.

The Group's business segments are the following:
- Retail /Private Banking;
- Large-Corporate /Mid-Corporate;
- Other/sundry ones.

For segment reporting purposes, management figures, suitably reconciled with Financial Statement figures, have been used. The methods used for the impairment testing of goodwill are reported in point 13.3 - Assets.

■ A.3 Reporting on transfers of financial assets between portfolios

A.3.1 Transfers between portfolios

In 2014 no inter-portfolio transfers were made.

A.4 Fair value reporting

QUALITATIVE DISCLOSURES

CLASSIFICATION OF FINANCIAL INSTRUMENTS AND OF NON-FINANCIAL ASSETS/LIABILITIES

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

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

- **Level 1**: Fair value equal to quoted prices (with no adjustments) in active markets.

Level 1 includes financial instruments that are quoted on active markets.

Specifically, these financial instruments are stocks and bonds quoted on active markets, investment schemes quoted on active markets (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 that are based on assumptions not supported by observable market inputs.

The above are mainly complex interest rate instruments, stock derivatives and structured loans, where the measured correlation or volatility inputs are not directly comparable to market inputs.

CREDIT VALUATION ADJUSTMENT (CVA) AND DEBIT VALUATION ADJUSTMENT (DVA)

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

CVA is the value adjustment of an OTC derivative, signed by the Bank with an external counterparty, which reflects the loss resulting from the worsening of the creditworthiness/default of the counterparty.

In a mirror-like way, the DVA expresses the CVA from the external counterparty's standpoint and consists in an adjustment of the derivative fair value based on the change in the creditworthiness of the Bank (issuer).

Based on the above, the value of a portfolio of OTC derivatives that are in force with a market counterparty, is equal to the value of the same risk-free portfolio less the CVA plus the 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).

By signing ISDA Master Agreements, which are framework agreements that amount to the reference international standard on OTC derivatives, 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.

Much in the same way, risks can be mitigated by finalizing Credit Support Annex (CSA), which are attached to the ISDA Mater Agreement and provide for the deposit with the creditor of an amount equal to the mark-to-market value of the exposure as a collateral.

Such collateral allows the present exposure and the subsequent risk to be reduced and provides, on a regular basis, for the exposure to be recalculated in order to verify that the deposited amount is consistent.

In accordance with the IFRS 13, the Cariparma Group has adopted a model implemented by the Parent Company CAsa; in addition to the effects of any changes in the counterparty's creditworthiness (Credit Valuation Adjustment – CVA), this model also expresses any changes in the Group's creditworthiness (Debit Value Adjustment – DVA).

In accordance with the model, the calculation of the CVA depends on the exposure, on the probability of default (PD) and on the LossGiven Default (LGD) of the counterparties.

This model provides for the use of a forward-looking PD as a function of the type of counterparty, to which a CDS spread or a CDS proxy is assigned. For this purpose, the external counterparties are classified into three categories:

- the first category includes the counterparties for which CDS input parameters are directly observable in the market;
- the second category includes counterparties for which there is no official quoted parameter, but to which a CDS proxy can be assigned, based on the observable market value that is given to counterparties with the same characteristics in terms of economic activity sector, rating and geographical area;
- the third category includes the counterparties to which a proxy cannot be assigned and for which, therefore, historical data are used.

On the other hand, the DVA calculation depends on the Bank's exposure, probability of default (PD) and Loss Given Default (LGD) and this measure expresses the potential earnings from the change in the market prices of the relevant derivative, due to the worsening of the Issuer Bank's creditworthiness.

In this case, a forward-looking PD is used which reflects the Bank's credit risk.

A.4.1 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 parameter.

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

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

A.4.2 Processes and sensitivity of measurement

The Financial Management Department is responsible for defining the fair value category of the financial instruments recognized; the fair value hierarchy is reported in section "A3 Fair value reporting". Choosing between the above methods is not an option, since they must be applied in a hierarchical order: absolute priority is given to official prices that are available on active markets for assets and liabilities to be measured (Level 1) or for assets and liabilities that are measured using techniques based on parameters that are observable on the market (Level 2); lower priority is given to assets and liabilities whose fair value is determined based on measurement techniques referring to parameters that are unobservable on the market and, thus, more discretionary (Level 3).

IFRS 13 also requires that, for recurring fair value measurements categorized within Level 3 of the fair value hierarchy, a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.

In this regard, it is reported that this case does not apply to some Level-3 financial instruments classified as Held for Trading and AFS. Unobservable inputs that can affect the measurement of financial instruments classified as Level 3 mainly consist in estimates and assumptions underlying the models used to measure investments in equity securities and OTC derivatives. For these investments no quantitative sensitivity analysis of the fair value based on the change in unobservable inputs was carried out, since either the fair value was obtained from third-party sources without any adjustments or resulted from a model whose inputs are specific for the entity being measured (for example the company equity values) and for which alternative values cannot be reasonably assumed.

For other financial instruments measured at fair value and categorized as Level 3, the main parameter that is unobservable on the market and affects fair value measurement is the recovery rate of indirectly held exposures to Icelandic Banks.

In quantitative terms, an increase/decrease of one percentage point in the Recovery Rate would generate an increase or decrease, respectively, in the fair value amounting to approximately Euro 1.6 million.

Reference is made to the breakdown analysis of the composition of these cases, which is reported in the next section on quantitative disclosures.

A.4.3 Fair value hierarchy

For the assets and liabilities recognized, the Financial Management Department assesses whether transfers have occurred between the hierarchy levels by reviewing categorization at every reporting date.

The Financial Management 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 Department makes transfers to Level 3 only for financial instruments that are not listed in a regulated market and that cannot be measured using standard internal pricing models of the Group.

A.4.4 Other Information

The cases provided for by IFRS 13 at paragraphs 51, 93 item (i) and 96 did not apply to the Group.

A.4.5 Fair value hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: categorization by fair value level

	31.12.2014			31.12.2013		
Financial assets/liabilities carried at fair value	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets held for trading	26	199,659	11,280	18	181,370	33,344
2. Financial assets measured at fair value	-	15,972	-	-	-	-
3. Financial assets available for sale	5,946,726	-	260,316	4,829,585	-	266,418
4. Hedging derivatives	-	924,205	-	-	692,941	-
5. Property, plant and equipment	-	-	-	-	-	-
6. Intangible Assets	-	-	-	-	-	-
Total	**5,946,752**	**1,139,836**	**271,596**	**4,829,603**	**874,311**	**299,762**
1. Financial liabilities held for trading	-	209,264	10,329	-	181,625	32,179
2. Financial liabilities measured at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	339,658	363,297	-	215,689	129,684
Total	**-**	**548,922**	**373,626**	**-**	**397,314**	**161,863**

The impact resulting from applying CVA and DVA of the measurement of the fair value of derivatives classified under “Financial Asset held for trading” came to Euro 13,668 thousand.

A.4.5.2 Changes for the period in assets measured at fair value on a recurring basis (Level 3)

	Financial assets			Hedging derivatives	Property, plant and equipment	Intangible Assets
	Held for trading	Measured at fair value	Available for sale			
1. Opening balance	**33,344**	**-**	**266,418**	**-**	**-**	**-**
2. Increases	**78**	**-**	**16,293**	**-**	**-**	**-**
2.1 Purchases	-	-	15,453	-	-	-
2.2 Profits recognized in:	-	-	-	-	-	-
2.2.1 Income Statement	72	-	250	-	-	-
- of which: Capital gains	56	-	-	-	-	-
2.2.2 Equity	X	X	590	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-
2.4 Other increases	6	-	-	-	-	-
3. Decreases	**22,142**	**-**	**22,395**	**-**	**-**	**-**
3.1 Sales	75	-	15,131	-	-	-
3.2 Repayments	17,883	-	-	-	-	-
3.3 Losses recognized in:	-	-	-	-	-	-
3.3.1 Income Statement	4,179	-	90	-	-	-
- of which Capital losses	4,158	-	-	-	-	-
3.3.2 Equity	X	X	7,173	-	-	-
3.4 Transfers to other levels	-	-	1	-	-	-
3.5 Other decreases	5	-	-	-	-	-
4. Closing Balance	**11,280**	**-**	**260,316**	**-**	**-**	**-**

A.4.5.3 Changes for the period in liabilities measured at fair value on a recurring basis (Level 3)

	Financial liabilities		Hedging derivatives
	Held for trading	Measured at fair value	
1. Opening balance	**32,179**	**-**	**129,684**
2. Increases	**7**	**-**	**274,222**
2.1 Issues	4	-	263,805
2.2 Losses recognized in:			10,417
2.2.1 Income Statement	3	-	10,417
- of which: Capital losses	3	-	10,417
2.2.2 Equity	X	X	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**21,857**	**-**	**40,609**
3.1 Repayments	17,895	-	35,610
3.2 Repurchases	-	-	-
3.3 Profits recognized in:			4,999
3.3.1 Income Statement	3,962	-	4,999
- of which: Gains	3,962	-	4,999
3.3.2 Equity	X	X	-
3.4 Transfers to other levels	-	-	-
3.5 Other decreases	-	-	-
4. Closing Balance	**10,329**	**-**	**363,297**

A.4.5.4 Assets and liabilities that are not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level:

Assets and liabilities that are not measured at fair value or measured at fair value on a non-recurring basis	31.12.2014				31.12.2013			
	Book value	Level 1	Level 2	Level 3	Book value	Level 1	Level 2	Level 3
1. Financial assets held to maturity	-	-	-	-	-	-	-	-
2. Loans to banks	3,277,775	-	3,277,775	-	3,305,651	-	3,305,651	-
3. Loans to Customers	37,275,835	-	-	39,321,252	36,391,853	-	-	38,063,738
4. Investment property	18,877	-	-	35,597	11,268	-	-	27,284
5. Non-current assets and groups of assets being divested	-	-	-	-	-	-	-	-
Total	**40,572,487**	**-**	**3,277,775**	**37,737,215**	**39,708,772**	**-**	**3,305,651**	**38,091,022**
1. Due to banks	6,781,410	-	6,781,410	-	6,084,785	-	6,084,785	-
2. Due to Customers	25,314,421	-	25,301,213	13,208	23,360,593	-	23,351,140	9,453
3. Outstanding securities	11,831,609	-	10,245,110	1,609,650	13,233,109	-	11,092,741	2,183,364
4. Liabilities in respect of assets being divested	-	-	-	-	-	-	-	-
Total	**43,927,440**	**-**	**42,327,733**	**1,622,858**	**42,678,487**	**-**	**40,528,666**	**2,192,817**

A.5 – Reporting on “day one profit/loss”

Paragraph 28 of IFRS 7 governs the specific situation where, in case of purchase of a financial instrument that is measured at fair value but not listed on an active market, the transaction price, which generally amounts to the fair value best estimate upon initial recognition, is different from the fair value determined based on the measurement techniques used by the entity.

In this case, a measurement profit/loss is realized upon acquisition, which shall be adequately disclosed by financial instrument class.

It is reported that this case does not apply to the Group consolidated financial statements.

PART B – INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 CASH AND CASH EQUIVALENTS: COMPOSITION

	31.12.2014	31.12.2013
a) Cash	285,002	334,127
b) Demand deposits with Central Banks	-	-
Total	**285,002**	**334,127**

Section 2 – Financial assets held for trading – Item 20

2.1 FINANCIAL ASSETS HELD FOR TRADING: COMPOSITION BY TYPE

Items/Amounts	31.12.2014			31.12.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance-sheet assets						
1. Debt securities	26	195	817	18	2,194	826
1.1 Structured Securities	-	102	-	-	120	-
1.2 Other debt securities	26	93	817	18	2,074	826
2. Equity securities	-	8	-	-	9	-
3. Units in collective investment undertakings	-	-	-	-	-	25
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	**26**	**203**	**817**	**18**	**2,203**	**851**
B. Derivatives						
1. Financial Derivatives	-	199,456	10,463	-	179,167	32,493
1.1 held for trading	-	199,456	10,463	-	179,167	32,493
1.2 associated with fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit Derivatives	-	-	-	-	-	-
2.1 held for trading	-	-	-	-	-	-
2.2 associated with fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	**-**	**199,456**	**10,463**	**-**	**179,167**	**32,493**
Total (A+B)	**26**	**199,659**	**11,280**	**18**	**181,370**	**33,344**

It is reported that the “Other debt securities” item under Financial Assets held for trading reports the securities issued by the Icelandic Bank Glitnir Banki HF (former Islandbanki) amounting to Euro 725 thousand. These securities matured on 4 November 2010 and have been classified as bad debts.

2.2 FINANCIAL ASSETS HELD FOR TRADING: COMPOSITION BY DEBTOR/ISSUER

Items/Values	31.12.2014	31.12.2013
A. On-balance-sheet assets		
1. Debt securities	1,038	3,038
a) Governments and central banks	5	11
b) Other public entities	-	-
c) Banks	959	3,011
c) Other issuers	74	16
2. Equity securities	**8**	**9**
a) Banks	8	9
c) Other issuers:	-	-
- insurance companies	-	-
- financial companies	-	-
- non-financial companies	-	-
- other	-	-
3. Units in collective investment undertakings	**-**	**25**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
c) Other parties	-	-
Total A	**1,046**	**3,072**
B. Derivatives		
a) Banks		
- fair value	80,370	95,272
b) Customers		
- fair value	129,549	116,388
Total B	**209,919**	**211,660**
Total (A+B)	**210,965**	**214,732**

2.3 ON-BALANCE SHEET FINANCIAL ASSETS HELD FOR TRADING: CHANGES FOR THE PERIOD

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	31.12.2014
A. Opening balance	**3,038**	**9**	**25**	**-**	**3,072**
B. Increases	**543,642**	**19,347**	**1,624**	**-**	**564,613**
B1. Purchases	539,056	19,347	1,624	-	560,027
B2. Fair value gains	68	-	-	-	68
B3. Other changes	4,518	-	-	-	4,518
C. Decreases	**545,642**	**19,348**	**1,649**	**-**	**566,639**
C1. Sales	541,680	19,346	1,630	-	562,656
C2. Repayments	-	-	-	-	-
C3. Fair value losses	499	-	-	-	499
C4. Transfers to other portfolios	-	-	-	-	-
C5. Other changes	3,463	2	19	-	3,484
D. Closing balance	**1,038**	**8**	**-**	**-**	**1,046**

Rows B3. and C5. include profits and losses from trading and accrued issue discounts on coupon interest. Any opening technical overdrafts are reported in row C5. and the closing ones in row B3.

Section 3 – Financial assets measured at fair value – Item 30

3.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE: COMPOSITION BY TYPE

Items/Values	31.12.2014			31.12.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	-	15,972	-	-	-	-
1.1 Structured Securities	-	15,972	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity securities	-	-	-	-	-	-
3. Units in collective investment undertakings	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Structured loans	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	**-**	**15,972**	**-**	**-**	**-**	**-**
Cost	**-**	**-**	**-**	**-**	**-**	**-**

A security from a debt restructuring has been classified in this category, the so-called “convertendo Unipol SAI”, where the Group has adopted the “fair value option”, with the measurement taken to the Income Statement.

3.2 FINANCIAL ASSETS MEASURED AT FAIR VALUE: COMPOSITION BY DEBTOR/ISSUER

Items/Values	Total	Total
	31.12.2014	31.12.2013
1. Debt securities	**15,972**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
c) Other issuers	15,972	-
2. Equity securities	**-**	**-**
a) Banks	-	-
c) Other issuers:	-	-
- insurance companies	-	-
- financial companies	-	-
- non-financial companies	-	-
- other	-	-
3. Units in collective investment undertakings	**-**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
c) Other parties	-	-
Total	**15,972**	**-**

3.3 FINANCIAL ASSETS MEASURED AT FAIR VALUE: CHANGES FOR THE PERIOD

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	31.12.2014
A. Opening balance	**-**	**-**	**-**	**-**	**-**
B. Increases	**17,905**	**-**	**-**	**-**	**17,905**
B1. Purchases	17,800	-	-	-	17,800
B2. Fair value gains	-	-	-	-	-
B3. Other changes	105	-	-	-	105
C. Decreases	**1,933**	**-**	**-**	**-**	**1,933**
C1. Sales	-	-	-	-	-
C2. Repayments	-	-	-	-	-
C3. Fair value losses	1,933	-	-	-	1,933
C4. Other changes	-	-	-	-	-
D. Closing balance	**15,972**	**-**	**-**	**-**	**15,972**

Rows B3. and C4., where present, include profits and losses from trading and accrued issue discounts on coupon interest. Any opening technical overdrafts are reported in row C5. and the closing ones in row B3.

● *Section 4 – Available-for-sale financial assets – Item 40*

4.1 AVAILABLE FOR SALE FINANCIAL ASSETS: COMPOSITION BY TYPE

Items/Values	31.12.2014			31.12.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**5,946,645**	**-**	**48,982**	**4,828,910**	**-**	**48,783**
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	5,946,645	-	48,982	4,828,910	-	48,783
2. Equity securities	**81**	**-**	**210,334**	**675**	**-**	**217,635**
2.1 Measured at fair value	81	-	204,706	675	-	217,511
2.2 Measured at cost	-	-	5,628	-	-	124
3. Units in collective investment undertakings	**-**	**-**	**1,000**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**5,946,726**	**-**	**260,316**	**4,829,585**	**-**	**266,418**

The main equity securities measured at cost are:

- Cattleya S.r.l. (book value Euro 2,500 thousand, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed);
- SILCA S.n.c. (book value Euro 2,060 thousand, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed);
- CA Fiduciaria S.p.A. (book value Euro 400 thousand, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed);

In general, these equity securities have been measured at cost, since their fair value could not be reliably determined because there is no active market for these instruments, there were no recent transactions, similar securities could not be found and measurement models could not be properly applied as there are no estimates of future cash flows.

4.2 AVAILABLE FOR SALE FINANCIAL ASSETS: COMPOSITION BY DEBTOR/ISSUER

Items/Values	31.12.2014	31.12.2013
1. Debt securities	**5,995,627**	**4,877,693**
a) Governments and central banks	5,946,645	4,828,911
b) Other public entities	-	-
c) Banks	-	-
c) Other issuers	48,982	48,782
2. Equity securities	**210,415**	**218,310**
a) Banks	163,490	167,986
c) Other issuers:	46,925	50,324
- insurance companies	-	-
- financial companies	9,921	22,744
- non-financial companies	37,004	27,580
- other	-	-
3. Units in collective investment undertakings	**1,000**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
c) Other parties	-	-
Total	**6,207,042**	**5,096,003**

4.3 AVAILABLE-FOR-SALE FINANCIAL ASSETS SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

	31.12.2014	31.12.2013
With specific fair value hedges:	**5,851,840**	**4,729,056**
1. Interest rate risk	5,646,538	4,729,056
2. Price risk	205,302	-
3. Exchange rate risk	-	-
4. Credit Risk	-	-
5. Multiple risks	-	-
With specific cash flow hedges:	**-**	**-**
1. Interest rate risk	-	-
2. Exchange rate risk	-	-
3. Other	-	-
Total	**5,851,840**	**4,729,056**

4.4 AVAILABLE-FOR-SALE-FINANCIAL-ASSETS: CHANGES FOR THE PERIOD

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**4,877,693**	**218,311**	**-**	**-**	**5,096,004**
B. Increases	**2,660,221**	**15,367**	**1,000**	**-**	**2,676,588**
B1. Purchases	1,896,952	14,453	1,000	-	1,912,405
B2. Fair value gains	319,232	344	-	-	319,576
B3. Writebacks	-	320	-	-	320
- taken to the Income Statement	-	X	-		-
- taken to Equity	-	320	-	-	320
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	444,037	250	-	-	444,287
C. Decreases	**1,542,287**	**23,263**	**-**	**-**	**1,565,550**
C1. Sales	1,236,899	15,480	-	-	1,252,379
C2. Repayments	-	-	-	-	-
C3. Fair value losses	5,351	7,397	-	-	12,748
C4. Write-down for impairment	-	328	-	-	328
- taken to the Income Statement	-	302	-	-	302
- taken to Equity	-	26	-	-	26
C5. Transfers to other portfolios	-	-	-	-	-
C6. Other changes	300,037	58	-	-	300,095
D. Closing balance	**5,995,627**	**210,415**	**1,000**	**-**	**6,207,042**

Rows B5. and C6. include profits and losses from realization, accruals on the differences between issue prices and nominal values and on coupon interests, as well as, marginally, effects resulting from exchange rate fluctuations.

Section 6 – Loans to banks – Item 60

6.1 LOANS TO BANKS: COMPOSITION BY TYPE

Type of transactions/Values	31.12.2014				31.12.2013			
	VB	FV			VB	FV		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Claims on Central Banks	**419,255**	**-**	**-**	**-**	**265,891**	**-**	**-**	**-**
1. Fixed-term deposits	-	X	X	X	-	X	X	X
2. Reserve requirement	419,255	X	X	X	265,891	X	X	X
3. Repurchase agreements	-	X	X	X	-	X	X	X
4. Other	-	X	X	X	-	X	X	X
B. Loans to Banks	**2,858,520**	**-**	**-**	**-**	**3,039,760**	**-**	**-**	**-**
1. Current accounts and demand deposits	235,672	X	X	X	166,158	-	-	-
2. Fixed-term deposits	1,687,357	X	X	X	1,928,213	-	-	-
3. Other loans:	26,742	-	-	-	36,413	-	-	-
3.1 Repurchase agreements	-	X	X	X	-	X	X	X
3.2) Finance leases	-	X	X	X	-	X	X	X
3.3 Other	26,742	X	X	X	36,413	X	X	X
4. Debt securities	908,749	-	-	-	908,976	-	-	-
4.1 Structured Securities	-	X	X	X	-	X	X	X
4.2 Other debt securities	908,749	X	X	X	908,976	X	X	X
Total	**3,277,775**	**-**	**3,277,775**	**-**	**3,305,651**	**-**	**3,305,651**	**-**

Key:
FV = fair value
VB = book value

6.2 LOANS TO BANKS SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

As at 31 December 2014, there were no loans to banks subject to micro-hedge, i.e. specifically hedged.

6.3 FINANCE LEASES

As at 31 December 2014, there were no loans to banks resulting from finance lease transactions.

● Section 7 – Loans to customers – Item 70

7.1 LOANS TO CUSTOMERS: COMPOSITION BY TYPE

Type of transactions/Values	31.12.2014						31.12.2013					
	Book value			Fair value			Book value			Fair value		
	Performing	Non-performing		L1	L2	L3	Performing	Non-performing		L1	L2	L3
		Purchased	Other					Purchased	Other			
Loans	**34,151,992**	**-**	**2,992,092**	**-**	**-**	**39,189,501**	**34,089,811**	**-**	**2,296,530**	**-**	**-**	**38,058,226**
1. Current accounts	3,109,620	-	649,196	X	X	X	3,714,912	-	473,900	X	X	X
2. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
3. Mortgage loans	21,179,057	-	1,617,541	X	X	X	21,222,416	-	1,200,939	X	X	X
4. Credit cards, personal loans and loans repaid by automatic deductions from wages	514,027	-	18,914	X	X	X	620,352	-	32,044	X	X	X
5. Finance leases	1,627,644	-	231,539	X	X	X	1,638,345	-	220,699	X	X	X
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
7. Other financing	7,721,644	-	474,902	X	X	X	6,893,786	-	368,948	X	X	X
Debt securities	**131,751**	**-**	**-**	**-**	**-**	**131,751**	**5,512**	**-**	**-**	**-**	**-**	**5,512**
8. Structured Securities	131,241	-	-	X	X	X	-	-	-	X	X	X
9. Other debt securities	510	-	-	X	X	X	5,512	-	-	X	X	X
Total	**34,283,743**	**-**	**2,992,092**	**-**	**-**	**39,321,252**	**34,095,323**	**-**	**2,296,530**	**-**	**-**	**38,063,738**

7.2 LOANS TO CUSTOMERS: COMPOSITION BY DEBTOR/ISSUER

Type of transactions/Values	31.12.2014			31.12.2013		
	Performing	Non-performing		Performing	Non-performing	
		Purchased	Other		Purchased	Other
1. Debt securities:	**131,751**	**-**	**-**	**5,512**	**-**	**-**
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other issuers	131,751	-	-	5,512	-	-
- non-financial companies	510	-	-	5,512	-	-
- financial companies	-	-	-	-	-	-
- insurance companies	131,241	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans to:	**34,151,992**	**-**	**2,992,092**	**34,089,811**	**-**	**2,296,530**
a) Governments	12,718	-	-	8,023	-	1
b) Other public entities	273,382	-	4,458	327,034	-	1,895
c) Other parties	33,865,892	-	2,987,634	33,754,754	-	2,294,634
- non-financial companies	16,004,771	-	2,458,053	17,118,619	-	1,826,083
- financial companies	3,598,905	-	30,751	2,839,309	-	44,331
- insurance companies	67,139	-	1	83,378	-	1
- other	14,195,077	-	498,829	13,713,448	-	424,219
Total	**34,283,743**	**-**	**2,992,092**	**34,095,323**	**-**	**2,296,530**

7.3 LOANS TO CUSTOMERS: SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

Type of transactions/Values	31.12.2014	31.12.2013
1. Loans with specific fair value hedges	196,409	67,303
a) interest rate risk	196,409	67,303
b) exchange rate risk	-	-
c) credit risk	-	-
d) multiple risks	-	-
2. Loans with specific cash flow hedges:	-	-
a) interest rate risk	-	-
b) exchange rate risk	-	-
c) other	-	-
Total	**196,409**	**67,303**

7.4 FINANCE LEASES

Time ranges	Total					
	31.12.2014					
	NET NON-PERFORMING EXPOSURES	Minimum payments			Gross investment	
		Principal portion		Interest share		of which unsecured residual value
			of which secured residual value			
Interest portion	152,993	21,594	-	4,084	25,678	1
- up to 3 months	2,721	46,187	-	12,232	58,420	1,600
- beyond 3 months	-	-	-	-	-	-
up to 1 year	14,850	181,694	-	45,622	227,315	5,706
- beyond 1 year	-	-	-	-	-	-
up to 5 years	31,178	668,030	-	166,073	834,103	39,476
- beyond 5 years	29,797	734,206	-	138,992	873,198	169,304
- duration	-	-	-	-	-	-
unspecified	-	-	-	-	-	-
Total	**231,539**	**1,651,711**	**-**	**367,003**	**2,018,714**	**216,087**
Value adjustments						
- on an individual basis	-	-	-	-	-	-
- on a collective basis	-	-13,582	-	-	-	-
Net Total	**231,539**	**1,638,129**	**-**	**367,003**	**2,018,714**	**216,087**

Leases are agreements by which a party (lessee) asks the leasing company (lessor) to purchase (or have made) an asset by a manufacturer or Seller (Supplier) in order to use it, against the payment of a set periodic fee (rent).

Crédit Agricole Leasing Italia Srl lease agreements envisage that the lessee, granted that the same has fulfilled all obligations undertaken, at the end of the set contract duration, may choose:

- To acquire the ownership of the asset by paying a pre-set price;
- To return the asset subject to the lease agreement.

The duration of lease agreements, which is based on the useful life of the assets, and the pre-set surrender value of the same are such to generally induce lessees to purchase the asset that the expiry of the lease agreement.

Financed assets are different according to the lease applicant and/or the nature of business operations. In general, financed assets fall into 4 categories: motor vehicles (cars, commercial vehicles and industrial vehicles), air rail naval (airplanes, boats, railway cars), equipment and property (commercial and industrial buildings both completed and to be built).

SALE AND LEASE-BACK

Sale and lease-back is a transaction by which the same asset is sold and leased back, by signing a lease agreement for the same asset.

Loans resulting from lease-back agreements, which for Crédit Agricole Leasing Italia S.r.l. have no particular features in their clauses, except possibly in the ones relating to the regulation of the Supplier role (identifiable with the lessee), came to Euro 260.1 million.

Section 8 – Hedging derivatives – Item 80

8.1 HEDGING DERIVATIVES: COMPOSITION BY TYPE OF HEDGE AND BY LEVEL

	Fair Value 31.12.2014			Valore nozionale 31.12.2014	Fair Value 31.12.2013			Valore nozionale 31.12.2013
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial Derivatives	**-**	**924,205**	**-**	**15,131,035**	**-**	**692,941**	**-**	**14,147,728**
1) Fair value	-	924,205	-	15,131,035	-	692,941	-	14,147,728
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**924,205**	**-**	**15,131,035**	**-**	**692,941**	**-**	**14,147,728**

8.2 HEDGING DERIVATIVES: COMPOSITION BY HEDGED PORTFOLIO AND BY TYPE OF HEDGE

Transactions/Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific (micro)								
	Interest Rate risk	Exchange rate risk	Credit Risk	Price risk	Multiple risks	Generic 8macro)	Specific (micro)	Generic 8macro)	
1. Financial assets available for sale	212	-	-	-	-	X	-	X	X
2. Loans and Receivables	7,478	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	-	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
Total Assets	**7,690**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	916,515	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	-	X	-	X
Total liabilities	**916,515**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	-	X	-	-

The “Hedging Derivatives” item referring to financial liabilities consisted of Euro 237,991 thousand for hedging own bonds issued and Euro 686,114 thousand referring to macrohedging (generic collective hedging) of fixed-rate demand deposits.

● *Section 9 – Value adjustment of financial assets subject to macro-hedge – Item 90*

9.1 VALUE ADJUSTMENT OF HEDGED ASSETS: COMPOSITION BY HEDGED PORTFOLIO

Adjustments of hedged assets/values	31.12.2014	31.12.2013
1. Positive adjustment	**11,144**	**1,469**
1.1 of specific portfolios:	11,144	1,469
a) loans	11,144	1,469
b) financial assets available for sale	-	-
1.2 total	-	-
2. Negative adjustment	**-**	**-277**
2.1 of specific portfolios:	-	-277
a) loans	-	-277
b) financial assets available for sale	-	-
2.2 total	-	-
Total	**11,144**	**1,192**

9.2 ASSETS SUBJECT TO MACRO-HEDGE FOR INTEREST RATE RISK

Type of transaction/Values	31.12.2014	31.12.2013
Loans and Receivables	399,972	439,636
Assets available for sale	-	-
Portfolio	-	-
Total	**399,972**	**439,636**

Section 10 – Equity investments – Item 100

10.1 EQUITY INVESTMENTS: DISCLOSURE ON EQUITY INVESTMENTS IN OTHER ENTITIES

Name	Registered Office	Operating headquarters	Type of relationship	Type of investee		% of votes
				Investor	% held	
A. Joint ventures						
not present						
B. Companies subject to significant influence						
1. CA Agro-Alimentare S.p.A.	Parma (IT)		associate	Cariparma	26.32	x
				Friuladria	10.53	x
2. Glassfin S.r.l.	San Vito al Tagliamento (PN)		associate	Friuladria	31.66	x
3. Gefil S.p.A.	La Spezia, Italy		associate	Carispezia	25.83	x

10.2 SUBSIDIARIES, JOINT-VENTURES OR ENTITIES SUBJECT TO SIGNIFICANT INFLUENCE: BOOK VALUE, FAIR VALUE AND DIVIDENDS RECEIVED

Name	Book value	Fair value	Dividends received
A. investees accounted for with equity method	**-**	**-**	**-**
not present			
B. Companies subject to significant influence			
1. CA Agro-Alimentare S.p.A.	12,500	-	-
Total	**12,500**	**-**	**-**

The fair value of equity investments in entities subject to significant influence has not been set forth since no one of these companies is listed.

10.3 SUBSIDIARIES, JOINT-VENTURES OR ENTITIES SUBJECT TO SIGNIFICANT INFLUENCE: ACCOUNTING DATA

Name	Cash and cash equivalents	Financial assets	Non-financial assets	Non-financial liabilities	Total revenues	Net interest income	Adjustments and writebacks of Property, plant and equipment and intangible assets and intangible assets	Gain (loss) before tax on continuing operations	Gain (loss) after tax on continuing operations	Gain (loss) after tax of groups of assets/ liabilities under disposal	Profit (loss) for the period (1)	Other income components after tax (2)	Comprehensive income (3) = (1) + (2)
A. Joint ventures													
not present													
B. Companies subject to significant influence		**39,197**	**52,416**	**73**	**981**			**2,345**	**2,345**	**-**	**2,355**	**-**	**2,355**
1. CA Agro-Alimentare S.p.A.	X	39,197	52,416	73	981	X	X	2,345	2,345	-	2,355	-	2,355

The data reported have been taken from the latest Annual Report and Financial Statements (31 December 2013) approved by each company.

10.4 NON-SIGNIFICANT INVESTMENTS: ACCOUNTING DATA

Name	Book value of equity investments	Total assets	Total liabilities	Total revenues	Gain (loss) after tax on continuing operations	Gain (loss) after tax of groups of assets/ liabilities under disposal	Profit (loss) for the period (1)	Other income components after tax (2)	Comprehensive income (3) = (1) + (2)
A. Joint ventures									
B. Companies subject to significant influence	**2,583**	**17,929**	**6,652**	**5,575**	**738**	**-7**	**382**	**-**	**382**
1. Glassfin S.r.l.	-	1,623	1,793	-	-7	-7	-7		-7
2. Gefil S.p.A.	2,583	16,306	4,859	5,575	745	-	389	-	389

The data reported have been taken from the latest Annual Report and Financial Statements (31 December 2013) approved by each company.

10.5 EQUITY INVESTMENTS: CHANGES FOR THE PERIOD

	31.12.2014	31.12.2013
A. Opening balance		
B. Increases	**19,263**	**20,433**
B.1 Purchases	-	-
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	-
C. Decreases	**354**	**1,170**
C.1 Sales	351	-
C.2 Adjustments	-	-
C.3 Other changes	3	1,170
D. Closing balance	**18,909**	**19,263**
E. Total writebacks	**-**	**-**
F. Total adjustments	**-**	**-**

10.6 MEASUREMENTS AND SIGNIFICANT ASSUMPTIONS TO ASSESS WHETHER JOINT CONTROL OR SIGNIFICANT INFLUENCE EXIST

The existence of significant influence was assessed based on IFRS 10.

10.7 COMMITMENTS REFERRING TO EQUITY INVESTMENTS IN JOINT-VENTURES

As at 31 December 2014, there were no joint ventures and, therefore, no commitments referring to the same.

10.8 COMMITMENTS REFERRING TO EQUITY INVESTMENTS IN ENTITIES SUBJECT TO SIGNIFICANT INFLUENCE

As at 31 December 2014, the remaining commitment to the company CA Agro-Alimentare amounted to Euro 17.5 million.

10.9 DISCLOSURE OF SIGNIFICANT RESTRICTIONS

As at 31 December 2014, there were no significant restrictions pursuant to IFRS 12, paragraphs 13 and 22 a).

Section 12 – Property, plant and equipment – Item 120

12.1 OPERATING PROPERTY, PLANT AND EQUIPMENT: COMPOSITION OF ASSETS MEASURED AT COST

Assets/Values	31.12.2014	31.12.2013
1. Owned	**441,292**	**431,547**
a) land	117,299	117,299
b) buildings	265,784	263,643
c) furnishings	16,059	12,848
d) electronic equipment	7,177	6,704
e) other	34,973	31,053
2. A.2 Acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furnishings	-	-
d) electronic equipment	-	-
e) other	-	-
Total	**441,292**	**431,547**

12.2 INVESTMENT PROPERTY, PLANT AND EQUIPMENT: COMPOSITION OF ASSETS MEASURED AT COST

Assets/Values	31.12.2014				31.12.2013			
	Book value	Fair value			Book value	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned	**18,877**	**-**	**-**	**35,598**	**11,268**	**-**	**-**	**27,283**
a) land	4,558	-	-	12,241	4,733	-	-	12,427
b) buildings	14,319	-	-	23,357	6,535	-	-	14,856
2. acquired under finance leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	**18,877**	**-**	**-**	**35,598**	**11,268**	**-**	**-**	**27,283**

12.5 OPERATING PROPERTY, PLANT AND EQUIPMENT: CHANGES FOR THE PERIOD

	Land	Buildings	Furnishings	Electronic equipment	Other	Total
A. Opening gross balance	**117,299**	**499,361**	**102,436**	**61,386**	**201,329**	**981,811**
A.1 Total net writedowns	-	235,718	89,588	54,682	170,276	550,264
A.2 Opening net balance	**117,299**	**263,643**	**12,848**	**6,704**	**31,053**	**431,547**
B. Increases	**-**	**13,031**	**7,710**	**4,484**	**13,140**	**38,365**
B.1 Purchases	-	-	7,710	4,484	13,140	25,334
B.2 Capitalized improvement costs	-	13,031	-	-	-	13,031
B.3 Writebacks	-	-	-	-	-	-
B.4 Fair value gains recognized in:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Income Statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7 Other changes	-	-	-	-	-	-
A. Decreases	**-**	**10,890**	**4,499**	**4,011**	**9,220**	**28,620**
C.1 Sales	-	-	120	39	78	237
C.2 Depreciation	-	10,890	4,343	3,969	8,929	28,131
C.3 Writedowns for impairment recognized in:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Income Statement	-	-	-	-	-	-
C.4 Fair value recognized in:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Income Statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to	-	-	-	-	-	-
a) Investment property	-	-	-	-	-	-
b) discontinuing operations	-	-	-	-	-	-
C.7 Other changes	-	-	36	3	213	252
B. Closing net balance	**117,299**	**265,784**	**16,059**	**7,177**	**34,973**	**441,292**
D.1 Total net writedowns	-	245,259	93,926	58,649	179,205	577,039
D.2 Closing gross balance	**117,299**	**511,043**	**109,985**	**65,826**	**214,178**	**1,018,331**
E. Measurement at cost	**-**	**-**	**-**	**-**	**-**	**-**

12.6 INVESTMENT PROPERTY, PLANT AND EQUIPMENT: CHANGES FOR THE PERIOD

	31.12.2014	
	Land	Buildings
A. Opening balance	**4,733**	**6,535**
B. Increases	**20**	**8,111**
B.1 Purchases	20	3
B.2 Capitalized improvement costs	-	22
B.3 Fair value gains	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from operating assets	-	-
B.7 Other changes	-	8,086
C. Decreases	**195**	**327**
C.1 Sales	195	-
C.2 Depreciation	-	327
C.3 Fair Value losses	-	-
C.4 Writedowns for impairment	-	-
C.5 Negative exchange rate differences	-	-
C.6 Transfers to other assets portfolios	-	-
a) operating assets	-	-
b) discontinuing operations	-	-
C.7 Other changes	-	-
D. Closing balance	**4,558**	**14,319**
E. Carried at fair value	**12,241**	**22,946**

Section 13 – Intangible assets – Item 130

13.1 INTANGIBLE ASSETS: COMPOSITION BY TYPE OF ASSET

Assets/Values	31.12.2014		31.12.2013	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**1,575,536**	**X**	**1,575,536**
A.1.1 pertaining to parent company shareholders	X	1,575,536	X	1,575,536
A.1.2 minority interests	X	-	X	-
A.2 Other intangible assets	**331,143**	**-**	**352,026**	**-**
A.2.1 Assets measured at cost:	331,143	-	352,026	-
a) Intangible assets developed in-house	6,567	-	4,765	-
b) Other assets	324,576	-	347,261	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
Total	**331,143**	**1,575,536**	**352,026**	**1,575,536**

The cost of intangible assets with finite life is amortized on a straight-line basis over the useful life of the asset, which, for all software has been set at 5 years. The useful life of some types of software, specifically identified, has been estimated in 10 years.

In-house generated intangible assets were recognized for Euro 3.1 million. These assets resulted from staff expenses borne for in-house development of software and are amortized over a 5-year period.

The definite useful life of intangible assets representing business with customers has been set at 15 years, based on the time series available on the rate of Customer turnover in the Retail segment.

13.2 INTANGIBLE ASSETS: CHANGES FOR THE PERIOD

	Goodwill	Other intangible assets: developed in-house		Other intangible assets: other		Total
		with finite life	with indefinite life	with finite life	with indefinite life	
A. Opening balance	**1,575,536**	**5,761**	**-**	**673,692**	**-**	**2,254,989**
A.1 Total net writedowns	-	996	-	326,431	-	327,427
A.2 Opening net balance	1,575,536	4,765	-	347,261	-	1,927,562
B. Increases	**-**	**3,107**	**-**	**37,090**	**-**	**40,197**
B.1 Purchases	-	3,107	-	37,090	-	40,197
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Writebacks	X	-	-	-	-	-
B.4 Fair value gains	-	-	-	-	-	-
- in Equity	X	-	-	-	-	-
- in the Income Statement	X	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**1,305**	**-**	**59,775**	**-**	**61,080**
C.1 Sales	-	-	-	-	-	-
C.2 Adjustments	-	1,305	-	59,429	-	60,734
- Amortization	-	1,305	-	59,429		60,734
- Writedowns:	X	-	-	-	-	-
+ Equity	-	-	-	-	-	-
+ Income Statement	X	-	-	-	-	-
C.3 Fair Value losses:	-	-	-	-	-	-
- in Equity	-	-	-	-	-	-
- in the Income Statement	X	-	-	-	-	-
C.4 Transfers to discontinuing operations	X	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	346	-	346
D. Closing net balance	**1,575,536**	**6,567**	**-**	**324,576**	**-**	**1,906,679**
D.1 Total net writedowns	-	2,301	-	377,691		379,992
E. Closing gross balance	**1,575,536**	**8,868**	**-**	**702,267**	**-**	**2,286,671**
F. Measurement at cost	**-**	**-**	**-**	**-**	**-**	**-**

13.3 OTHER INFORMATION

Impairment testing on intangible assets with finite useful life

At the end of 2014 it was verified that the value of each of the elements making up intangible assets, which were recognized within the scope of the transactions made in 2007 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the component relating to loans to Customers, the present value was calculated taking into account the rate of early repayment of loans between March 2008 and December 2014, the cost of credit (the 2011-2014 average) and the long-term taxation level;
- for the component relating to demand deposits, a progressive increase in volumes (and therefore of their stable components) was observed from the time of purchase;
- for the component relating to Net Commission Income, the present value of commission income was recalculated taking account of the expected level of commission income from "banking services".

The analysis had a favourable outcome

Therefore, the overall value of these intangible assets was found to be higher than the value recognized as at 31 December 2014 amounting to

- Banca Popolare FriulAdria: Euro 43,864 thousand;
- 180 Cariparma Branches purchased in 2007: Euro 80,355 thousand;
- 29 Banca Popolare FriulAdria Branches purchased in 2007: Euro 7,898 thousand;
- for a total of Euro 132,117 thousand.

At the end of 2014 it was verified that the value of each of the elements making up intangible assets, which were recognized within the scope of the transactions made in 2011 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the relating to demand deposits, volumes were essentially in line with the date of purchase and their measurement took into account the introduction of the Multiple ITR System;
- with regard to Net Commission Income, the changes in Wealth Management commission income for Assets under Administration and Assets under Management for 2011, 2012, 2013 and 2014, as well as the relevant perspective forecasts to 2026 were analyzed.

Therefore, the overall value of these intangible assets, which were recognized within the scope of the transactions made in 2011, was found to be higher than the value recognized as at 31 December 2014 amounting to:

- Carispezia: Euro 22,562 thousand;
- 81 Cariparma Branches purchased in 2011: Euro 64,185 thousand;
- 15 Banca Popolare FriulAdria Branches purchased ini 2011: Euro 12,768 thousand;
- for a total of Euro 99,515 thousand.

Impairment test on goodwill

As required by the IASs/IFRSs, the goodwill resulting from the purchases of Banca Popolare FriulAdria, of the 180 Cariparma branches and the 29 Banca Popolare FriulAdria branches (made in 2007), of the 81 Cariparma branches and of the 15 Banca Popolare FriulAdria branches (made in 2011), of CALIT (made in 2009) and of Carispezia (made in 2011) was tested for impairment. The goodwill paid in relation to the four transactions described above was allocated as follows:

CGU	Goodwill (€/thousand)
Segment Retail+Private	1,502,324
Segment Enterprises+Corporate	73,212

These CGUs have been identified consistently with the Segment Reporting made in the Annual Report and Consolidated Financial Statements. The value in use of each CGU has been determined in accordance with the method adopted by the Crédit Agricole S.A. Group, i.e. using the Discounted Cash Flow Method ((discount of future profits and losses), and compared with the relevant carrying amount (book value), which was calculated as the sum of goodwill, intangible assets and equity absorbed.

For the calculation of future cash flows, starting from the 2014 expected performance, a model has been used, which consists of three stages:

- for the first stage (2015-2017) the following forecasts were used: the 2015 Budget and, for 2016 and 2017, the forecasts reviewed i the light of the 2015 Budget;
- for the second stage (2018-2019), growth rates were considered which are consistent with the internal trend of every aggregate and the point reached in the economic cycle;
- the last state considers the Terminal Value: the cash flow after tax for the last year was, therefore, projected into perpetuity using a long-term growth rate “g” (2.00%). This rate is consistent with the sector measurement practices.

Specifically, the following assumptions on plan development are pointed out:

- Increase in the average lending and funding volumes: 2-4% per year;
- Market rates scenario: market rates stable at all-time low levels;
- Operating expenses essentially stable after the effective policies implemented to increase efficiency in the previous periods, with adequate investments to support strategic actions;
- Cost of risk progressively improving (at the end of the forecast period, the level, expressed as a percentage of total loans, has been estimated as coming to the values recorded in 2007-2008);

Allocated equity has been measured based on a 9% rate of RWA, in line with Crédit Agricole.

The cash flows (after taxes) thus determined were then discounted at a rate (ke) calculated based on the Capital Asset Pricing Model (risk-free rate plus the product of the beta coefficient and the risk premium), and equal to 9.6% (vs. 9.7% used for the impairment test for the 2013 Annual Report and Financial Statements).

The ke rate applied is the same for all CGUs identified, since no appreciable differences have been detected between them in terms of risks taken.

The components of the discount rate ke and the relating comparison with the parameters used in 2013 are reported below:

Remuneration of capital (ke)	9.56%	9.66%
- of which risk-free rate	4.49%	4.62%
- of which Beta	1.2	1.2
- of which risk premium	4.22%	4.20%

With Beta yields, the risk-free rate calculated as the long-term average yield of the ten-year Italian Treasury Bonds (Italian acronym; BTP), decreased, mainly subsequent to the gradual decrease in the average yield of government securities, partially offset by a slight increase in the risk premium that was calculated as the 16-year average of the risk premium in the Italian stock exchange.

For all CGUs (Retail/Private Banking and Mid-Corporate/Large-Corporate) the calculation produced a CGU value higher than the corresponding book value of the CGU.

It was also found that the result for the Retail-Private Banking and Mid-Corporate/Large-Corporate CGUs was obtained even with changes (within a reasonable range of oscillation) in the elements making up the discount rate. More specifically, the sensitivity analysis was carried out varying the parameters as follows:

- risk-free rate: variation range between 0.59% (rate of 10-year Bunds in December 2013) and 4.49% (average yield in the last 16 years of the Italian Government bond 10Y BTP);
- beta: variation range between 1.04 (average Beta of a sample of medium-sized listed Italian Banks) and 1.20;
- risk premium: variation range between 3.40% (1900-2013 geometric mean, source “Equity Risk Premiums (ERP): Determinants, Estimation and Implications – The 2014 Edition”, Aswath Damodaran, March 2014) and 4.22%;

Also in these cases the result of the sensitivity analysis was favourable.

Lastly, we determined the discounting rate or long-term growth rate “g” at which the value in use becomes equal to the book value. This analysis showed that the book value is equal to the value in use only with a marked increase in the discounting rate ke (11.5% for the Retail/Private Banking CGU and 10.0% for the Mid-Corporate/Large-Corporate CGU). As to the long-term growth rate, where it were set to zero, the value in use would remain higher than the book value for both CGUs.

● *Section 14 – Tax Assets and Tax Liabilities – Assets Item 140 and Liabilities Item 80*

14.1 DEFERRED TAX ASSETS: COMPOSITION

	31.12.2014	31.12.2013
A. Gross deferred tax assets	**821,194**	**836,164**
A1. Loans and receivables (including securitization)	311,694	252,480
A2. Other financial instruments	8,299	35,477
A3. Goodwill	437,680	472,319
A4. Long-term liabilities	-	-
A5. Property, plant and equipment	-	-
A6. Provisions for risks and liabilities	43,843	53,912
A7. Entertainment expenses	-	-
A8. Staff expenses	-	-
A9. Tax losses	-	-
A10. Unused tax receivables to be deducted	-	-
A11. Other	19,678	21,976
B. Offset against deferred tax liabilities	**-**	**-**
C. Net deferred tax assets	**821,194**	**836,164**

14.2 DEFERRED TAX LIABILITIES: COMPOSITION

	31.12.2014	31.12.2013
A. Gross deferred tax liabilities	**121,754**	**93,524**
A1. Capital gains spreading	7,047	1,087
A2. Goodwill	-	-
A3. Property, plant and equipment	18,505	17,287
A4. Financial Instruments	-	23,526
A5. Staff expenses	-	-
A6. Other	96,202	51,624
B. Offset against deferred tax assets	**-**	**-**
C. Net deferred tax liabilities	**121,754**	**93,524**

14.3 CHANGES IN DEFERRED TAX ASSETS (RECOGNIZED IN THE INCOME STATEMENT)

	31.12.2014	31.12.2013
1. Opening balance	**793,158**	**642,058**
2. Increases	**117,590**	**228,039**
2.1 Deferred tax assets recognized in the period	113,229	213,193
a) referring to previous periods	-	-
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other	113,229	213,193
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	4,361	14,846
3. Decreases	**104,403**	**76,939**
3.1 Deferred tax assets derecognized in the period	95,929	65,731
a) reversals	95,929	65,731
b) write-downs for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	8,474	11,208
a) conversion in tax receivables pursuant to L. 214/2011	376	4,919
b) other	8,098	6,289
4. Closing balance	**806,345**	**793,158**

The increases and other decreases under points 2.3 and 3.3 refer to the increases or decreases resulting from the more accurate recognition of deferred tax assets after the Group filed its income tax return. The related balancing item is not represented by income statement items, but by current tax liabilities.

14.3.1 CHANGES IN DEFERRED TAX ASSETS PURSUANT TO ITALIAL LAW 214/2011 (RECOGNIZED IN THE INCOME STATEMENT)

	31.12.2014	31.12.2013
1. Opening balance	**718,471**	**560,604**
2. Increases	**102,905**	**207,928**
3. Decreases	**78,414**	**50,061**
3.1 Reversals	73,152	41,672
3.2 Transformation into tax receivables	376	4,919
a) from loss for the period	376	4,919
b) from tax losses	-	-
3.3 Other decreases	4,886	3,470
4. Closing balance	**742,962**	**718,471**

Deferred tax assets pursuant to Italian Law 214/2011 were also recognized in equity for an amount of Euro 2,983 thousand.

Therefore, total deferred tax assets that can be converted into tax receivables pursuant to Italian Law 214/2011 came to Euro 745,945 thousand.

14.4 CHANGES IN DEFERRED TAX LIABILITIES (RECOGNIZED IN THE INCOME STATEMENT)

	31.12.2014	31.12.2013
1. Opening balance	**66,661**	**80,696**
2. Increases	**8,712**	**615**
2.1 Deferred tax liabilities recognized during the year	3,405	380
a) referring to previous periods	-	-
b) due to change in accounting policies	-	377
c) other	3,405	3
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	5,307	235
3. Decreases	**3,591**	**14,650**
3.1 Deferred tax liabilities derecognized in the period	3,195	14,179
a) reversals	3,195	14,179
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	396	471
4. Closing balance	**71,782**	**66,661**

The other increases and decreases include the increases or decreases resulting from the more accurate recognition of deferred tax liabilities after the Group filed its income tax return. The related balancing item is not represented by income statement items, but by current tax liabilities.

14.5 CHANGES IN DEFERRED TAX ASSETS (RECOGNIZED IN THE INCOME STATEMENT)

	31.12.2014	31.12.2013
1. Opening balance	**43,006**	**89,385**
2. Increases	**673**	**4,055**
2.1 Deferred tax assets recognized in the period	500	986
a) referring to previous periods	-	131
b) due to change in accounting policies	-	-
c) other	500	855
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	173	3,069
3. Decreases	**28,830**	**50,434**
3.1 Deferred tax assets derecognized in the period	27,448	50,434
a) reversals (*)	27,448	50,434
b) write-downs for supervening non-recoverability	-	-
b) due to change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	1,382	-
4. Closing balance	**14,849**	**43,006**

(*) Taxes derecognized in 2014 essentially referred to the measurement of AFS securities.

14.6 CHANGES IN DEFERRED TAX LIABILITIES (RECOGNIZED IN EQUITY)

	31.12.2014	31.12.2013
1. Opening balance	**26,863**	**15,998**
2. Increases	**32,887**	**22,795**
2.1 Deferred tax liabilities recognized during the year	32,887	20,637
a) referring to previous periods	-	-
b) due to change in accounting policies	-	-
c) other	32,887	20,637
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	2,158
3. Decreases	**9,778**	**11,930**
3.1 Deferred tax liabilities derecognized in the period	9,778	11,930
a) reversals (*)	9,778	11,930
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**49,972**	**26,863**

(*) The increase and decrease in taxes mainly referred to the measurement of AFS securities and any re-attribution in case of transfers.

● *Section 16 – Other Assets – Item 160*

16.1 OTHER ASSETS: COMPOSITION

	31.12.2014	31.12.2013
Sundry debits in process	41,634	61,312
Stamp duty and other assets	22	5
Items being processed	28,029	108,342
Accrued income not allocated to other items	4,463	24,221
Prepaid expenses not allocated to other items	63,810	59,234
Protested bills and cheques	2,091	3,404
Leasehold improvements	18,653	12,835
Tax advances paid on behalf of third parties	90,629	84,345
Sundry items	191,701	186,087
Total	**441,032**	**539,785**

LIABILITIES

Section 1 – Due to banks – Item 10

1.1 DUE TO BANKS: COMPOSITION BY TYPE

Type of transactions/Group component	31.12.2014	31.12.2013
1. Due to central banks	**2,200,489**	**800,006**
2. Due to banks	**4,580,921**	**5,284,869**
2.1 Current accounts and demand deposits	424,683	392,975
2.2 Fixed-term deposits	2,567,422	2,699,356
2.3 Loans	1,584,776	2,191,401
2.3.1 Repurchase agreements for funding purposes	483,416	1,001,049
2.3.2 Other	1,101,360	1,190,352
2.4 Liabilities for commitments to repurchase own equity instruments	-	-
2.5 Other payables	4,040	1,137
Total	**6,781,410**	**6,084,875**
Fair value - Level 1	-	-
Fair value - Level 2	6,781,410	6,084,875
Fair value - Level 3	-	-
Fair value total	**6,781,410**	**6,084,875**

1.2 BREAKDOWN OF ITEM 10 “DUE TO BANKS”: SUBORDINATED LIABILITIES

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value
Subordinated deposit	17.12.2008	17.12.2018	5 quote dal 17.12.2014	Euribor 3 mesi + 334 b,p,	euro	200,000	200,266
Subordinated deposit	30.03.2011	30.03.2021	5 units from 30.03.2017	Euribor 3 mesi + 220 b,p,	euro	400,000	400,025

1.3 BREAKDOWN OF ITEM 10 “DUE TO BANKS”: STRUCTURED LIABILITIES

At the end of 2014, there were no structured liabilities to banks.

1.4 DUE TO BANKS SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

At the end of 2014 there were no dues to banks subject to micro-hedge.

1.5 LIABILITIES IN RESPECT OF FINANCE LEASES

As at 31 December 2014, there were no dues to banks resulting from finance lease transactions.

Section 2 – Due to customers – Item 20

2.1 DUE TO CUSTOMERS: COMPOSITION BY TYPE

Type of transactions/Group component	31.12.2014	31.12.2013
1. Current accounts and demand deposits	24,165,910	22,129,447
2. Fixed-term deposits	914,092	976,192
3. Loans	71,311	115,963
3.1 Repurchase agreements for funding purposes	59,579	108,807
3.2 other	11,732	7,156
4. Liabilities for commitments to repurchase own equity instruments	-	-
5. Other payables	163,108	138,991
Total	**25,314,421**	**23,360,593**
Fair value - Level 1	-	-
Fair value - Level 2	25,301,213	23,351,140
Fair value - Level 3	13,208	9,453
Fair value total	**25,314,421**	**23,360,593**

2.2 BREAKDOWN OF ITEM 20 “DUE TO CUSTOMERS”: SUBORDINATED LIABILITIES

As at 31 December 2014, there were no subordinated liabilities to customers.

2.3 BREAKDOWN OF ITEM 20 “DUE TO CUSTOMERS”: STRUCTURED LIABILITIES

As at 31 December 2014, there were no structured liabilities to customers.

2.4 DUE TO CUSTOMERS SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

As at 31 December 2014, there were no dues to customers subject to micro-hedge.

2.5 LIABILITIES IN RESPECT OF FINANCE LEASES

As at 31 December 2014, there were no dues to customers resulting from finance lease transactions.

Section 3 – Outstanding securities – Item 30

3.1 OUTSTANDING SECURITIES: COMPOSITION BY TYPE

Type of securities/values	31.12.2014				31.12.2013			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	10,335,705	-	10,238,476	120,049	11,147,318	-	11,070,289	120,025
1.1 Structured	169,828	-	171,814	-	183,345	-	186,722	-
1.2 other	10,165,877	-	10,066,662	120,049	10,963,973	-	10,883,567	120,025
2. Other securities	1,495,904	-	6,634	1,489,601	2,085,791	-	22,452	2,063,339
2.1 Structured	-	-	-	-	-	-	-	-
2.2 other	1,495,904	-	6,634	1,489,601	2,085,791	-	22,452	2,063,339
Total	**11,831,609**	**-**	**10,245,110**	**1,609,650**	**13,233,109**	**-**	**11,092,741**	**2,183,364**

3.2 BREAKDOWN OF ITEM 30 "OUTSTANDING SECURITIES": SUBORDINATED SECURITIES

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value
Subordinated loan	29.06.2011	31.12.2100	perpetual with call from 28 June 2016	3-M Euribor + 729 bp	euro	120,000	120,049
Subordinated loan	14.12.2007	14.12.2017	5 units from 14 Dec. 2013	3-M Euribor + 30 bp	euro	30,000	17,212
Subordinated loan	30.06.2009	30.06.2016	50% as at 30 June 2015 50% as at 30 June 2016	Up to 30 June 2012 5%; afterwards 50% 6-M Euribor + 100 b.p.	euro	77,250	76,712
Subordinated loan	30.06.2009	30.06.2016	50% as at 30 June 2015 50% as at 30 June 2016	5% fixed	euro	222,750	225,861

3.3 BREAKDOWN OF ITEM 30 "OUTSTANDING SECURITIES": SECURITIES SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

As at 31 December 2014, securities subject to micro-hedge for interest rate risk amounted to Euro 9,545 thousand.

● Section 4 – Financial liabilities held for trading – Item 40

4.1 FINANCIAL LIABILITIES HELD FOR TRADING: COMPOSITION BY TYPE

Type of transactions/ Group component	31.12.2014					31.12.2013				
	VN	Fair Value			FV*	VN	Fair Value			FV*
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. On-balance-sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to Customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-		-	-	-	-	-
3.1) Bonds	-	-	-	-		-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-		-	-	-	-	
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial Derivatives		-	209,264	10,329			-	181,625	32,179	
1.1 Trading	X	-	204,690	9,907	X	X	-	174,543	29,809	X
1.2 associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	4,574	422	X	X	-	7,082	2,370	X
2. Credit Derivatives		-	-	-			-	-	-	
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 associated with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B		**-**	**209,264**	**10,329**			**-**	**181,625**	**32,179**	
Total (A+B)	**X**	**-**	**209,264**	**10,329**	**X**	**X**	**-**	**181,625**	**32,179**	**X**

Key:
FV = fair value
FV* = fair value calculated excluding changes in value resulting from an alteration in the issuer's credit rating after the date of issue
VN = nominal or notional value

Section 6 – Hedging derivatives – Item 60

6.1 HEDGING DERIVATIVES: COMPOSITION BY TYPE OF HEDGE AND BY LEVEL

	Fair value 31.12.2014			Valore nozionale 31.12.2014	Fair value 31.12.2013			Valore nozionale 31.12.2013
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial Derivatives	**-**	**339,658**	**363,297**	**7,288,078**	**-**	**215,689**	**129,684**	**5,897,168**
1) Fair value	-	339,658	363,297	7,288,078	-	215,689	129,684	5,897,168
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**339,658**	**363,297**	**7,288,078**	**-**	**215,689**	**129,684**	**5,897,168**

6.2 HEDGING DERIVATIVES: COMPOSITION BY HEDGED PORTFOLIO AND BY TYPE OF HEDGE

Transactions/Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific (micro)								
	Interest Rate risk	Exchange rate risk	Credit Risk	Price risk	Multiple risks	Generic 8macro)	Specific (micro)	Generic 8macro)	
1. Financial assets available for sale	658,126	-	-	355	-	X	-	X	X
2. Loans and Receivables	35,668	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X		X		X
5. Other transactions	-	-	-		-	X	-	X	
Total Assets	**693,794**	**-**	**-**	**355**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	8,806	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	-	X	-	X
Total liabilities	**8,806**	**-**	**-**		**-**	**-**	**-**	**-**	
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	-	X	-	-

The “Hedging Derivatives” item referring to financial liabilities consisted of Euro 6,939 thousand for hedging own bonds issued and Euro 1,867 thousand referring to macro-hedge of fixed-rate demand deposits.

Section 7 – Value adjustment of financial liabilities subject to macro-hedge – Item 70

7.1 VALUE ADJUSTMENT OF HEDGED FINANCIAL LIABILITIES:

Value adjustment of hedged liabilities /Group components	31.12.2014	31.12.2013
1. Positive adjustment of financial liabilities	655,095	350,530
2. Negative adjustment financial liabilities	-	-
Total	**655,095**	**350,530**

The part of demand deposits that is considered stable by the internal model adopted by the Group is subject to macro-hedge.

7.2 LIABILITIES SUBJECT TO MACRO-HEDGE FOR INTEREST RATE RISK: COMPOSITION

Type of transaction/Values	31.12.2014	31.12.2013
Financial liabilities	7,976,800	6,124,800

Section 8 – Tax Liabilities – Item 80

See Section 14 – Assets.

Section 10 – Other Liabilities – Item 100

10.1 OTHER LIABILITIES: COMPOSITION

	31.12.2014	31.12.2013
Payables to suppliers/providers	184,902	164,867
Amounts due to third parties	275,027	223,787
Credit transfers ordered and being processed	53,194	115,499
Amounts payable to tax authorities on behalf of third parties	69,871	84,227
Advances on loans	201	3,008
Adjustments for illiquid items	176,532	153,936
Staff costs	71,254	74,887
Uncapitalized accrued expenses	17,828	8,890
Deferred income not allocated to other items	75,345	68,189
Risk hedging with guarantees issued and commitments	7,003	7,853
Sundry items	82,200	121,297
Total	**1,013,357**	**1,026,440**

Section 11 – Employee severance benefits – Item 110

11.1 EMPLOYEE SEVERANCE BENEFITS CHANGES FOR THE PERIOD

	31.12.2014	31.12.2013
A. Opening balance	**151,648**	**171,107**
B. Increases	**23,087**	**4,255**
B.1 Provision for the period	3,817	3,584
B.2. Other changes	19,270	671
C. Decreases	**18,724**	**23,714**
C.1 Severance payments	12,692	15,441
C.2 Other changes	6,032	8,273
D. Closing balance	**156,011**	**151,648**
Total	**156,011**	**151,648**

11.2 OTHER INFORMATION

Information explaining the characteristics of defined benefit plans and risks associated with them (IAS 19, paragraph 139)

Employees' Severance Benefits

Pursuant to the Italian legislation (Article 2120 of the Italian Civil Code), at the date of termination of his/her employment at a company, each employee is entitled to a severance package called "Trattamento di Fine Rapporto" (Employee Severance Benefits or with the Italian acronym TFR) equal to the sum of the Severance Benefits accrued for each year of work for the employer.

The benefit accrued each year is equal to 6.91% of the gross annual Pay. This rate is calculated by dividing the ordinary pay by 13.5; to the resulting amount a deduction is made of 0.5%, which is paid directly to the Italian National Social Security Institute (INPS) as a pension contribution.

As at 31 December of each year, the Provision for Employees' Severance Benefits is subject to revaluation applying a fixed-rate of 1.5% plus 75% of the increase in the consumer price index for blue-collar and white-collar households for the year.

The revalued amount as calculated above is taxed at a 17% rate, as provided for by the Italian 2015 Stability Law (Italian Law No. 190 of 23 December 2014).

Pursuant to the legislation, employees may ask for advances on the Severance Benefits accrued when the employment is still going on. This advance may be obtained only once during the employment relation, after at least 8 years on staff and up to 70% of the Employee Severance Benefits accrued as at the date of request.

With the entry into force of Italian 2007 Finance Act, concerning the Reform of Supplementary pension Schemes, the measurement of Employees Severance Benefits, in accordance with IAS 19 Revised, must take account of the impacts of the these provisions, as well as of the guidelines for their calculation which were issued by the Italian National Association of Actuaries and by the Italian National Accounting Body.

Since, in 2006, Carispezia had an average number of employees higher than 50, the provision was calculated taking account of the fact that future portions of the employee severance benefits accrued will be paid to a separate entity (complementary pension scheme, FONDINPS or the Italian State Treasury Fund) irrespective of the employee's choice. Specifically, the calculation took account of the fact that the Italian State Treasury Fund managed by the Italian National

Social Security Institute (INPS), pursuant to Article 1, paragraph 5, of the Italian 2007 Finance Act “provides for the payment to private sector employees of their accrued severance benefits pursuant to Article 2120 of the Italian Civil Code, as regards the portion equal to the payments made to the same”.

0.5% supplement to the provision for employee severance benefits

For the employees of Cariparma and Carispezia, who were formerly employees of the Intesa San Paolo Group (hereinafter referred to as “formerly Intesa”) and were already on staff as at 31 December 1990, upon employment termination, an amount supplementing their severance benefits is granted, amounting to the 0.5% contribution paid to the Italian National Social Security Institute (INPS) by the workers.

Such supplementary amount accrues on a monthly basis and is revalued in accordance with the ISTAT (the Italian National Institute of Statistics) index for the revaluation of employee severance benefits.

Additional 2.75% revaluation of the employee severance benefits

For employees of Cariparma and Carispezia formerly Intesa, in case of employment termination, a supplementary amount is granted, which is obtained by applying to the employee severance benefits accrued since 1992, on a yearly basis, an additional fixed revaluation equal to 2.75%. This amount is then revalued, on a yearly basis, according to the reference ISTAT (the Italian National Institute of Statistics) index.

Changes for the period in defined-benefit net liabilities (assets) and in rights to refunds from the plan (IAS 19, paragraphs 140 and 141)

The statement of reconciliation for 2014 of the present value of the plan obligation for the Cariparma Crédit Agricole Group is given below Cariparma Crédit Agricole:

Actuarial value of the obligation as at 1 Jan. 2014		**151,648**
a	Service cost	79
b	Interest cost	3,738
c	Curtailment	-463
d.1	Actuarial gains/losses from changes in financial assumptions	15,668
d.2	Actuarial gains/losses from changes in demographic assumptions	-
d.3	Actuarial gains/losses from demographic experience	-1,965
e	Payments provided for by the Plan	-12,693
Actuarial value of the obligation as at 31 Dec. 2014		**156,011**

Disclosure of the fair value of the plan assets (IAS 19, paragraphs 142 and 143)

This point does not apply because no assets covering Employees’ Severance Benefits have been provided for.

Description of the main actuarial assumptions (IAS 19, paragraph 144)

In order to be able to make the required measurement, appropriate demographic and economic assumptions must be used on:

- mortality;
- invalidity;

- company termination (resignation or dismissal);
- requests for advances;
- the workers' future economic career (including the assumptions on promotion to higher positions);
- performance of the actual purchasing power of money.

Specifically, based on the data supplied by Carispezia, the following assumptions were used:

a) DEMOGRAPHIC TECHNICAL BASES:

a.1 ANNUAL PROBABILITIES OF EXCLUSION DUE TO DEATH OF EMPLOYEES ON STAFF were calculated based on RGS48;

a.2 ANNUAL PROBABILITIES OF EXCLUSION DUE TO CAUSES OTHER THAN DEATH OF EMPLOYEES ON STAFF were calculated based on an average annual frequency of turnover of 3.25%;

a.3 the PERCENTAGE OF ANNUAL PROMOTION TO A HIGHER POSITION (for age and seniority) was calculated based on the Group historical data;

a.4 the ANNUAL PROBABILITY OF REQUEST FOR ADVANCES ON THE ACCRUED EMPLOYEE SEVERANCE BENEFITS was calculated based on the Group's experience and was assumed as equal to an average annual rate of 3.00%;

a.5 RETIREMENT is assumed upon meeting the first requirement to qualify for pension.

b) ECONOMIC TECHNICAL BASES:

b.1 To calculate the Present Value, in compliance with the instructions of the Parent Company Casa, the rate adopted was IBOXX AA 0.91% (IBOXX duration 7-10 years);

b.2 the COST OF LIVING INDEX FOR WHITE-COLLAR AND BLUE-COLLAR WORKERS, required for the revaluation of the employee severance benefits amounts allocated to provision, was assumed at 2.00%;

b.3 the PAY LINE, as a function of seniority, increasing by automatic pay increases only, was calculated, on average, with reference to Carispezia employees, based on the interpolation and smoothing of the distribution of pays by seniority and on the national and company collective bargaining agreements;

b.4 the AVERAGE ANNUAL RATE OF INCREASE IN PAY for changes in the minimum wage, is to be seen as related to the fluctuation in the value of money and, therefore, its appreciation, especially in a long-term perspective, is technically difficult; a 2.00% rate was assumed;

b.5 PERCENTAGE OF ACCRUED EMPLOYEE SEVERANCE REQUESTED AS ADVANCES: 60% This percentage was inferred based on the Group historical data.

Disclosure of amount, timing and uncertainty of cash flows (IAS 19, paragraphs 145, 146 and 147)

The results of the sensitivity analyses:

Discount rate

Actuarial value of the bond as at 31.12.2014		
Central assumption	**+50 bp**	**-50 bp**
156,011	149,877	162,542

Turnover rate

Actuarial value of the bond as at 31.12.2014		
Central assumption	**+100 bp**	**-100 bp**
156,011	154,939	157,199

Inflation rate

Actuarial value of the bond as at 31.12.2014		
Central assumption	**+50 bp**	**-50 bp**
156,011	160,065	152,192

Multi-employer plans (IAS 19, paragraph 148)

This point does not apply because the provision for employee severance benefits is not a Multi-employer plan.

Defined-benefit plans that share risks between entities under common control (IAS 19, paragraphs 149 and 150).

This point does not apply because the provision for employee severance benefits is not a plan that shares risks between entities under common control.

● Section 12 – Provisions for contingencies and liabilities – Item 120

12.1 PROVISIONS FOR CONTINGENCIES AND LIABILITIES COMPOSITION

Items/Components	31.12.2014	31.12.2013
1 Company pension plans	22,873	23,151
2. Other provisions for liabilities and contingencies	153,179	188,858
2.1 legal disputes	52,244	51,414
2.2 staff expenses	80,731	106,362
2.3 other	20,204	31,082
Total	**176,052**	**212,009**

12.2 PROVISIONS FOR CONTINGENCIES AND LIABILITIES: CHANGES FOR THE PERIOD

Items/Components	31.12.2014	
	Pension plans	Other provisions
A. Opening balance	**23,151**	**188,858**
B. Increases	**2,514**	**31,874**
B.1 Provision for the period	417	29,040
B.2 Changes due to passage of time	67	1,515
C.2 Changes due to changes in the discount rate	201	14
B.4 Other changes	1,829	1,305
C. Decreases	**2,792**	**67,553**
C.1 Use in the period	2,792	57,228
C.2 Changes due to changes in the discount rate	-	51
C.3 Other changes	-	10,274
D. Closing balance	**22,873**	**153,179**

12.3 DEFINED-BENEFIT COMPANY PENSION PLANS

1. Information explaining the characteristics of defined benefit plans and risks associated with them

Through its Defied-Benefit Pension Plans, the Group provides pension schemes that are supplementary or complementary to the pensions paid by INPS (Italian National Social Security Institute) on whatsoever ground, in compliance with the specific Regulations of the Pension Funds.

The plan is funded by a provision accrued by the Company, determined based on the mathematical reserve that is calculated and certified annually by an independent actuary.

As at today's date, in accordance with the above Regulations, the employees on staff are not entitled to the benefits provided by the Pension Funds.

These benefits may consist in a pension assigned directly to the person concerned, in a pension assigned indirectly to the surviving family of the person concerned dying either before or after retirement.

As at 31 December 2014, 345 people were the beneficiary of the Pension Schemes (145 women and 200 men).

2. Changes for the period in defined-benefit net liabilities (assets) and in rights to refunds from the plan

The statement of reconciliation for 2014 is given below:

Actuarial value of the obligation as at 01,01,2014		**23,151**
a	Service cost	-
b	Interest cost	484
c.1	Actuarial gains/losses from changes in financial assumptions	1,720
c.2	Actuarial gains/losses from changes in demographic assumptions	-
c.3	Actuarial gains/losses from demographic experience	310
d	Payments provided for by the Plan	-2,792
Actuarial value of the obligation as at 31.12.2014		**22,873**

The value of the mathematical reserve is equal to the amount that the Management should have as at the measurement date, based on the assumptions used, in order to meet all the commitments undertaken to the participants in the plan.

3. Disclosure of the fair value of plan assets

This point does not apply because no assets covering the various plans under examination have been provided for.

4. Description of the main actuarial assumptions

In order to be able to make the required measurement, appropriate demographic and economic assumptions must be used, including:

- mortality;
- probability to have a family;
- performance of the actual purchasing power of money.

The main economic and demographic assumptions are given below, which have been used for the plan measurement and have been made based on the information provided by the Company subject to assessment and on market data/statistics:

- ANNUAL PROBABILITIES OF EXCLUSION DUE TO DEATH OF EMPLOYEES ON STAFF were calculated based on SIM 2006;

- for ASSIGNMENT TO THE SURVIVING FAMILY in case of the pensioner's death differentiated technical bases were used according to the age and gender of the member;
- the COST OF LIVING INDEX for white-collar and blue-collar workers, required for smoothing the annual pension instalments, was assumed at 2%;
- the ANNUAL INCREASE IN THE PLAN BENEFITS is governed by the relevant regulation, and, therefore, by the applicable regulations in force for INPS (Italian National Social Security Institute) pensions (automatic smoothing pursuant to paragraph 1, Article 34 of Italian Law No. 448/1998, as amended by paragraph 1, Article 69 of Itlaian Law No. 388/2000);
- to calculate the Present Value, in compliance with the instructions issued by the Parent Company, the rate used was IBOXX AA (duration 7-10 years) of 0.91%.

5. Disclosure of amount, timing and uncertainty of future cash flows

The results of the sensitivity analyses for each one of the main assumptions reported in point 4 are given below:

Discount rate

Actuarial value of the obligation as at 31.12.2014		
Central assumption	**+50 bp**	**-50 bp**
22,873	22,045	23,766

Demographic table

Actuarial value of the obligation as at 31.12.2014		
Central assumption	**+100 bp**	**-100 bp**
22,873	20,772	25,642

6. Multi-employer plans

This point does not apply because no one of the plans is a Multi-employer plan.

7. Defined-benefit plans that share risks between entities under common control

This point does not apply because no one of the plans under examination is a plan that shares risks between entities under common control.

12.4 PROVISIONS FOR CONTINGENCIES AND LIABILITIES – OTHER PROVISIONS

Sub-item 2.2 "Other provisions – staff expenses" of Table 12.1 also reports:

- the amounts allocated in previous periods by the Cariparma Crédit Agricole Group for liabilities relating to the trade union agreement of 11 January 2007 allowing interested employees to opt for early retirement or for the voluntary redundancy plan using the Solidarity Fund for employees of the banking sector: this procedure was closed on 31 December 2007;
- the amounts allocated in 2012, by the Cariparma Crédit Agricole Group for the liabilities resulting from the framework agreement signed with the Group Trade Union representatives on 2 June 2012, which has defined a voluntary

redundancy plan (Solidarity Fund) and gives the possibility to voluntarily terminate with incentives their employment to those that are already eligible for pension or will become eligible in the next three years.

Sub-item 2.3 “Other provisions - others” also includes accruals for risks made to protect, despite the lack of a legal obligation, Customers who engaged in transactions involving derivatives and have suffered from the impact of the world financial crisis.

Sub-item 2.3 also included provisions for Credit Protection insurance policies pursuant to ISVAP (Italian Private Insurance Supervisory Institute) regulation No. 35 obliging insurance companies to pay back the portion of the advanced single premium, which was not used following early repayment of the loan linked to the policy itself, to Customers. The provision is an estimate of the possible future expenses to be borne by the Cariparma Crédit Agricole Group to reimburse the insurers for the portion of commissions received on premiums paid by Customers.

The dispute with the Agenzia delle Entrate (Italian Inland Revenue Service) is still pending in relation to two Notices of Settlement regarding Registration Taxes that are allegedly due since the Agenzia requalified – as sale of a company – the transactions carried out in 2007 for the transfer of branches from Intesa SanPaolo and the subsequent transfer of the relevant shares by the transferor to Cariparma. The dispute, for all parties involved on various grounds, also other than Banca Popolare FriulAdria, amounts to Euro 4.1 million. On this dispute, a favourable decision was issued by the competent Court of second instance, against which the Agenzia delle Entrate filed appeal with the Italian Court of Cassation. Considering the above favourable Court decision and in the light of specific opinions from important legal counsels, no provision has been made for the above dispute.

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 2.05 million, plus interest. The consideration set forth above cannot but apply also to the latest dispute.

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 settled 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 led 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.

The dispute on 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, was finally closed with a favourable outcome by the Court of second instance.

● *Section 15 – Equity attributable to the Shareholders of the Parent Company – Items 140, 160, 170, 180, 190, 200 and 220*

15.1 SHARE CAPITAL AND TREASURY SHARES: COMPOSITION

The Parent Company’s share capital, fully paid-in, consists of 876,761,620 ordinary shares.

No treasury shares were held as at the reporting date.

15.2 SHARE CAPITAL – NUMBER OF SHARES OF THE PARENT COMPANY: CHANGES FOR THE PERIOD

Items/Types	Ordinary	Other
A. Shares at start of the year	**876,761,620**	**-**
- fully paid-up	876,761,620	-
- partially paid-up	-	-
A.1 Treasury shares (-)	-	-
A.2 Outstanding shares: opening balance	876,761,620	-
B. Increases	**-**	**-**
B.1 New issues	-	-
- for a consideration:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- free of charge:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Disposal of companies	-	-
C.4 Other changes	-	-
D. Outstanding shares: closing balance	**876,761,620**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares at the end of the year	876,761,620	-
- fully paid-up	876,761,620	-
- partially paid-up	-	-

15.3 SHARE CAPITAL: OTHER INFORMATION

The share capital of the Parent Company, fully paid-in, consists of 876,761,620 ordinary shares with a nominal value of Euro 1 each.

15.4 INCOME RESERVES OTHER INFORMATION

Items/Types	Amounts
Legal reserve	133,191
Reserves provided for by the Articles of Association	693,158
Reserve pursuant to Art. 13 of It. Leg. D. 124/93 (*)	314
Other reserves	141,753
Total	**968,416**
Reserve from share-based payments (**)	2,980
Other reserves	-18,136
Total reserves	**953,260**

(*) Reserve made pursuant to Article13 of Italian Legislative Decree 124/93 to take advantage of tax relief on the portions of Employees' severance benefits to be used for complementary pension schemes.

(**) Reserve recognizing the increase in equity resulting from payments based on shares of the Controlling Company Crédit Agricole SA. made to employees and directors

Section 16 – Equity attributable to Minority Shareholders – Item 210

16.1 BREAKDOWN OF ITEM 210 "EQUITY ATTRIBUTABLE TO MINORITY SHAREHOLDERS"

Denomination Companies	31.12.2014
Equity investments in consolidated companies with significant minority interests	
1, Banca Popolare FriulAdria S.p.A.	151,089
2, Cassa di Risparmio della Spezia S.p.A.	47,078
3, Crédit Agricole Leasing S.r.l.	12,508
Other controlled companies	14
Total	**210,689**

16.2 EQUITY INSTRUMENTS: COMPOSITION AND CHANGES FOR THE PERIOD

Items/Components	31.12.2014	31.12.2013
1. Share Capital	61,477	53,998
2. Share premium reserve	102,913	101,905
3. Reserves	35,067	36,892
4. (Treasury Shares)	-	-
5. Valuation reserves	2,305	-202
6. Equity instruments	-	-
7. Net profit (loss) pertaining to minority interests	8,927	6,725
Total	**210,689**	**199,318**

OTHER INFORMATION

1. GUARANTEES ISSUED AND COMMITMENTS

Transactions	31.12.2014	31.12.2013
1) Financial guarantees issued	891,953	873,435
a) Banks	289,004	284,110
b) Customers	602,949	589,325
2) Commercial guarantees issued	865,506	988,632
a) Banks	65,797	97,148
b) Customers	799,709	891,484
3) Irrevocable commitments to disburse funds	472,768	352,695
a) Banks	298,865	111,001
i) certain use	298,865	111,001
ii) uncertain use	-	-
b) Customers	173,903	241,694
i) certain use	20,683	23,707
ii) uncertain use	153,220	217,987
4) Commitments underlying credit derivatives: protection sales	-	-
5) Assets pledged as collaterals for third-party debts	-	-
6) Other commitments	74,926	77,222
Total	**2,305,153**	**2,291,984**

2. ASSETS PLEDGED AS COLLATERAL FOR OWN LIABILITIES AND COMMITMENTS

Portfolios	31.12.2014	31.12.2013
1. Financial assets held for trading	-	-
2. Financial assets measured at fair value	-	-
3. Financial assets available for sale	859,981	1,380,332
4. Financial assets held to maturity	-	-
5. Loans to banks	62,266	115,709
6. Loans to Customers	2,811,940	3,096,485
7. Property, plant and equipment	-	-

As at the end of 2014, the followings were used as collaterals.

- 55.5 million worth of securities used for repurchase agreements for funding purposes, acquired within repurchase agreement transactions for lending purposes, which have not been recognized in the Balance Sheet;
- Euro 3,864 million worth of senior securities resulting from internal securitization transactions and not recognized as assets in the Balance Sheet.

3. INFORMATION OF OPERATING LEASES

OPERATING LEASES – LESSEE – IAS 17 ART. 35 – LETTER A/B

Future minimum payments due under non-cancellable leases	< 1 year	beyond 5 years	> 5 years	unspecified maturity	Total
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant - hardware	-	-	-	-	-
Electronic plant - other	-	-	-	-	-
Other - vehicles (including automobiles)	2,505	2,798	-	-	5,303
Other - office machinery	98	1	-	-	99
Other - telephones (fixed and mobile)	-	-	-	-	-
Other - other	-	-	-	-	-
Software	-	-	-	-	-
Total	**2,603**	**2,799**	**-**	**-**	**5,402**

OPERATING LEASES – LESSEE – IAS 17 ART. 35 – LETTER C

Expenses for the period	Minimum payments	Potential lease fees	Payments from subleases	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant - hardware	-	-	-	-
Electronic plant - other	-	-	-	-
Other - vehicles (including automobiles)	2,814	-	-	2,814
Other - office machinery	499	-	-	499
Other - telephones (fixed and mobile)	-	-	-	-
Other - other	-	-	-	-
Software	-	-	-	-
Total	**3,313**	**-**	**-**	**3,313**

OPERATING LEASES – LESSEE – IAS 17 ART. 35 – LETTER D

Agreement description	Criteria for determining lease fees	Renewal or purchase option clauses	Indexing clauses
Other - vehicles (including automobiles)	Fee determined based on brand, model, engine size and accessories of each vehicle and including additional services	The Customer shall have the right to request an extension of the agreement, with prior acceptance by the renting Company, at a fee that the renting Company may review	-
Other - office equipment	Photocopiers: fixed monthly fee for Stamper: Fixed monthly fee	Photocopiers: surrender option at the lease end Stamper: agreement expiry 2013	-

5. MANAGEMENT AND INTERMEDIATION SERVICES

Type of services	Amounts
1. Trading on behalf of customers	**-**
a) purchases	-
1. settled	-
2. not yet settled	-
b) sales	-
1. settled	-
2. Asset management	**806,241**
a) individual	806,241
b) collective	-
3. Custody and administration of securities	
a) third-party securities on deposit held for depository bank services (excluding asset management)	-
1. securities issued by the companies included in the consolidation	-
2. other securities	-
b) altri titoli di terzi in deposito (escluse gestioni di portafogli): altri	47,778,846
1. securities issued by the companies included in the consolidation	13,184,261
2. other securities	34,594,585
c) third-party securities deposited with third parties	45,034,463
c) proprietary securities deposited with third parties	6,321,196
4. Other transactions	**-**

6. FINANCIAL ASSETS SUBJECT TO OFFSETTING, OR SUBJECT TO MASTER NETTING AGREEMENTS OR SIMILAR AGREEMENTS

Technical forms	Gross amount of financial assets (a)	Gross amount of financial liabilities offset (b)	Net amount of financial assets recognized (c=a-b)	Related amounts not subject to offsetting		Net amount (f=c-d-e) 31.12.2014	Net amount 31.12.2013
				Financial Instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	1,134,123	-	1,134,123	847,024	210,335	76,764	262,445
2. Repurchase agreements	-	-	-	-	-	-	-
3. Securities loan	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total (31.12.2014)	**1,134,123**	**-**	**1,134,123**	**847,024**	**210,335**	**76,764**	**X**
Total (31.12.2013)	**904,601**	**-**	**904,601**	**331,309**	**310,847**	**X**	**262,445**

7. FINANCIAL LIABILITIES SUBJECT TO OFFSETTING, OR SUBJECT TO MASTER NETTING AGREEMENTS OR SIMILAR AGREEMENTS

Technical forms	Gross amount of financial liabilities (a)	Gross amount of financial assets offset (b)	Net amount of financial liabilities recognized (c=a-b)	Related amounts not subject to offsetting		Net amount (f=c-d-e) 31.12.2014	Net amount 31.12.2013
				Financial Instruments (d)	Cash deposits as collateral (e)		
1. Derivatives	922,547	-	922,547	847,024	16,998	58,525	121,568
2. Repurchase agreements	542,995	-	542,995	-	383,565	159,430	108,809
3. Securities loan	-	-	-	-	-	-	-
4. Other transactions	-	-	-	-	-	-	-
Total (31.12.2014)	**1,465,542**	**-**	**1,465,542**	**847,024**	**400,563**	**217,955**	**X**
Total (31.12.2013)	**1,669,035**	**-**	**1,669,035**	**331,309**	**1,107,349**	**X**	**230,377**

PART C – INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

Section 1 – Interest – Items 10 and 20

1.1 INTEREST INCOME AND SIMILAR INCOME: COMPOSITION

Items/Technical forms	Debt securities	Loans	Other transactions	31.12.2014	31.12.2013
1 Financial assets held for trading	41	-	-	41	731
2 Financial assets measured at fair value	2,129	-	-	2,129	-
3 Financial assets available for sale	146,469	-	-	146,469	149,833
4 Financial assets held to maturity	-	-	-	-	-
5 Loans to banks	11,761	22,606	-	34,367	45,639
6 Loans to Customers	5,206	1,034,885	1,942	1,042,033	1,033,249
7 Hedging derivatives	X	X	166,946	166,946	199,042
8 Other assets	X	X	737	737	343
Total	**165,606**	**1,057,491**	**169,625**	**1,392,722**	**1,428,837**

1.2 INTEREST INCOME AND SIMILAR INCOME: DIFFERENCES ON HEDGING TRANSACTIONS

Items	31.12.2014	31.12.2013
A. Positive differences on hedging transactions	475,069	487,814
B. Negative differences on hedging transactions	(308,123)	(288,772)
C. Balance (A-B)	**166,946**	**199,042**

1.3 INTEREST INCOME AND SIMILAR INCOME: OTHER INFORMATION

1.3.1 Interest income on foreign-currency financial assets

At the end of 2014, interest income on foreign-currency assets came to Euro 4,907 thousand.

1.3.2 Interest income on finance lease transactions

At the end of 2014, interest income on finance lease transactions came to Euro 49,396 thousand.

1.4 INTEREST EXPENSES AND SIMILAR CHARGES: COMPOSITION

Items/Technical forms	Payables	Securities	Other	31.12.2014	31.12.2013
1. Due to central banks	(489)	X	-	(489)	-
2. Due to banks	(42,733)	X	-	(42,733)	(40,346)
3. Due to Customers	(95,583)	X	(19)	(95,602)	(119,361)
4. Outstanding securities	X	(311,151)	-	(311,151)	(358,926)
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities measured at fair value	-	-	-	-	-
7. Other liabilities and provisions	X	X	(1,176)	(1,176)	(1,617)
8. Hedging derivatives	X	X	-	-	-
Total	**(138,805)**	**(311,151)**	**(1,195)**	**(451,151)**	**(520,250)**

1.6 INTEREST EXPENSES AND SIMILAR CHARGES: OTHER INFORMATION

1.6.1 Interest expense on foreign-currency liabilities

At the end of 2014, interest expenses on foreign-currency liabilities came to Euro 1,329 thousand.

1.6.2 Interest expenses on liabilities for finance lease transactions

As at 31 December 2014, there were no interest expenses resulting from finance lease transactions.

Section 2 – Commissions – Items 40 and 50

2.1 COMMISSION INCOME: COMPOSITION

Type of services / Amounts	31.12.2014	31.12.2013
a) guarantees issued	14,676	15,177
b) credit derivatives	-	-
c) Management, intermediation and advisory services:	340,660	281,772
1. trading in financial instruments	-	-
2. foreign exchange trading	3,751	3,500
3. asset management	6,567	7,604
3.1. individual	6,567	7,604
3.2. collective	-	-
Custody and administration of securities	5,777	5,901
5. depositary bank services	-	-
6. placement of securities	129,450	104,591
7. receipt and transmission of orders	14,220	15,973
8. advisory services	271	213
8.1 on investments	-	-
8.1 on financial structure	271	213
9. distribution of third-party services	180,624	143,990
9.1. asset management	-	-
9.1.1. individual	-	-
9.1.2. collective	-	-
9.2 insurance products	179,022	143,123
9.3. other products	1,602	867
d) collection and payment services	45,886	46,845
e) servicing activities for securitizations	-	-
f) services for factoring transactions	-	-
g) tax collection services	-	-
h) management of multilateral exchange systems	-	-
i) keeping and managing current accounts	187,995	184,302
j) other services	86,899	85,418
Total	**676,116**	**613,514**

Sub-item “j) other services” includes commissions on debit and credit cards and e-money services amounting to Euro 42,713 thousand, commissions for loans granted amounting to Euro 17,460 thousand, and other residual items

2.2 COMMISSION EXPENSES: COMPOSITION

Services/Values	31.12.2014	31.12.2013
a) guarantees received	(6,751)	(4,066)
b) credit derivatives	-	-
c) management and intermediation services:	(6,176)	(6,931)
1. trading in financial instruments	(2,241)	(2,288)
2. foreign exchange trading	-	-
3. asset management:	(1,262)	(1,657)
3.1 own portfolio	-	-
3.2 third-party portfolio	(1,262)	(1,657)
Custody and administration of securities	(1,025)	(1,244)
5. placement of financial instruments	(1,648)	(1,742)
6. off-premises distribution of financial instruments, products and services	-	-
d) collection and payment services	(3,242)	(4,126)
e) other services	(10,603)	(10,652)
Total	**(26,772)**	**(25,775)**

Sub-item "e) other services" includes commissions on debit and credit cards and e-money services amounting to Euro 6,319 thousand and other residual items.

● *Section 3 – Dividends and similar revenues – Item 70*

3.1 DIVIDENDS AND SIMILAR REVENUES: COMPOSITION

Items/Revenues	31.12.2014		31.12.2013	
	Dividends	Income from units of collective investment undertakings	Dividends	Income from units of collective investment undertakings
A. Financial assets held for trading	3	-	5	-
B. Financial assets available for sale	8,397	-	1,689	-
C. Financial assets measured at fair value	-	-	-	-
D. Equity investments	-	X	-	X
Total	**8,400**	**-**	**1,694**	**-**

● *Section 4 – Net gain (loss) on trading activities – Item 80*

4.1 NET GAIN (LOSS) ON TRADING ACTIVITIES: COMPOSITION

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gain (loss) [(A+B) - (C+D)]
1. Financial assets held for trading	**52**	**2,332**	**(499)**	**(263)**	**1,622**
1.1 Debt securities	52	1,642	(499)	(31)	1,164
1.2 Equity securities	-	-	-	(1)	(1)
1.3 Units in collective investment undertakings	-	-	-	(19)	(19)
1.4 Loans	-	-	-	-	-
1.5 Other	-	690	-	(212)	478
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Other financial assets and liabilities: exchange rate differences	**X**	**X**	**X**	**X**	**4,108**
4. Derivative instruments	**149,682**	**100,513**	**(152,884)**	**(100,949)**	**(3,576)**
4.1 Financial derivatives:	149,682	100,513	(152,884)	(100,949)	(3,576)
- on debt securities and interest rates	149,661	100,423	(152,865)	(100,866)	(3,647)
- on equity securities and equity indices	-	-	-	-	-
- on foreign currencies and gold	X	X	X	X	62
- Other	21	90	(19)	(83)	9
4.2 Credit derivatives	-	-	-	-	-
Total	**149,734**	**102,845**	**(153,383)**	**(101,212)**	**2,154**

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

5.1 NET GAIN (LOSS) ON HEDGING ACTIVITIES: COMPOSITION

Income components/Values	31.12.2014	31.12.2013
A. Gain on:	**-**	**-**
A.1 *Fair value hedges*	657,198	398,503
A.2 Hedged financial assets (fair value)	213,776	2,145
A.3 Hedged financial liabilities (fair value)	42,118	399,598
A.4 Cash flow hedges	-	-
A.5 Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)	**913,092**	**800,246**
B. Loss on:	**-**	**-**
B.1 *Fair value hedges*	(554,031)	(652,374)
B.2 Hedged financial assets (fair value)	(7,831)	(138,205)
B.3 Hedged financial liabilities (fair value)	(355,986)	(97)
B.4 Cash flow hedges	-	-
B.5 Assets and liabilities in foreign currencies	-	-
Total expenses on hedging activities (B)	**(917,848)**	**(790,676)**
C. Net gain (loss) on hedging activities (A - B)	**(4,756)**	**9,570**

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

6.1 GAIN (LOSS) ON DISPOSAL OR REPURCHASE: COMPOSITION

Items/Income components	31.12.2014			31.12.2013		
	Gains	Losses	Net gain	Gains	Losses	Net gain
Financial assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to Customers	3,161	(4)	3,157	-	(9)	(9)
3. Financial assets available for sale	60,266	(30,894)	29,372	138,465	(4,504)	133,961
3.1 Debt securities	59,978	(30,823)	29,155	46,172	(4,504)	41,668
3.2 Equity securities	288	(71)	217	92,293	-	92,293
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total Assets	**63,427**	**(30,898)**	**32,529**	**138,465**	**(4,513)**	**133,952**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to Customers	-	-	-	-	-	-
3. Outstanding securities	1,492	(5,706)	(4,214)	6,121	(3,050)	3,071
Total liabilities	**1,492**	**(5,706)**	**(4,214)**	**6,121**	**(3,050)**	**3,071**

Section 7 – Net gain (loss) on financial assets and liabilities measured at fair value – Item 110

7.1 NET CHANGE IN VALUE OF FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE: COMPOSITION

Transactions/Income components	Capital gains (A)	Realization gains (B)	Capital losses (C)	Realization losses (D)	Net gain (loss) [(A+B) - (C+D)]
1. Financial assets	**-**	**-**	**(1,933)**	**-**	**(1,933)**
1.1 Debt securities	-	-	(1,933)	-	(1,933)
1.2 Equity securities	-	-	-	-	-
1.3 Units in collective investment undertakings	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial liabilities	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-
2.3 Due to Customers	-	-	-	-	-
3. Financial assets and liabilities in foreign currencies: exchange rate differences	**X**	**X**	**X**	**X**	
4. Credit and financial derivatives	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**(1,933)**	**-**	**(1,933)**

Section 8 – Net impairment adjustments/writebacks – Item 130

8.1 NET IMPAIRMENT ADJUSTMENTS OF LOANS: COMPOSITION

Transactions/ income components	Adjustments			Writebacks				Total 31.12.2014	Total 31.12.2013
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Loans to Banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- loans	-	-	-	-	-	-	-	-	-
- debt securities	-	-	-	-	-	-	-	-	-
B. Loans to customers	**(18,853)**	**(495,230)**	**(43,563)**	**63,241**	**41,608**	**-**	**61,787**	**(391,010)**	**(480,217)**
Non-performing loans purchased	-	-	-	-	-	-	-	-	-
- loans	-	-	X	-	-	X	X	-	-
- debt securities	-	-	X	-	-	X	X	-	-
Other loans and receivables	**(18,853)**	**(495,230)**	**(43,563)**	**63,241**	**41,608**	**-**	**61,787**	**(391,010)**	**(480,217)**
- loans	(18,853)	(495,230)	(43,563)	63,241	41,608	-	61,787	(391,010)	(480,217)
- debt securities	-	-	-	-	-	-	-	-	-
C. Total	**(18,853)**	**(495,230)**	**(43,563)**	**63,241**	**41,608**	**-**	**61,787**	**(391,010)**	**(480,217)**

Key:
A= from interest
B= other writebacks

8.2 NET IMPAIRMENT ADJUSTMENTS OF AVAILABLE-FOR-SALE FINANCIAL ASSETS: COMPOSITION

Transactions/Income components	Adjustments		Writebacks		31.12.2014	31.12.2013
	Specific		Specific			
	Writeoffs	Other	A	B		
A. Debt securities	-	-	-	-	-	-
B. Equity securities	-	(301)	X	X	(301)	(2,015)
C. Units of Collective Investment Undertakings	-	-	X	-	-	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**-**	**(301)**	**-**	**-**	**(301)**	**(2,015)**

Key:

A= from interest

B= other writebacks

8.4 NET IMPAIRMENT ADJUSTMENTS OF OTHER FINANCIAL INSTRUMENTS: COMPOSITION

Transactions/Income components	Adjustments			Writebacks				31.12.2014	31.12.2013 (*)
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Guarantees issued	(1,418)	(3,354)	(960)	-	6,474	-	109	851	(8,903)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	**(1,418)**	**(3,354)**	**(960)**	**-**	**6,474**	**-**	**109**	**851**	**(8,903)**

(*) Restated in accordance with the Bank of Italy provisions concerning the recognition of actions in favour of Deposit Guarantee Schemes. Key:

A= from interest

B= other writebacks

Section 11 – Administrative expenses – Item 180

11.1 STAFF EXPENSES: COMPOSITION

Type of expenses/Sectors	31.12.2014	31.12.2013
1) Employees	(577,080)	(590,350)
a) wages and salaries	(414,384)	(425,606)
b) social security contributions	(107,675)	(110,553)
c) severance benefits	(239)	(217)
d) pensions	-	-
e) allocation to employee severance benefit provision	(3,817)	(3,584)
f) allocation to provision for retirement and similar liabilities:	(484)	(643)
- defined contribution	-	-
- defined benefit	(484)	(643)
g) payment to external supplementary pension schemes:	(37,716)	(37,647)
- defined contribution	(37,716)	(37,647)
- defined benefit	-	-
h) costs from share-based payment agreements	-	-
i) other employee benefits	(12,765)	(12,100)
2) Other staff	(1,248)	(2,196)
3) Directors and Auditors	(2,606)	(2,520)
4) Retired staff	-	-
Total	**(580,934)**	**(595,066)**

11.2 AVERAGE NUMBER OF EMPLOYEES BY CATEGORY

	31.12.2014
Employees:	7,940
a) Senior Managers	95
b) Junior Managers	3,554
c) other Employees	4,291
Other staff	51

I numeri relativi al personale dipendente tengono conto dei distacchi attivi e passivi; quello relativo all’Altro personale si riferisce esclusivamente al personale non dipendente,

11.3 DEFINED-BENEFIT COMPANY PENSION PLANS: TOTAL EXPENSES

Type of expenses/Values	31.12.2014	31.12.2013
Changes due to passage of time	(484)	(643)

11.4 OTHER EMPLOYEES' BENEFITS

These consisted of the cost for the voluntary redundancy plan, costs for non-occupational policies, incentives for voluntary redundancy, other fringe benefit, as well as to the contribution to the bank employees' cultural and recreational club.

11.5 OTHER ADMINISTRATIVE EXPENSES: COMPOSITION

Type of expense/Values	31.12.2014	31.12.2013
Direct and indirect taxes	(111,261)	(102,804)
IT services, data processing	(38,508)	(42,931)
Facility rental and management	(54,109)	(58,374)
Expenses for advisory services	(22,694)	(15,160)
Mail, telegraph and delivery services	(10,076)	(12,655)
Telephone and data transmission	(9,337)	(10,875)
Legal expenses	(5,426)	(5,126)
Property maintenance	(4,098)	(3,933)
Furnishing and plant maintenance	(12,534)	(12,795)
Marketing, promotion and entertainment expenses	(8,670)	(9,591)
Transport services	(20,812)	(19,696)
Lighting, heating and air conditioning	(16,476)	(17,217)
Office supplies, printed material, print subscriptions, photocopying, etc	(5,935)	(6,034)
Staff training expenses and reimbursements	(7,547)	(8,766)
Surveillance services	(3,340)	(3,414)
Information and title searches	(5,901)	(5,907)
Insurance	(137,782)	(113,798)
Cleaning services	(5,733)	(6,610)
Leasing of other property, plant and equipment	(7,417)	(6,965)
Management of archives and document handling	(1,164)	(1,154)
Reimbursement of costs to Group companies	(32,299)	(31,512)
Sundry expenses	(10,726)	(10,026)
Total	**(531,845)**	**(505,343)**

● *Section 12 – Net provisions for contingencies and liabilities – Item 190*

12.1 NET PROVISIONS FOR CONTINGENCIES AND LIABILITIES: COMPOSITION

Net provisions for contingencies and liabilities came to Euro 19.5 million, decreasing by Euro -8.1 million (-29.5%) vs. Euro 27.7 million in 2013. These provisions include an amount of Euro 14.3 million, which was allocated for non-lending disputes and increased by Euro 4.7 million vs. the previous year, an increase that was more than offset by lower amounts allocated to provision for contingencies relating to repayments to Customers of securities in default, which decreased by Euro -13.2 million.

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

13.1 NET VALUE ADJUSTMENTS ON PROPERTY, PLANT AND EQUIPMENT: COMPOSITION

Assets/Income components	Depreciation (a)	Impairment adjustments (b)	Writebacks (c)	Net gain (loss) (a + b - c)
A. Property, plant and equipment				
A.1 Owned	(28,631)	-	-	(28,631)
- Operating assets	(28,304)	-	-	(28,304)
- Investment property	(327)	-	-	(327)
A.2 acquired under finance leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
Total	**(28,631)**	**-**	**-**	**(28,631)**

Section 14 – Net value adjustments/writebacks of intangible assets – Item 210

14.1 NET VALUE ADJUSTMENTS OF INTANGIBLE ASSETS: COMPOSITION

Assets/Income components	Amortization (a)	Impairment adjustments (b)	Writebacks (c)	Net gain (loss) (a + b - c)
A. Intangible Assets				
A.1 Owned	(60,899)	-	-	(60,899)
- Generated in-house	(1,305)	-	-	(1,305)
- Other	(59,594)	-	-	(59,594)
A.2 acquired under finance leases	-	-	-	-
Total	**(60,899)**	**-**	**-**	**(60,899)**

Section 15 – Other operating expenses and revenues – Item 220

15.1 OTHER OPERATING EXPENSES: COMPOSITION

Type of expense/Values	31.12.2014	31.12.2013 (*)
Expenses for finance lease transactions	(5,536)	(4,603)
Currency/monetary adjustments	-	-
Restructuring and reorganization expenses	-	-
Amortization of expenditure for leasehold improvements	(6,340)	(5,569)
Other expenses	(8,048)	(11,185)
Consolidation adjustments	-	-
Total	**(19,924)**	**(21,357)**

(*) Restated in accordance with the Bank of Italy provisions concerning the recognition of actions in favour of Deposit Guarantee Schemes.

15.2 OTHER OPERATING REVENUES: COMPOSITION

Type of expense/Values	31.12.2014	31.12.2013
Rental income and recovery of expenses on real estate	678	817
Income from finance lease agreements	1,547	766
Recovery of rental expenses	-	-
Recovery of taxes and duties	98,969	90,689
Recovery of insurance costs	136,413	111,778
Recovery of other expenses	9,003	7,897
Service recovery	28	-
Other income	54,890	61,788
Consolidation adjustments	-	-
Total	**301,528**	**273,735**

Section 16 – Gain (loss) on equity investments – Item 240

16.1 GAIN (LOSS) ON EQUITY INVESTMENTS: COMPOSITION

Income components/Sectors	31.12.2014	31.12.2013
1) Joint ventures		
A. Gains	-	-
1. Writebacks	-	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other income	-	-
B. Losses	-	-
1. Writedowns	-	-
2. Impairments	-	-
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit	**-**	**-**
2) Companies subject to significant influence		
A. Gains	233	-
1. Writebacks	-	-
2. Gains on disposal	233	-
3. Writebacks	-	-
4. Other income	-	-
B. Losses	(23)	(1,170)
1. Write-downs	(3)	(1,170)
2. Impairments	(20)	-
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit	**210**	**(1,170)**
Total	**210**	**(1,170)**

Section 18 – Value adjustments of goodwill – Item 260

18.1 VALUE ADJUSTMENTS OF GOODWILL: COMPOSITION

In 2014, the goodwill that emerged from the various business combinations made by the Group starting from 2007 was tested for impairment: for no one of the Cash Generating Units (i.e. Retail + Private Banking and Mid-Corporate+ Large- Corporate), the test showed evidence of impairment.

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

19.1 GAIN (LOSS) ON DISPOSAL OF INVESTMENTS: COMPOSITION

Income components/Sectors	31.12.2014	31.12.2013
A. Real estate	(4)	231
- Gains on disposal	-	231
- Losses on disposal	(4)	-
B. Other assets	-	1
- Gains on disposal	-	1
- Losses on disposal	-	-
Net profit	**(4)**	**232**

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

20.1 INCOME TAX FOR THE PERIOD ON CONTINUING OPERATIONS: COMPOSITION

Income components/Sectors		31.12.2014	31.12.2013
1.	Current taxes (-) (*) (**)	(148,257)	(202,489)
2.	Changes in current taxes for previous periods (+/-)	356	-
3.	Reduction in current taxes for the period (+)	369	98
3.bis	Reduction in current taxes for the period for tax receivables pursuant to Law No. 214/2011 (+)	376	4,919
4.	Change in deferred tax assets (+/-)	17,437	144,663
5.	Change in deferred tax liabilities (+/-)	6,183	13,315
6.	Taxes for the period (-) (-1+/-2+3+3bis+/-4+/-5)	(123,536)	(39,494)

(*) This amount includes the use of tax provisions made for the recognition of the higher value of the Bank of Italy shares pursuant to Italian Law No. 147/2013 and the use of excess provisioning for taxes allocated in previous years for Euro 15,556 thousand.

(**) This amounts includes excess provisioning for taxes allocated in previous years for Euro 1,700 thousand.

20.2 RECONCILIATION OF THEORETICAL TAX LIABILITY AND ACUTAL TAX LIABILITY RECOGNIZED

	31.12.2014
Net profit before tax on continuing operations	893
Net profit before tax on discontinuing operations	-
Theoretical taxable income	893

	31.12.2014
Income tax – Theoretical tax liability	(80,470)
- effect of expenses that are fully or partially non-deductible and income that is fully or partially non-taxable	4,167
- consolidation effect	(4,476)
Income tax – actual tax liability	(80,780)
- provision for tax to recognize the higher value of Bank of Italy shares L. 147/2013	(22,185)
- use of excess tax provisioning in previous periods	17,256
- reversal of deferred tax liabilities for previous periods to be recognized in equity	685
- effect of tax credits and deduction	369
IRAP - Theoretical tax liability	(16,064)
effect of revenues/expenses that do not form taxable income	(73,090)
- effect of other changes	51,166
- consolidation effect	(893)
IRAP - Actual tax liability	(38,881)
Other taxes	-
Actual tax liability recognized	**(123,536)**

● *Section 22 – Net Profit (Loss) for the period attributable to Minority Shareholders – Item 330*

22.1 BREAKDOWN OF ITEM 330 “NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MINORITY SHAREHOLDERS”

The net profit attributable to minority shareholders came to Euro 8,927 thousand; this amount referred to Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia S.p.A. and Crédit Agricole Leasing S.r.l.

● *Section 24 – Earnings per share*

24.1 AVERAGE NUMBER OF ORDINARY SHARES OF DILUTED CAPITAL

The Parent Company’s capital consists of 876,761,620 ordinary shares with a nominal value of Euro 1 each.

PART D - CONSOLIDATED COMPREHENSIVE INCOME

Statement of consolidated comprehensive income

Items		Gross amount	Income tax	Net amount
10.	**Profit (loss) for the period**	**X**	**X**	**169,082**
	Other income components without reversal to Income Statement			
20.	Property, plant and equipment	-	-	-
30.	Intangible Assets	-	-	-
40.	Defined benefit plans	-15,732	4,896	-10,836
50.	Discontinuing operations	-	-	-
60.	Portion of valuation reserve on equity investments accounted for with the equity method:	-	-	-
	Other income components with reversal to Income Statement			
70.	Hedging of foreign investments:	-	-	-
	a) changes in fair value	-	-	-
	b) reversals to Income Statement	-	-	-
	c) other changes	-	-	-
80.	Exchange rate differences:	-	-	-
	a) changes in fair value	-	-	-
	b) reversals to Income Statement	-	-	-
	c) other changes	-	-	-
90.	Cash flow hedges:	-	-	-
	a) changes in fair value	-	-	-
	b) reversals to Income Statement	-	-	-
	c) other changes	-	-	-
100.	Financial assets available for sale:	153,619	-53,550	100,069
	a) changes in fair value	165,922	-56,892	109,030
	b) reversals to Income Statement	-12,303	3,342	-8,961
	- impairment adjustments	294	-	294
	- profit/loss from realization	-12,597	3,342	-9,255
	c) other changes	-	-	-
110.	Discontinuing operations:	-	-	-
	a) changes in fair value	-	-	-
	b) reversals to Income Statement	-	-	-
	c) other changes	-	-	-
120.	Share of valuation reserve on equity investments accounted for by equity method:	-	-	-
	a) changes in fair value	-	-	-
	b) reversals to Income Statement	-	-	-
	- impairment adjustments	-	-	-
	- profit/loss from realization	-	-	-
	c) other changes	-	-	-
130.	**Total for other income components**	**137,887**	**-48,654**	**89,233**
140.	**Comprehensive income (10+130)**	**137,887**	**-48,654**	**258,315**
150.	Consolidated comprehensive income attributable to minority Shareholders	-	-	-11,434
160.	**Consolidated comprehensive income pertaining to the Parent Company**	**137,887**	**-48,654**	**246,881**

PART E – INFORMATION ON RISK AND RELATIVE HEDGING POLICIES

Section 1 – The Banking Group Risk Management

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

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 turn, the system set by Cariparma is based on the Supervisory regulations and on the directions issued by Credit Agricole S.A. concerning its subsidiaries.

As a Group strongly operating in the Retail Banking business, its approach to risks takes account of the features of its main reference market and of the guidelines issued by the French Parent Company on the Group's vocation as Proximity Bank, which results in services designed to build and consolidate priority relations with local Customers, by fully understanding their specificities and enhancing their potential for development and growth, as well as by offering lines of dedicated products and services, specialist Branches throughout the geographical areas of operations, by making product specialists available to Customers and by providing training programs that involve also Trade Associations.

The Group Companies internally implement the structures and mechanisms for risk management and control as set down by the Group, carry out commercial actions in the reference perimeter and benefit from the functions that are centralized and directly performed by Cariparma.

RISK APPETITE AND CULTURE DISSEMINATION

While implementing its process for upgrading to the Supervisory regulations, in 2014 the Cariparma Group started also a process for the definition of its Risk Appetite Framework consistently with the guidelines and with the strategic plan of the Parent Company CAsa.

This framework entails a set of limits and indicators that are proivded for by the Group Risk Strategy, on a yearly basis. Then, these limits are submitted for approval to the Board of Directors of the Parent Company Cariparma and of the single Entities in the Group.

The Risk Strategy has the objective to provided for and steer credit risk, operational risk, market and financial risks.

In order to constantly ensure effective risk measurement and effective integration of risk management in the Group's governance and operations, as well as dissemination and sharing of risk culture, the Group's organization includes, on a permanent and fully structured basis, specific Committees and Interdepartmental Working Groups, which consist of the reference roles of all relevant corporate Departments.

To be noted are the Internal Control Committee and Risk Committees, which, within their different Risk scopes (Credit Risk, Operational Risk, Financial Risk and Compliance Risk) are responsible for designing and formalizing risk management policies, for structuring and assigning tasks and responsibilities to corporate bodies and departments, for monitoring risk trends and steering the relevant action plans, consistently with the Group's risk appetite and with the guidelines issued by the Parent Company Crédit Agricole and adopted by the Board of Directors.

Going downstream in the organization, important drivers for the dissemination of risk culture are provided by:
- the Operational Risk Manager (ORM), fa key role for activity and support, within the respective reference perimeter, on the identification of operational risks and processing of the relevant practices;
- preparation of 2.1 controls, which directly involves the relevant structures in defining the scopes to be monitored;
- scenario analysis and RSA (Risk Self Assessment,with subsequent implementation of risk mapping), which directly involve the relevant structures in identifying risk and their possible consequences;
- management support on the outsourcing of important operating processes;
- specific training.

INTERNAL CONTROL SYSTEM

In accordance with the applicable regulations in force and with the guidelines issued by the Parent Company Crédit Agricole S.A., the internal control system of the Cariparma Crédit Agricole Group is structured so as to ensure, when fully operating, detection, measurement, verification and control of risks associated to the performance of corporate operations.

In general, the internal control system is implemented with two modes of control, permanent and periodic; the control structure consists of three different levels and is implemented based on the French legislation and CASA guidelines:

Control type	Control Level		Structures involved	Control frequency
Permanent control	1st Degree		Employees, Information System involved in the start-up or validation of the transaction	
		1st Level	Employees other than those that started the transaction	
	2nd Degree	2nd level	- Central Compliance Department - Risk Management and Permanent Controls Department - Validation Unit within the DRCP	Constant
Periodic control	3rd Degree		Audit Department	Periodic

Consistently with the guidelines issued by the Parent Company Crédit Agricole SA, the Permanent Controls System is part of the wider scope of review of the Banks' operations, in the light of the International Convergence of Capital Measurement and Capital Standards (Basel II), to ensure the capital adequacy of internationally active banks.

Permanent control consists of the following:
- Automatic first-degree
  - controls: carried out by automated systems;
  - line-based:
    - direct: manual controls made by the employee;
    - hierarchic: Branch manager and higher decision-making roles;
- Second-degree controls
  - first-level controls: : employees other than those who started the transaction and authorised to carry out the operational procedure (for example, back office);
  - second-level controls: employees exclusively engaged in specialist last-level permanent control (e.g. risk monitoring, verification of adequacy and effectiveness of permanent controls): Central Compliance Department/ Risk Management and Permanent Controls Department/Validation Unit.

Periodic control (called "third-degree control") refers to specific auditing of all activities (including permanent control and non-compliance control) by the Audit unit, based on both remote and on-site inspections provided for by an audit plan.

The internal control tool adopted by the Cariparma Crédit Agricole Group results from a process involving:
- the definition of the scope of control and the areas of responsibility of the different players appointed;
- the identification of the main risk zones, based on the risk mapping;
- the implementation of the classification of operating activities, decision-making powers and controls;
- the of permanent controls at the different degrees and levels envisaged, monitoring correct implementation of the procedures and detection of any early warnings;
- the performance of periodic control by the Internal Audit Department;
- the implementation of a specific system for reporting to corporate bodies and top management engaged in governance and control functions.

The configuration of the internal control system is shared and formalized in the entire Group through the internal regulation system.

The organization of the Cariparma Crédit Agricole includes three main structures that are engaged in control functions and are independent; within the scope of action and in accordance with their functions, these structures ensure constant control on all corporate operations and on the risks generated by such operations:

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

Moreover, in accordance with the provisions set down in Article 154-bis of the Italian Consolidated Act on Finance, the Executive Manager in charge has the task of overseeing the internal controls system concerning accounting and financial reporting.

THE RISK MANAGEMENT AND PERMANENT CONTROLS DEPARTMENT

In 2014, the Risk Management and Permanent Controls Department was engaged in the main projects listed below:

- the exercise of the Asset Quality Review (AQR) for the Cariparma Group as a whole and contribution to the calculation of the EBA stress test for the Crédit Agricole Group, which amounted to crucial steps for the implementation of the Single Supervision by the ECB. This exercise aimed at analyzing the quality of the assets of the Cariparma Group and at assessing the resilience of the Crédit Agricole Group as a whole, up to 2016 in a baseline stress scenario and in an adverse scenario featuring extremely stressing conditions. This project, which was carried out in coordination with the French Parent Company, entailed crosswise and full involvement of various operating and management units of the Cariparma Group for the best part of 2014.
- upgrading to Circular No. 263 of 27 December 2006 – 15th update of 2 July 2013. Consistently with the New regulations for the prudential supervision of banks, the following actions were implemented:
  - the adoption/review of specific policies for single risks - credit, counterparty, market, operational risks - aimed at ensuring effective, efficient and fair management;
  - the review of the organizational structure to make it more consistent with the recently-issued regulations, by setting up/strengthening the organizational units engaged in loan monitoring and in managing the Risk Appetite Framework (RAF).
- the preparation, in compliance with the recently-issued regulations, of an operating procedure aimed at identifying forborne exposures and classifying them as performing or non-performing.

In 2015, the main projects will concern:

- the start-up of a project aimed at exploiting the results of the AQR and EBA stress tests carried out in 2014;
- the review of the early warning system for loans;
- as regards the system for the measurement of credit risk: the management of the validation of Retail models for Carispezia; the exercise of activities aimed at validating the Corporate segment; the start-up of the periodic review of the Retail segment models that are currently being implemented.

The above activities will be carried out also in cooperation with the relevant structures of the French Parent Company.

THE COMPLIANCE FUNCTION

The Compliance Department has been established in accordance with regulatory provisions, with the main aim of overseeing and controlling compliance of the various activities with the applicable legislation and regulations, including self-regulation, abiding by the guidelines issued by the Parent Company Crédit Agricole SA.

The aim of this Department is to ensure, through careful planning, adaptation of the various organisational procedures with the regulations in force and the correct definition of the first and second level control principles in company processes, with positive effects on business.

The Department supports and advises the company's senior management in order to prevent situations which could lead to penalties, generate losses or cause significant damage to the company's reputation.

Moreover, Compliance activities are an opportunity to develop the company's value for the. benefit of all stakeholders.

The Compliance function of the Parent Company Cariparma is the task of the Central Compliance Department, which reports on a solid line to Cariparma Chief Executive Officer and on a dotted line to the Direction de la Conformité of Crédit Agricole S.A

Each Company's organization includes a Compliance Unit, which reports on a solid line to the Company's Top Management and on a dotted line to Cariparma's Central Compliance Department. The heads of these Units have the mission to mitigate compliance risk within their own Company.

All Compliance Units follow standardised risk measurement criteria according to the approach provided for by current legislation and the guidelines issued by the French Parent Company, according to each company's size and customers.

These Compliance Units are an integral part of the internal controls system.

THE AUDIT FUNCTION

The Internal Audit Department is independent of any and all departments and roles engaged in management and decision-making functions that entail risk-taking: indeed, its organizational placement provides for its reporting on a dotted line directly to the Chief Executive Officer of the Cariparma Crédit Agricole Group and for its solid-line reporting to the Group Internal Audit Department of the Parent Company Crédit Agricole SA.

The Internal Audit Department:

- performs periodic controls on the processes and on the organizational units of all the Companies in the Cariparma Crédit Agricole Group, through constant and independent supervision on the regular course of operations, in order to prevent or detect any behaviours or situations that are irregular and/or risky;
- assesses whether the overall internal controls system operates effectively and whether it is fit to ensure:
  - the effectiveness and efficiency of the corporate processes as implemented;
  - the protection of the value of the assets;
  - protection from losses;
  - the reliability and integrity of accounting and management data;
  - the compliance of operations with both the policies set down by the corporate governance bodies and with all applicable internal and external regulations.
- exercises a governance and steering action on the Internal Audit Services of the companies in the Cariparma Crédit Agricole Group;
- provides the Top Management, the Corporate Bodies and the Parent Company C.A.sa with prompt and systematic reporting on the activities carried out.

THE EXECUTIVE MANAGER IN CHARGE

Pursuant to the above-mentioned Article 154-bis, the Executive Manager in charge, together with the Chief Executive Officer, in a specific document attached to the Annual Report and Financial Statements, both separate and consolidated, and to the condensed Half-year Financial Report, shall state:

- the adequacy and actual application of the administrative and accounting procedures;
- the consistency of the corporate and accounting documents with the records in the corporate boos and with the accounts;
- that the above Reports and Financial Statements are fit to provide a true and correct representation of the financial and cash flow position, as well as of the performance of the Bank and of the Group.

The Executive Manager in charge shall also state that the Management Report includes a reliable analysis of the performance and profit (loss) from operations, as well as of the situation of the Bank and of the Group, and the description of the main risks and uncertainties to which they are exposed.

LENDING POLICIES AND STRATEGIES

1.1 Credit risk

QUALITATIVE DISCLOSURES

GENERAL ASPECTS

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

This Central Department has also the following responsibilities:

- to define, for the Cariparma Crédit Agricole Group, the strategies and guidelines for the achievement of the set objectives in terms of control of the cost of credit;
- to define and promote, consistently with the Group strategies and objectives, an appropriate standardization of models, lending instruments and lending governance rules.
- to verify, through appropriate operating control mechanisms, compliance with the lending guidelines and policies within the Cariparma Crédit Agricole Group, ensuring quality and monitoring the allocation of loans by sector and size.

CREDIT RISK MANAGEMENT POLICIES

Organizational Aspects

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

Cariparma has the Loan Department, the Non-performing Loan Department and the Special Loan Department:

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

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

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

MANAGEMENT, MEASUREMENT AND CONTROL SYSTEMS

Lending policies and strategies

The present economic situation and market performance have generated the need to review the procedures through which the Banks and Companies in the Cariparma Crédit Agricole Group take and manage credit risk associated with Mid-Corporate and Retail Customers, with the objective of fostering a balanced growth of loans to worthy Customers, as well as of controlling and re-qualifying exposures to risky Customers.

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

Lending policies steer the Bank's strategy, since:

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

Lending policies are differentiated based on the categories of Customers, as follows:

- Lending policies for Companies, chains and State Bodies;
- Lending policies for Retail Customers.

The review of Lending Policies for Companies, Production Chains and State Bodies, which was carried out in 2014, pursued the following objectives

- To identify the positioning of each sector in terms of risk/return;
- To associate a "sector view" to each sector, separating high-risk sectors from low-risk ones with potential opportunities for growth;
- To set the credit risk management strategy on the basis of higher differentiation in accordance with the specific creditworthiness (Customer Risk).

Consistently with the above objectives, the annual review entailed the following:

- The of the selective criteria already in force, based on which the Group Banks manage credit risk: the structure of the new "Policies" features higher differentiation both in terms of specific creditworthiness (Customer risk) and in terms of different lending strategies specific for the Large-Corporate (revenue higher than Euro 7.5 million) and Retail (revenue up to Euro 7.5 million) Regulatory Segments, in accordance with the specific features of the respective Customers;
- The strengthening of the actions already implemented to control the exposures to economic activity sectors that feature higher risk, both present and perspective, specifically as regards Customers operating in the "Real Estate", "Building" and "Stores/Restaurants – Hotels", which had already been subject to differentiated "Policies" implementing directions and "limits" that are consistent with the Risk Strategy set on a yearly basis with the Parent Company Crédit Agricole SA;
- The identification, in larger detail, of specific micro-sectors of economic activity, in order to take account of the higher variability of the risk profile and attractiveness of the same, vs. the relevant macro-sectors;
- Further fine-tuning of the procedures to depart from the implementation of the "Policies", to be submitted for approval to the competent Decision-Making body, for some selected combinations, based on the Customers' specific credit worthiness and economic sector risk;
- more complex definition of the criteria adopted by the "Policies" that are dedicated to specific economic activities (such as the agri-food industrial sector and the sector of renewable energy), as well as with regard to Companies with high vocation for export, which offer interesting opportunities for the development of loans, and with State Bodies and Confidi ((Italian mutual loan-guarantee consortia);

- The enhancement of the criteria for identifying and applying loan technical forms, consolidating the principle of a marked separation between financial ones and those that are truly commercial, as well as the definition of risk concentration limits and loan duration limits, which are differentiated based on the Customers' risk profile.

Lending policies for Corporate Customers apply to the legal-economic Group identified, to to single Companies not belonging to the Group, resident and non-resident, are structured based on the Customer risk and the risk associated to the economic activity sectors.

The review of 2014 Lending Policies for Corporate Customers has also identified, in greater detail, specific micro-sectors of economic activity, in order to take account of the higher variability of the attractiveness and risk profile of the same.

Lending Policies for Retail Customers are defined at Banking Group level and applied to Natural Persons that take out loans for purposes other than those relating to business activities, excluding all Customers falling in the Non-performing positions perimeter. Lending Policies are structured based on Customer risk, on the rating of the counterparty and/or the relevant legal/economic Group, as well as on the type of product that has been applied for by the Customer.

The application processing and authorization of loans to Retail Customers uses the Rating System, which has been validated by the Supervisory Body, both for choosing the Decision-Making Body responsible for granting the loan, and for the definition of the creditworthiness of the same Customer.

Lending Policies are integrated in an Expert Decision-Making System (the so-called "Lending Strategies") in the Electronic Loan Application Processing which steers decision-making processes and are different for the following products:

- Mortgage loans;
- Unsecured loans and Personal Loans;
- Opening of credit lines on current accounts, mortgage current accounts, signature loans, products for international transactions or Derivatives.

Lending Policies and Strategies assign a summary rating/assessment to Retail Customers, using the three categories here below which set the relevant procedure and a different decision-making body:

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

Within the Lending Policies for Retail Customers, the general principles which the loan application processing and loan authorization must based on for each single product, which translate into parameters to be taken into account and to comply with in all lending operations, specifically: the definition of monthly net income, financial commitments, debt sustainability, the instalment/income ratio, the maximum age of applicants and third party guarantors, the documentation to be obtained for the loan application assessment.

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

Lending processes

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

- It complies with the instructions issued by the Supervisory Body relating to the requirement that loan granting processes and counterparty creditworthiness measurement processes use the instruments envisaged for the economic capital definition;

- It allows lending decision-making powers to be fine-tuned based on the customer's risk rating and therefore their extension for worthy counterparties and their limitation for the weaker ones, stimulating, where necessary, the adoption of appropriate mitigation actions. They are differentiated based upon "Decision-making classes" set by the combining the parameters of Probability of Default assigned to the customers and the riskiness of the technical forms based on the presence or absence of certain and enforceable guarantees. For each decision class a maximum granting ceiling is set.

The granting process is managed by the Corporate IT System within the dedicated specific procedures ("PEF – Electronic Loan Application Process").

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

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

In order to improve the quality of loan-granting and loan-review processes, in 2014 the "Expert System" was implemented. This tool supports the manager in the loan application processing and automatically generates a commentary on the quality of financial statements and suggests further analyses, in order to support the manager for thorough and complete understanding of the company's financial position.

The implemented process for the monitoring and management of non-performing loans also uses methods based on rating systems. Customers are subdivided based on risk profile rated monthly using the prescribed tools (performance rating) and combining the parameters of internal rating models (Probability of Default) and other indicators that can be immediately detected and useful to notice a sudden down-grading of counterparty risk, as well as a procedure ("PEF – Electronic Loan Application Process") that has been designed to steer the process. PEF supports everyone involved in the process, with pre-set and automated procedures for counterparty management.

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

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

Cost of credit

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

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

Among the most significant actions that the Cariparma Crédit Agricole Group implemented in 2014, in order to further strengthen the monitoring and management of loans, the following are pointed out:

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

The traditional policy of the Cariparma Crédit Agricole Group was confirmed, which provides for prudential provisioning for non-performing exposures (NPE).

Stress test

Within the management and control of credit risk, on a yearly basis, strategies are defined to act on overall exposures to sectors, products or types of customers that have been identified as belonging to sectors that are not fully in line with the corporate objectives in terms of risk control. The performance of the perimeters thus identified is monitored on a quarterly basis.

In 2014 the focus was on the “Real Estate Players” and the Hotel sectors, as well as on loans for Renewable Energy (Non-Investment Grade Customers).

Moreover, the monitoring of the diversification of risk in loans was fully implemented, by controlling the limits to portfolio concentration, with different values for “ Investment Grade” and “Non-Investment Grade” Counterparties.

The periodic audits reported compliance with the set strategies.

Within the ICAAP process, the stress test analyses on credit risk were carried out with a factorial model that links the endogenous variables (Probability of Default, PD) to the macroeconomic variables that have proven to have higher explanatory power. Based on forecast scenarios, as defined by the user services or by international forecaster, the portfolio average PD are estimated by management segment. Based on the experiential scenarios (baseline and stress), or historical (worst case), the estimated effects of the economic cycle on the PD allow future developments in Risk Weighted Assets and Expected Loss to be calculated by aggregation level, with the possibility to simulate and calculate separately the impacts in terms of changes in volumes and increase in risk.

In 2014 the ordinary stress testing activity was extended with the participation in the exercise carried out by the European Central Bank together with the European Banking Authority; the main evidence generated by this exercise at Crédit Agricole Group level were published within the comprehensive assessment. This exercise, which operated across the various corporate divisions engaged in risk measurement and management, allowed a prospective analysis of the impact on the Income Statement main variables. Moreover, as reported in the section on projects to be implemented, the results of the stress test exercises are factorized within the process for the definition and management of the Risk Appetite Framework.

CREDIT RISK MITIGATION TECHNIQUES

The Group pursues the mitigation of credit risk by entering into ancillary agreements or by adopting new and specific tools and techniques that ensure actual mitigation of this risk. In this regard, collection and management of guarantees is focused on within a control process and system which provide for the identification of specific Responsibilities in order to verify and ensure compliance with the legal requirements and the update of the underlying values. The outcome of control activities are subject to reporting.

NON-PERFORMING FINANCIAL ASSETS

The process to monitor performance allows the procedures for the management and control of the loan portfolio to be triggered; the organizational logic of these procedures is based on the following principles:

- the use of probability of default and of a number of management indicators differentiated by segment and type of Customers to support decision-making activities;
- the diversification of processes depending on the Customer's level of risk.

Monitoring procedures and systems have been further enhanced in order to allow:

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

In addition to periodic specific measurement of the recovery value, the management process for non-performing positions aims also at:

- verifying whether the counterparty is capable of recovering financial health and, consequently, restoring the business and loan relationship;
- acquiring additional guarantees, whether collaterals and/or personal guarantees or other credit risk mitigation tools and techniques;
- scheduling and monitoring loan workout plans agreed with Customers;
- enforcement and/or court-ordered acquisition of guarantees for enforced recovery of exposures.

● QUANTITATIVE DISCLOSURES

A. CREDIT QUALITY

A.1 PERFORMING AND NON-PERFORMING EXPOSURES: AMOUNTS, VALUE ADJUSTMENTS, CHANGES IN, BREAKDOWN BY ECONOMIC SECTOR AND GEOGRAPHICAL AREA

A.1.1 Breakdown of financial assets by portfolio and credit quality (book values)

Portfolio/quality	Banking Group						Other companies		Total
	Bad debts	Substandard loans	Restructured exposures	Non-performing past due exposures	Performing past due exposures	Other assets	Non-performing	Other	
1. Financial assets held for trading	815	1,149	5,748	932	-	202,313	-	-	210,957
2. Financial assets available for sale	48,984	-	-	-	-	5,946,643	-	-	5,995,627
3. Financial assets held to maturity	-	-	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	-	3,277,764	-	11	3,277,775
5. Loans to Customers	1,091,097	1,058,691	628,039	214,265	1,867,315	32,416,428	-	-	37,275,835
6. Financial assets measured at fair value	-	-	-	-	-	15,972	-	-	15,972
7. Financial assets being divested	-	-	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-	924,205	-	-	924,205
Total (31.12.2014)	**1,140,896**	**1,059,840**	**633,787**	**215,197**	**1,867,315**	**42,783,325**	**-**	**11**	**47,700,371**
Total (31.12.2013)	**968,566**	**768,620**	**376,886**	**236,415**	**2,081,841**	**41,050,497**	**-**	**11**	**45,482,836**

All financial assets are classified by credit quality with the exception of capital securities and units in collective investment schemes. Financial assets held for trading and available-for-sale financial assets classified as non-performing both refer to securities maturing on 4 November 2010 and issued by Glitnir Banki hf, put into liquidation by order of the District Court of Reykjavik on 22 November 2010.

A.1.2 Breakdown of exposures by portfolio and credit quality (gross and net values)

Portfolio/quality	Non-performing assets			Performing			Total (net exposure)
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	
A. Banking Group							
1. Financial assets held for trading	11,723	3,079	8,644	X	X	202,313	210,957
2. Financial assets available for sale	48,984	-	48,984	5,946,643	-	5,946,643	5,995,627
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	3,277,764	-	3,277,764	3,277,764
5. Loans to Customers	4,901,053	1,908,961	2,992,092	34,501,525	217,782	34,283,743	37,275,835
6. Financial assets measured at fair value	-	-	-	X	X	15,972	15,972
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	924,205	924,205
Total A	**4,961,760**	**1,912,040**	**3,049,720**	**43,725,932**	**217,782**	**44,650,640**	**47,700,360**
B. Other consolidated companies							
1. Financial assets held for trading	-	-	-	X	X	-	-
2. Financial assets available for sale	-	-	-	-	-	-	-
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	11	-	11	11
5. Loans to Customers	-	-	-	-	-	-	-
6. Financial assets measured at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	-	-
Total B	**-**	**-**	**-**	**11**	**-**	**11**	**11**
Total (31.12.2014)	**4,961,760**	**1,912,040**	**3,049,720**	**43,725,943**	**217,782**	**44,650,651**	**47,700,371**
Total (31.12.2013)	**3,889,790**	**1,539,304**	**2,350,486**	**42,489,248**	**259,363**	**43,132,350**	**45,482,836**

All financial assets are classified by credit quality with the exception of equity securities and net units in collective investment schemes. Loans to Banks and loans to Customers include both loans and other technical forms (securities, etc.).

Loans to customers: analysis of age of past-due loans	Exposures subject to collective agreement renegotiation			Exposures subject renegotiations granted by the Bank			Other Performing Exposures		
	Gross exposure	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure
1. Non past-due exposures	496,693	4,948	491,745	723,854	5,203	718,651	31,397,930	191,868	31,206,062
2. Up to 90 days	62,406	1,105	61,301	228,355	1,685	226,670	1,213,010	9,068	1,203,942
3. From 91 to 180 days	11,721	67	11,654	48,291	375	47,916	72,735	497	72,238
4. From 181 to 1 year	9,227	963	8,264	103,095	790	102,305	97,354	729	96,625
5. More than 1 year	-	-	-	21,100	166	20,934	15,754	318	15,436
Total 31.12.2014	**580,047**	**7,083**	**572,964**	**1,124,695**	**8,219**	**1,116,476**	**32,796,783**	**202,480**	**32,594,303**

A.1.3 Banking Group – On-balance-sheet and off-balance-sheet exposures to banks: gross and net values

Type of exposures/Values	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. ON-BALANCE SHEET EXPOSURES				
a) Bad debts	2,340	1,576	X	764
b) Substandard loans	-	-	X	-
c) Restructured positions	-	-	X	-
d) Past due positions	-	-	X	-
f) Other assets	3,277,959	X	-	3,277,959
Total A	**3,280,299**	**1,576**	**-**	**3,278,723**
B. OFF-BALANCE SHEET EXPOSURES				
a) Non-performing	-	-	X	-
b) Other	1,961,182	X	-	1,961,182
Total B	**1,961,182**	**-**	**-**	**1,961,182**
TOTAL A+B	**5,241,481**	**1,576**	**-**	**5,239,905**

For exposures classified as bad debt, please see not in Table A.1.1 above.

On-balance sheet exposures summarize all financial assets within business with banks as recognized in items 20 “Financial Assets held for trading”, 40 “Available-for-sale financial assets” and 60 “Loans to Banks”, except for derivatives that, in this section, are considered on-balance-sheet.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives, including hedging derivatives) entailing credit risk assumption.

A.1.4 Banking Group – On-balance sheet exposures to Banks: changes in gross non-performing exposures

Reasons/categories	Bad debts	Substandard loans	Restructured exposures	Past-due exposures
A. Opening gross exposure	**2,340**	**-**	**-**	**-**
- of which: sold exposures not derecognized	-	-	-	-
B. Increases	**-**	**-**	**-**	**-**
B.1 from performing loans	-	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 outflows to performing exposures	-	-	-	-
C.2 write-offs	-	-	-	-
C.3 collections	-	-	-	-
C.4 realization on sales	-	-	-	-
C.4 bis losses on sales	-	-	-	-
C.5 transfers to other categories of non-performing exposures	-	-	-	-
C.6 other decreases	-	-	-	-
D. Closing gross exposure	**2,340**	**-**	**-**	**-**
- of which: sold exposures not derecognized	-	-	-	-

A.1.5 Banking Group – On-balance sheet exposures to Banks: changes in total value adjustments

Reasons/categories	Bad debts	Substandard loans	Restructured exposures	Past-due exposures
A. Opening total adjustments	**1,576**	**-**	**-**	**-**
- of which: sold exposures not derecognized	-	-	-	-
B. Increases	**-**	**-**	**-**	**-**
C.2 value adjustments	-	-	-	-
B.4-bis losses on sales	-	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 writebacks from valuations	-	-	-	-
C.2 writebacks from collections	-	-	-	-
C.2 bis gains on sales	-	-	-	-
C.3 derecognition	-	-	-	-
C.4 transfers to other categories of non-performing exposures	-	-	-	-
C.5 other decreases	-	-	-	-
D. Total closing adjustments	**1,576**	**-**	**-**	**-**
- of which: sold exposures not derecognized	-	-	-	-

A.1.6 Banking Group – On-balance-sheet and off-balance-sheet exposures to customers: gross and net values

Type of exposures/Values	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. ON-BALANCE SHEET EXPOSURES				
A.1 Banking Group				
a) Bad debts	2,623,098	1,482,966	X	1,140,132
b) Substandard loans	1,374,662	315,971	X	1,058,691
c) Restructured positions	730,034	101,995	X	628,039
d) Non-performing past-due exposures	222,294	8,029	X	214,265
f) Other assets	40,464,168	X	217,782	40,246,386
TOTAL A	**45,414,256**	**1,908,961**	**217,782**	**43,287,513**
B. OFF-BALANCE SHEET EXPOSURES				
B.1 Banking Group				
a) Non-performing	73,107	7,133	X	65,974
b) Other	1,960,100	X	1,495	1,958,605
TOTAL B	**2,033,207**	**7,133**	**1,495**	**2,024,579**

Specifically, on-balance sheet exposures summarize all financial assets within business with customers as recognized in items 20 “Financial Assets held for trading”, 40 “Available-for-sale financial assets” and 70 “Loans to Customers”, except for derivatives that, in this section, are considered on-balance-sheet.

A.1.7 Banking Group – On-balance sheet exposures to customers: changes in gross non-performing exposures

Reasons/categories	Bad debts	Substandard loans	Restructured exposures	Past-due exposures
A. Opening gross exposure	**2,152,648**	**1,056,354**	**430,826**	**243,710**
- of which: sold exposures not derecognized	-	-	-	-
B. Increases	**593,036**	**1,105,095**	**447,527**	**534,197**
B.1 from performing loans	29,380	636,452	326,549	498,053
B.2 transfers from other categories of impaired positions	545,034	332,590	84,531	4,713
B.3 other increases	18,622	136,053	36,447	31,431
C. Decreases	**122,586**	**786,787**	**148,319**	**555,613**
C.1 to performing loans	6,328	68,091	59	191,287
C.2 write-offs	33,190	30,816	5,055	3,563
C.3 collections	77,127	73,205	88,224	32,374
C.4 realization on sales	-	-	-	-
C.4 bis losses on sales	-	-	-	-
C.5 transfers to other categories of non-performing exposures	1,608	587,698	53,688	323,874
C.6 other decreases	4,333	26,977	1,293	4,515
D. Closing gross exposure	**2,623,098**	**1,374,662**	**730,034**	**222,294**
- of which: sold exposures not derecognized	-	-	-	-

A.1.8 Banking Group – On-balance sheet exposures to Customers: changes in total value adjustments

Reasons/categories	Bad debts	Substandard loans	Restructured exposures	Past-due exposures
A. Opening total adjustments	**1,184,846**	**288,577**	**56,354**	**8,448**
- of which: sold exposures not derecognized	-	-	-	-
B. Increases	**379,912**	**236,268**	**70,232**	**14,121**
C.2 value adjustments	261,672	191,480	50,303	7,018
B.4-bis losses on sales	-	-	-	-
B.2 transfers from other categories of impaired positions	117,798	11,199	9,771	2,291
B.3 other increases	442	33,589	10,158	4,812
C. Decreases	**81,792**	**208,874**	**24,591**	**14,540**
C.1 writebacks from valuations	40,440	39,952	4,878	948
C.2 writebacks from collections	6,899	8,149	1,553	328
C.2 bis gains on sales	-	-	-	-
C.3 derecognition	30,744	29,981	5,055	3,551
C.4 transfers to other categories of non-performing exposures	562	120,777	12,903	6,816
C.5 other decreases	3,147	10,015	202	2,897
D. Total closing adjustments	**1,482,966**	**315,971**	**101,995**	**8,029**
- of which: sold exposures not derecognized	-	-	-	-

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

A.2.1 Banking Group – Breakdown of on-balance-sheet and off-balance-sheet exposures by external rating classes.

Exposures	Internal rating grades				Without rating	Total
	from AAA to BBB+	from BBB to BBB-	from BB+ to B	from B- to D		
A. On-balance-sheet exposures	**6,300,868**	**10,439,321**	**9,496,118**	**4,889,419**	**15,244,678**	**46,370,404**
B. Derivatives	**2,589**	**25,368**	**60,873**	**13,533**	**1,227,604**	**1,329,967**
B.1 Financial Derivatives	2,589	25,368	60,873	13,533	1,227,604	1,329,967
B.2 Credit derivatives	-	-	-	-	-	-
C. Guarantees issued	**306,805**	**513,789**	**420,856**	**85,669**	**616,352**	**1,943,471**
D. Commitments to disburse funds	**33**	**822**	**300**	**304**	**635,939**	**637,398**
E. Other	**-**	**-**	**-**	**-**	**-**	**-**
Total	**6,610,295**	**10,979,300**	**9,978,147**	**4,988,925**	**17,724,573**	**50,281,240**

The above breakdown by rating class refers to measurements made by Cerved Group S.p.A. (ECAI – External Credit Assessment Institution – recognized by the Bank of Italy).

The “without rating” column includes exposures with counterparties for which a Cerved rating is not available.

Excluding counterparties without rating, there is a concentration in the Investment Grade classes (from AAA to BBB-), equal to 54% of the total, while 31% falls within the BB+/BB class and 15% in the B-/D class.

A.2.2 Banking Group – Breakdown of on-balance-sheet and off-balance-sheet exposures by internal ratings

Exposures	External rating grades						Without rating	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. On-balance-sheet exposures	**2,597,795**	**2,746,039**	**1,258,099**	**2,301,843**	**112,287**	**99,082**	**37,255,259**	**46,370,404**
B. Derivatives	**-**	**48,311**	**9,567**	**17,902**	**269**	**1,385**	**1,252,533**	**1,329,967**
B.1 Financial Derivatives	-	48,311	9,567	17,902	269	1,385	1,252,533	1,329,967
B. Credit Derivatives	-	-	-	-	-	-	-	-
C. Guarantees issued	**7,866**	**547,448**	**149,652**	**208,876**	**15,133**	**66,430**	**948,066**	**1,943,471**
D. Commitments to disburse funds	**53,271**	**1,261**	**-**	**3,172**	**241,946**	**-**	**337,748**	**637,398**
E. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**2,658,932**	**3,343,059**	**1,417,318**	**2,531,793**	**369,635**	**166,897**	**39,793,606**	**50,281,240**

The breakdown by rating class given below refers to Cariparma Crédit Agricole Group internal models. The column “Without rating” mainly shows exposures to Banks, State bodies and Sovereign States, for which internal rating models are not available.

A.3 BREAKDOWN OF BREAKDOWN OF SECURED LOAN EXPOSURES BY TYPE OF COLLATERAL

A.3.2 Banking Group – Secured loan exposures to Customers

		Collateral (1)				Personal guarantees (2)									
						Credit derivatives					Signature loans				
							Other derivatives								
	Net value of exposure	Real estate - mortgages	Real estate - Finance leases	Securities	Other collaterals	CLN	Governments and central banks	Other public entities	Banks	Otheri	Governments and central banks	Other public entities	Banks	Other	Total (1)+(2)
1. Secured on-balance-sheet exposures:	**30,576,355**	**86,448,885**	**1,171,784**	**236,782**	**1,468,695**	**-**	**-**	**-**	**-**	**-**	**8,946**	**89,453**	**3,924,188**	**8,982,824**	**102,331,557**
1.1 fully secured	26,401,032	84,802,282	612,518	203,242	978,146	-	-	-	-	-	8,946	88,765	2,074,522	8,495,137	97,263,558
- of which non-performing	2,314,986	9,900,276	86,744	8,282	27,877	-	-	-	-	-	-	1,507	370	1,913,440	11,938,496
1.2 partially secured	4,175,323	1,646,603	559,266	33,540	490,549	-	-	-	-	-	-	688	1,849,666	487,687	5,067,999
- of which non-performing	280,617	466,573	96,552	6,006	17,203	-	-	-	-	-	-	121	12	102,108	688,575
2. Off-balance-sheet secured exposures:	**533,622**	**220,463**	**-**	**38,250**	**96,819**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**11,905**	**578,030**	**945,469**
2.1 fully secured	414,940	218,919	-	23,830	71,507	-	-	-	-	-	-	2	6,192	555,053	875,503
- of which non-performing	17,841	-	-	142	2,819	-	-	-	-	-	-	-	60	35,050	38,071
2.2 partially secured	118,682	1,544	-	14,420	25,312	-	-	-	-	-	-	-	5,713	22,977	69,966
- of which non-performing	2,161	-	-	25	1,433	-	-	-	-	-	-	-	-	658	2,116

On-balance-sheet exposures, totally or partially secured, include secured loans and other financial assets, with the exclusion of derivative contracts and equity securities. Off-balance-sheet transactions include financial transactions (guarantees issued, commitments, derivatives) entailing the assumption of credit risk. The value of exposures is net of uncertain outcomes and of portfolio adjustments.

Collateral and personal guarantees are expressed at the fair value estimated as at the reporting date.

B. BREAKDOWN AND CONCENTRATION OF EXPOSURES

B.1 BANKING GROUP – BREAKDOWN BY SECTOR OF ON-BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURES TO CUSTOMERS (BOOK VALUE)

Exposures/Counterparties	Governments			Other public entities			Financial companies			Insurance undertakings			Non-financial companies			Other		
	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net Exposure	Specific value adjustments	Portfolio value adjustments
A. On-balance-sheet exposures																		
A.1 Bad debts	3	-	X	-	-	X	4,400	14,213	X	48,983	22	X	824,861	1,341,388	X	261,885	127,343	X
A.2 Substandard loans	-	-	X	1	2	X	16,120	4,574	X	-	-	X	855,895	231,243	X	186,675	80,152	X
A.3 Restructured exposures	-	-	X	4,449	300	X	8,483	3,415	X	-	-	X	614,591	98,213	X	516	67	X
A.4 Past due positions	-	-	X	9	1	X	1,795	54	X	-	-	X	162,684	6,106	X	49,777	1,868	X
A.5 Other exposures	5,959,365	X	-	273,382	X	-	3,598,905	X	3,090	83,112	X	-	16,005,327	X	111,643	14,326,295	X	103,049
Total A	**5,959,368**	**-**	**-**	**277,841**	**303**	**-**	**3,629,703**	**22,256**	**3,090**	**132,095**	**22**	**-**	**18,463,358**	**1,676,950**	**111,643**	**14,825,148**	**209,430**	**103,049**
B. Off-balance-sheet exposures																		
B.1 Bad debts	-	-	X	-	-	X	354	25	X	-	-	X	6,541	814	X	38	-	X
B.2 Substandard loans	-	-	X	-	-	X	9	9	X	-	-	X	18,313	5,276	X	175	188	X
B.3 Other non-performing exposures	-	-	X	-	-	X	3	3	X	-	-	X	40,391	814	X	150	4	X
B.4 Other	244,257	X	-	11,367	X	-	67,742	X	11	21,296	X	24	1,555,225	X	1,430	58,718	X	30
Total B	**244,257**	**-**	**-**	**11,367**	**-**	**-**	**68,108**	**37**	**11**	**21,296**	**-**	**24**	**1,620,470**	**6,904**	**1,430**	**59,081**	**192**	**30**
Total (A+B) (31.12.2014)	**6,203,625**	**-**	**-**	**289,208**	**303**	**-**	**3,697,811**	**22,293**	**3,101**	**153,391**	**22**	**24**	**20,083,828**	**1,683,854**	**113,073**	**14,884,229**	**209,622**	**103,079**
Total (A+B) (31.12.2013)	**4,853,503**	**-**	**-**	**341,607**	**117**	**135**	**2,916,131**	**15,709**	**4,568**	**153,488**	**22**	**9**	**20,722,275**	**1,354,392**	**141,349**	**14,210,931**	**176,264**	**113,956**

On-balance-sheet exposures include loans as well as financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Off-balance sheet transactions include all financial transactions.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.

B.2 BANKING GROUP – BREAKDOWN BY GEOGRAPHICAL AREA OF ON-BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURES TO CUSTOMERS (BOOK VALUE)

Exposure/Geographical areas	North-western Italy		North-eastern Italy		Central Italy		Southern Italy and Islands	
	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns
A. On-balance-sheet exposures								
A.1 Bad debts	444,234	566,223	517,327	629,587	107,448	164,023	68,681	110,679
A.2 Substandard loans	402,253	122,301	445,338	125,107	143,455	30,969	65,824	36,659
A.3 Restructured exposures	104,915	18,821	419,294	61,181	87,343	15,973	15,077	5,870
A.4 Past due positions	74,750	2,918	95,700	3,469	27,208	941	16,576	700
A.5 Other exposures	15,342,565	93,160	12,824,095	77,915	9,919,534	31,120	1,864,665	14,510
Total	**16,368,717**	**803,423**	**14,301,754**	**897,259**	**10,284,988**	**243,026**	**2,030,823**	**168,418**
B. Off-balance-sheet exposures								
B.1 Bad debts	1,816	59	4,524	763	531	17	62	-
B.2 Substandard loans	1,486	972	11,141	3,268	5,751	1,051	119	182
B.3 Other non-performing exposures	6,631	235	32,110	384	1,803	202	-	-
B.4 Other	656,752	768	778,610	569	460,857	145	52,926	9
Total	**666,685**	**2,034**	**826,385**	**4,984**	**468,942**	**1,415**	**53,107**	**191**
Total (A+B) (31.12.2014)	**17,035,402**	**805,457**	**15,128,139**	**902,243**	**10,753,930**	**244,441**	**2,083,930**	**168,609**
Total (A+B) (31.12.2013)	**16,066,380**	**684,119**	**15,612,864**	**755,730**	**9,238,664**	**205,787**	**2,016,803**	**146,514**

B.3 BANKING GROUP – BREAKDOWN BY GEOGRAPHICAL AREA OF ON-BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURES TO BANKS (BOOK VALUE)

Exposure/Geographical areas	Italy		Other European Countries		America		Asia		Rest of the world	
	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	764	1,576	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured exposures	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other exposures	486,115	-	2,762,007	-	21,601	-	6,107	-	2,129	-
Total	**486,115**	**-**	**2,762,771**	**1,576**	**21,601**	**-**	**6,107**	**-**	**2,129**	**-**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Other non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.4 Other	306,569	-	1,076,834	-	2,350	-	18,263	-	10,636	-
Total	**306,569**	**-**	**1,076,834**	**-**	**2,350**	**-**	**18,263**	**-**	**10,636**	**-**
Total (31.12.2014)	**792,684**	**-**	**3,839,605**	**1,576**	**23,951**	**-**	**24,370**	**-**	**12,765**	**-**
Total (31.12.2013)	**644,030**	**-**	**3,941,664**	**1,576**	**36,964**	**-**	**23,881**	**-**	**7,489**	**-**

B.4 LARGE RISKS

As at 31 December 2014, positions showing large risk features as defined in Circular No. 258/2013 (as updated) were:
- of a total nominal amount of Euro 20,820,879 thousand;
- of a total weighted amount of Euro 1,598,225 thousand;
- a total number of 5.

C. SECURITIZATION

C.8 BANKING GROUP – ACTIVITIES AS SERVICER – COLLECTION OF SECURITIZED LOANS AND REPAYMENT OF SECURITIES ISSUED BY THE SPECIFIC-PURPOSE VEHICLE DEALING WITH SECURITIZATION

Servicer	Special-purpose entity	Securitized assets (closing figures)		loan collections in the period		% share of repaid securities (closing figure)					
						senior		mezzanine		junior	
		Non-performing	Performing	Non-performing	Performing	Non-performing assets	Performing assets	Non-performing assets	Performing assets	Non-performing assets	Performing assets
Cariparma	MondoMutui Cariparma S.r.l. - securitization 1	52,007	2,510,436	23,303	383,654						
Cariparma	MondoMutui Cariparma S.r.l. - securitization 2	20,885	2,183,577	7,302	289,426						

C.9. BANKING GROUP – SUBSIDIARY SPECIAL-PURPOSE ENTITIES

As at 31 December 2014, the Parent Company Cariparma was carrying out two so-called “internal” securitization transactions transferring receivables deriving from mortgage loans so called “fondiari” (real estate mortgage loans with duration higher than 18 months and ratio between the loan amount and the value of the collateral not higher than 80%) secured by first mortgage.

As at 31 December 2014, the residual debt of securitized loans amounted to Euro 4,594 million Following the loans securitization, the Parent company has subscribed all the securities issued by the special-purpose entity.

The “senior” tranche securities have been accepted for trading at the Luxembourg Stock Exchange, for a nominal value of Euro 3,864 million).

The “junior” tranche is unrated and has a nominal value of Euro 843 million.

E. ASSET DISPOSALS

FINANCIAL ASSETS DISPOSED AND NOT FULLY DERECOGNIZED

Qualitative disclosures

Financial assets disposed of and not derecognized mainly consisted of securities relating to repurchase agreements; whereas financial liabilities for financial assets disposed and not derecognized (reported in the column “Loans to Banks”) refer to repurchase agreements for funding purposes with securities recognized as assets.

Qualitative disclosures

E.1 BANKING GROUP – FINANCIAL ASSETS DISPOSED AND NOT DERECOGNIZED: BOOK VALUE AND FULL VALUE

Technical forms/Portfolio	Financial assets held for trading			Financial assets measured at fair value			Financial assets available for sale			Financial assets held to maturity			Loans to banks			Loans to Customers			Total	
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	31.12.2014	31.12.2013
A. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**487,498**	**-**	**-**	**-**	**-**	**-**	**3,997**	**-**	**-**	**-**	**-**	**-**	**491,495**	**1,040,889**
1. Debt securities	-	-	-	-	-	-	487,498	-	-	-	-	-	3,997	-	-	-	-	-	491,495	1,040,889
2. Equity securities	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
3. collective investment undertakings	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**-**	**-**
Total (31.12.2014)	**-**	**-**	**-**	**-**	**-**	**-**	**487,498**	**-**	**-**	**-**	**-**	**-**	**3,997**	**-**	**-**	**-**	**-**	**-**	**491,495**	**-**
of which non-performing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (31.12.2013)	**-**	**-**	**-**	**-**	**-**	**-**	**1,014,287**	**-**	**-**	**-**	**-**	**-**	**26,602**	**-**	**-**	**-**	**-**	**-**	**-**	**1,040,889**
of which non-performing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Key:
A = disposed financial assets fully recognized (book value)
B = disposed financial assets partially recognized (book value)
C = disposed financial assets partially recognized (full value)

E.2 BANKING GROUP – FINANCIAL LIABILITIES IN RESPECT OF FINANCIAL ASSETS DISPOSED AND NOT DERECOGNIZED: BOOK VALUE

Liabilities/ Assets portfolio	Financial assets held for trading	Financial assets measured at fair value	Financial assets available for sale	Financial assets held to maturity	Loans to banks	Loans to Customers	Total
1. Due to Customers	**-**	**-**	**-**	**-**	**4,028**	**-**	**4,028**
a) in respect of assets fully recognized	-	-	-	-	4,028	-	4,028
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	**-**	**-**	**483,417**	**-**	**1**	**-**	**483,418**
a) in respect of assets fully recognized	-	-	483,417	-	1	-	483,418
b) in respect of assets partially recognized	-	-	-	-	-	-	-
3. Outstanding securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) in respect of assets fully recognized	-	-	-	-	-	-	-
b) in respect of assets partially recognized	-	-	-	-	-	-	-
Total (31.12.2014)	**-**	**-**	**483,417**	**-**	**4,029**	**-**	**487,446**
Total (31.12.2013)	**-**	**-**	**1,007,499**	**-**	**27,123**	**-**	**1,034,622**

E.4 BANKING GROUP – COVERED BOND TRANSACTIONS

In order to increase its liquidity reserves, in the period the Cariparma Crédit Agricole Group completed the design of its first program for the issue of Covered Bonds. These bonds are secured, i.e. “covered” both by the issuing bank and by a pool of high-quality loans, whose “separate” administration is assigned to a special-purpose vehicle (Cariparma OBG srl - the Special Purpose Vehicle selected to participate in the Program, in which Cariparma holds a 60% stake), which acts as the “depositary of loans used as collaterals”. The program, which has been designed to increase eligible assets with the European Central Bank and, in the period, did not entail issues on the market, requires effective organizational control and significant capital soundness. It is also emphasized that the above program has no effect on the regulatory risk profile of the disposing Banks (and of the Group) and does not generate the obligation for the Banks to derecognize the assets used as collaterals.

In general, the transaction, in accordance with the relevant regulations, consisted in the following activities.

In 2013, The Banks of the Cariparma Crédit Agricole Group (Cariparma, Banca Popolare FriulAdria and Carispezia) transferred a “Pool” of mortgage loans to Cariparma OBG. The assets transferred to the Special-Purpose Vehicle are separated from the SPV’s assets and are to be used to the benefit of the holders of the covered bonds issued and of other parties in favour of whom the guarantee has been given. The Banks granted a subordinated loan to Cariparma OBG, to be used to pay the purchase price of the assets by the same Special-Purpose Vehicle.

Therefore, Cariparma issued the Covered Bonds that were then repurchased; the Special-Purpose Vehicle issued a collateral in favour of the holders of the covered bonds.

As a consequence, the repayment of the Covered Bonds that were issued within this transaction is secured by an unconditional and irrevocable collateral issued by Cariparma OBG exclusively to the benefit of the Covered Bond subscribers (Cariparma) and of unrelated counterparties.

After partial repurchase of the self-retained bonds, on 3 December 2014, Cariparma launched its first issue of Covered Bonds on the market. This transaction, which is part of a process for enhancing the efficiency of funding sources, aims at providing the Bank with a wider range of liquidity management instruments. This decision was made considering that the Covered Bond market allows Cariparma to have access to funding instruments with higher maturity than the securities placed with its Retail customers, to diversify its investor base and to stabilize the cost of funding.

The disposal portfolio

The loans that, each time, is transferred to the Special-Purpose Vehicle must have some common features.

Accounts receivable based on mortgage loans contracts were selected, which, as at 18 May 2013, had, by way of an example and not limited to, the following common features:

- Accounts receivable based on Mortgage loans agreements that are either:
  (A) Home mortgage loans (i) having a risk-weighting factor not higher than 35% and for which the residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 80% of the value of the mortgaged property; or
  (B) commercial mortgage loans (i) having a risk-weighting factor not higher than 50% and for which the residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 60% of the value of the mortgaged property:
    - which have been granted or purchased by the Cariparma Crédit Agricole Group;
    - which are performing with no instalments past due for over 30 days from the due date;
    - - which do not include clauses restricting the Group Banks’ right to sell the loans resulting from the relevant contract or providing for the borrower’s consent to the transfer and the Group Banks have obtained such consent;
    - for which any pre-amortization time provided for by the contract has fully expired and at least one instalment has matured and has been paid;
    - - which have been granted to a natural person, a legal person or to more than one natural or legal person, who have jointly taken out the loan;
    - - which provide for the borrower to pay floating-rate interest (determined each time by the Group Banks) or fixed-rate interest.

Upon the first disposal, made by signing, on 20 May 2013, a specific loan sale master agreement, the Banks in the Cariparma Crédit Agricole Group transferred an initial pool to Cariparma OBG S.r.l. for a total principal amount of approximately Euro 3.2 billion (the "Initial Pool", of which Euro 1.9 billion transferred by Cariparma, Euro 1.0 billion by Banca Popolare FriulAdria and Euro 0.3 billion by Carispezia).

As at 31 December 2014, the Cover Pool consisted in accounts receivable resulting from 32,556 mortgage loans, with a total residual debt of approximately Euro 2.7 billion (Cariparma Euro 1.6 billion, Banca Popolare FriulAdria Euro 0.9 billion and Carispezia Euro 0.2 billion).

● 1.2 BANKING GROUP – MARKET RISKS

1.2.1 Interest rate risk and price risk – Supervisory Trading Book

● *QUALITATIVE DISCLOSURES*

General aspects

The Cariparma Crédit Agricole Group (consistently with the 2011-2014 Strategic Plan and in line with past operations) does not engage in significant proprietary trading in financial and capital markets.

Therefore, trading is essentially instrumental and made on behalf of Customers based on the concept of intermediation, which allows the Cariparma Group to take only residual financial risk positions.

The Cariparma Crédit Agricole Group trading book is historically composed of securities (mainly bonds issued by Banks) and of over-the-counter derivatives (matched trading). Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk of the Group's trading book, centrally managing financial operations as well as the risk assessment and control activities.

The control of market risk implemented on the trading book ensures that a risk level consistent with the Group's objectives is continuously maintained.

The set organizational controls and the residual riskiness make the use of financial management VaR metrics or the use of validated internal models unnecessary; therefore, the equity absorption is reported with the standard procedures.

B. Management and measurement of interest rate and price risks

Organizational aspects

The market risk in the Group's trading book is managed as part of each bank's risk policies.

This document defines the internal regulatory system for the management of market risk with reference to operations in financial instruments, foreign currencies and commodities, in terms of:

- The principles, objectives, methodologies and tools used for the measurement, control and management of market risk;
- Guidelines and rules on which the market risk management processes are based.

The Market Risk Policy is one of the components of the overall risk governance model adopted by the Group, consistently with Crédit Agricole guidelines.

Within the process for market risk management, primary responsibility is assigned to corporate bodies/department, according to their respective areas, and they must be completely aware of the Bank's level of exposure:

- the Board of Directors is tasked with strategic overseeing and is therefore responsible for defining market risk governance policies and management processes;

- Cariparma's Co-General Manager, delegating the relevant powers to the Market Area, is the officer responsible for market risk management, and, therefore, defines and steers the Group's mechanism for the management of market risk, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee;
- Risk Management and Permanent Controls Department is responsible for control. In compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee, it verifies the corporate risk management process and supervises compliance of the treatment of market risk with the legislation in force and with the Group risk strategy.

The limit structure

The limit structure reflects the level of risk deemed acceptable with reference to the individual business areas and is a mechanism designed to control that operational practices, at the various organisational levels, are performed in compliance with management guidelines and strategies, as defined by the Top Management.

The framework system for market risk regarding the Trading book of the Cariparma Group is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole Group. Such risk appetite is structured through global limits and operational limits that are defined by the Risk Strategy.

The global limits system must be able to ensure a controlled development of the business. The limits are set so as to contain losses within a level deemed acceptable Crédit Agricole Group as a whole. Global limits on market risk are defined on the basis of the maximum mark-to-market variation compared to the initial value and are set by the Crédit Agricole Group Risk Committee (CRG).

Operational limits are specifically adjusted for each Bank in the Group and are validated by their Boards of Directors.

Operational limits are defined on the basis of the nominal value of the open position (that is after clearing of identical purchase and sale positions).

Therefore, operational limits are, consistently with global limits, adaptations of the latter by type of asset, product, portfolio, and risk factors.

The Board of Directors retains the power to set further restrictions on activities (for example, in terms of instruments that can be held, foreign currency risks, etc.), the structure of operational decision-making powers and any sub-limits (for example, by individual entity in the Group and/or portfolio).

Control System

Risk monitoring is a task assigned to the Risk Management and Permanent Controls Department. Reporting on compliance with the set limits is included in monthly Risk, which is fed by automated daily reporting based on an internal procedure. It is sent to the Group's Top Management Bodies (CFO), to the Departments engaged in market risk management (Market Area), to the Internal Audit Department and to Crédit Agricole (Direction Risques Groupe).

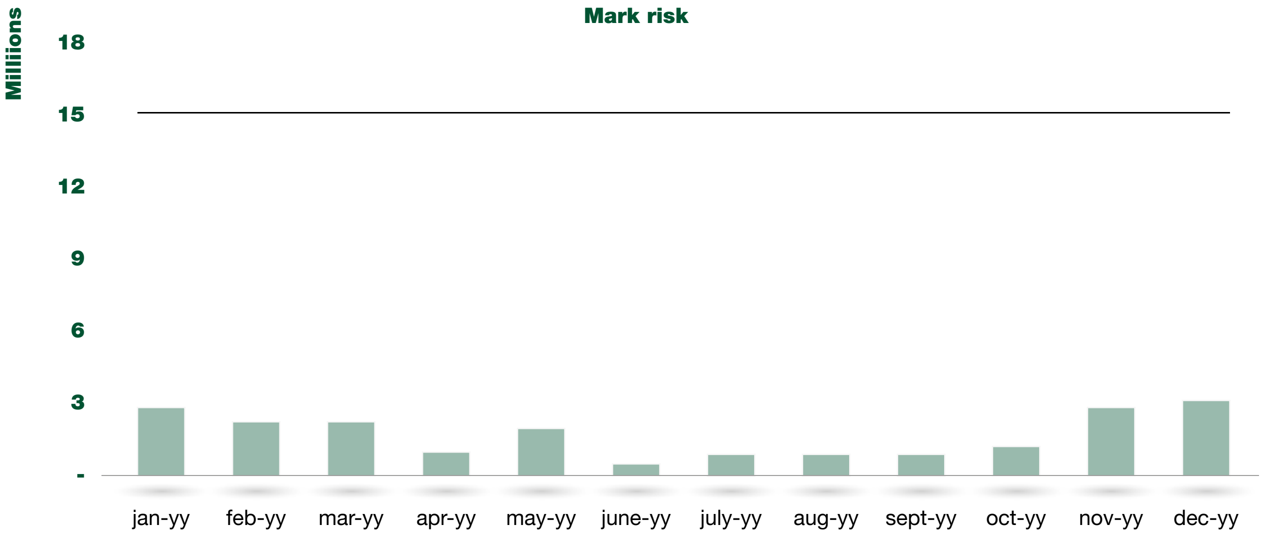
A summary of this report is the basis for quarterly risk reporting to the Group's Executive and Control collective Bodies (ALM and Financial Risks Committee, Internal Control Committee, Board of Auditors, Board of Directors).

If certain events occur (the limits are exceeded, there are significant changes in the markets, significant losses, etc. …) the Group activates the alert procedure, reporting the event and a remedial action plant, as soon as possible, to the Top Management Bodies and to the Direction Risques Groupe of Crédit Agricole S.A.

The Risk Management and Permanent Controls Department also validates the approaches adopted for the pricing models for Over The Counter (OTC) derivatives hedging interest rate, exchange rate and commodity risks, if such derivatives are not traded on regulated markets. These instruments, which are bilaterally traded with market counterparties, are measured with specific pricing models that are fed with input parameters (such as interest rate, exchange rate and volatility curves) observed on the market and subject to monitoring processes.

In order to better assess the counterparty risk on market transactions, a policy was approved which provides for the adjustment of the method to measure management add-ons to the guidelines issued by Crédit Agricole SA.

The graph below shows that, in the period, Market Risk was constantly and appreciably kept under the set limit:



In 2014, the Group exercised the so-called “fair value option”, that is to say, it exercised the option to measure the financial asset coming for the loan restructuring (the so-called “convertendo Unipol SAI”), taking the results of such measurement to the Income Statement.

● QUANTITATIVE DISCLOSURES

1. Supervisory Trading Book: breakdown by residual maturity (repricing date) of on-balance-sheet financial assets and liabilities and financial derivatives

Currency	US DOLLAR							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	indefinite maturity
1. On-balance-sheet assets	**-**	**-**	**1**	**-**	**-**	**-**	**10**	**-**
1.1 Debt securities	-	-	1	-	-	-	10	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	1	-	-	-	10	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**150,110**	**46,517**	**20,949**	**906**	**23**	**112**	**-**
3.1 With underlying security	-	976	-	-	840	23	112	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	976	-	-	840	23	112	-
+ long positions	-	482	-	-	420	23	51	-
+ short positions	-	494	-	-	420	-	61	-
3.2 Without underlying security	-	149,134	46,517	20,949	66	-	-	-
- Options	-	90	24	90	-	-	-	-
+ long positions	-	45	12	45	-	-	-	-
+ short positions	-	45	12	45	-	-	-	-
- Other	-	149,044	46,493	20,859	66	-	-	-
+ long positions	-	77,074	23,251	10,416	33	-	-	-
+ short positions	-	71,970	23,242	10,443	33	-	-	-

Currency	POUND STERLING							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 year to 10 years**	**more than 10 years**	**indefinite maturity**
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**8,463**	**1,936**	**5,892**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	8,463	1,936	5,892	-	-	-	-
- Options	-	12	26	-	-	-	-	-
+ long positions	-	6	13	-	-	-	-	-
+ short positions	-	6	13	-	-	-	-	-
- Other	-	8,451	1,910	5,892	-	-	-	-
+ long positions	-	4,191	955	2,946	-	-	-	-
+ short positions	-	4,260	955	2,946	-	-	-	-

Currency	SWISS FRANC							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	indefinite maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**5,459**	**9,980**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	5,459	9,980	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	5,459	9,980	-	-	-	-	-
+ long positions	-	2,771	4,990	-	-	-	-	-
+ short positions	-	2,688	4,990	-	-	-	-	-

Currency	CANADIAN DOLLAR							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	indefinite maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**21,226**	**-**	**1,352**	**-**	**118**	**-**	**-**
3.1 With underlying security	-	120	-	-	-	118	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	120	-	-	-	118	-	-
+ long positions	-	60	-	-	-	59	-	-
+ short positions	-	60	-	-	-	59	-	-
3.2 Without underlying security	-	21,106	-	1,352	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	21,106	-	1,352	-	-	-	-
+ long positions	-	10,572	-	676	-	-	-	-
+ short positions	-	10,534	-	676	-	-	-	-

Currency	JAPAN YEN							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	indefinite maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**2,225**	**158**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	2,225	158	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	2,225	158	-	-	-	-	-
+ long positions	-	1,109	79	-	-	-	-	-
+ short positions	-	1,116	79	-	-	-	-	-

Currency	EURO							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	indefinite maturity
1. On-balance-sheet assets	**-**	**4**	**886**	**119**	**13**	**1**	**3**	**-**
1.1 Debt securities	-	4	886	119	13	1	3	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	4	886	119	13	1	3	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**276,063**	**4,263,981**	**888,853**	**2,344,730**	**2,398,475**	**783,363**	**153,181**	**9**
3.1 With underlying security	-	15,782	13,597	571	813	-	406	9
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	15,782	13,597	571	813	-	406	9
+ long positions	-	7,816	6,802	351	408	-	203	9
+ short positions	-	7,966	6,795	220	405	-	203	-
3.2 Without underlying security	276,063	4,248,199	875,256	2,344,159	2,397,662	783,363	152,775	-
- Options	45	1,648	2,752	1,608,320	183,597	76,156	16,121	-
+ long positions	23	824	1,376	804,162	91,806	38,082	8,046	-
+ short positions	22	824	1,376	804,158	91,791	38,074	8,075	-
- Other	276,018	4,246,551	872,504	735,839	2,214,065	707,207	136,654	-
+ long positions	138,009	2,144,755	412,368	367,953	1,106,993	353,643	68,327	-
+ short positions	138,009	2,101,796	460,136	367,886	1,107,072	353,564	68,327	-

Currency	Other currencies							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 year to 10 years**	**more than 10 years**	**indefinite maturity**
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**16,629**	**9,014**	**2,288**	**188**	**-**	**-**	**-**
3.1 With underlying security	-	243	-	44	188	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	243	-	44	188	-	-	-
+ long positions	-	122	-	22	94	-	-	-
+ short positions	-	121	-	22	94	-	-	-
3.2 Without underlying security	-	16,386	9,014	2,244	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	16,386	9,014	2,244	-	-	-	-
+ long positions	-	8,107	4,431	1,101	-	-	-	-
+ short positions	-	8,279	4,583	1,143	-	-	-	-

1.2.2 Interest rate risk and price risk – Banking Book

● *QUALITATIVE DISCLOSURES*

A. General aspects, procedures for the management and methods for the measurement of interest rate risk and price risk

General aspects

Asset Liability Management activities refer to all on-balance-sheet and off-balance-sheet transactions (Banking Book) and focus on fixed-rate positions, excluding from this perimeter the positions in the supervisory Trading Book. Fluctuations in interest rates impact the Group’s profits by reducing net interest income and net banking income and also affect capital by causing changes in the net present value of future cash flows.

The Banking Book price risk is generated by financial-type assets held for various trading objectives.

Organisational aspects

The process for the management of interest rate risk and price risk regarding the Group Banking Book is regulated within the relevant risk policies.

Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk profiles of the Group's Banking Book, centrally managing financial operations, as well as the activities for risk measurement and control.

The Governance model adopted by the Cariparma Crédit Agricole Group vests the ALM and Financial Risks Committee with the task of setting the strategic and direction lines for the management, of validating the methods for measuring the exposure to interest rate risk, of examining the reporting produced by the Financial Management Department and by the Risk Management and Permanent Controls Department, as well as to resolve any measures to be implemented. Full compliance with the decision-making powers delegated by the single Banks in the Group is ensured by the fact that Top Officers sit on the Committee and report to the respective Boards of Directors.

The CFO, through the Financial Management Department, has the powers and responsibilities for management and, specifically, for the management of interest rate risk for the entire Cariparma Crédit Agricole Group, in compliance with the guidelines issued by the Controlling Company Crédit Agricole SA and by the ALM and Financial Risks Committee, and is subject to second-level controls made by the Risk Management and Permanent Control Department

The framework system for interest rate risk and price risk regarding the Banking Book of the Cariparma Group is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole Group. Such risk appetite is structured through global limits and operational limits that are defined by the Risk Strategy.

The Risk Management and Permanent Controls Department is responsible for control and, therefore, it verifies the corporate risk management process and supervises compliance of the treatment of market risk with the legislation in force and with the Group risk strategy.

Risk policy and management

The processes for the management of interest rate and price risks are governed by the respective risk policies.

These documents define the internal regulatory system for the management of risks with reference to operations in financial instruments, in terms of:
- The principles, objectives, methodologies and tools used for the measurement, control and management of risks;
- Guidelines and rules on which the risk management and stress testing processes are based.

The policy for the management of interest rate risk is designed to implement the short-term and long-term strategies by defining a cumulative gap by maturity. The management of this position aims at maximizing the profitability of the single entities in the Group, in compliance with the limits and with the guidelines set by the Boards of Directors and by the Group Risks Committee of Crédit Agricole S.A. The main financial instruments for the management of interest risk hedges are Interest Rate Swaps, which, for their very nature, are contracts referring to "pure" interest rate risk.

The policy for the management of the Banking Book is designed to invest available liquidity and to hold liquidity reserves in a Basel 3 (LCR) perspective. The management of price risk aims at monitoring the impacts on the book value of capital and on regulatory capital generated by changes in value of the financial instruments held in the proprietary portfolio, consistently with the acceptable risk level as set by the Board of Directors and by the Group Risk Committee of Crédit Agricole S.A.

Control System

Independent control on the system for the management of interest rate risk is performed by Cariparma's Risk Management and Permanent Controls Department, for the Group and for the single Banks, by verifying the compliance of such system with the CASA internal model. Specifically, within the scope of its tasks, the Risk Management and Permanent Controls Department:
- controls the risk measurement and stress testing models, consistently with the guidelines issued by the Supervisory Body and with the procedures set by Crédit Agricole S.A.;

- assesses, within the validation and update process, the results of quantitative and qualitative analysis of the models, expressing its opinion in this regard;
- independently verifies the outcomes of the stress tests on the AFS portfolio;
- informs the Board of Directors and Crédit Agricole S.A. (within the control process) where the limits set for risk management have been breached since the last communication and recommends remedial actions to be implemented, after obtaining the opinion of the Financial Management Department.

The Risk Management and Permanent Controls Department is responsible for control of compliance with the set limits (global, operational and alert thresholds); therefore, it prepares and send to the corporate Bodies its Financial Risk Report, covering the control outcomes, any breaches of limits and activates, where required, the appropriate alert procedures. On a quarterly basis, it submits a summary of the above Report to the ALM and Financial Risks Committee, as well as to the Internal Control Committee. A summary of the above Report is the basis for quarterly reporting on risks to the Boards of Directors of the Group Banks.

Risk measurement: methodological aspects

For measuring interest rate risk, the Group has adopted an interest-rate gap model, according to which, at each future maturity date, the cumulative gap generated by sensitive fixed-rate assets and liabilities existing at the relevant date is measured. To calculate the fixed-rate gap, on-balance-sheet exposures to interest rate risk must be identified, as well as the stable component of demand items, the effects of the “optionality” underlying some Banking Book positions must be estimated (e.g. early repayment of mortgage loans), as well as the maturity of some balance sheet items that have no certain contractual maturity, in accordance with the proprietary models of the Group and of Crédit Agricole S.A.

In 2014, as provided for by CAsa regulations, the Interest Rate Risk Model underwent its annual updating, which essentially reasserted the stability components of demand deposits.

In line with the instructions issued by Crédit Agricole S.A., a set of limits for the gaps was defined, which represents the maximum acceptable level of interest rate risk for the Group These limits are calculated with reference to a series of risk indicators that measure the impact of a change in interest rates on equity, gross income and gross operating margin. The ALM and Financial Risks Committee approved the new limits proposed, which were then submitted to the Group Risk Committee of Crédit Agricole S.A. and to the Boards of Directors of the Banks.

The Risk Strategy was approved in the second half of 2014 and confirmed the new limit structure, reviewing them as to their quantitative component in line with the Group’s management profile. Consistently with the Crédit Agricole Group guidelines, the limits system consists of global limits and operational limits that are, then, adapted to each single entity in the Group. As regards global limits on interest rate risk, the Risk Strategy has confirmed:
- the global limit, in terms of Net Present Value (NPV)
- the gap global limits subdivided into different time ranges.

As regards price risk for the proprietary portfolio, global limits have been set, based on the type of instruments that can be held (Italian, German and French Government securities), which are expressed with reference to the maximum nominal value, and further global limits and alert thresholds have been identified regarding the stress testing of the portfolio. Operational limits have the same structure and are then adapted to each single Bank. Operational limits are submitted for approval to the Boards of Directors of the Group’s Banks and must not exceed the global limits set for the Group.

B. Fair value hedging

Hedging interest rate risk has the objective of immunizing the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the interest rate curve, or of reducing the uncertainty of cash flows linked to a specific asset/liability. Specifically, subject to hedging are fixed-rate debenture loans and fixed-rate securities recognized as assets (micro-hedge), mortgage loans with CAP grated to Customers (macro-hedge) and fixed-rate gaps, which are subject to macro-hedge. The hedging were made exclusively by purchasing Interest Rate Swaps and Interest Rate Options.

In compliance with the IASs, the effectiveness of the hedges was assessed by the Financial Management Department, which carries out the relevant tests on a monthly basis; within the procedures, formal documentation for every hedging transaction is kept.

C. Cash flow hedging

There is no current cash flow hedging.

● *QUANTITATIVE DISCLOSURES*

1. Banking Book: breakdown by residual duration (repricing date) of financial assets and liabilities

Currency	US DOLLAR							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	indefinite maturity
1. On-balance-sheet assets	**33,680**	**183,123**	**16,042**	**12,323**	**13,834**	**800**	**148**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	20,150	68,981	41	137	639	-	-	-
1.3 Loans to customers	13,530	114,142	16,001	12,186	13,195	800	148	-
- c/a	13,086	11	1	2	-	-	148	-
- other loans	444	114,131	16,000	12,184	13,195	800	-	-
- with early repayment option	-	28,383	3,557	3,835	-	-	-	-
- other	444	85,748	12,443	8,349	13,195	800	-	-
2. On-balance-sheet liabilities	**176,467**	**71,817**	**6,416**	**3,670**	**898**	**676**	**-**	**-**
2.1 Due to customers	176,049	36	35	599	-	-	-	-
- c/a	174,065	36	35	599	-	-	-	-
- other due and payables	1,984	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	1,984	-	-	-	-	-	-	-
2.2 Due to banks	418	71,781	6,381	3,071	898	676	-	-
- c/a	1	-	-	-	-	-	-	-
- other due and payables	417	71,781	6,381	3,071	898	676	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**1,843**	**100,628**	**54**	**-**	**-**	**-**	**-**	**-**
+ long positions	1,172	50,037	54	-	-	-	-	-
+ short positions	671	50,591	-	-	-	-	-	-

Currency	POUND STERLING							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 year to 10 years**	**more than 10 years**	**indefinite maturity**
1. On-balance-sheet assets	**3,867**	**11,642**	**540**	**-**	**4,776**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	3,814	9,463	-	-	-	-	-	-
1.3 Loans to customers	53	2,179	540	-	4,776	-	-	-
- c/a	2	2	-	-	-	-	-	-
- other loans	51	2,177	540	-	4,776	-	-	-
- with early repayment option	51	1,590	540	-	-	-	-	-
- other	-	587	-	-	4,776	-	-	-
2. On-balance-sheet liabilities	**13,732**	**5,864**	**-**	**552**	**-**	**-**	**-**	**-**
2.1 Due to customers	13,732	-	-	552	-	-	-	-
- c/a	13,730	-	-	552	-	-	-	-
- other due and payables	2	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	2	-	-	-	-	-	-	-
2.2 Due to banks	-	5,864	-	-	-	-	-	-
- c/a	-	-	-	-	-	-	-	-
- other due and payables	-	5,864	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**20**	**7,702**	**20**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	3,851	20	-	-	-	-	-
+ short positions	20	3,851	-	-	-	-	-	-

Currency	SWISS FRANC							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	indefinite maturity
1. On-balance-sheet assets	**1,687**	**8,006**	**18,297**	**2,939**	**7,030**	**13**	**15**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,429	-	-	-	-	-	-	-
1.3 Loans to customers	258	8,006	18,297	2,939	7,030	13	15	-
- c/a	1	-	-	-	-	-	-	-
- other loans	257	8,006	18,297	2,939	7,030	13	15	-
- with early repayment option	-	3,442	-	-	-	-	-	-
- other	257	4,564	18,297	2,939	7,030	13	15	-
2. On-balance-sheet liabilities	**8,257**	**28,499**	**1,123**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	8,257	306	-	-	-	-	-	-
- c/a	8,257	-	-	-	-	-	-	-
- other due and payables	-	306	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	306	-	-	-	-	-	-
2.2 Due to banks	-	28,193	1,123	-	-	-	-	-
- c/a	-	-	-	-	-	-	-	-
- other due and payables	-	28,193	1,123	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**768**	**67,301**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	34,035	-	-	-	-	-	-
+ short positions	768	33,266	-	-	-	-	-	-

Currency	CANADIAN DOLLAR							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	indefinite maturity
1. On-balance-sheet assets	**2,239**	**4,774**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	2,239	4,643	-	-	-	-	-	-
1.3 Loans to customers	-	131	-	-	-	-	-	-
- c/a	-	1	-	-	-	-	-	-
- other loans	-	130	-	-	-	-	-	-
- with early repayment option	-	130	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**2,040**	**4,622**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	2,040	4,622	-	-	-	-	-	-
- c/a	2,040	4,622	-	-	-	-	-	-
- other due and payables	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- c/a	-	-	-	-	-	-	-	-
- other due and payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

Currency	JAPAN YEN							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 year to 10 years**	**more than 10 years**	**indefinite maturity**
1. On-balance-sheet assets	**683**	**88**	**-**	**1,134**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	565	-	-	-	-	-	-	-
1.3 Loans to customers	118	88	-	1,134	-	-	-	-
- c/a	118	-	-	-	-	-	-	-
- other loans	-	88	-	1,134	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	88	-	1,134	-	-	-	-
2. On-balance-sheet liabilities	**1,021**	**910**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	963	-	-	-	-	-	-	-
- c/a	960	-	-	-	-	-	-	-
- other due and payables	3	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	3	-	-	-	-	-	-	-
2.2 Due to banks	58	910	-	-	-	-	-	-
- c/a	58	-	-	-	-	-	-	-
- other due and payables	-	910	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**1,922**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	961	-	-	-	-	-	-
+ short positions	-	961	-	-	-	-	-	-

Currency	EURO							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 year to 10 years**	**more than 10 years**	**indefinite maturity**
1. On-balance-sheet assets	**7,674,893**	**24,600,956**	**2,170,423**	**1,177,702**	**3,264,561**	**3,458,785**	**3,703,706**	**131,266**
1.1 Debt securities	-	3,454,716	209,783	201,262	814,890	2,240,182	27	131,266
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	3,454,716	209,783	201,262	814,890	2,240,182	27	131,266
1.2 Loans to banks	199,143	2,032,787	2,284	5,455	6,802	1	-	-
1.3 Loans to customers	7,475,750	19,113,453	1,958,356	970,985	2,442,869	1,218,602	3,703,679	-
- c/a	897,051	880,497	30,904	87,972	187,583	55,220	1,596,297	-
- other loans	6,578,699	18,232,956	1,927,452	883,013	2,255,286	1,163,382	2,107,382	-
- with early repayment option	10,928	440,832	84,915	82,796	148,472	7,553	670	-
- other	6,567,771	17,792,124	1,842,537	800,217	2,106,814	1,155,829	2,106,712	-
2. On-balance-sheet liabilities	**21,632,343**	**5,977,597**	**2,511,347**	**2,404,826**	**6,993,760**	**1,011,607**	**2,878,147**	**-**
2.1 Due to customers	21,184,178	976,533	10,351	687	12	8	2,878,147	-
- c/a	17,698,086	900,028	-	-	-	-	2,878,147	-
- other due and payables	3,486,092	76,505	10,351	687	12	8	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	3,486,092	76,505	10,351	687	12	8	-	-
2.2 Due to banks	427,123	3,265,525	1,027,264	316,583	1,606,121	14,996	-	-
- c/a	17,871	-	-	-	-	-	-	-
- other due and payables	409,252	3,265,525	1,027,264	316,583	1,606,121	14,996	-	-
2.3 Debt securities	21,042	1,735,539	1,473,732	2,087,556	5,387,627	996,603	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	21,042	1,735,539	1,473,732	2,087,556	5,387,627	996,603	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**433,079**	**22,051,169**	**1,928,940**	**2,551,647**	**9,996,036**	**8,640,219**	**102,760**	**-**
3.1 With underlying security	-	321,951	119,892	-	175,941	267,859	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	321,951	119,892	-	175,941	267,859	-	-
+ long positions	-	148,674	55,799	-	-	239,084	-	-
+ short positions	-	173,277	64,093	-	175,941	28,775	-	-
3.2 Without underlying security	433,079	21,729,218	1,809,048	2,551,647	9,820,095	8,372,360	102,760	-
- Options	9	278,705	9,299	71,808	63,391	299,503	94,156	-
+ long positions	7	139,000	2,880	36,010	32,036	150,009	48,493	-
+ short positions	2	139,705	6,419	35,798	31,355	149,494	45,663	-
- Other derivatives	433,070	21,450,513	1,799,749	2,479,839	9,756,704	8,072,857	8,604	-
+ long positions	987	5,934,289	748,357	2,314,415	8,168,920	4,833,700	-	-
+ short positions	432,083	15,516,224	1,051,392	165,424	1,587,784	3,239,157	8,604	-
4. Other off-balance-sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

Currency	Other currencies							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	indefinite maturity
1. On-balance-sheet assets	**10,315**	**1,010**	**-**	**24**	**138**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	9,732	741	-	-	-	-	-	-
1.3 Loans to customers	583	269	-	24	138	-	-	-
- c/a	583	-	-	-	-	-	-	-
- other loans	-	269	-	24	138	-	-	-
- with early repayment option	-	269	-	-	-	-	-	-
- other	-	-	-	24	138	-	-	-
2. On-balance-sheet liabilities	**6,489**	**2,634**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	6,489	-	-	-	-	-	-	-
- c/a	6,093	-	-	-	-	-	-	-
- other due and payables	396	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	396	-	-	-	-	-	-	-
2.2 Due to banks	-	2,634	-	-	-	-	-	-
- c/a	-	-	-	-	-	-	-	-
- other due and payables	-	2,634	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**8,314**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	4,157	-	-	-	-	-	-
+ short positions	-	4,157	-	-	-	-	-	-

1.2.3 Exchange rate risk

● QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of exchange rate risk

The Group is not engaged in proprietary trading on the currency market and does not hold assets or liabilities which are not hedged against this risk. Consequently, there are no exposures apart from residual positions in respect of activities carried out to meet customer requirements in both the spot and forward markets.

These residual positions are nonetheless monitored daily.

The process for the management of exchange rate risk of the Group is regulated by the relevant risk policy.

The framework system for exchange rate risk regarding the Cariparma Group is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole Group. Such risk appetite is structured through global limits and operational limits that are defined by the Risk Strategy.

● QUANTITATIVE DISCLOSURES

1. Distribution by currency of assets and liabilities and derivatives

Items	Currencies					
	US DOLLAR	POUND STERLING	JAPAN YEN	CANADIAN DOLLAR	SWISS FRANC	OTHER CURRENCIES
A. Financial Assets	**259,923**	**20,825**	**1,905**	**7,012**	**37,910**	**11,487**
A.1 Debt securities	11	-	-	-	-	-
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	89,907	13,277	565	6,882	1,429	10,473
A.4 Loans to customers	170,005	7,548	1,340	130	36,481	1,014
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**2,120**	**1,024**	**97**	**179**	**717**	**704**
C. Financial Liabilities	**259,947**	**20,148**	**1,931**	**6,663**	**37,880**	**9,122**
C.1 Due to banks	83,227	5,864	968	-	29,622	2,633
C.2 Due to customers	176,720	14,284	963	6,663	8,258	6,489
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**7,875**	**688**	**34**	**320**	**144**	**549**
E. Financial derivatives	**216,662**	**16,562**	**2,382**	**22,458**	**15,439**	**27,644**
- Options	202	38	-	-	-	-
+ long positions	101	19	-	-	-	-
+ short positions	101	19	-	-	-	-
- Other	216,460	16,524	2,382	22,458	15,439	27,644
+ long positions	110,773	8,092	1,188	11,248	7,761	13,639
+ short positions	105,687	8,162	1,194	11,210	7,678	14,005
Total Assets	**372,917**	**29,960**	**3,190**	**18,439**	**46,388**	**25,830**
Total liabilities	**373,610**	**29,017**	**3,159**	**18,193**	**45,702**	**23,676**
Difference (+/-)	**693**	**943**	**31**	**246**	**686**	**2,154**

1.2.4 Derivatives

QUALITATIVE DISCLOSURES

A. Financial Derivatives

A.1. Supervisory Trading Book: closing and average notional values

Underlying assets/Type of derivative	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**9,616,629**	**-**	**11,081,260**	**-**
a) Options	5,167,113	-	6,009,341	-
b) Swaps	4,449,516	-	5,071,919	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**314,753**	**-**	**400,701**	**-**
a) Options	48,758	-	111,844	-
b) Swaps	-	-	-	-
c) Forward contracts	265,995	-	288,857	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**1,451**	**-**	**395**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**9,932,833**	**-**	**11,482,356**	**-**
Average values	**10,962,576**	**-**	**11,940,507**	**-**

A.2 Banking Book: closing and average notional amounts

A.2.1 Hedging

Underlying assets/Type of derivative	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**22,419,113**	**-**	**20,044,896**	**-**
a) Options	399,972	-	439,636	-
b) Swaps	21,814,668	-	19,605,260	-
c) Forward contracts	204,473	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**22,419,113**	**-**	**20,044,896**	**-**
Average values	**21,361,537**	**-**	**19,624,865**	**-**

A.2.2 Other derivatives

Underlying assets/Type of derivative	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**1,027,104**	**-**	**657,759**	**-**
a) Options	603,734	-	657,759	-
b) Swaps	186,000	-	-	-
c) Forward contracts	237,370	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**1,027,104**	**-**	**657,759**	**-**
Average values	**725,233**	**-**	**512,458**	**-**

A.3 Financial derivatives: positive fair value - breakdown by product

Underlying assets/Type of derivative	Positive fair value			
	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory Trading Book	**201,723**	**-**	**204,354**	**-**
a) Options	7,805	-	24,404	-
b) Interest rate swap	188,012	-	177,842	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	5,896	-	2,097	-
f) Futures	-	-	-	-
g) Other	10	-	11	-
B. Banking Book – hedging	**924,205**	**-**	**692,941**	**-**
a) Options	7,478	-	19,632	-
b) Interest rate swap	916,727	-	673,309	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking Book – other derivatives	**8,197**	**-**	**7,309**	**-**
a) Options	4,759	-	7,309	-
b) Interest rate swap	157	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	3,281	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**1,134,125**	**-**	**904,604**	**-**

A.4 Financial derivatives: gross negative fair value – breakdown by product

Underlying assets/Type of derivative	Negative fair value			
	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory Trading Book	**214,571**	**-**	**204,356**	**-**
a) Options	20,874	-	22,636	-
b) Interest rate swap	187,780	-	179,643	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	5,909	-	2,066	-
f) Futures	-	-	-	-
g) Other	8	-	11	-
B. Banking Book – hedging	**702,956**	**-**	**345,373**	**-**
a) Options	-	-	-	-
b) Interest rate swap	702,601	-	345,373	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	355	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking Book – other derivatives	**5,022**	**-**	**9,452**	**-**
a) Options	4,996	-	9,452	-
b) Interest rate swap	26	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**922,549**	**-**	**559,181**	**-**

A.5 OTC financial derivatives – Supervisory Trading Book: notional value, gross positive and negative fair values by counterparty – contracts not subject to netting arrangements

Contracts not included in compensation agreements	Governments and Central Banks	Other public entities	Banks	Financial companies	Insurance companies	Non-financial companies	Other
1) Debt securities and interest rates							
- notional value	363,448	3,693	5,291,008	-	-	3,478,278	480,202
- positive fair value	11,338	50	67,933	-	-	115,191	801
- negative fair value	162	2	203,917	-	-	2,462	1,602
- future exposure	1,546	4	34,818	-	-	9,982	75
2) Equity securities and equity indices							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold							
- notional value	268	-	164,427	-	-	137,015	13,043
- positive fair value	-	-	4,235	-	-	2,147	19
- negative fair value	10	-	2,466	-	-	3,337	605
- future exposure	4	-	1,526	-	-	1,248	130
4) Other assets							
- notional value	-	-	725	-	-	726	-
- positive fair value	-	-	4	-	-	5	-
- negative fair value	-	-	4	-	-	4	-
- future exposure	-	-	72	-	-	73	-

A.7 OTC financial derivatives – Banking Book: notional value, gross positive and negative fair values by counterparty – contracts not subject to netting arrangements

Contracts not included in compensation agreements	Governments and Central Banks	Other public entities	Banks	Financial companies	Insurance companies	Non-financial companies	Other
1) Debt securities and interest rates							
- notional value	5,589	-	23,128,806	-	-	-	311,822
- positive fair value	-	-	932,402	-	-	-	-
- negative fair value	934	-	702,048	-	-	-	4,996
- future exposure	47	-	176,688	-	-	-	704
2) Equity securities and equity indices							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
4) Other assets							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

A.9 Residual maturity of OTC financial derivatives: notional values

Underlying asset/residual maturity	Up to 1 year	More than 1 and up to 5 years	more than 5 years	Total
A. Supervisory Trading Portfolio	**2,966,018**	**4,089,415**	**2,877,400**	**9,932,833**
A.1 Financial derivatives on debt securities and interest rates	2,649,880	4,089,349	2,877,400	9,616,629
A.2 Financial derivatives on equity securities and share indices	-	-	-	-
A.3. Financial Derivatives on exchange rates and gold	314,687	66	-	314,753
B.4 Financial derivatives on other values	1,451	-	-	1,451
B. Banking book	**4,634,442**	**10,330,342**	**8,481,433**	**23,446,217**
A.1 Financial derivatives on debt certificates and interest rates	4,634,442	10,330,342	8,481,433	23,446,217
B.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial Derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
Total (31.12.2014)	**7,600,460**	**14,419,757**	**11,358,833**	**33,379,050**
Total (31.12.2013)	**6,606,162**	**15,722,616**	**9,856,235**	**32,185,013**

1.3 Banking Group – Liquidity Risk

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of liquidity risk

General and organizational aspects

Liquidity risk concerns the possibility that the Group may not be able to meet its payment commitments, both expected and unexpected, without prejudicing its daily operations or its financial position. This risk is managed based on the following components:

- management of of short-term liquidity: its objective is to ensure that outgoing liquidity flows can be handled with incoming liquidity flows, in the perspective of supporting continuously routine banking operations;
- management of structural liquidity: its objective is to maintain the balance between total liabilities and medium-/long-term assets.

The liquidity risk management model, approved by Cariparma Board of Directors, is based on the principle of separation of liquidity management processes from liquidity risk controlling processes, in compliance with the regulatory requirements and with the guidelines issued by CAsa. This model provides for the governance and management of liquidity risk to be centrally performed by the Parent Company Cariparma, which is also responsible for refinancing all the entities in the Group. This framework is defined as the “Liquidity System”.

The model sets the responsibilities of the corporate Bodies and Departments involved, specifically:

- The Board of Directors, the body in charge of strategic steering, is responsible for defining governance policies, the organizational structure and management processes. It approves measurement methods, risk tolerance thresholds and the limits system, the assumptions at the basis of stress tests and the Contingency Funding Plan.
- The CFO, through the Financial Management Department, is the role responsible for management and, specifically, for the preparation of the reporting to the Bank of Italy, as well as of internal reporting on the Group’s liquidity situation (statement of liquidity). The Financial Management Department operates in compliance with the directions of the ALM and Financial Risks Committee, in which the General Managers of the Subsidiaries take part.
- The Risk Management and Permanent Controls Department is responsible of the permanent controls mechanism, controls compliance with global and operational limits, as well as with alert thresholds, prepares the reporting to corporate Bodies and triggers, where required, the alert procedures. Jointly with the Financial Management Department, it is also responsible for monitoring the ratios provided for in the Contingency Funding Plan.

The process for the management of liquidity risk is regulated by the relevant risk policy.

Risk management and control: Methodological aspects

The model adopted for liquidity risk management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.

The main objective of the short-term liquidity management process is to ensure that the Group is able to satisfy on-balance-sheet payment commitments, expected and unexpected, in such a way as not to prejudice normal business.

A basic condition for achieving this objective is to permanently maintain sufficient balance between incoming and outgoing liquidity flow.

To measure the exposure to short-term liquidity risk, the maturity mismatch approach has been used, in accordance with the guidelines set down by Crédit Agricole SA and with supervisory instructions.

The Group’s liquidity risk monitoring system considers the following factors:

- inflows and outflows from business operations and proprietary activities;

- the continuation of the business activity based on planned rates (monitoring the performance of liquidity from loans to customers/customer sources).

An essential aspect of liquidity management is the definition of an interbank short-term refinancing limit (LCT - Limite Court Terme), which is fine-tuned using the method set by the Liquidity System aimed at ensuring surplus liquidity over a one-year horizon in a market under stress conditions. It imposes “non-concentration” on shorter maturities, with the effect of fostering longer terms for inter-bank funding within one year.

Stress scenarios on which the structure of the limits is based are defined on realistic assumptions but, at the same time, are appropriately conservative in relation to the severity and duration of the simulated shock.

Short-term liquidity risk management and supervision policies are aimed at ensuring the surmounting of any crisis that leads to serious reduction in the Group’s normal financing sources; in this regard, three stress scenarios have been identified:

- Systemic crisis: a situation that leads to partial closure of the short-term and medium-/long-term refinancing market, with continuing business operations. The Group must be able to continue operations for a one-year time horizon.
- Idiosyncratic crisis: a situation that leads to a bank run, partial closure of the short-term market and total closure of the medium-/long-term market with continuing business operations. The Group must be able to continue operations for a one-month time horizon.
- global crisis: a situation having the combined features of both a systemic crisis and an idiosyncratic crisis, in terms of substantial bank run, total closure of the markets, use of reserves even though with write-downs. The Group must be able to continue business operations in a serious crisis for a two-week time horizon.

Alert thresholds have also been implemented for the management medium-/long-term liquidity, by defining the ratios Position en Resources Stable (PRS) and Coefficient en Resources Stable (CRS). They aim at ensuring the Group financial balance between stable resources (medium-/long-term market resources, resources from Customers, own funds) and long-term uses (non-current assets, loans to Customers, Customers’ securities and investment securities). PRS and CRS positive levels substantiate the Bank’s ability to support its assets during a crisis.

The resilience ratios for every one of the assumed scenarios are calculated on a monthly basis.

In 2014, the Group, in compliance with the Basel III regulatory framework, reported the liquidity coverage ratio (LCR) to the Supervisory Bodies on a regular basis.

These ratios have the purpose of monitoring compliance with the Group’s risk appetite and are set against specific limits, defined by CAsa and approved by the Group Risk Committee, upon presentation of the Risk Strategy and then submitted to the Board of Directors of the Parent Company Cariparma for its approval.

It is also reported that, in 2014, the self-held covered bond position was reduced (from Euro 2.3 billion to Euro 1.0 billion.)

In marketing the Bank’s products, liquidity risk is taken into account through the internal transfer rate system. Based on the products’ financial features and on the prevailing market conditions, the system allows the internal return rate to be determined, which, in turn, is the basis for the pricing of lending and direct funding products.

Risk control

The Risk Management and Permanent Controls Department is responsible for controlling compliance with the set limits; therefore it prepares and issues its own Financial Risk Report, which includes information on the control outcomes and on any breaches of the limits or alert thresholds. On a quarterly basis, it submits a summary of the above Report to the ALM and Financial Risks Committee, as well as to the Internal Control Committee and to the Boards of Directors of the Group Banks.

The Risk Management and Permanent Controls Department calculates, independently and on a daily basis, the short-term liquidity ratios (LCT) and monitors on a monthly basis the stress scenario and alert indicators as generated by the CASA Group tools. Jointly with the Financial Management Department, it is also responsible for monitoring the ratios provided for in the Contingency Funding Plan.

A process is in place for notifying and formalizing a corrective plan to senior management and Crédit Agricole in the event of any global or limits being exceeded, of significant losses, warning ceilings being reached in terms of risks or results, significant variations in risk indicators, potentially negative and unexpected variations in financial markets, insufficiencies or malfunctions of any systems for the management or assessment of risks and results, or any other event or situation deemed relevant in monitoring liquidity risk.

DISCLOSURE

The document “Disclosure” (Basel 3 Third Pillar) referring to 31 December 2014 is published on the website www.gruppocariparma.it/bilanci-cariparma.

It is reported that the Cariparma Crédit Agricole Group is controlled by a parent company based in the EU and, therefore, the conditions set down in Part One, Title II, Chapter 2, Article 13, Paragraph 1 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) on “Application of disclosure requirements on a consolidated basis”.

QUANTITATIVE DISCLOSURES

1. Distribution over time by residual contract maturity of financial assets and liabilities

Currency:	US DOLLAR									
Items/Timeframe	**On demand**	**More than 1 day to 7 days**	**More than 7 days to 15 days**	**More than 15 days to 1 month**	**More than 1 month to 3 months**	**More than 3 months to 6 months**	**more than 6 months to 1 year**	**More than 1 year to 5 years**	**more than 5 years**	**Indefinite maturity**
On-balance-sheet assets	**62,903**	**72,794**	**10,365**	**41,327**	**59,760**	**16,197**	**2,044**	**703**	**145**	**1**
A.1 Government securities	-	-	-	-	-	-	-	-	-	1
A.2 Other debt securities	-	-	-	-	-	-	-	-	10	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	62,903	72,794	10,365	41,327	59,760	16,197	2,044	703	135	-
- banks	20,109	68,981	-	-	-	43	138	666	-	-
- customers	42,794	3,813	10,365	41,327	59,760	16,154	1,906	37	135	-
On-balance-sheet liabilities	**179,631**	**3,867**	**192**	**28,299**	**39,483**	**6,424**	**2,070**	**-**	**-**	**-**
B.1 Deposits and current accounts	174,066	3,802	-	27,851	38,653	5,275	602	-	-	-
- banks	1	3,785	-	27,851	38,633	5,240	-	-	-	-
- customers	174,065	17	-	-	20	35	602	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	5,565	65	192	448	830	1,149	1,468	-	-	-
Off-balance-sheet transactions	**1,843**	**84,210**	**11,666**	**76,618**	**78,244**	**46,571**	**20,948**	**906**	**131**	**-**
C.1 Financial derivatives with exchange of principal	-	33,619	11,666	27,199	77,626	46,517	20,948	906	131	-
- long positions	-	19,747	5,874	13,573	38,407	23,263	10,461	453	72	-
- short positions	-	13,872	5,792	13,626	39,219	23,254	10,487	453	59	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	1,843	50,591	-	49,419	618	54	-	-	-	-
- long positions	1,172	-	-	49,419	618	54	-	-	-	-
- short positions	671	50,591	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	POUND STERLING									
Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	more than 5 years	Indefinite maturity
On-balance-sheet assets	**3,868**	**9,463**	**22**	**724**	**1,456**	**551**	**-**	**4,814**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	3,868	9,463	22	724	1,456	551	-	4,814	-	-
- banks	3,814	9,463	-	-	-	-	-	-	-	-
- customers	54	-	22	724	1,456	551	-	4,814	-	-
On-balance-sheet liabilities	**13,732**	**-**	**-**	**-**	**5,875**	**-**	**555**	**-**	**-**	**-**
B.1 Deposits and current accounts	13,730	-	-	-	5,875	-	555	-	-	-
- banks	-	-	-	-	5,875	-	-	-	-	-
- customers	13,730	-	-	-	-	-	555	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	2	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**20**	**5,808**	**-**	**4,591**	**5,768**	**1,956**	**5,892**	**-**	**-**	**-**
C.1 Financial derivatives with exchange of principal	-	1,957	-	740	5,768	1,936	5,892	-	-	-
- long positions	-	944	-	370	2,884	968	2,946	-	-	-
- short positions	-	1,013	-	370	2,884	968	2,946	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	20	3,851	-	3,851	-	20	-	-	-	-
- long positions	-	-	-	3,851	-	20	-	-	-	-
- short positions	20	3,851	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	SWISS FRANC									
Items/Timeframe	**On demand**	**More than 1 day to 7 days**	**More than 7 days to 15 days**	**More than 15 days to 1 month**	**More than 1 month to 3 months**	**More than 3 months to 6 months**	**more than 6 months to 1 year**	**More than 1 year to 5 years**	**more than 5 years**	**Indefinite maturity**
On-balance-sheet assets	**4,641**	**13**	**2,129**	**276**	**3,958**	**7,144**	**883**	**11,125**	**7,802**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	4,641	13	2,129	276	3,958	7,144	883	11,125	7,802	-
- banks	1,429	-	-	-	-	-	-	-	-	-
- customers	3,212	13	2,129	276	3,958	7,144	883	11,125	7,802	-
On-balance-sheet liabilities	**8,257**	**27,029**	**-**	**305**	**1,165**	**1,123**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	8,257	27,029	-	-	1,165	1,123	-	-	-	-
- banks	-	27,029	-	-	1,165	1,123	-	-	-	-
- customers	8,257	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	305	-	-	-	-	-	-
Off-balance-sheet transactions	**768**	**34,509**	**-**	**33,266**	**4,984**	**9,980**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with exchange of principal	-	1,243	-	-	4,216	9,980	-	-	-	-
- long positions	-	663	-	-	2,108	4,990	-	-	-	-
- short positions	-	580	-	-	2,108	4,990	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	33,266	-	33,266	-	-	-	-	-	-
- long positions	-	33,266	-	-	-	-	-	-	-	-
- short positions	-	-	-	33,266	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	768	-	-	-	768	-	-	-	-	-
- long positions	-	-	-	-	768	-	-	-	-	-
- short positions	768	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	CANADIAN DOLLAR									
Items/Timeframe	**On demand**	**More than 1 day to 7 days**	**More than 7 days to 15 days**	**More than 15 days to 1 month**	**More than 1 month to 3 months**	**More than 3 months to 6 months**	**more than 6 months to 1 year**	**More than 1 year to 5 years**	**more than 5 years**	**Indefinite maturity**
On-balance-sheet assets	**2,239**	**-**	**32**	**4,647**	**100**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	2,239	-	32	4,647	100	-	-	-	-	-
- banks	2,239	-	-	4,647	-	-	-	-	-	-
- customers	-	-	32	-	100	-	-	-	-	-
On-balance-sheet liabilities	**2,040**	**-**	**-**	**4,641**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	2,040	-	-	4,641	-	-	-	-	-	-
- banks	-	-	-	-	-	-	-	-	-	-
- customers	2,040	-	-	4,641	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**618**	**1,529**	**9,244**	**9,835**	**-**	**1,352**	**-**	**118**	**-**
C.1 Financial derivatives with exchange of principal	-	618	1,529	9,244	9,835	-	1,352	-	118	-
- long positions	-	328	-	4,622	5,682	-	676	-	59	-
- short positions	-	290	1,529	4,622	4,153	-	676	-	59	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	JAPAN YEN									
Items/Timeframe	**On demand**	**More than 1 day to 7 days**	**More than 7 days to 15 days**	**More than 15 days to 1 month**	**More than 1 month to 3 months**	**More than 3 months to 6 months**	**more than 6 months to 1 year**	**More than 1 year to 5 years**	**more than 5 years**	**Indefinite maturity**
On-balance-sheet assets	**1,827**	**-**	**-**	**61**	**28**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	1,827	-	-	61	28	-	-	-	-	-
- banks	565	-	-	-	-	-	-	-	-	-
- customers	1,262	-	-	61	28	-	-	-	-	-
On-balance-sheet liabilities	**1,021**	**910**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	1,018	910	-	-	-	-	-	-	-	-
- banks	58	910	-	-	-	-	-	-	-	-
- customers	960	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	3	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**2,478**	**1,462**	**-**	**206**	**158**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with exchange of principal	-	556	1,462	-	206	158	-	-	-	-
- long positions	-	275	731	-	103	79	-	-	-	-
- short positions	-	281	731	-	103	79	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	1,922	-	-	-	-	-	-	-	-
- long positions	-	961	-	-	-	-	-	-	-	-
- short positions	-	961	-	-	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	EURO									
Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	more than 5 years	Indefinite maturity
On-balance-sheet assets	**3,480,349**	**99,953**	**215,762**	**689,417**	**1,714,645**	**1,565,042**	**4,615,716**	**14,115,781**	**19,383,905**	**577,047**
A.1 Government securities	-	-	-	-	206,479	12,904	217,387	1,786,301	2,951,725	2
A.2 Other debt securities	-	-	-	18	153,212	1,988	438,336	350,015	2	157,796
A.3 Units of collective investment undertakings	1,000	-	-	-	-	-	-	-	-	-
A.4 Loans	3,479,349	99,953	215,762	689,399	1,354,954	1,550,150	3,959,993	11,979,465	16,432,178	419,249
- banks	198,252	317	76	1,893	7,314	102,243	258,043	859,897	400,000	419,249
- customers	3,281,097	99,636	215,686	687,506	1,347,640	1,447,907	3,701,950	11,119,568	16,032,178	-
On-balance-sheet liabilities	**24,627,587**	**199,236**	**969,947**	**1,450,979**	**2,125,665**	**2,345,759**	**2,599,616**	**8,005,314**	**1,223,677**	**120,000**
B.1 Deposits and current accounts	24,379,901	100,186	900,343	201,169	858,499	882,160	204,615	205,438	14,995	-
- banks	423,124	100,186	-	200,371	851,687	881,844	200,261	205,438	14,995	-
- customers	23,956,777	-	900,343	798	6,812	316	4,354	-	-	-
B.2 Debt securities	124,669	43,493	69,604	378,660	941,604	1,430,988	2,170,544	5,640,766	1,000,000	120,000
B.3 Other liabilities	123,017	55,557	-	871,150	325,562	32,611	224,457	2,159,110	208,682	-
Off-balance-sheet transactions	**406,510**	**379,815**	**54,992**	**45,198**	**235,826**	**266,646**	**395,549**	**317,051**	**547,402**	**-**
C.1 Financial derivatives with exchange of principal	-	375,088	29,551	35,612	93,408	198,113	29,971	161,895	211,402	-
- long positions	-	172,265	15,491	17,873	46,342	94,973	15,086	468	186,201	-
- short positions	-	202,823	14,060	17,739	47,066	103,140	14,885	161,427	25,201	-
C.2 Financial derivatives without exchange of principal	406,510	4,727	25,441	9,586	142,418	68,533	365,578	155,156	336,000	-
- long positions	197,486	3,520	15,232	8,165	76,912	43,459	285,915	17,578	228,000	-
- short positions	209,024	1,207	10,209	1,421	65,506	25,074	79,663	137,578	108,000	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	Other currencies									
Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	more than 5 years	Indefinite maturity
On-balance-sheet assets	**10,479**	**741**	**-**	**-**	**272**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	10,479	741	-	-	272	-	-	-	-	-
- banks	9,732	741	-	-	-	-	-	-	-	-
- customers	747	-	-	-	272	-	-	-	-	-
On-balance-sheet liabilities	**6,489**	**2,634**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	6,093	2,634	-	-	-	-	-	-	-	-
- banks	-	2,634	-	-	-	-	-	-	-	-
- customers	6,093	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	396	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**8,089**	**15,232**	**5,445**	**154**	**9,014**	**2,292**	**200**	**-**	**-**
C.1 Financial derivatives with exchange of principal	-	1,139	15,232	103	154	9,014	2,292	200	-	-
- long positions	-	470	7,617	41	100	4,431	1,125	100	-	-
- short positions	-	669	7,615	62	54	4,583	1,167	100	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	3,900	-	3,352	-	-	-	-	-	-
- long positions	-	3,626	-	-	-	-	-	-	-	-
- short positions	-	274	-	3,352	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	-	3,050	-	1,990	-	-	-	-	-	-
- long positions	-	2,520	-	1,990	-	-	-	-	-	-
- short positions	-	530	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

As at 31 December 2014, the Parent Company Cariparma was carrying out two so-called “internal” securitization transactions, transferring receivables deriving from mortgage loans so called “fondiari” (real estate mortgage loans with duration higher than 18 months and ratio between the loan amount and the value of the collateral not higher than 80%) secured by first mortgage.

As at 31 December 2014, the residual debt of securitized loans amounted to Euro 4,594 million

Following transfer of the mortgages, the Parent Company fully subscribed the securities (Senior and Junior) having the following features:

Securitization 1:

- Senior: nominal Euro 2,071 million, maturity 31 December 2060, indexed to 6M EUR+0.35%;
- Junior: nominal Euro 390 million, maturity 31 January 2060, indexed to 6M EUR +0.60%+variable rate.

Securitization 2:

- Senior: nominal Euro 2,052 million, maturity 30 April 2058, indexed to 6M EUR+0.75%;
- Junior: nominal Euro 453 million, maturity 30 April 2058, indexed to 6M EUR +0.90%+variable rate.

To ensure liquidity for the SPV for payment of the coupons, two Interest Rate Swap transactions were finalized with it for a notional value of Euro 2,071 million, maturity 31 January 2058 and 30 April 2060, respectively; amortization of the derivative reflects the amortization of the Senior security.

1.3.2. Disclosure on committed assets recognized

Technical forms	Committed		Non-committed		Total 31.12.2014	Total 31.12.2013
	VB	FV	VB	FV		
1. Cash and cash equivalents	-	X	285,002	X	285,002	334,127
2. Debt securities	922,247	922,247	6,130,890	6,131,242	7,053,137	5,795,219
3. Equity securities	-	-	210,423	207,523	210,423	218,319
4. Loans	7,379,515	X	32,133,595	X	39,513,110	38,783,016
5. Other financial assets	-	X	1,165,177	X	1,165,177	923,889
6. Non-financial assets	-	X	3,976,661	X	3,976,661	4,106,955
Total (31.12.2014)	**8,301,762**	**922,247**	**43,901,747**	**6,338,765**	**52,203,510**	**X**
Total (31.12.2013)	**9,630,948**	**1,497,299**	**40,530,577**	**4,552,897**	**X**	**50,161,525**

1.3.3. Disclosure on committed assets not recognized

Technical forms	Committed	Non-committed	Total 31.12.2014	Total 31.12.2013
1. Financial assets	3,420,588	3,303,621	6,724,209	11,198,747
- Securities	3,420,588	3,303,621	6,724,209	11,198,747
- Other	-	-	-	-
2. Non-financial assets	-	-	-	-
Total (31.12.2014)	**3,420,588**	**3,303,621**	**6,724,209**	**X**
Total (31.12.2013)	**7,256,615**	**3,942,132**	**X**	**11,198,747**

● 1.4 Banking Group –Operational risks

● QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of operational risks

The Cariparma Crédit Agricole Group has adopted the definition of operational risk given in "Basel 2 - International Convergence of Capital Measurement and Capital Standards" prepared by the Basel Committee on Banking Supervision.

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

To consolidate and enhance control of operational risks, the Group has set clear objectives:
- to achieve full compliance with the requirements set by the Supervisory regulations for internal control systems (15th update of Bank of Italy's Circular No. 263/2006);
- constant full compliance by the Group Banks with the regulatory requirements for the use of the Traditional Standardised Approach (TSA) for the calculation of the Regulatory Capital as provided for by Basel 3, except CALIT (an intermediary pursuant to Article 107 of the Italian Consolidated Banking Act -TUB), which uses the base approach;
- constant improvement in the monitoring of risks and losses, in order to allow a management-oriented approach, especially in terms of risk mitigation and prevention initiatives, as well as risk culture dissemination;
- fine-tuning of the permanent controls systems and extension of the coverage of the same controls within the company perimeter;
- achievement of compliance with the regulatory requirements set to use the AMAs (Advanced Measurement Approaches) for the calculation of regulatory capital.

Macro-organisational aspects

Governance of Group operational risks is the responsibility of Cariparma's Risk Management and Permanent Controls Department that implements the guidelines issued by the Risk Management Department of the Controlling Company Crédit Agricole S.A., and reports on a solid line to the latter.

In complying with the supervisory regulations, the Group formalized the roles and responsibilities of the corporate bodies and functions involved in the management of operational risks.

The governance model provides for:
- a centralized strategy for the control of operational risks;
- close connections with the activities for permanent controls;
- synergies with the Compliance Central Department and with the Internal Audit Department.

Risk management

The Group has adopted a model that is consistent with the guidelines issued by Crédit Agricole and governed by the central department, which works with the well-established and complementary contributions, in its operating, management and mitigation activities, of specialized roles, departments and mechanisms:
- ORM (Operational Risk Manager, Italian acronym: MRO);
- Control on Information Systems Security, Control on Physical Security, on the Continuity of Operations Plan (COP) and FOIE/PSEE (Important Operating Functions Outsourced/Provision of Outsourced Essential Services);

- Person in Charge of IT System Security (Italian acronym: RSSI)
- Business Continuity Manager (BCM);
- Area Operating Units;
- Fraud Prevention Unit (Italian acronym: NAF);
- structures and tools, instrumental for proper risk control and for the management of mitigation/improvement actions, including:
- the Supervisory Committee of CA s.a.(Comité Suivi Métier);
- the Internal Control Committee;
- the Operational Risks Committee;
- the FOIE/PSEE Interfunctional Work Group for the Provision of Outsourced Essential Services);
- the COP (Continuity of Operations Plan) Interfunctional Work Group PCO;
- CA S.A. Parent Company Supervisory Committee in IT Security and on PCO (CSSCA, Supervisory Committee on Security and Continuity of Operations);
- the remote controls system for the Distribution Network, with the summary early warning indicators;
- Work Groups for Improvement.

The upgrading of the process for the management and control of operational risk to the guidelines issued by Crédit Agricole S.A. and the adoption of the same general methods used by Group had the purpose of meeting the requirements for the adoption of Advanced Measurement Approaches (AMA) to determine the capital requirements for Operational Risks.

The operational risk management process is divided into the following macro-phases:
- detection, identification and classification of risks and losses and their recognition in the accounts where necessary;
- assessment and measurement of the risk profile for every corporate environment;
- identification of mitigation actions and preparation of the action plan;
- verification of the adequacy of the control plan;
- verification of the controls actual implementation;
- development of the system for remote controls;
- verification of correct exercise of mitigation actions;
- information and reporting.

In the above phases, the following processes are also applied:
- Loss Data Collection (recording, classification and processing of loss data);
- Scenario analysis (prospective measurement of exposure to high-impact low-frequency operational risks, relating to specific contexts);
- Risk Self Assessment (self-assessment of the exposure to operational risks relating to the specific operating Departments and the relevant processes, made directly by the Department Head);
- direct involvement of corporate departments in collective assessment work groups (FOIE/PSEE, improvement, ...).

Each of these processes entails processing information using methods that are predefined, repeatable and formalized in the Company’s regulations, as well as with the support of specific application tools.

Risk mitigation

The Group has implemented a policy for operational risk mitigation through:
- specific self-assessment activities (so-called “Self Risk Assessment”) aimed at defining an annual Action Plan containing all the initiatives that the Persons responsible for the various corporate processes have identified as required in order to mitigate existing operational risks;
- implementation and increasing coverage of the permanent controls plan, both at the Distribution Network and at Central Departments, in order to control the most critical processes;
- a fraud prevention unit, whose Manager coordinates company units in the interception, management and prevention of fraud;

- implementation of a fraud prevention specific training program, in order to foster culture and awareness of risks;
- process for the measurement and management of reputational risks;
- implementation of the mechanism for control and monitoring on outsourced essential services (FOIE/ PSEE), specifically with a new regulatory structure and a general review on existing contracts;
- implementation of the mechanism for control and monitoring on:
  - security, both physical and IT;
  - Continuity of Operations (COP).

Transfer of Risk

Based on specific assessments, the Group transfers operational risk through the following dedicated initiatives:
- activation of insurance policies to offset the impact of unexpected losses;
- implementation of a structure that has the objective, among others, of assessing and managing insurance covers;
- coordination with CA S.A., aimed at ensuring full consistency between the transfer strategy and the Group objectives.

Other activities implemented

Proactive involvement in the most important corporate projects, especially those with high organizational impact, in order to contribute, from the earliest phases, to consistent and complete preparation of the mechanisms for the management of the risks that are inherent in each project.

Implementation of initiatives aimed at compliance with the new Supervisory regulation on the Internal Controls System (ICS) (15th update (of Bank of Italy's Circular No. 263/2006);

Risk management coordination and shared solutions

This is the specific task of the Group Operational Risks Committee, composed of the main Corporate Departments, which is responsible for:
- Approving guidelines and action plans on operational risks (other than Compliance).
- Reporting on LDC (Loss Data Collection).
- Monitoring control activities and outcomes, as well as:
  - periodically validating operational risk mapping;
  - periodically validating the identification of risk scenarios being measured during the Scenario Analysis Process.
- governing continuity of operations for the Cariparma Crédit Agricole Group. The relevant responsibilities include:
  - assessing the situation based on the periodic reporting made by Person in Charge of the Continuity of Operations (Italian acronym: RPCO);
  - validating the scope of critical processes to be submitted to Continuity of Operations measures and relating particularly significant changes;
  - validating the strategies for Continuity of Operations, in line with the applicable Supervisory Regulations;
- monitoring and, if necessary, taking action on Information Systems Security for the Cariparma Crédit Agricole Group, assessing the situation based on the periodic reporting made by the Person in Charge of IT Systems Security (Italian acronym: RSSI;
- monitoring and, if necessary, taking action on outsourced essential services (FOIE/PSEE) for the Cariparma Crédit Agricole Group;
- managing risk transfer, with specific reference to insurance coverage.

Loss data

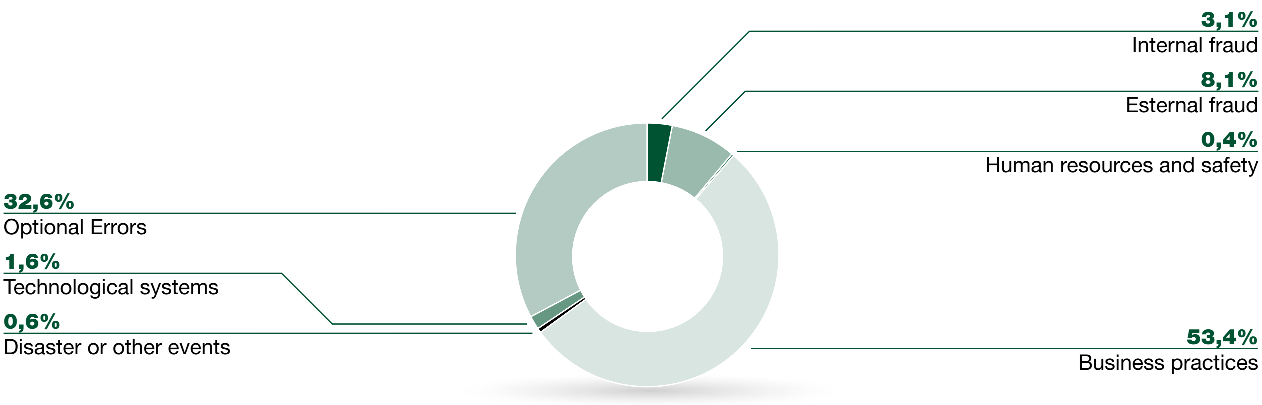
Operational losses, which the model considers as quantitative data, are collected, managed and analyzed, to different levels of granularity and detail, using an event classification scheme complying with the one set by Basel II Framework, by the Supervisory Authority and by Crédit Agricole S.A. The basic structure is as follows:

- internal frauds: events due to deliberate acts committed by at least one party internal to the Bank and causing losses to the Bank;
- external frauds: events due to deliberate acts committed exclusively by parties that cannot be defined as internal to the Bank, generally for the purpose of personal gain;
- relations with staff and workplace safety: events relating to the relations between the company and its staff or to the failure of the workplace to meet health and safety standards. These include liabilities arising from accidents to employees in company offices or vehicles;
- business practices: events linked to the supply of products and provision of services to Customers carried out in an improper or negligent manner (fiduciary requirements and adequate information on investments), as well as defects in the nature or features of products/models/contracts. These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector;
- disasters or other events: events due to natural causes or human actions, which lead to damage to company resources (tangible or intangible property, persons, etc.) and/or service interruptions or other events (including improper conduct/illegal acts by third-party companies that damage the company). The category also includes liabilities arising from political changes and retroactive changes in legislation and tax.
- technological systems and services: losses arising from the malfunctions, logical or structural defects in technological and other support systems;
- execution, delivery and management of processes: events arising from unintentional errors in the management of operational and support assets or caused by counterparties other than Customers and Suppliers/Providers

To report consolidated loss data, the Group has adopted a new IT application especially designed to facilitate the adoption of advanced methods, and has also adopted specific tools and models developed directly by Crédit Agricole S.A.

● *QUANTITATIVE DISCLOSURES*

With reference to sources of operational risk, the breakdown of net losses (gross losses net of other recoveries excluding insurance-related ones) by event type recognized in 2014 is given below based on the above classification scheme. So-called boundary losses are excluded.



IT systems security

In 2014 the Group continued to implement the activities provided for in the “Three-year Action Plan” which was defined in accordance with the measurements made by the Head of IT Systems Security, who reports on a dotted-line basis to the Risk Management and Permanent Controls Department.

Among the most important ones, the following are to be reported:

- IAM – Identity Access Management: improvement in access management, with specific focus on changes in terms of Human Resources;
  - the start-up of a Group Policy Administration specific solution, interfacing the IAM platform;
  - the completion of the project to review authorizations;
- The strengthening of fraud prevention platforms for Internet banking products;
- The installation of solution dedicated to protection against “APT – Advanced Persistent Threat” attacks;
  - The extension of the “Data Loss Prevention” project to the network folders for shared databases;
  - The release of a specific antivirus solution for virtualized environment;
- the development of specific solution regarding tracking of Banking transactions, as provided for by a measure issued by the Privacy Garante, the Italian Authority for Personal Data Protection;
- The release of the Biometric Signature to the Distribution Network.

The actions implemented in 2014 allowed strengthening of security protection for both Customers and the Bank, especially against “Cybercrime” and attacks on the Internet. Monitoring, patch management, penetration tests and the security devices implemented by the Cariparma Crédit Agricole Group allowed protection against dangerous attacks, such as “Heartbleed”, “Shell Shock” and ramsonware evolutions, such as “Cryptolocker”, which amounted to a serious threat for the entire banking system.

Actions started to consolidate the security devices consistently with the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006 and in view of integrating the evolutions in the security policies of the Parent Company Crédit Agricole, with the start-up of the CARS (“Credit Agricole Reinforcement of Security”) project.

To this end, specific topics are focused on:

- Awareness, Governance and Organization (as regards IT security);
- Event monitoring;
- Control on sensitive information;
- Strengthening of Internet security;
- Ability to quickly reconstruct data.

Finally, the Cariparma CA Group is ready for the implementations set down in the “New Security Governance Model” of Crédit Agricole s.a., which provides for the review of core roles in security governance and the strengthening of interfunctional connections, both within the various Entities and between the Group Banks.

Continuity of Operations Plan (Italian acronym: PCO);

In 2014, the Group updated and checked the Continuity of Operations Plan to take into account the changes in the general situation and in the Group’s organisational, technology and software infrastructure, through:

- implementation of the actions to comply with the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006;
- carrying out regular of testing and certification sessions, all with favourable results, concerning the solutions for the restoration of IT Systems (both mainframe and departmental environment, networks and TLC, Security Control-room) and the critical processes in the continuity of operation perimeter;
- consolidating the CA s.a. method for “Business Continuity Management”, also by strengthening the control mechanisms for the management of special scenarios of “massive non-availability of servers or workstations (PdL)” and of “logic destruction of a critical information system”;
- implementing specific activities, especially the analysis and assessment of of the adequacy of the COP on FOIE (continuity of operation of providers of Outsourced Essential Services);

- updating the impact analysis (the so-called BIA, “Business impact analysis”);
- updating the Emergency Operational Plans designed to find back-up solutions to be triggered in case of a crisis;
- implementing the Crisis Management Organizational Model (Italian acronym MOGC) on an actual instance of accident on the telematic networks;
- enabling the Disaster Recovery solutions during extraordinary implementation and maintenance on the mainframe Information Systems.

Evidence of the reliability of the continuity of operations plan is that it could limit damage and stoppage in operations during the floods that hit the Liguria, Piedmont, Tuscany and Emilia-Romagna Regions.

In 2014, specific “Interfunctional Work Groups on the Continuity of Operations Plan” were set up, with the objective of analyzing and managing the critical situations that actually occurred, as well as of ensuring alignment of ll corporate departments involved in continuity of operations topics.

FOIE – Outsourced Essential Services (called by CAsa PSEE – Provisions of Outsourced Essential Services)

In 2014, organizational and regulatory control was enhanced with regard to the most important portions of the purchasing cycle management on Outsourced Services that are defined as “essential”, pursuant to the supervisory regulations (specifically, the15th update to the Bank of Italy Circular No. 263/2006). The Risk Management and Permanent Controls Department, through the specific Control Unit, which operated in the perimeter of the Operational Risk Management and Permanent Controls Area and has the FOIE/PSEE within its monitoring target, is the owner (the so-called process ownership) of the process for the governance of FOI outsourcing and the relevant responsibility and accountability.

The most important actions concerned:
- the Group “Outsourcing Policy”, which:
  - in addition to implementing the Supervisory guidelines, implements the process system for the FOI taking account also of the actual experience;
  - arranges for the definition of specific guidelines on the outsourcing of Information Systems;
  - arranges for the definition of specific guidelines on the outsourcing of cash handling;
  - defines the procedures in case of intra-group outsourcing;
  - sets general criteria for the outsourcing of “non-essential” services.
- implements general monitoring actions and actions to increase the awareness of the Departments that are the owners of outsourced services, through:
  - a specific Tableau de bord aimed, depending on the respective responsibilities, at acquiring all information and updates required to control compliance of all relationships (in terms of agreements and execution) with the regulatory guidelines, both Supervisory and corporate ones;
  - the updating of the permanent controls plan;
  - support to the corporate departments in outsourcing management;
  - the carrying out of specific activities, in cooperation with the corporate departments concerned, for direct monitoring of FOIE-related operational risks.

The following are also focused on:
- updating of the official list of FOIE/PSEE;
- adequacy of periodic reporting to the Bank’s Top Officers;
- support for the definition and updating of the mapping of the Group operational risks associated to outsourced processes;
- support for the implementation and operation of the Controls System;
- support for the definition and updating of the Action Plan for the mitigation of operational risks and the monitoring of its implementation status;
- monitoring of the outcomes of the campaign for the assessment of the adequacy of the Continuity of Operations Plans (Italian acronym PCO).

In 2014, the activities of the FOIE/PSEE specific Interfunctional Work Groups continued, mainly aiming at:

- verifying that the requirements to be deemed essential are met or continue to be met for newly-outsourced or already outsourced services, respectively;
- analyzing and managing the critical situations that actually occurred;
- carrying out and/or sharing the main activities for the review of the system between the Corporate Departments.

Activities of the Validation Unit

In 2014, the Validation Unit certified overall adequacy of the systems for credit risk measurement and management. Overall, the verifications carried out did not detect the need for action on blocking events and the most significant issues were removed or were being fully upgraded. The performances of the models subject to validation were analyzed and it was found that they needed to be re-tuned; this action has been regularly implemented since November 2014. Positive aspects were found also in the controls system, which, even though continuously evolving, ensures that the ratings assigned to the individual counterparties are based on verified and double-checked by the relevant Departments.

Validation activities also covered the verifications that the risk measurement system is a focus point within the corporate strategy and management. On this, it is reported that the Group started to implement a virtuous practice that is ensuring increasing use, both centrally and peripherally, of the overall set of tools for credit risk management.

As regards operational risks, the Validation Unit monitored the actions required and verified proper operation of the core processes of collection of operating loss data and feeding of the system for the calculation of the capital requirement for operational risks, based on scenarios that have been set and validated by the relevant corporate Departments on different scopes.

Similar activities were carried out also on the main second-pillar risks, with particular reference to concentration risk and strategic risk; the analysis did not show elements requiring actions to be taken. The validation activities also focused on the internal models that were set for the stress tests and estimate of positions and bad debts recovery times.

The regular performance of the assigned tasks was certified also to the Supervisory Authority by sending, in September 2014, the annual Report on positioning in terms of organizational and quantitative requirements for the adoption of IRB methods for the Retail segment.

For 2015, the start-up/completion have been scheduled of specific validation actions on:

- the Controls System and Information Systems;
- Validation assessment on the Corporate segment. In order to start a process for Corporate validation, the Validation Unit will carry out an analysis of the present organizational processes, control and operational systems that have been implemented to ensure the adequacy of the rating system for the regulatory corporate segment;
- management of the validation of the Retail models for Carispezia. The activities for the preparation of the validation document required to be authorized to extent the Retail IRB perimeter to Carispezia will be carried out by analyzing data and processed, as well as by specific inspections at the subsidiary to verify the practical application of the methods released;
- review of the Validation Policy. The new policy will provide for the assignment to the Validation Unit also of the management of the Model Risk;
- new assessment of the operational risk management system aimed at preparing a new document supporting possible application for AMA validation; however, the analyses on the core processes of Loss Data Collection and scenario analysis management will be repeated. In terms of governance, the overall system for operational risk management will be assessed and the usual documents will be produced on compliance with the quantitative and organizational requirements.

PART F – INFORMATION ON CONSOLIDATED EQUITY

Section 1 – Consolidated equity

A. QUALITATIVE DISCLOSURES

The capital management policy of the Cariparma Credit Agricole Group is aimed at maintaining the level of resources needed at any time to cope with the risks undertaken.

B. QUANTITATIVE DISCLOSURES

B.1 Consolidated shareholders' equity: Breakdown by type of enterprise

The breakdown of consolidated equity as at 31 December 2014 is given below:

Equity items	Banking Group	Insurance undertakings	Other companies	Elisions and adjustments from consolidation	Total
Share capital	1,207,731	-	122	-269,614	938,239
Share premium reserve	3,254,580	-	-	-416,205	2,838,375
Reserves	926,265	-	-85	62,146	988,326
Equity instruments	-	-	-	-	-
(Treasury Shares)	-	-	-	-	-
Valuation reserves:	56,650	-	-	-11,090	45,560
- Available-for-sale financial assets	90,905	-	-	-11,090	79,815
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-		-	-	-
- Hedging of foreign investments	-	-	-	-	-
- Cash flow hedges	-	-	-	-	-
- Exchange Rate differences	-	-	-	-	-
- Discontinuing operations	-	-	-	-	-
- Actuarial gains (losses) pertaining to defined-benefit pension plans	-34,255	-	-	-	-34,255
- Portions of valuation reserves pertaining to subsidiaries accounted for with equity method	-	-	-	-	-
- Special revaluation laws	-	-	-	-	-
Profit (loss) for the period (+/-) - attributable to Parent and minority Shareholders	189,888	-	-21	-20,785	169,082
Equity	**5,635,114**	**-**	**16**	**-655,548**	**4,979,582**

B.2 Valuation reserves for available-for-sale financial assets: composition

Assets/Amounts	Banking Group		Insurance undertakings		Other companies		Elisions and adjustments from consolidation		31.12.2014	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	103,441	-17,003	-	-	-	-	-40	-	103,401	-17,003
2. Equity securities	5,745	-1,278	-	-	-	-	-11,134	84	-5,389	-1,194
3. Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-
Total	**109,186**	**-18,281**	**-**	**-**	**-**	**-**	**-11,174**	**84**	**98,012**	**-18,197**
Total (31.12.2013)	**63,334**	**-72,499**	**-**	**-**	**-**	**-**	**-11,174**	**84**	**63,334**	**-72,414**

B.2 Valuation reserves for available-for-sale financial assets: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1.Opening balance	**-22,182**	**1,927**	**-**	**-**
2. Increases	**121,841**	**579**	**-**	**-**
2.1 Fair value gains	118,883	274	-	-
2.2 Reversal to Income Statement of negative reserves:	2,958	305	-	-
- for impairment	-	302	-	-
- for realization	2,958	3	-	-
2.3. Other changes	-	-	-	-
3. Decreases	**13,261**	**9,089**	**-**	**-**
3.1 Fair value losses	3,491	6,636	-	-
3.2 Impairment losses	-	8	-	-
3.3 Reversal to Income Statement of positive reserves: from realization	9,770	2,445	-	-
3.4. Other changes	-	-	-	-
4.Closing Balance	**86,398**	**-6,583**	**-**	**-**

● *Section 2 – Own Funds and supervisory requirements for banks*

2.1 SCOPE OF APPLICATION OF THE LEGISLATION

Own Funds, minimum capital requirements and the consequent capital ratios were determined on the basis of the provisions of Bank of Italy Circular No. 285 of 17 December 2013 (as updated) “Supervisory provisions for Banks” and Circular No. 286 of 17December 2013 (as updated) “Instructions for the preparation of reports on Regulatory Capital and capital ratios for banks and securities intermediation firms”.

As at 31 December 2014, the consolidation scope that is relevant for prudential supervision included the Parent Company Cassa di Risparmio di Parma e Piacenza S.p.A., Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia S.p.A., the companies Crédit Agricole Leasing S.r.l. and Cariparma OBG S.r.l..

2.2 BANK OWN FUNDS

A. QUALITATIVE DISCLOSURES

1. Common Equity Tier 1 Capital (CET1)

As at 31 December 2014, the Common Equity Tier 1 capital of the Cariparma Crédit Agricole Group consisted of high quality components (share capital, reserves, minority interests) appropriately adjusted for goodwill, other intangible assets, 20% of Excess of expected losses vs. value adjustments (the so-called shortfall referring to the advanced approach), excess of elements to be deducted from the Additional Tier 1 capital vs. the Additional Tier 1.

In January 2014, the Cariparma Crédit Agricole exercised the option - giving the relevant communication to the Bank of Italy – not to include, in any element of its own funds, unrealized profit and/or losses from exposures to State bodies classified as AFS (Bank of Italy, Supervisory Bulletin No. 12, December 2013).

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value	Portion that can be included in CET1
Subordinated loan	29 Jun. 2011	31 Dec. 2100	perpetual with call from 28 June 2016	3-M Euribor + 729 bp	Euro	120,000	120,049	96,000

2. Additional Tier 1 Capital (AT1)

The Additional Tier 1 capital includes the Lower Tier 1 amounting to Euro 120 million issued by Cariparma in 2011 (admitted to the grandfathering, contributing to the Additional Tier 1 Capital in 2014 only for the 80% of its value), minority interests, among its positive elements and, among the negative ones, mainly 40% of the shortfall. As at 31 December 2014, the negative elements of the Additional Tier 1 Capital exceed the positive elements of the same capital component and, therefore, the excess portion was deducted from the Common Equity Tier 1 (which is the reason why Tier 1 Capital was equal to the Common Equity Tier 1).

3. Tier 2 capital (T2)

As at 31 December 2004, the Tier 2 capital includes, among its positive elements, the subordinated deposits issued by Cariparma and subscribed by Crédit Agricole, the Lower Tier 2 issued by Cariparma in 2009 and subscribed by Customers (they contribute to Tier 2 capital for the amount remaining after amortization for prudential purposes), minority interests, the excess of value adjustments vs. expected losses, and, among its negative elements, 40% of he shortfall.

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value	Portion that can be included in Tier 2
Subordinated deposit	17,12,2008	17,12,2018	5 units from 17 Dec. 2013	3-M Euribor + 334 bp	Euro	250,000	200,266	200,000
Subordinated deposit	30,03,2011	30,03,2021	5 units from 30 Mar. 2017	3-M Euribor + 220 bp	Euro	400,000	400,025	400,000
Subordinated loan	30,06,2009	30,06,2016	50% as at 30 June 2015 50% as at 30 June 2016	Up to 30 June 2012 5%; afterwards 50% 6-M Euribor + 100 b.p.	Euro	77,250	76,712	30,900
Subordinated loan	30,06,2009	30,06,2016	50% as at 30 June 2015 50% as at 30 June 2016	5% fixed	Euro	222,750	225,861	89,100

It is also pointed out that the Tier 2 Capital, among the instruments issued by subsidiaries and included in the Tier 2, reports the relevant portion of the subordinated loan issued by the subsidiary Carispezia on 14 December 2007 and subject to transitional provisions. Such loan was issued for a nominal value of Euro 30 million, with maturity 14 December 2017, interest rate equal to 3M Euribor + 30b.p. and is to be repaid in 5 instalments starting from 14 December 2013.

B. QUANTITATIVE DISCLOSURES

Categories/amounts	31.12.2014	31.12.2013
OWN FUNDS		
A. Common Equity Tier 1 - CET1 prior to the application of prudential filters	**4,779,932**	**n,a,**
of which CET 1 instruments subject to transitional regulations	-	n,a,
B. CET1(+/-) prudential filters	-7,004	n,a,
C. CET1 including deductible elements and the effects of the transitional regulations (A+/-B)	**4,772,928**	**n,a,**
D. Elements to be deducted from CET1	**-2,523,624**	**n,a,**
E. Transitional regulation - Impact on CET1 (+/-), including minority interests subject to transitional regulation	**388,715**	**n,a,**
F. Total Common Tier 1 - CET1 (C-D+/-E)	**2,638,019**	**n,a,**
G. Additional Tier 1 - AT1 including deductible elements and the effects of the transitional regulations	**112,823**	**n,a,**
of which AT1 instruments subject to transitional regulations	96,000	n,a,
H. Elements to be deducted from AT1	**-**	**n,a,**
I. Transitional regulation - Impact on AT1 (+/-), including instruments issued by subsidiaries/ associates and included in AT1 under transitional regulation	**-243,392**	**n,a,**
L. Total Additional Tier 1 - AT1 (G-H+/-I)	**-**	**n,a,**
M. Tier 2 - T2 including deductible elements and the effects of the transitional regulations	**774,451**	**n,a,**
of which T2 instruments subject to transitional regulations	-230,536	n,a,
N. Elements to be deducted from T2	**-**	**n,a,**
O. Transitional regulation - Impact on T2 (+/-), including instruments issued by subsidiaries/ associates and included in T2 under transitional regulation	**-230,534**	**n,a,**
P. Total Tier 2 -T2 (M-N+/-O)	**543,917**	**n,a,**
Q. Total own funds (F+L+P)	**3,181,936**	**n,a,**

On 1 January 2014, the new regulation for banks and investment firms (Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013; Circular No. 285 of the Bank of Italy) entered into force and structurally changed the method to calculated Own Funds, making any comparison with 2013 non-significant.

2.3 CAPITAL ADEQUACY

A. QUALITATIVE DISCLOSURES

Compliance with minimum mandatory capital requirements is verified by calculating the ratio of Own Funds, as calculated above, to total risk-weighted assets calculated in accordance with the provisions of Bank of Italy Circular No. 285 of 17 December 2013 (as updated) “Supervisory Provisions for Banks” and Circular No. 286 of 17 December 2013 (as updated) “Instructions for the preparation of reports on Regulatory Capital and capital ratios for banks and securities intermediation firms”.

This ratio shows a Total Capital ratio value that complies, as at 31 December 2014, with the threshold set down by the Supervisory regulations. This performance is also the result of a corporate policy that favours, wherever possible, the distribution of earnings to shareholders, also to reward the key role of minority shareholders in maintaining a strong bond with the communities the Group operates in, always in full compliance with he regulatory limits and with the Recommendations issued by the Regulator.

B. QUANTITATIVE DISCLOSURES

Categories/amounts	Non-weighted amounts		Non-weighted amounts/requirements	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
A. RISK ASSETS				
A.1 CREDIT AND COUNTERPARTY RISKS	**53,653,830**	**n.a**	**20,872,591**	**n.a**
1. Standardized Approach	34,725,009	n.a	17,214,648	n.a
2. IRB approach	18,928,821	n.a	3,657,943	n.a
2.1 Foundation	-	n.a		n.a
2.2 Advanced	18,928,821	n.a	3,657,943	n.a
3. Securitizations	-	n.a	-	n.a
B. SUPERVISORY CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risks			1,669,807	n.a
B.2 Risk of value adjustments of loans			6,811	n.a
B.3 Regulatory risk				
B.4 MARKET RISKS			**2,163**	**n.a**
1. Standardized Approach			2,163	n.a
2. Internal models			-	n.a
3. Concentration risk			-	n.a
B.5 OPERATIONAL RISK			**208,305**	**n.a**
1. Basic indicator approach			3,594	n.a
2. Standardized approach			204,711	n.a
3. Advanced approach			-	n.a
B.6 Other measurement elements			**-**	**n.a**
B.7. Total prudential requirements			**1,887,086**	**n.a**
C. EXPOSURES AND CAPITAL ADEQUACY RATIOS				
C.1 Risk-weighted assets			23,588,581	n.a
C.2 Common Equity Tier 1/Risk-weighted assets (CET1 capital ratio)			11.2%	n.a
C.3 Tier 1/Risk-weighted assets (Tier 1 capital ratio)			11.2%	n.a
C.4 Total own funds/Risk-weighted assets (Total capital ratio)			13.5%	n.a

On 1 January 2014, the new regulation for banks and investment firms (Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013; Circular No. 285 of the Bank of Italy) entered into force and generated significant impacts on the method to calculated Risk-weighted Assets, making any comparison with 2013 non-significant.

PART G – BUSINESS COMBINATIONS

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

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

The subsequent higher geographical effectiveness, resulting from better knowledge of the area of operations, is the basis for higher development, growth and enhancement of Carispezia in the Liguria Region.

PART H – TRANSACTIONS WITH RELATED PARTIES

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

This regulation came into force on 31 December 2012 and, consequently, the first supervisory reporting was made on 31 March 2013, as required by the Supervisory Authority.

The Cariparma Crédit Agricole Group had already adopted a Regulation on transactions with related parties implementing the original CONSOB regulation of 2010; on 11 December 2012, in accordance with the regulation issued by the Bank of Italy, Cariparma approved the Document “Regulation for Risk Assets and Conflicts of Interests with Parties 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 above Regulations was updated.

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

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

Related parties

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 steering functions, also based on any agreement whatsoever or clauses of the Articles of Association dealing with or providing for the exercise of the above rights and powers;
d) a company or an enterprise, also set up in a legal form other than that of a company, on which a Group company can exercise control or a significant influence;
e) the core staff, who, within Cariparma as at today’s date, consists of the following:
    - CFO;
    - the Executive at the head of the Lending Governance Department;
    - the Executive at the head of the Organization and Systems Department;
    - the Executive at the head of the Compliance Department;
    - the Executive at the head of the Audit Department;
    - the Executive at the head of the Risks and Permanent Controls Department.

Connected Persons

Persons connected to a related party are defined as follows:

- companies or enterprises, also set up in a legal form other than that of a company, which are controlled by a related party;

- the persons or entities controlling a related party as set forth in points b and c of the relevant definition, or the persons or entities that are directly or indirectly subject to joint control with the same related party;
- lose family members of a related party or the companies or enterprises controlled by the same.

Associated Persons

Associated persons of the Cariparma Crédit Agricole Banking Group are defined as the set consisting of a related party and of all the persons connected to the same. For application at individual level, the single Banks belonging to the Group refer to the same perimeter of associated persons as determined by the Parent Company Cariparma, without prejudice to any sector-specific regulations applying to the single Companies.

1. Information on remuneration of senior managers with strategic responsibilities

In the light of the above-mentioned Regulation managers with strategic responsibilities include persons having direct and indirect power and responsibility over the planning, management and control of the Group's operations, including Directors, both executive and non-executive, and the members of control bodies.

The remuneration of Directors and Auditors is established with specific resolutions passed by the Shareholders' General Meeting.

	31.12.2014
Short-term employee benefits	14,298
Benefits subsequent to severance from employment	264
Other long-term benefits	-
Employees' severance benefits	-
Share-based payments (Stock options)	-

2. Information on transactions with related parties

Transactions with related parties are the transfer of resources, services or bonds between the Company (or companies directly and/or indirectly controlled) and one or more of the related parties, independently of whether payment was agreed or not. Transactions carried out with related parties have followed the specific procedures provided for by the above Regulation. During the year, no atypical or unusual transactions were carried out whose size or features might have jeopardized or affected the protection of corporate assets and the interests of 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	-	-	-	2,596,110	-	3,169,488	7,866
Entity exercising significant influence on Company	-	-	-	-	660	-	-
Associates	-	-	11,441	-	28,067	-	79
Directors and Managers with strategic responsibilities	-	-	1,888	-	4,705	-	-
Other related parties	20,280	48,982	3,927,125	11,314	820,734	702,558	38,483
Total	**20,280**	**48,982**	**3,940,454**	**2,607,424**	**854,166**	**3,872,046**	**46,429**

PART I – SHARE-BASED PAYMENTS

QUALITATIVE DISCLOSURES

The Group has no agreements in place for payments based on its shares.

The plan for the free allocation of shares by the Parent Company Crédit Agricole S.A., to all Employees of the Crédit Agricole S.A. Group was completed in November 2013 with the assignation of shares to the Employees. These shares will be tied for three years, at the end of which time each employee may freely dispose of them.

From 2011 to 2013 higher expenses equal to the fair value of the shares assigned to the Group Employees were recognized, calculated as at the date of approval of the plan and recognizing, as offsetting item, an identical increase in equity.

QUANTITATIVE DISCLOSURES

The specific reserve came to Euro 2,980 thousand (as recognized from 2011 to 2013).

PART L – SEGMENT REPORTING

Operations and income by business segment

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

Segment reporting was prepared using the multiple ITR (internal transfer rate) method, integrating the cost of liquidity in compliance with the Bank of Italy's provisions.

The Cariparma Crédit Agricole Group operates through an organization structure that includes: Retail and Private Banking channels for individual consumers, households and small businesses; the Corporate Banking channel designed for large-size 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 1,608 million, increasing by +3.9% YOY, mainly due to the net commission income component that performed well in the Wealth Management segment. Higher commission income offset the decrease in net interest income. The latter aggregate was affected by the review of the modeling for demand deposits and of the relevant coverage, which was carried out in 2013. The contribution of the Corporate Banking channel on total revenues came to Euro 298 million, posting a significant increase vs. 2013 of +26%; this performance was driven by the increase in loans to the product companies of the Crédit Agricole Group and by a decrease in the cost of funding. The performance of the "Other" channel was impacted by the revaluation of the Bank of Italy shares held, which was carried out in the year.

As regards expenses, the Retail and Private Banking channels posted a +4.6% increase, due to both higher cost of risk and to higher operating expenses, which were impacted by the projects that were implemented for the development of the service model. The Corporate Banking Channel also posted a +3.2% increase, which was mainly due to the impairment adjustments of loans and to provisioning for risks. The expenses pertaining to the "Other" channel were in line with the previous year, net of the non-recurring effects reported in the period.

Assets by segment (point volumes) mainly consisted of loans to Customers, property, plant and equipment and intangible assets that can be directly allocated to the operating segments. As at 31 December 2014, the assets of the Retail and Private Banking channels came to Euro 25.4 billion, increasing vs. 31 December 2013, driven by a considerable increase in volumes in new medium-/long-term loans The Corporate Banking channel increased by +4.3% vs. 2013, coming to Euro 14.4 billion and, thus, substantiating the increase in loans to the product companies of the Crédit Agricole Group.

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 31.4 billion worth of funding, down by -1.7% vs. 31 December 2013; conversely, the Corporate Banking channel achieved Euro 4.2 million worth of funding, with an increase of Euro 214 million vs. 31 December 2013.

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

SEGMENT REPORTING AS AT 31 DECEMBER 2014

	Retail and Private Banking	Mid-corporate and Large-corporate	Other	Total
External operating income:				
Net interest income	759,501	209,086	-27,015	941,572
Net commission income	564,579	84,126	639	649,344
Net gain (loss) on trading activities	4,970	3,126	-7,875	221
Dividends	-	-	8,400	8,400
Other net operating revenues (item 90,100,190)	278,812	1,300	25,051	305,163
Total operating revenues	**1,607,862**	**297,638**	**-800**	**1,904,700**
Net impairment adjustments of loans	-177,866	-213,283	139	-391,010
Impairment adjustments of AFS financial assets and other financial transactions	-	-	550	550
staff and administrative expenses and depreciation/ amortization	-967,669	-66,913	-167,727	-1,202,309
Accruals to provisions for risks	-9,411	-6,942	-3,165	-19,518
Total costs	**-1,154,946**	**-287,138**	**-170,203**	**-1,612,287**
Gain (loss) on equity investments	-	-	210	210
Value adjustments of goodwill	-	-	-	-
Gains on disposal of investments	-	-	-4	-4
Profit (loss)	**-**	**-**	**-**	**-**
Profit (loss) by segment	**452,916**	**10,500**	**-170,797**	**292,619**
Unallocated operating expenses	-	-	-	-
Operating profit	-	-	-	-
Share of profit of associates attributable to the Group	-	-	-	-
Profit before tax	**452,916**	**10,500**	**-170,797**	**292,619**
Taxes	-179,983	-4,592	61,039	-123,536
Profit for the period	**272,933**	**5,908**	**-109,758**	**169,083**
Assets and liabilities				**-**
Assets by segment (customers + intangible)	25,370,874	14,372,269	340,571	40,083,714
Equity investments in associates	-	-	18,909	18,909
Unallocated assets	-	-	12,100,885	12,100,885
Total Assets	**25,370,874**	**14,372,269**	**12,460,365**	**52,203,508**
Liabilities by segment	31,397,777	4,242,204	511,887	36,151,868
Unallocated liabilities	-	-	11,282,748	11,282,748
Total liabilities	**31,397,777**	**4,242,204**	**11,794,635**	**47,434,616**

SEGMENT REPORTING AS AT 31 DECEMBER 2013

	Retail and Private Banking	Mid-corporate and Large-corporate	Other	Total
External operating income:				
Net interest income	783,424	141,546	-16,383	908,587
Net commission income	501,147	86,514	78	587,739
Net gain (loss) on trading activities	8,486	3,823	561	12,870
Dividends			1,694	1,694
Other net operating revenues	254,767	4,390	139,034	398,191
Total operating revenues	**1,547,824**	**236,273**	**124,984**	**1,909,081**
Net impairment adjustments of loans	-151,938	-204,011	-124,268	-480,217
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-10,139	-10,139
staff and administrative expenses and depreciation/ amortization	-953,836	-71,303	-168,321	-1,193,460
Accruals to provisions for risks	1,997	-2,971	-26,691	-27,665
Total costs	**-1,103,777**	**-278,285**	**-329,419**	**-1,711,481**
Gain (loss) on equity investments	-	-	-1,170	-1,170
Value adjustments of goodwill	-	-	-	-
Gains on disposal of investments	-	-	232	232
Profit (loss) by segment	**444,047**	**-42,012**	**-205,373**	**196,662**
Unallocated operating expenses	-	-	-	-
Operating profit	-	-	-	-
Share of profit of associates attributable to the Group	-	-	-	-
Profit before tax	**444,047**	**-42,012**	**-205,373**	**196,662**
Taxes	-197,880	19,173	139,213	-39,494
Profit for the period	**246,167**	**-22,839**	**-66,160**	**157,168**
Assets and liabilities				
Assets by segment (customers + intangible)	25,183,228	13,781,475	337,296	39,301,999
Equity investments in associates	-	-	19,264	19,264
Unallocated assets	-	-	10,841,454	10,841,454
Total Assets	**25,183,228**	**13,781,475**	**11,198,014**	**50,162,717**
Liabilities by segment	31,947,639	4,028,619	617,445	36,593,703
Unallocated liabilities	-	-	8,970,226	8,970,226
Total liabilities	**31,947,639**	**4,028,619**	**9,587,671**	**45,563,929**

DISCLOSURE OF THE FEES FOR THE AUDIT OF THE ACCOUNTS AND OTHER SERVICES PURSUANT TO THE ITALIAN CIVIL CODE AT ARTICLE 2427, PARAGRAPH 16-*BIS*)

FEES FOR:	31.12.2014
statutory audit of annual accounts	852
other auditing services	90
Services other than audit of the accounts	303
Total	**1,245**

COUNTRY-BY-COUNTRY REPORTING

Country where the Company is headquartered: ITALY

a) Name of the companies headquartered and nature of their business

Name of the Company	Nature of its business
Cassa di Risparmio di Parma & Piacenza S.p.A.	a joint-stock company operating in the sector of retail banking services, commercial banking services and retail intermediation services
Banca Popolare FriulAdria S.p.A.	a joint-stock company operating in the sector of retail banking services, commercial banking services and retail intermediation services
Cassa di Risparmio della Spezia S.p.A.	a joint-stock company operating in the sector of retail banking services, commercial banking services and retail intermediation services
Crédit Agricole Leasing Italia S.r.l.	a private limited liability company operating in the placement and management of lease products
Mondo Mutui Cariparma S.r.l.	a private limited liability company that was incorporated pursuant to the Italian Law on Securitization Transactions and Issue of Covered Bonds; it is currently being used for two securitization transactions
Cariparma OBG S.r.l.	a private limited liability company that was incorporated pursuant to the Italian Law on Securitization Transactions and Issue of Covered Bonds; it is currently being used for a Covered Bond programme
Sliders S.r.l.	a private limited liability company whose corporate purpose comprises the purchase, exchange/swap, sale and lease of property; the acquisition of equity investments to be held as non-current assets

b) Revenue

Item (thousands of Euro)	31 December 2014
Net Banking Income (*)	1,623,095

c) Number of employees

Item	31 December 2014
Number of employees expressed as full-time equivalents	7,520
Number of employees (*)	8,424

d) Profit or loss before tax

Item (thousands of Euro)	31 December 2014
Net profit before tax on continuing operations (*)	292,618

e) Taxes on profits or losses

Item (thousands of Euro)	31 December 2014
Income tax for the period on continuing operations (*)	-123,536

f) Public grants received

Item (thousands of Euro)	31 December 2014
Public grants	0

(*) Data source: 2014 Annual Report and Financial Statements of the Cariparma Crédit Agricole Group

Annual Report and Financial Statements of Cariparma

Financial highlights and ratios

Income Statement data (°) (thousands of Euro)	31.12.2014	31.12.2013 (*)	Changes	
			Absolute	%
Net interest income	728,461	700,368	28,093	4.0
Net commission income	510,929	475,583	35,346	7.4
Dividends	36,878	24,559	12,319	50.2
Gain (loss) on financial activities	14,108	130,196	-116,088	-89.2
Other operating revenues (expenses)	-3,047	-13,576	-10,529	-77.6
Net operating revenues	1,287,329	1,317,130	-29,801	-2.3
Operating expenses	-680,574	-707,579	-27,005	-3.8
Operating margin	606,755	609,551	-2,796	-0.5
Provisions for contingencies and liabilities	-7,085	-38,284	-31,199	-81.5
Net impairment adjustments of loans	-343,187	-421,631	-78,444	-18.6
Net profit for the period	138,050	126,236	11,814	9.4

Balance Sheet data (°) (thousands of Euro)	31.12.2014	31.12.2013	Changes	
			Absolute	%
Loans to Customers	28,302,918	27,965,449	337,469	1.2
Financial assets available for sale	4,824,310	3,995,029	829,281	20.8
Equity investments	1,287,509	1,262,969	24,540	1.9
Property, plant and equipment and intangible assets	1,462,176	1,462,539	-363	-
Total net assets	38,124,397	36,910,941	1,213,456	3.3
Funding from Customers	28,323,400	28,409,009	-85,609	-0.3
Indirect funding from Customers	48,207,029	43,240,663	4,966,366	11.5
of which: asset management	16,755,617	14,486,733	2,268,884	15.7
Net due to banks	2,952,792	2,167,758	785,034	36.2
Net Financial Assets/Liabilities held for trading	9,472	2,106	7,366	-
Equity	4,634,714	4,486,996	147,718	3.3

Operating structure	31.12.2014	31.12.2013	Changes	
			Absolute	%
Number of employees	6,095	6,365	-270	-4.2
Average number of employees (§)	5,884	6,101	-217	-3.6
Number of branches	563	592	-29	-4.9

(°) Income statement and balance sheet data are those restated in the reclassified financial statements shown on pages 267 and 276.

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

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

Structure ratios (°)	31.12.2014	31.12.2013
Loans to customers /Total net assets	74.2%	75.8%
Direct funding from Customers/Total net assets	74.3%	77.0%
Asset management/Total indirect funding from Customers	34.8%	33.5%
Loans to Customers/ Direct funding from Customers	99.9%	98.4%
Total assets/Equity	9.1	9.1

Profitability ratios (°)	31.12.2014	31.12.2013
Net interest income/Net operating revenues	56.6%	53.2%
Net commissions income/Net operating revenues	39.7%	36.1%
Cost (f)/income ratio	52.9%	53.7%
Net income/Average equity (ROE) (a)	3.0%	2.9%
Net income/Average Tangible Equity (ROTE) (a)	4.1%	3.9%
Net profit /Total assets (ROA)	0.3%	0.3%
Net profit/Risk-weighted assets (h)	0.8%	0.7%

Risk ratios (°)	31.12.2014	31.12.2013
Gross bad loans/Gross loans to Customers	5.9%	4.8%
Net bad debt/ Net loans to Customers	2.6%	2.2%
Net value adjustments of loans/ Net loans to Customers	1.2%	1.5%
Cost of risk (b)/Operating profit (loss)	57.7%	75.3%
Net bad debt/Total Capital (c)	20.0%	16.9%
Net Non-performing Loans loans/ Net loans to Customers	7.3%	5.7%
Total value adjustments of Non-performing loans/Gross Non-performing loans	39.2%	39.9%

Productivity ratios (°) (income statement)	31.12.2014	31.12.2013
Operating expenses (e)(f)/No. of Employees (average)	115.7	116.0
Operating revenues/No. of Employees (average)	218.8	215.9

Productivity ratios (°) (balance sheet)	31.12.2014	31.12.2013
Loans to customers / No of employees (average)	4,810.1	4,583.7
Direct funding from Customers/No. of Employees (average)	4,813.6	4,656.5

Capital ratios	31.12.2014	31.12.2013 (*)
Common Equity Tier 1 (d) / Risk-weighted assets (CET 1 ratio)	17.9%	n.a
Tier 1 (e) / Risk-weighted assets (Tier 1 ratio)	17.9%	n.a
Total Capital (c) /Risk-weighted assets (Total capital ratio)	21.1%	n.a
Risk-weighted assets (thousands of Euro)	17,528,332	n.a

(°) The Ratios are based on the income statement and balance sheet data of the reclassified financial statements shown on pages 267 and 276. (a) The ratio of net earnings to the equity weighted average (for ROTE net of intangibles).

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

(c) Total Capital: total regulatory own funds (as at December 2013 Total Regulatory Capital) (d) Common Equity Tier 1: Common Equity Tier 1

(e) Tier 1: Tier 1 Capital

(f) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

(g) The same ratios as at 31 December 2013, although not comparable, were 16.9%, 17.6% and 21.0%, respectively. (h) Data as at 31 December 2013 – Basel II.

Management Report

OPERATING PERFORMANCE

Income Statement reclassification

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

The reclassifications concerned the following:

- the recovery of the time value component on loans has been reported under "Net Interest Income" rather than under "Net Value Adjustments of Loans", since it results directly from applying the amortized cost method when there are no changes in expected future cash flows;
- the Net gain (loss) on Trading activities, the Net gain (loss) on hedging activities and the Net gain (loss) on financial assets and liabilities measured at fair value have allocated to Net gain (loss) on Financial Activities;
- Gains and losses on the sale or repurchase of available-for-sale financial assets and financial liabilities have been reallocated to Net gain (loss) on Financial Activities;
- Expenses, taxes and levies recovered have been reported as a direct decrease in Administrative Expenses, rather than being recognized under Other operating income/expenses;
- the Expenses for the management of non-performing loans and the relevant recoveries have been reclassified as Net value adjustments of loans;
- Commission income for fast loan application processing has been taken to Commission Income rather than being recognized under Other operating income/expenses;
- Net adjustments/writebacks for impairment of available-for-sale financial assets have been reclassified under Other Operating Income/Expenses;
- net impairment adjustments of other financial transactions (net of the actions in favour of the Deposit Guarantee Schemes, which have been taken to Other operating income/expenses), mainly referring to guarantees and commitments, have been reclassified under Net value adjustments of loans.

The figures presented below are expressed in thousands of Euros.

Reclassified income statement

Cariparma closed the 2014 period with a net profit of Euro 138.1 million, increasing by Euro 11.8 million from Euro 126.2 million in 2013; this was achieved despite non-recurring taxes were recognized amounting to Euro 21.3 million, as regards the capital gain reported in 2013 and resulting from the derecognition of the Bank of Italy shares held.

Net of this effect, growth would come to Euro +33.1 million (+26.3%), driven by the good performance of income from operations and by the decrease in net value adjustments of loans.

	31.12.2014	31.12.2013 (*)	Changes	
			Absolute	%
Net interest income	728,461	700,368	28,093	4.0
Net commission income	510,929	475,583	35,346	7.4
Dividends	36,878	24,559	12,319	50.2
Gain (loss) on financial activities	14,108	130,196	-116,088	-89.2
Other operating revenues (expenses)	-3,047	-13,576	-10,529	-77.6
Net operating revenues	**1,287,329**	**1,317,130**	**-29,801**	**-2.3**
Staff expenses	-428,578	-441,949	-13,371	-3.0
Administrative expenses	-181,880	-192,235	-10,355	-5.4
Depreciation and amortization	-70,116	-73,395	-3,279	-4.5
Operating expenses	**-680,574**	**-707,579**	**-27,005**	**-3.8**
Operating margin	**606,755**	**609,551**	**-2,796**	**-0.5**
Goodwill value adjustments	-	-	-	-
Net provisions for contingencies and liabilities	-7,085	-38,284	-31,199	-81.5
Net impairment adjustments of loans	-343,187	-421,631	-78,444	-18.6
Gain (loss) from financial assets held to maturity and other investments	-22,546	-13,682	8,864	64.8
Profit before tax on continuing operations	**233,937**	**135,954**	**97,983**	**72.1**
Income tax for the period on continuing operations	-95,887	-9,718	86,169	
Gain (loss) after tax of groups of assets/liabilities under disposal before tax	-	-	-	-
Profit for the period	**138,050**	**126,236**	**11,814**	**9.4**

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

Reconciliation between the Official Income Statement and the Reclassified Income Statement

	31.12.2014	31.12.2013 (*)
Net interest income	**728,461**	**700,368**
30. Net interest income	682,010	668,843
130. Net impairment adjustments of: a) loans of which time value on non-performing loans	46,451	31,525
Net commission income	**510,929**	**475,583**
60. Net commission income	474,336	436,704
190. Other operating revenues/expenses: of which Commission income from Fast Loan Application Processing	36,593	38,879
Dividend income = item 70	**36,878**	**24,559**
Gain (loss) on financial activities	**14,108**	**130,196**
80. Net gain (loss) on trading activities	-906	9,443
90. Net gain (loss) on hedging activities	-4,131	6,036
100. Gains (losses) on disposal or repurchase of a) loans of which debt securities classified as loans	3,161	-
100. Gains (losses) on disposal or repurchase of: b) available-for-sale financial assets	21,417	112,223
100. Gain (loss) on the disposal or repurchase of: d) financial liabilities	-3,500	2,494
110. Net gain (loss) of financial assets and liabilities measured at fair value	-1,933	-
Other operating revenues (expenses)	**-3,047**	**-13,576**
190. Other operating expenses/revenues	242,309	221,936
less: recovery of expenses for the management of non-performing loans	-4,307	-3,912
less: Commission income from fast loan application processing	-36,593	-38,879
130. Net impairment adjustments of: d) other financial transactions of which adjustments/writebacks relating to FITD (Italian Interbank Deposit Protection Fund) actions	1,418	-8,055
130. Net impairment adjustments of: b) available-for-sale financial assets	-143	-1,592
Net operating revenues	1,287,329	1,317,130
Staff expenses = item 150 a)	**-428,578**	**-441,949**
Administrative expenses	**-181,880**	**-192,235**
150. Administrative expenses: b) other administrative expenses	-396,710	-382,941
190. Other operating revenues/expenses: of which recovery of expenses	205,731	183,074
150. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	9,099	7,632
Depreciation and amortization	**-70,116**	**-73,395**
170. Net adjustments/writebacks of property, plant and equipment	-19,949	-20,590
180. Net adjustments/writebacks of intangible assets	-50,167	-52,805
Operating expenses	-680,574	-707,579
Operating margin	606,755	609,551
Goodwill value adjustments = item 230	**-**	**-**
Net provisions for contingencies and liabilities = Item 160	**-7,085**	**-38,284**
Net value adjustments of loans	**-343,187**	**-421,631**
100. Gain/loss on disposal of: a) loans	3,157	-9
less: Gains (losses) on disposal or repurchase of debt securities classified as loans	-3,161	-
130. Net impairment adjustments of: a) loans	-293,640	-384,708
130. Net impairment adjustments of: a) loans of which time value on non-performing loans	-46,451	-31,525
150. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	-9,099	-7,632
190. Other operating revenues/expenses: of which recovery of expenses for the management of non-performing loans	4,307	3,912
130. Net impairment adjustments of: d) other financial transactions	3,118	-9,724
less: which adjustments/writebacks relating to FITD (Italian Interbank Deposit Protection Fund) actions	-1,418	8,055
Gain (loss) from financial assets held to maturity and other investments	**-22,546**	**-13,682**
210. Gain (loss) on equity investments	-22,546	-13,900
240. Gain (loss) on disposal of investments	-	218
Profit before tax on continuing operations	233,937	135,954
Income tax for the period on continuing operations = item 260	**-95,887**	**-9,718**
Profit for the period	**138,050**	**126,236**

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

Net operating revenues

Cariparma's net operating profit came to Euro 1,287.3 million, decreasing by Euro 29.8 million (down by -2.3%) vs. the previous year; this was entirely due to the fact that the positive non-recurring effect resulting from the derecognition of the Bank of Italy shares held (amounting to Euro 88.9 million). All the other components of this aggregated performed well, especially net interest income and net commission income.

Net interest income

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
Business with Customers	739,989	706,038	33,951	4.8
Business with banks	-9,380	4,232	-13,612	
Outstanding securities	-253,888	-291,218	-37,330	-12.8
Spreads on hedging derivatives	134,136	160,897	-26,761	-16.6
Financial assets held for trading	2,133	5	2,128	
Financial assets available for sale	115,613	120,525	-4,912	-4.1
Other net interest income	-142	-111	31	27.9
Net interest income	**728,461**	**700,368**	**28,093**	**4.0**

Net interest income came to Euro 728.5 million, increasing by Euro 28.1 million (up by +4.0%) vs the previous year.

The Customer component also increased by Euro +34 million, a performance driven by the development in lending, as well as by an effective pricing policy applied to direct funding.

Interest expenses from outstanding securities, which came to Euro -253.9 million, decreased by Euro 37.3 million vs. the previous year, mainly due to the volume downsizing in placed products, which resulted from the Customers' preference for asset management products having higher profitability.

The balance of interest on available-for-sale financial assets came to Euro 115.6 million vs. Euro 120.5 in 2013, a decrease that was essentially due to lower yields from Italian Government securities. On the other hand, the decrease in interest accrued on business with Banks was due to the increase in funding volumes, directly resulting from the increase in loans to Customers.

Dividends

Dividends from equity investments came to Euro 36.9 million, increasing by Euro 12.3 million (up by +50.2%) vs the previous year. These dividends consisted of Euro 19.5 million from Banca Popolare FriulAdria (Euro 14.5 million in 2013), of Euro 9.4 million from Cassa di Risparmio della Spezia (Euro 8.6 million in 2013), as well as Euro 7.7 million from the Bank of Italy held.

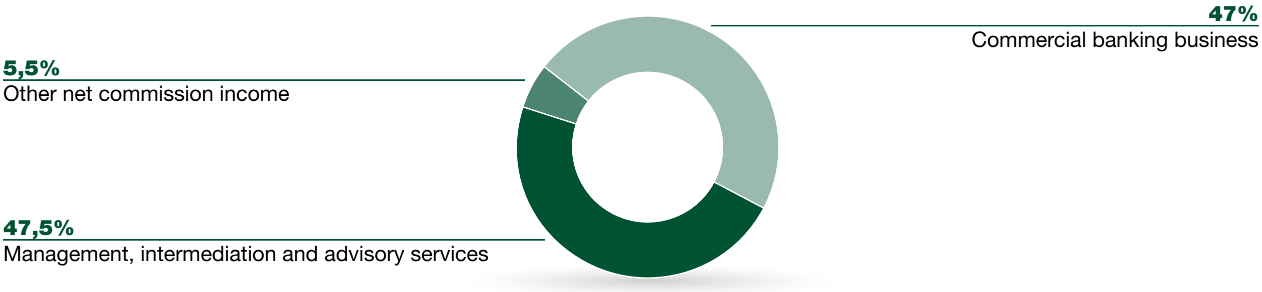
Net commission income

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
- guarantees issued	5,219	7,879	-2,660	-33.8
- collection and payment services	30,800	31,518	-718	-2.3
- current accounts	176,776	179,299	-2,523	-1.4
- debit and credit card services	27,275	29,480	-2,205	-7.5
Commercial banking business	**240,070**	**248,176**	**-8,106**	**-3.3**
- securities intermediation and placement	97,750	84,424	13,326	15.8
- intermediation in foreign currencies	2,803	2,667	136	5.1
- asset management	4,268	4,712	-444	-9.4
- distribution of insurance products	132,451	106,380	26,071	24.5
- other intermediation/management commission income	5,225	3,424	1,801	52.6
Management, intermediation and advisory services	**242,497**	**201,607**	**40,890**	**20.3**
Other net commission income	**28,362**	**25,800**	**2,562**	**9.9**
Total net commission income	**510,929**	**475,583**	**35,346**	**7.4**

Net commission income came to Euro 510.9 million, increasing by Euro 35.3 million (up by +7.4%) vs. the previous year. This increase was driven by the good performance of management, intermediation e advisory services and was achieved despite the downsizing in commission income from traditional banking business.

Specifically, the growth of commission income from management, intermediation and advisory services came to Euro 40.9 million (up by +20.3%), and was driven by a considerable increase in commission income on insurance products of Euro 26.1 million (up by +24.5%), as well as by the increase in commission from intermediation and placement of securities of Euro 13.3 million (+15.8%); both items benefited from a significant development in intermediated assets (+1.7 billion, +59.4%).

The lower income flow from the traditional banking business, down by Euro -8.1 million (-3.3%), was spread over commission income from guarantees issued, down by Euro -2.7 million (-33.8%), current accounts down by Euro -2.5 million (-1.4%) and on payment systems, down by Euro -2.2 million (-7.5%).



Profit (loss) from financial operations

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
Activities on interest rates	-7,354	10,808	-18,162	
Activities on foreign currencies	2,935	1,124	1,811	
Activities on goods	13	5	8	
Total gains (losses) on financial assets held for trading	**-4,406**	**11,937**	**-16,343**	
Total gains (losses) on hedging activities	**-4,131**	**6,036**	**-10,167**	
Gains (losses) on disposal of available-for-sale financial assets	**21,417**	**112,223**	**-90,806**	**-80.9**
Net gain (loss) of financial assets and liabilities measured at fair value	**-1,933**	**-**	**-1,933**	
Gains (Losses) on disposal of debt securities classified as loans	**3,161**	**-**	**3,161**	
Gain (loss) on financial activities	**14,108**	**130,196**	**-116,088**	**-89.2**

Profit (loss) from financial operations came to Euro 14.1 million, decreasing by Euro 116.1 million vs. the previous year, This performance was mainly due to the item "Gains on the disposal of available-for-sale financial assets", which, in 2013, had benefited from the recognition of the capital gain resulting from derecognition of the Bank of Italy shares held in the equity investment portfolio amounting to Euro 88.9 million.

Financial assets held for trading posted a Euro -4.4 million decrease (mainly dye to the activities on interest rates) as did hedging activities down by Euro -4.1 million.

Other operating income (expenses)

Other operating income (expenses) came to a balance of Euro -3.0 million, posting a significant increase vs. the negative balance for the previous year of Euro 10.5 million, thanks to the fact that considerable non-recurring negative effects reported in 2013 ceased to apply.

Operating expenses

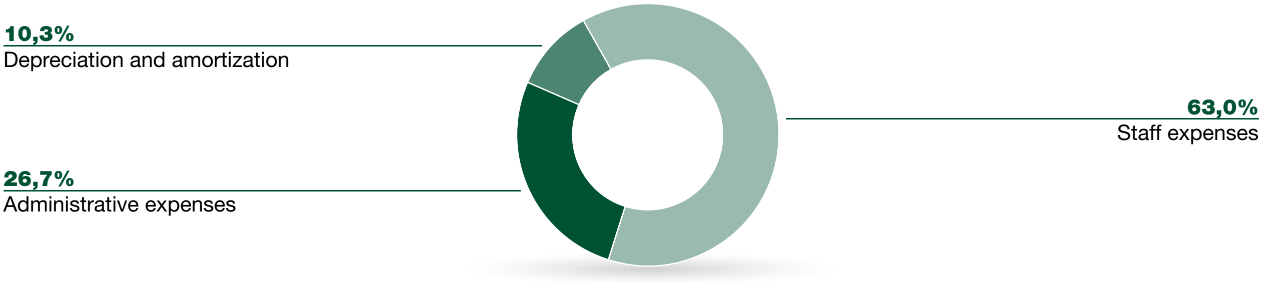
Items	31.12.2014	31.12.2013 (*)	Changes	
			Absolute	%
- wages and salaries	-305,579	-315,828	-10,249	-3.2
- social security contributions	-79,421	-82,343	-2,922	-3.5
- other staff expenses	-43,578	-43,778	-200	-0.5
Staff expenses	**-428,578**	**-441,949**	**-13,371**	**-3.0**
- general operating expenses	-74,902	-80,755	-5,853	-7.2
- IT services	-47,622	-47,372	250	0.5
- direct and indirect taxes	-81,956	-78,011	3,945	5.1
- property management	-42,978	-47,821	-4,843	-10.1
- legal and other professional services	-14,183	-12,450	1,733	13.9
- advertising and promotion expenses	-6,323	-6,620	-297	-4.5
- indirect staff expenses	-5,635	-6,543	-908	-13.9
- other expenses	-114,012	-95,737	18,275	19.1
- recovery of expenses and charges	205,731	183,074	22,657	12.4
Administrative expenses	**-181,880**	**-192,235**	**-10,355**	**-5.4**
- intangible assets	-50,167	-52,805	-2,638	-5.0
- property, plant and equipment	-19,949	-20,590	-641	-3.1
Depreciation and amortization	**-70,116**	**-73,395**	**-3,279**	**-4.5**
Operating expenses	**-680,574**	**-707,579**	**-27,005**	**-3.8**

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

Operating expenses for 2014 came to Euro 680.6 million, decreasing by Euro 27 million vs. the previous year (down by -3.8%). This item is broken down below:

- **Staff expenses** came to Euro 428.6 million, with a market decrease of Euro -13.4 million vs. the previous year (-3,0%), essentially due to the decrease in the average number of resources (-217 YOY).
- **Administrative expenses** came to Euro 181.9 million, decreasing by Euro -10.4 million (-5.4%) vs. 2013. Specifically, the expense items that posted the most considerable decreases are: General Operating Expenses (down by Euro -5.9 million) and Expenses for Property Management (down by Euro -4.8 million). The latter benefited from the rationalization of the distribution network, from the closing of 13 branches and from the renegotiation of some important lease contracts.
- The recoveries of in-service activities that the Bank carries out for other companies in the Group increased (+1.5 million), subsequent to the centralization of some functions with the Parent Company.
- On the other hand, the items “Other expenses” (up by Euro +18.3 million) and “Indirect taxes and levies” (up by +3.9 million) performed against the trend. Specifically, the “indirect taxed and levies” component was essentially affected by the changes in the revenue stamp duty applied on financial products. The deviations relating to the above components (other expenses and indirect taxes and levies) were, however, absorbed by an increase in the line for recoveries of expenses and charges.
- **Depreciation and amortization**, this item came to Euro 70.1 million, decreasing by 4.5% vs. the previous year, even though with investments at a considerable level (approximately Euro 79 million).

The cost/income ratio improved coming to 52.9% (down by -0.8%), thanks to full implementation of the cost management policies, which started in the previous years.



Operating profit

Essentially in line with the previous period, the operating profit came to Euro 606.8 million, even without the above-mentioned non recurring effect of the derecognition of the Bank of Italy shares, which was reported in 2013 (Euro 88.9 million). Net of this effect, this item would post an increase of Euro +86.1 million (up by +16.5%).

Goodwill value adjustments

In 2014, the goodwill resulting from the various business combinations carried out by the Bank since 2007 was tested for impairment.

For the Retail/Private Banking Cash Generating Unit, the test did not show any need to recognize impairment.

Provisions and other components

Net Provisions for contingencies and liabilities

Net provisions for contingencies and liabilities came to Euro -7.1 million, decreasing vs. Euro -38.3 million in 2013. The provisions mainly referred to non-lending disputes (increasing by Euro 3.2 million, +41.6% vs- 2013).

Net value adjustments of loans

Items	31.12.2014	31.12.2013 (*)	Changes	
			Absolute	%
- bad debts	-195,023	-155,151	39,872	25.7
- substandard loans	-126,210	-107,766	18,444	17.1
- restructured loans	-34,018	-33,423	595	1.8
- past-due loans	-3,941	-2,887	1,054	36.5
- performing loans	14,305	-120,735	-135,040	
Net impairment adjustments of loans	**-344,887**	**-419,962**	**-75,075**	**-17.9**
Net adjustments for guarantees and commitments	1,700	-1,669	-3,369	
Net value adjustments of loans	**-343,187**	**-421,631**	**-78,444**	**-18.6**

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

Net value adjustments of loans came to Euro 343.2 million, significantly decreasing vs. 2013 by Euro 78.4 million (down by -18.6%), taking account also of the Asset Quality Review (Individual File Review).

Gains (losses) on financial assets held to maturity and other investments

The recognized values of the equity investments held by Cariparma were tested for impairment.

This test showed a decrease in the value in use of the equity investment in Calit S.r.l., which was calculated by discounting future cash flows and is now lower than its book value: therefore, Cariparma wrote down the value of this equity investment by Euro 22.5 million.

Profit before taxes on continuing operations

Profit before tax on continuing operations came to Euro 233,9 million, increasing vs. the previous year thanks to the good performance of revenues (net of the non-recurring effects recognized in 2013), and to an effective management of operating expensed and to the decrease in the cost of risk.

Income tax for the period on continuing operations

Current and deferred taxes came to Euro 95.9 million, increasing by Euro 86.2 million vs. the previous year.

It is to be reported that both years featured non-recurring components.

Specifically, in 2013 the positive effects were reported resulting from the realignment of the value for tax purposes of goodwill comprised in the subsidiaries FriulAdria and Carispezia pursuant to Italian Law Decree 201/2011 and the remaining goodwill of the intangible assets with finite useful life acquired subsequent to the transfers from the Intesa SanPaolo Group, which led to a tax benefit of Euro 32.5 million and Euro 3.2 million, respectively. Moreover, once again in 2013, a gain was reported resulting from the new assignation of Bank of Italy shares, amounting to approximately Euro 88.9 million, against which, in compliance with the regulation then in force, a provision for taxes was recognized amounting to about Euro 10.7 million.

On the other hand, the non-recurring components accruing in 2014 were the higher tax which was finally due on the value of Bank of Italy shares subsequent to the developments in the applicable regulations, with the relevant provisioning for Euro 21.3 million.

On the other hand, excess provisions allocated in previous years were released for approximately Euro 14 million.

Net of the above non-recurring tax components, in percentage terms, the tax burden for 2014 came close to 38%, of which 12.5% for the Italian Regional Tax on Productive Activities (IRAP).

Net profit (loss) and comprehensive income

Net profit (loss)

The net profit came to Euro 138.1 million, increasing by Euro 12 million vs. 2013.

Comprehensive income

Items	31.12.2014	31.12.2013
10. Profit (loss) for the period	**138,050**	**126,236**
Other income components after tax with no reversals to Income Statement		
20. Property, plant and equipment	-	-
30. Intangible Assets	-	-
40. Actuarial gains (losses) on defined-benefit plans	-8,689	3,108
50. Non-current assets being divested	-	-
60. Share of Valuation Reserves on equity investments measured using the equity method	-	-
Other income components after tax with reversals to Income Statement		
70. Hedging of foreign investments	-	-
80. Exchange rate differences	-	-
90. Cash flow hedges	-	-
100. Financial assets available for sale	85,332	105,474
110. Non-current assets being divested	-	-
120. Share of Valuation Reserves on equity investments measured using the equity method	-	-
130. Total other income components after tax	**76,643**	**108,582**
140. Comprehensive income (Item 10+130)	**214,693**	**234,818**

Comprehensive income consists of the profit for the period and of the value changes in assets directly recognized in equity reserves. Comprehensive income for 2014 achieved a positive result coming to Euro 214.7 million, mainly thanks to the net profit, but also to the valuation reserve for available-for-sale financial assets, which, in 2014, increased by Euro 85.3 million.

The inclusion in comprehensive income of the item referring to available-for-sale financial assets generates high volatility, which is to be considered when examining the relevant table.

THE PERFORMANCE OF BALANCE SHEET AGGREGATES

Reclassification of the Balance Sheet

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

- presentation of financial Assets/Liabilities held for trading on a net basis;
- presentation of Loans to banks/Due to banks on a net basis;
- inclusion of the value of hedging Derivatives and of the Value Adjustment of financial assets/liabilities subject to macro-hedging in the Other Assets/Other Liabilities items;
- grouping of Intangible Assets and Property, Plant and Equipment into a single aggregate;
- inclusion of the item "Cash and cash equivalents" in the "Other Assets" residual item;
- grouping in the "Funding from customers" item of the "Due to customers" and "Outstanding securities" items;
- grouping of specific-purpose provisions (i.e. employee severance benefits and provisions for contingencies and liabilities) into a single aggregate.

Reclassified Balance Sheet

Assets	31.12.2014	31.12.2013	Changes	
			Absolute	%
Financial assets/liabilities measured at fair value	15,972	-	15,972	100.0
Financial assets available for sale	4,824,310	3,995,029	829,281	20.8
Loans to Customers	28,302,918	27,965,449	337,469	1.2
Equity investments	1,287,509	1,262,969	24,540	1.9
Property, plant and equipment and intangible assets	1,462,176	1,462,539	-363	-
Tax assets	967,753	996,548	-28,795	-2.9
Other assets	1,263,759	1,228,407	35,352	2.9
Total net assets	**38,124,397**	**36,910,941**	**1,213,456**	**3.3**

Liabilities	31.12.2014	31.12.2013	Changes	
			Absolute	%
Net Financial Assets/Liabilities held for trading	9,472	2,106	7,366	
Net due to banks	2,952,792	2,167,758	785,034	36.2
Funding from Customers	28,323,400	28,409,009	-85,609	-0.3
Tax liabilities	276,152	294,119	-17,967	-6.1
Other liabilities	1,674,287	1,264,633	409,654	32.4
Specific-purpose provisions	253,580	286,320	-32,740	-11.4
Capital	876,762	876,762	-	-
Reserves (net of treasury shares)	3,574,750	3,515,491	59,259	1.7
Valuation reserves	45,152	-31,493	76,645	
Profit (loss) for the period	138,050	126,236	11,814	9.4
Total net liabilities and equity	**38,124,397**	**36,910,941**	**1,213,456**	**3.3**

Reconciliation between the official balance sheet and the reclassified balance sheet

Assets	31.12.2014	31.12.2013
Financial assets measured at fair value	**15,972**	**-**
30. Financial assets measured at fair value	15,972	-
Financial assets available for sale	**4,824,310**	**3,995,029**
40. Financial assets available for sale	4,824,310	3,995,029
Loans to Customers	**28,302,918**	**27,965,449**
70. Loans to Customers	28,302,918	27,965,449
Equity investments	**1,287,509**	**1,262,969**
100. Equity investments	1,287,509	1,262,969
Property, plant and equipment and intangible assets	**1,462,176**	**1,462,539**
110. Property, plant and equipment	296,531	286,276
120. Intangible Assets	1,165,645	1,176,263
Tax assets	**967,753**	**996,548**
130. Tax assets	967,753	996,548
Other assets	**1,263,759**	**1,228,407**
10. Cash and cash equivalents	194,040	231,188
80. Hedging derivatives	710,803	571,225
90. Value adjustment of financial assets subject to macro hedging (+/-)	6,725	-277
150. Other assets	352,191	426,271
Total Assets	**38,124,397**	**36,910,941**

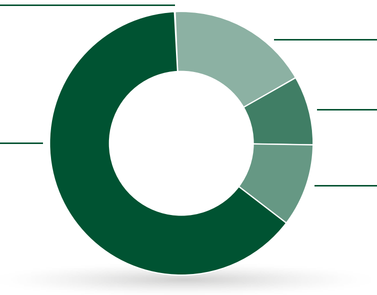
Liabilities	31.12.2014	31.12.2013
Net due to banks	**2,952,792**	**2,167,758**
10. Due to banks	6,990,082	6,042,948
60. Loans to banks	-4,037,290	-3,875,190
Funding from Customers	**28,323,400**	**28,409,009**
20. Due to Customers	18,631,839	17,800,759
30. Outstanding securities	9,691,561	10,608,250
Net Financial Assets/Liabilities held for trading	**9,472**	**2,106**
40. Financial liabilities held for trading	208,006	198,777
20. Financial assets held for trading	-198,534	-196,671
Tax liabilities	**276,152**	**294,119**
80. Tax liabilities	276,152	294,119
Other liabilities	**1,674,287**	**1,264,633**
60. Hedging derivatives	532,210	255,285
70. Adjustment of financial liabilities subject to macro-hedging (+/-)	475,964	275,497
100. Other liabilities	666,113	733,851
Specific-purpose provisions	**253,580**	**286,320**
110. Employee severance benefits	116,712	118,015
120. Provisions for contingencies and liabilities	136,868	168,305
Capital	**876,762**	**876,762**
180. Capital	876,762	876,762
Reserves (net of treasury shares)	**3,574,750**	**3,515,491**
160. Reserves	838,746	779,487
170. Share premium reserve	2,736,004	2,736,004
Valuation reserves	**45,152**	**-31,493**
130. Valuation reserves	45,152	-31,493
Profit (loss) for the period	**138,050**	**126,236**
200. Profit (loss) for the period	138,050	126,236
Total liabilities and equity	**38,124,397**	**36,910,941**

Operations with customers

Loans to Customers

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
- Current accounts	2,280,287	2,879,827	-599,540	-20.8
- Mortgage loans	16,944,432	17,451,175	-506,743	-2.9
- Advances and other loans	6,868,478	6,043,196	825,282	13.7
- Repurchase agreements	-	-	-	
- Non-performing loans	2,078,480	1,586,250	492,230	31.0
Loans	**28,171,677**	**27,960,448**	**211,229**	**0.8**
Loans represented by securities	131,241	5,001	126,240	
Loans to Customers	**28,302,918**	**27,965,449**	**337,469**	**1.2**

Loans to Customers performed well coming to Euro 28,303 million, up by Euro +337 million (+1.2%) vs. 31 December 2013. This growth was essentially driven by advances and other loans, which came to Euro 6,868 million, increasing by Euro 825 million (up by +13.7%). On the other hand, mortgage loans decreased in terms of volumes coming to Euro 16,944 million (down by -2.9%), despite the significant increase in new mortgage loans that came to about Euro 1.3 billion (up by +25%). Current account also decreased in terms of volumes, down by Euro -600 million (-20.8%).



Credit quality

Items	31.12.2014			31.12.2013		
	Gross exposure	Total writedowns	Net exposure	Gross exposure	Total writedowns	Net exposure
- Bad debts	1,773,302	1,028,959	744,343	1,406,705	789,706	616,999
- Substandard loans	897,389	218,421	678,968	701,752	211,386	490,366
- Restructured loans	624,265	87,822	536,443	397,699	53,211	344,488
Past-due / overlimit loans	123,322	4,596	118,726	139,522	5,125	134,397
Non-Performing Loans	**3,418,278**	**1,339,798**	**2,078,480**	**2,645,678**	**1,059,428**	**1,586,250**
Performing loans	**26,391,931**	**167,493**	**26,224,438**	**26,586,679**	**207,480**	**26,379,199**
Total	**29,810,209**	**1,507,291**	**28,302,918**	**29,232,357**	**1,266,908**	**27,965,449**

Items	31.12.2014			31.12.2013		
	Gross exposure/ total	Net exposure/ total	Coverage ratio	Gross exposure/ total	Net exposure/ total	Coverage ratio
- Bad debts	5.9%	2.6%	58.0%	4.8%	2.2%	56.1%
- Substandard loans	3.0%	2.4%	24.3%	2.4%	1.8%	30.1%
- Restructured loans	2.1%	1.9%	14.1%	1.4%	1.2%	13.4%
Past-due/overlimit loans	0.4%	0.4%	3.7%	0.5%	0.5%	3.7%
Non-Performing Loans	**11.5%**	**7.3%**	**39.2%**	**9.1%**	**5.7%**	**40.0%**
Performing loans	**88.5%**	**92.7%**	**0.6%**	**90.9%**	**94.3%**	**0.8%**
Total	**100.0%**	**100.0%**	**5.1%**	**100.0%**	**100.0%**	**4.3%**

Non-performing loans, net of adjustments, came to Euro 2,078 million, increasing from Euro 1,586 million in the previous year, with a coverage ratio of 39.2%. Within this aggregate, net bad debts came to Euro 744 million, with a modest weight on total net loans (2.6%) and a coverage ratio of 58.0% that increased vs. 2013 (up by +1.9%). Substandard loans (coming to Euro 679 million) accounted for 2.4% of net loans and have a coverage ratio of 24.3% decreasing vs. the previous year when it came to 30.1%. This change resulted from a higher weight of secured loans than in the previous year. Past-due and overlimit positions decreased coming to a net amount of Euro 119 million (down by -11.7% vs. the 2013 figure), while the relevant coverage ratio improved coming to 3.7%; conversely, restructured loans increased, coming to Euro 536 million with a coverage ratio of 14.1%.

Finally, net performing loans came to Euro 26,224 million, with a 0.6% coverage ratio.

Funding from Customers

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
- Deposits	2,351,733	2,442,628	-90,895	-3.7
- Current and other accounts	16,172,297	15,238,914	933,383	6.1
- Other items	103,781	87,667	16,114	18.4
- Repurchase agreements	4,028	31,550	-27,522	-87.2
Due to Customers	**18,631,839**	**17,800,759**	**831,080**	**4.7**
Outstanding securities	**9,691,561**	**10,608,250**	**-916,689**	**-8.6**
Total direct funding	**28,323,400**	**28,409,009**	**-85,609**	**-0.3**
Indirect funding	**48,207,029**	**43,240,663**	**4,966,366**	**11.5**
Total funding	**76,530,429**	**71,649,672**	**4,880,757**	**6.8**

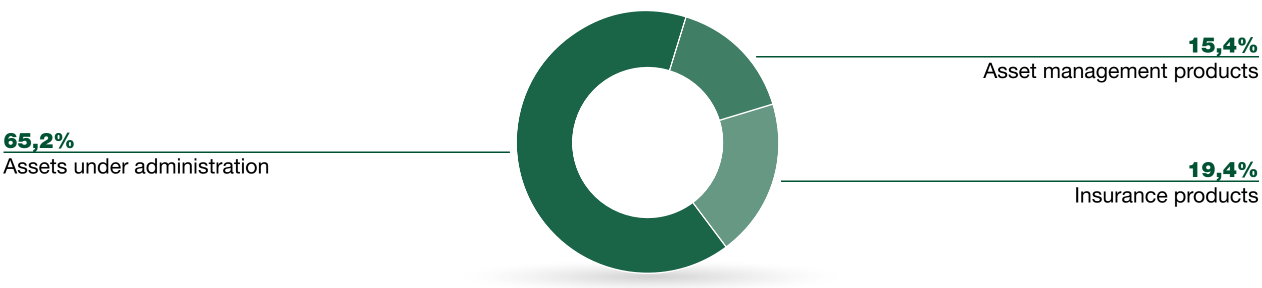
Total funding, which is the aggregate of all sources of funding from Customers, came to Euro 76,530 million, posting a marked increase vs. the previous year.

Direct funding came to Euro 28,323 million, essentially in line with the figure in the previous year, but with a re-mix of its components: an increase in more liquid products (up by Euro +933 million worth of current accounts and other accounts) and a decrease in outstanding securities (down by Euro -917 million).

Indirect funding

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
- Asset management products	7,406,448	6,504,946	901,502	13.9
- Insurance products	9,349,169	7,981,787	1,367,382	17.1
Total assets under management	**16,755,617**	**14,486,733**	**2,268,884**	**15.7**
Assets under administration	**31,451,412**	**28,753,930**	**2,697,482**	**9.4**
Indirect funding	**48,207,029**	**43,240,663**	**4,966,366**	**11.5**

As at 31 December 2014, at market values, indirect funding accounted for 63% of total funding and came to Euro 48,207 million, increasing by Euro 4,966 million (up by +11.5%) vs. the previous year. This increase was due to assets under administration and to both sectors of asset management. Specifically, assets under administration came to over Euro 31,451 million, increasing by Euro +2,697 million (up by +9.4%). The increase in asset management was also very good (up by +15.7%), and this business line came to Euro 16,756 million, thanks to the effective commercial action that resulted in nearly Euro 5 billion worth of volumes.



Other investments

Available-for-sale financial assets

Items	31.12.14	31.12.13	Changes	
			Absolute	%
- Bonds and other debt securities	4,650,511	3,822,177	828,334	21.7
- Equity securities and units of collective investment undertakings	2,132	2,128	4	0.2
Securities available for sale	**4,652,643**	**3,824,305**	**828,338**	**21.7**
- Equity investments	171,667	170,724	943	0.6
Shareholdings available for sale	**171,667**	**170,724**	**943**	**0.6**
Net value of the related derivative contracts held for fair value hedging	**4,824,310**	**3,995,029**	**829,281**	**20.8**

Available-for-sale financial assets, almost totally consisting of Government securities and of corporate securities for modest amounts, came to Euro 4,824 million, increasing by Euro 829 million (up by +20.8%) vs. the previous year; this increase includes Euro 515 million worth of assets purchased in the year and Euro 333 million worth of increases in the prices of securities.

As shown in the table below, the Government securities held by Cariparma consists almost entirely of "Available-for-sale financial assets" and are almost exclusively Italian securities.

Government securities held

	31.12.2014		
	Nominal Value	Book value	Revaluation reserve
FVTPL			
Italian Government securities	3	4	-
AFS			
Italian Government securities	3,882,000	4,601,529	69,210
Total	**3,882,003**	**4,601,533**	**69,210**

Equity investments

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
- Subsidiaries	1,275,007	1,250,467	24,540	2.0
- Joint-ventures	-	-	-	-
- Associates	12,502	12,502	-	-
- Other equity investments	-	-	-	-
Total	**1,287,509**	**1,262,969**	**24,540**	**1.9**

Equity investments came to Euro 1,288 million, increasing by Euro 25 million vs. the 2013 figure, and are mainly controlling equity investments (Euro 1,275 million).

The increase of Euro +25 million resulted from some transactions that are broken down below:

- recapitalization of Carispezia (over Euro 17 million) subsequent to the transfer from Cariparma of a business unit consisting of: i) 16 Retail branches; ii) 1 corporate banking center; iii) 1 private banking center; iv) large-corporate customers managed by the above corporate center;

- recapitalization of Calit (approximately Euro 29 million);
- impairment of the equity investment in Calit amounting to Euro 22.5 million.

It is pointed out that Cariparma OBG, a Special-Purpose Vehicle that was chosen for the Covered Bond transaction, and whose control was acquired in 2013 and whose value has been recognized as amounting to Euro 6 thousand. Associates have not changed compared to 2013.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets came to Euro 1,462 million, essentially in line with the Euro 1,463 million figure for the previous year.

This item reports goodwill and intangible assets that were recognized subsequent to the acquisitions from Intesa Sanpaolo, in 2007, of 180 branches and, in 2011, of 70 branches.

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

Specific-purpose provisions

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
Employee severance benefits	**116,712**	**118,015**	**-1,303**	**-1.1**
Provisions for contingencies and liabilities	**136,868**	**168,305**	**-31,437**	**-18.7**
- other provisions	117,017	148,342	-31,325	-21.1
Total specific-purpose provisions	**253,580**	**286,320**	**-32,740**	**-11.4**

Specific-purpose provisions came to Euro 253.6 million, decreasing by Euro 32.7 million vs. the previous year (down by 11.4%). The change concerns mainly the provisions for contingencies and liabilities, which refer to legal disputes, expenses for staff and operational risks and came to Euro 137 million. The provisions for Employee severance benefits also decreased, coming to Euro 116.7 million.

Equity and Own

Funds Equity

Items	31.12.2014	31.12.2013	Changes	
			Absolute	%
Share capital	876,762	876,762	-	-
Share premium reserve	2,736,004	2,736,004	-	-
Profit reserves	836,385	777,126	59,259	7.6
Other reserves	2,361	2,361	-	-
Valuation reserves for available-for-sale financial assets	72,211	-13,121	85,332	
Valuation reserves for actuarial gains (losses) relating to defined-benefit pension plans	-27,059	-18,372	8,687	47.3
Net profit for the period	138,050	126,236	11,814	9.4
Total (book) equity	**4,634,714**	**4,486,996**	**147,718**	**3.3**

Own Funds

Regulatory Capital and capital ratios	31.12.2014	31.12.2013	Changes	
			Absolute	%
Common Equity Tier 1 – CET1	**3,129,078**	**n.a**	**n.a**	**n.a**
Additional Tier 1 – AT1	-	n.a	n.a	n.a
Tier 1 – T1	**3,129,078**	**n.a**	**n.a**	**n.a**
Tier 2 – T2	577,522	n.a	n.a	n.a
Total Capital (Own Funds)	**3,706,600**	**n.a**	**n.a**	**n.a**
Risk-weighted assets	**17,528,332**	**n.a**	**n.a**	**n.a**
of which by credit and counterparty risks and by the risk of value adjustment of the loan	15,587,642	n.a	n.a	n.a
Common Equity Tier 1 ratio	**17.9%**	**n.a**	**n.a**	
Tier 1 ratio	**17.9%**	**n.a**	**n.a**	
Total capital ratio	**21.1%**	**n.a**	**n.a**	

On 1 January 2014, the new regulation for banks and investment firms (Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013; Circular No. 285 of the Bank of Italy) entered into force and significantly affected capital ratios, generating impacts both on the calculation of Own Funds and on the calculation of risk-weighted assets (RWA).

As at 31 December 2014, the capital ratios were as reported below: Common Equity Tier 1 17.9%, Tier 1 17.9% and Total Capital Ratio 21.1%.

It is pointed out that, in 2013, for the calculation of the capital requirement for credit risk, the Cariparma Crédit Agricole Group obtained the Regulator's authorization to use internal rating systems in accordance with the advanced approach (Internal Rating Based - Advanced AIRB), for Retail Loan Exposures (the so-called "Retail portfolio") of Cariparma and Banca Popolare FriulAdria.

OTHER INFORMATION

Research and Development

No research and development activities were performed in the year.

Risks and uncertainties

The Note to the Financial Statements includes a detailed exam of the risks and uncertainties to which the Bank is exposed and, at the same time, reports the mitigation techniques implemented for such risks and uncertainties; this substantiates that the Bank's Management is fully aware of the importance of a thorough analysis of risks and uncertainties to which the Bank's capital, financial position and performance are exposed, as well as of the importance of effective management of the same risks and uncertainties to take them to acceptable levels, in order to pursue development and sustainable growth that are essential for profitable continuity of operations.

Reporting on transactions with relates parties

The qualitative and quantitative analysis of the transactions made in the year with parties falling within the definition of related party as given by the "Regulation on Risk Assets and Conflict of Interest with Parties associated to the Companies in the Cariparma Crédit Agricole Group" which was adopted by the Group in December 2012 and updated in July 2014, is reported in Part H of the Note to the Financial Statements, to which reference is made. Part H also includes the analysis of any atypical and/or unusual transactions in accordance with the definition given in CONSOB (Italian Securities and Exchange Commission) Regulation No. 11971/99.

● *Italian National Tax Consolidation Regime*

In 2013, the option to adopt the tax consolidation scheme between the Group Companies was exercised, pursuant to Article117 et seq. of Italian Consolidated Act on Income Taxes (TUIR) in order to obtain the advantages, also in terms of profit and both actual and potential, resulting from its adoption.

● *Tax-related disputes*

A disputed is pending on registration taxes 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 36 million, plus interest. A similar dispute arose for a transaction carried out by CALIT with the Intesa Group for Euro 2.2 million. On these disputes, favourable decisions were issued by the competent Court of second instance, against which the Agenzia delle Entrate filed appeal with the Italian Court of Cassation.

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. The consideration set forth above cannot but apply also to the latest dispute.

A tax-related dispute is pending concerning Cariparma as regards the sale of loans on a non-recourse basis to an unrelated securitization firm, made in 2005 for an amount of tax being disputed of Euro 5.5 million, plus fines and interest. In the light of both the opinions obtained from leading Law Firms and of the latest issued administrative law practices that are relevant for this dispute, the Group believes that no provision is necessary.

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 No. 185/2008 for the amounts credited by it to Customers relating to the State contribution on floating-rate mortgage loans that were taken out by 31 October 2008.

With the above Decree-Law, the Italian State provided a contribution to tax payers that took out floating-rate mortgage loans for the purchase of their home amounting to the interest paid by the same tax payers in 2009 at a rate over 4%. 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.

Since the same Inland Revenue Service has admitted in its own documents that the contribution could be made also in 2010, no provision has been allocated for this dispute.

● *The Codice Italiano Pagamenti Responsabili (CPR) – the Italian Code for Responsible Payments*

In January 2015, the Group signed the Codice Italiano Pagamenti Responsabili (CPR), the Italian Code for Responsible Payments, launched by Assolombarda, the Employers' Association of the Lombardy Region; by signing the Code, the Bank formalized its commitment to comply with the payment terms agreed on with its suppliers/providers and to promote efficient, punctual and fast payment practices. By signing the Code, the Bank has given evidence of its focus on and awareness of payment fairness and transparency, which is a key topic for the economic and financial balance, as well as for the development of the business system. The average time for payment to suppliers/providers is 60 days, as provided for by the relevant agreements.

IRB/ BASEL 2 ADVANCED APPROACH

The Cariparma Crédit Agricole, to quantify the credit risk capital requirement, (Retail Loan Exposures (the so-called "Retail portfolio") on PD and LGD models) has been using (since December 2013) an Internal Rating Based – Advanced approach for Cariparma and Banca Popolare FriulAdria.

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

As regards the "Exposures to Corporate Customers" portfolio, in line with the strategic directions issued by the Parent Company Crédit Agricole S.A., the Cariparma Crédit Agricole Group is assessing the actions required to obtain the validation also for this exposure class.

The choice of treating all exposures referring to the subsidiary Crédit Agricole Leasing (hereinafter CALIT) on a Permanent Partial Use (PPU) basis results from the immateriality of the portfolio sizes and from the specificity of CALIT core business within the Cariparma Crédit Agricole Group as a whole.

The risk measurement system is fully integrated in the decision-making processes and in the management of corporate operations: the rating system has long played an essential role in loan authorization, risk management, internal allocation of capital and in the Bank governance functions, as well as in contributing to ensure risk prevention and mitigation. In order to ensure that lending processes and credit risk measurement are homogeneous, the internal models are used by all entities in the Cariparma Crédit Agricole Group (that is to say, Cariparma S.p.A., FriulAdria S.p.A., Carispezia S.p.A. and Calit)

The rating systems are used within the main phases in the lending value chain. With specific reference to loan disbursement and monitoring, the management use of the rating system results in:

- lending policies: the definition of the lending policies through which the Banks and the Companies of the Cariparma Crédit Agricole Group grant loans and manage credit risk;
- loan authorization: the assessment of the creditworthiness upon the first authorization and upon review of/change in credit lines, as well as for determination of decision-making powers in terms of loan authorization;
- loan monitoring: the use of PD based on performance analysis, combined with other variables to monitor performance, in order to detect and remedy non-performing positions before they are classified as defaulting;
- collective write-down: the approach for the collective write-down of Performing Loans implemented by the Bank uses the Basel II metrics to determine the amount of the provision (PD and LGD), as well as to identify sensitive loans subject to write-down;
- Bank reporting: the use of risk measures produced by the Bank's reporting model.

Lending value chain and experience requirement

1 Lending Policies

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

2 Authorizations and Renewal

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

3 Management and Monitoring

- Performance Monitoring System based on the performance-measuring PD and on a set of other ratings

4 Other processes

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

Such full integration in the loan management processes allows the creation and development of internal models that support the measurement of creditworthiness and can be used to assess, with statistical objectivity, the probability that the (Retail) counterparties default.

In 2014, the AQR exercise was carried out based on information concerning Risks and Lending.

The calculation of the mandatory capital requirements using internal rating-based approaches allows optimal management of the regulatory capital, as it also allows a “weighted” analysis of the loan portfolio, “aware” lending development considering the risks taken and, thus, better planning of loans and of credit risk over the medium-/long-term.

Finally, more effective detection and measurement of risks allows better disclosure and subsequent enhanced transparency in reporting, which is a key element to meet the requirements of the Bank’s various Stakeholders.

Proposal to the Shareholders’ General Meeting

The Annual Report and Financial Statements for the period from 1 January to 31 December 2014, submitted to the ordinary General Meeting of Shareholders, consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, the Note to the Financial Statements, as well as of the annexes, and are accompanied by the Management Report.

The proposal for the allocation of the net profit amounting to Euro 138,050,480 is as follows:

5% to the legal reserve	6,902,524
to the charity fund	1,000,000
to shareholders in the amount of €0.11219 to each of the 876,761,620 ordinary shares	98,363,886
to extraordinary reserve	31,784,070

With this allocation of the profit for the period, the Company’s equity, including the income components taken in the period to Valuation Reserves, in compliance with the IAS/ IFRS, would be as follows:

Share capital	876,761,620
Share premium reserve	2,736,003,683
Ordinary reserve	132,681,553
Extraordinary reserve	724,942,123
Valuation Reserves	45,151,815
Reserve pursuant to Legislative Decree 124/83	314,374
Other Reserves	19,494,772
Total Capital and reserves	**4,535,349,940**

Statement of compliance of the Annual Report and Financial Statements pursuant to Article 154-*bis* of Italian Legislative Decree 58/1998

CARIPARMA
CRÉDIT AGRICOLE

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

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

of the administrative and accounting procedures for the formation of the Financial Statement during the course of the 2014 financial year.

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

3. The undersigned certify also that:

3.1 the report and financial statements as at 31 December 2014:

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

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

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

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

Parma, 24 March 2015

Giampiero Maioli
Chief Executive Officer

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

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' Report

Building a better working world

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

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Fax: +39 02 72212037
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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(Translation from the original Italian text)

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

1. We have audited the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of and for the year ended December 31, 2014, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Cassa di Risparmio di Parma e Piacenza S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated March 28, 2014.

3. In our opinion, the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. at December 31, 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of Cassa di Risparmio di Parma e Piacenza S.p.A. for the year then ended.

4. The management of Cassa di Risparmio di Parma e Piacenza S.p.A. is responsible for the preparation of the Management Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Management Report and the specific section on Corporate Governance and the Company's Ownership Structure, regarding the information included therein in compliance with art. 123-bis paragraph 2, letter b) of Legislative Decree n. 58/1998, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In our opinion the Management Report and the information reported therein in compliance with article 123-bis paragraph 2, letter b) of the Legislative Decree n. 58/1998 in the specific section of the report are consistent with the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of December 31, 2014.

Milan, March 31, 2015

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

Financial Statements

BALANCE SHEET

Assets		31.12.2014	31.12.2013
10.	Cash and cash equivalents	194,040,091	231,187,658
20.	Financial assets held for trading	198,533,941	196,670,669
30.	Financial assets measured at fair value	15,972,307	-
40.	Financial assets available for sale	4,824,309,947	3,995,029,001
50.	Financial assets held to maturity	-	-
60.	Loans to banks	4,037,290,137	3,875,190,152
70.	Loans to Customers	28,302,918,057	27,965,449,390
80.	Hedging derivatives	710,802,784	571,225,188
90.	Value adjustment of financial assets subject to macro hedging (+/-)	6,724,550	-277,271
100.	Equity investments	1,287,509,335	1,262,969,280
110.	Property, plant and equipment	296,530,934	286,275,688
120.	Intangible Assets	1,165,645,166	1,176,262,706
	of which: Goodwill	922,339,723	922,339,723
130.	Tax assets	967,752,541	996,547,914
	a) current	283,413,576	292,870,875
	b) deferred	684,338,965	703,677,039
	b1) pursuant to Italian Law No. 214/2011	629,716,515	617,209,360
140.	Non-current assets or groups of assets being divested	-	-
150.	Other assets	352,190,227	426,270,967
Total assets		**42,360,220,017**	**40,982,801,342**

Liabilities and Equity		31.12.2014	31.12.2013
10.	Due to banks	6,990,081,795	6,042,948,004
20.	Due to Customers	18,631,839,218	17,800,758,905
30.	Outstanding securities	9,691,560,785	10,608,250,178
40.	Financial liabilities held for trading	208,006,378	198,776,635
50.	Financial liabilities measured at fair value	-	-
60.	Hedging derivatives	532,209,571	255,284,820
70.	Adjustment of financial liabilities subject to macro-hedging (+/-)	475,963,613	275,497,360
80.	Tax liabilities	276,152,600	294,119,458
	(a) current	210,201,192	250,651,429
	b) deferred	65,951,408	43,468,029
90.	Liabilities in respect of assets being divested	-	-
100.	Other liabilities	666,112,516	733,850,233
110.	Employee severance benefits	116,711,870	118,015,462
120.	Provisions for contingencies and liabilities	136,867,845	168,305,006
	a) post-employment and similar obligations	19,851,228	19,962,747
	b) other provisions	117,016,617	148,342,259
130.	Valuation reserves	45,151,815	-31,492,549
	of which: relating to assets being disposed		
140.	Redeemable shares	-	-
150.	Equity instruments	-	-
160.	Reserves	838,746,228	779,486,724
165.	Down-payments on dividends (-)		
170.	Share premium reserve	2,736,003,683	2,736,003,683
180.	Share Capital	876,761,620	876,761,620
190.	Treasury shares (-)	-	-
200.	Profit (Loss) for the period (+/-)	138,050,480	126,235,803
Total liabilities and equity		**42,360,220,017**	**40,982,801,342**

INCOME STATEMENT

Items		31.12.2014	31.12.2013 (*)
10.	Interest income and similar revenues	1,045,918,639	1,084,544,252
20.	Interest expense and similar charges	(363,908,302)	(415,700,850)
30.	**Net interest income**	**682,010,337**	**668,843,402**
40.	Commission income	496,721,430	457,783,814
50.	Commission expense	(22,385,348)	(21,080,125)
60.	**Net commission income**	**474,336,082**	**436,703,689**
70.	Dividend income and similar revenues	36,877,649	24,558,910
80.	Net gain (loss) on trading activities	(906,430)	9,442,804
90.	Net gain (loss) on hedging activities	(4,131,309)	6,036,532
100.	Gains (losses) on disposal or repurchase of:	21,074,234	114,707,476
	a) loans and receivables	3,157,158	(9,386)
	b) financial assets available for sale	21,417,087	112,222,992
	c) financial assets held to maturity	-	-
	d) financial liabilities	(3,500,011)	2,493,870
110.	Net gain (loss) of financial assets and liabilities measured at fair value	(1,933,080)	-
120.	**Net banking income**	**1,207,327,483**	**1,260,292,813**
130.	Net impairment adjustments/writebacks of:	(290,664,432)	(396,024,040)
	a) loans and receivables	(293,640,017)	(384,708,206)
	b) financial assets available for sale	(142,526)	(1,591,875)
	c) financial assets held to maturity	-	-
	d) other financial transactions	3,118,111	(9,723,959)
140.	**Net financial income**	**916,663,051**	**864,268,773**
150.	Administrative expenses:	(825,287,648)	(824,889,754)
	a) staff expenses	(428,577,528)	(441,948,747)
	b) other administrative expenses	(396,710,120)	(382,941,007)
160.	Net provisions for contingencies and liabilities	(7,084,634)	(38,283,813)
170.	Net adjustments/writebacks of property, plant and equipment	(19,948,954)	(20,589,533)
180.	Net adjustments/writebacks of intangible assets	(50,166,708)	(52,804,992)
190.	Other operating expenses/revenues	242,308,546	221,934,781
200.	**Operating expenses**	**(660,179,398)**	**(714,633,311)**
210.	Gain (loss) on equity investments	(22,546,000)	(13,900,000)
220.	Net gains (losses) from property, plant and equipment and intangible assets measured at fair value	-	-
230.	Value adjustments of goodwill	-	-
240.	Gain (loss) on disposal of investments	-	217,949
250.	**Gain (loss) before tax on continuing operations**	**233,937,653**	**135,953,411**
260.	Income tax for the period on continuing operations	(95,887,173)	(9,717,608)
270.	**Gain (loss) after tax on continuing operations**	**138,050,480**	**126,235,803**
280.	Gain (loss) after tax of groups of assets/liabilities under disposal	-	-
290.	**Profit for the period**	**138,050,480**	**126,235,803**

(*) Restated following the reclassification of the expenses for the management of non-performing loans and the relevant recoveries from the “Operating expenses” item to the «Net value adjustments of loans» item.

STATEMENT OF COMPREHENSIVE INCOME

Items		31.12.2014	31.12.2013
10.	**Profit (loss) for the period**	**138,050,480**	**126,235,803**
	Other income components after tax with no reversals to Income Statement		
20.	Property, plant and equipment	-	-
30.	Intangible Assets	-	-
40.	Defined benefit plans	(8,688,892)	3,108,330
50.	Non-current assets being divested	-	-
60.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
	Other income components after tax with reversals to Income Statement		
70.	Hedging of foreign investments	-	-
80.	Exchange rate differences	-	-
90.	Cash flow hedges	-	-
100.	Financial assets available for sale	85,333,256	105,474,575
110.	Non-current assets being divested	-	-
120.	Share of Valuation Reserves on equity investments measured using the equity method	-	-
130.	**Total other income components after tax**	**76,644,364**	**108,582,905**
140.	**Comprehensive income (Item 10+130)**	**214,694,844**	**234,818,708**

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2014

	Capital: ordinary shares	Share premium reserve	Reserves: retained earnings	Reserves: other	Valuation reserves	Profit (Loss) for the period	Equity
EQUITY AS AT 31 DEC. 2013	**876,761,620**	**2,736,003,683**	**777,125,813**	**2,360,911**	**-31,492,549**	**126,235,803**	**4,486,995,281**
ALLOCATION OF PROFIT (LOSS)							
FOR THE PREVIOUS PERIOD							
Reserves	-	-	41,943,449	-	-	-41,943,449	-
Dividends and other allocations	-	-	-	-	-	-84,292,354	-84,292,354
CHANGES FOR THE PERIOD							
Changes in reserves	-	-	17,316,055	-	-	-	17,316,055
Equity transactions							-
Issue of new shares	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary dividend distribution	-	-	-	-	-	-	-
Change in equity instruments	-	-	-	-	-	-	-
Derivatives on treasury shares	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company assigned to Employees and Directors	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	76,644,364	138,050,480	214,694,844
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**

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2013

	Capital: ordinary shares	Share premium reserve	Reserves: retained earnings	Reserves: other	Valuation reserves	Profit (Loss) for the period	Equity
EQUITY AS AT 31 DEC. 2012	**876,761,620**	**2,736,003,683**	**773,246,541**	**1,852,434**	**-140,075,454**	**58,861,731**	**4,306,650,555**
ALLOCATION OF PROFIT (LOSS) FOR THE PREVIOUS PERIOD							
Reserves	-	-	3,879,272	-	-	-3,879,272	-
Dividends and other allocations	-	-	-	-	-	-54,982,459	-54,982,459
CHANGES FOR THE PERIOD							
Changes in reserves	-	-	-	-	-	-	-
Equity transactions							-
Issue of new shares	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary dividend distribution	-	-	-	-	-	-	-
Change in equity instruments	-	-	-	-	-	-	-
Derivatives on treasury shares	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company assigned to Employees and Directors	-	-	-	508,477			508,477
Comprehensive income	-	-	-	-	108,582,905	126,235,803	234,818,708
EQUITY AS AT 31 DEC. 2013	**876,761,620**	**2,736,003,683**	**777,125,813**	**2,360,911**	**-31,492,549**	**126,235,803**	**4,486,995,281**

STATEMENT OF CASH FLOWS

Items	31.12.2014	31.12.2013
A. OPERATING ACTIVITIES		
1. Operations	**852,149,522**	**807,339,887**
- Gain (Loss) for the period (+/-)	138,050,480	126,235,803
- gains (losses) on financial assets held for trading and financial assets/liabilities measured at fair value (-/+)	5,713,986	-11,266,494
- gains/losses on hedging activities (-/+)	16,202,488	2,594,318
- net impairment adjustments/writebacks (+/-)	299,939,539	399,469,045
- net adjustments/writebacks of property, plant and equipment and intangible assets (+/-)	70,115,662	73,394,525
- net provisions for contingencies and liabilities and other costs/revenues (+/-)	7,084,634	38,283,813
- unpaid taxes and levies (+)	95,887,173	9,717,608
- other adjustments (+/-)	219,155,560	168,911,269
2. Liquidity generated/absorbed by financial assets	**-2,004,313,589**	**-1,390,747,603**
- financial assets held for trading	-5,644,178	98,822,267
- financial assets measured at fair value	-17,905,387	-
- available-for-sale financial assets	-597,990,426	-886,100,483
- loans to banks: demand	89,221,666	-87,441,395
- loans to banks: other loans	-251,321,651	949,991,583
- loans to customers	-1,132,781,678	-1,875,196,431
- other assets	-87,891,935	409,176,856
3. Liquidity generated/absorbed by financial liabilities	**1,265,670,963**	**723,788,632**
- due to banks: demand	-2,631,441,737	2,164,854,566
- due to banks: other payables	3,595,853,897	-1,289,816,042
- due to customers	1,273,472,928	884,846,334
- outstanding securities	-873,385,434	-522,597,490
- financial liabilities held for trading	9,229,743	-89,188,466
- other liabilities	-108,058,434	-424,310,270
Net liquidity generated/absorbed by operating activities	**113,506,896**	**140,380,916**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**33,634,324**	**24,907,395**
- sale of equity investments	-	-
- dividends from equity investments	36,877,649	24,558,910
- sale of financial assets held to maturity	-	-
- sale of property, plant and equipment	-	348,485
- sales of intangible assets	-	-
- sale of business units	-3,243,325	-
2. Liquidity absorbed by	**-99,996,433**	**-73,945,767**
- purchases of equity investments	-29,770,000	-4,256,000
- purchases of financial assets held to maturity	-	-
- purchases of property, plant and equipment	-30,494,834	-24,880,969
- purchases of intangible assets	-39,731,599	-44,808,798
- purchases of business units	-	-
Net cash flow from/used in investment activities	**-66,362,109**	**-49,038,372**
C. FUNDING		
- issues/purchases of treasury shares	-	-
- issues/purchases of equity instruments	-	-
- dividend distribution and other	-84,292,354	-54,982,459
Net liquidity generated/absorbed by funding	**-84,292,354**	**-54,982,459**
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD	**-37,147,567**	**36,360,085**

RECONCILIATION

Financial Statement items	31.12.2014	31.12.2013
Opening cash and cash equivalents	231,187,658	194,827,573
Total net increase/decrease in cash and cash equivalents for the period	-37,147,567	36,360,085
Closing cash and cash equivalents	**194,040,091**	**231,187,658**

Note to the Financial Statements

PART A – ACCOUNTING

POLICIES A.1 General Information

Section 1 – Statement of compliance with the International Accounting Standards

The Annual Report and Financial Statements of Cassa di Risparmio di Parma e Piacenza S.p.A have been prepared, abiding by 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.

Therefore, the IAS/IFRS in force as at 31 December 2014 (including the interpretations documents called SIC and IFRIC) have been applied, as endorsed by the European Commission and listed in detail in the specific table in an annex to these Financial Statements.

The layouts of the financial statements and of the note to the financial statements have been prepared in accordance with the provisions set down in Circular No. 262 “Banks’ financial statements: layout and preparation” issued by the Bank of Italy on 22 December 2005, within the exercise of its powers as provided for in Article 9 of Italian Legislative Decree No. 38/2005, and, specifically, the developments set down in the third update (of 22 December 2014) have been implemented.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION AND ENTERED INTO FORCE IN 2014

Standard, amendments or interpretations	Date of publication	Date of first application
Adoption of IFRS 10 Consolidated finacial statement	11 December 2012 (UE n° 1254/2012)	1 January 2014
Adoption of IFRS 11 Joint Arrangements	11 December 2012 (UE n° 1254/2012)	1 January 2014
Adoption of IFRS 12 Disclosures on Interests in Other Entities	11 December 2012 (UE n° 1254/2012)	1 January 2014
Amendments of IAS 27 Separeted Financial Statement	11 December 2012 (UE n° 1254/2012)	1 January 2014
Amendments of IAS 28 Investments in Associates and Joint Ventures	11 December 2012 (UE n° 1254/2012)	1 January 2014
Amendments of Ias 32 Disclosures related to the compensation of financial assets and liabilities	13 December 2012 (UE n° 1256/2012)	1 January 2014
Amendments of IFRS 10. IFRS11. IFRS12	04 April 2013 (UE n° 313/2013)	1 January 2014
Amendments of IFRS10. IFRS12 for relations with companies of investment	20 November 2013 (UE n° 1174/2013)	1 January 2014
Amendments of Ias 36 informations provided on the Recoverable amount for non-financial assets	19 December 2013 (UE n° 1174/2013)	1 January 2014
Amendmens of IAS 39 financial instruments	19 December 2013 (UE n°1174/2013)	1 January 2014

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

The application of IFRS 10 and of the subsequent amendments to IAS 27 and to IAS 28 aim at providing a single model for the consolidated financial statements, which envisages “control” o “de facto control” as the basis for the consolidation of all possible types of entities. IFRS 10 sets down that, in order to have control over an entity, an investor must have the power, resulting from a legal right or simply from the state of affairs, to significantly steer the type of management choices to be made concerning the entity’s material assets and operations and is exposed to variable returns of the investee.

The amendment to IFRS 11 provides for the accounting and financial reporting principles for entities that “jointly control an arrangement”. The amendment to IFRS 12 combined, enhances and replaces the reporting obligations for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

Finally, the amendments to IAS 32 and to IAS 39 concern the offsetting of financial assets and financial liabilities and hedge accounting, respectively.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION IN 2014 AND ENTERED INTO FORCE AFTER 31 DECEMBER 2014

Standard, amendments or interpretations	Date of publication	Effective Date
IFRIC 21 Levies	14 June 2014 (UE n° 634/2014)	1 January 2015
Amendments of IFRS 3 Business combinations IFRS 13 Fair Value Measurement IAS 40 Real estate investments	19 December 2014 (UE n° 1361/2014)	1 January 2015
Amendments of IFRS 2 Share Based Payment. IFRS 3 Business combinations. IFRS 8 Operating Segments. IAS 16 Property, Plant and Equipment. IAS 24 Disclosures of financial statement on Related Parties. IAS 38 Intangible Assets and IAS 19 Employee Benefits	9 January 2015 (UE n° 28/2015)	1 January 2015

Based on the thorough analysis made, the application of these new regulatory provisions is not expected to generate significant impacts on the Company's Profit (Loss) and on its corporate procedures.

● *Section 2 – General preparation principles*

The Annual Report and Financial Statements consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Note to the financial statements, as well as of the Management Report on the performance of operations, on the profits (losses) made and on the Group's financial and cash flow position.

In accordance with Article 5 of Legislative Decree No. 38/2005, the Euro has been used as the reporting currency in the preparation of the financial statements. The amounts in the Financial Statements are expressed in Euro units, in the Note to the financial statements and in the Management Report are expressed in thousands of Euro, where not otherwise specified.

These financial statements have been prepared in accordance with IAS 1 and the specific accounting standards endorsed by the European Commission and described in Part A.2 of these notes, as well as with the general assumptions contained in the "Framework for the Preparation and Presentation of Financial Statements" by the IASB.

No exceptions were made in applying the IASs/IFRSs.

The Annual Report and Financial Statements as at 31 December 2014 have been prepared on a going-concern basis, since the Bank is believed to continue in operation in the foreseeable future.

As regards the reporting required pursuant to IFRS 7 on the risks which the Bank is exposed to, appropriate information is provided in the Management Report and in the Note to the financial statements, specifically in Section E.

The Note to the financial statements also reports the verifications that were carried out in order to assess any impairment of equity investments, available-for-sale securities and intangible assets (including goodwill).

The Financial Statements and the Note also report comparative figures for the year ended as at 31 December 2013, as well as the figures for the year being reported.

USE OF ESTIMATES AND ASSUMPTIONS IN PREPARING THE ANNUAL REPORT AND FINANCIAL STATEMENTS

To prepare the Annual Report and Financial Statements, estimates and assumptions must be made, which can generate significant effects on the values recognized in the Balance Sheet and in the Income Statement, as well as on the information on contingent assets and liabilities reported. Making such estimates entails the use of the information that is available at the relevant time and of subjective assessments.

By their very nature, the estimates and assumptions used may vary from one period to another. Therefore, it cannot be ruled out that the recognized values fr this reporting period may vary, even to a significant extent, in future periods, subsequent to any changes in the subjective assessments used. The main instances that require the use of subjective assessments to be made by the Senior Management are the following:

- quantifying losses resulting from the impairment of loans and of other financial assets in general;
- calculating the fair value of financial instruments to be used for financial reporting purposes;
- using measurement models for the recognition of the fair value of financial instruments that are not listed on active markets;
- assessing the consistency of the value of goodwill and of the other intangible assets;
- quantifying the provisions for staff and for contingencies and liabilities;
- making estimates and assumptions concerning the recoverability of deferred tax assets.

The description of the accounting policies applied to the main aggregates reported in the financial statements provides detailed information on the major assumptions made and subjective assessments used in preparing the financial statements.

CONTENTS OF THE FINANCIAL STATEMENTS

Balance Sheet and Income Statement

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

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

Statement of Comprehensive Income

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

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

Negative amounts are set forth in parenthesis.

Statement of Changes in Equity

In order to facilitate understanding of the figures, the rows and columns of the statement of changes in equity were inverted with respect to the same statement prepared in accordance with the above Bank of Italy Circular no. 262/2005. The statement shows the composition and movements of the shareholders’ equity items during the reporting year and in the previous one, broken down into share capital (ordinary shares and savings shares), capital reserves, income reserves, comprehensive income and net profit or loss. The value of treasury shares is deducted from equity.

No equity instruments other than ordinary shares have been issued.

Statement of cash flows

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

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

In the Statement, cash flows generated in the period are reported without sign, while those absorbed are reported with a negative sign

CONTENTS OF THE NOTE TO THE FINANCIAL STATEMENTS

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

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

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

● *Section 3 – Events occurred after the reporting date*

From 31 December 2014 to the date of approval of the Annual Report and Financial Statements, no events occurred which could significantly change the structures of Cariparma.

● *Section 4 – Other aspects*

ASSET QUALITY REVIEW (AQR)

The Cariparma Group, as part of the Crédit Agricole international Group (CA Group), was subject, in preparation for the Single Supervisory Mechanism, to the Comprehensive Assessment exercise. This exercise was carried out by the European Central Bank together with the Italian National Competent Authority, as regards the leading Italian Banks, and was essentially completed in July 2014, with the publication of the results for the Crédit Agricole Group as a whole on 26 October 2014; no breakdown was published of the results by single Bank of the CA Group.

This exercise aimed at assessing the capital adequacy of the CA Group, focusing on three main objectives:
(1) to enhance the quality of information available on the condition of banks;
(2) repair – to identify and implement necessary corrective actions, if and where needed; and
(3) confidence building – to assure all stakeholders that banks are fundamentally sound and trustworthy).

The comprehensive assessment consisted of three phases:
(i) a supervisory risk assessment;
(ii) the Asset Quality Review;
(iii) a Stress Test to examine the resilience of banks' balance sheet to stress scenarios.

As regards the Asset Quality Review, it is reported that the ECB Reviewers, after selecting the asset portfolio to be reviewed, examined the quality of the assets, which also included the validation of the integrity of the data supplied by the CA Group, a number of on-site audits and, ultimately, the assessment of the collaterals, the recalculation of the value adjustments and of risk-weighted assets ("Credit File Review" and "Challenger Model").

The Stress Test was carried out using two assumed scenarios for the three-year period 2014-2016: a baseline one, designed based on the forecasts of the European Commission of February 2014, and an adverse scenario. The simulation was conducted on the financial statement data of the CA Group as at 31 December 2013, as adjusted to take account of the AQR results.

In the baseline scenario the capital adequacy of the Banks in the CA Group was assessed against a 8% requirement; in the adverse scenario, the minimum requirement used was 5.5%, also in this case higher than the minimum regulatory one.

The results of the Comprehensive Assessment for the CA Group as a whole can be found on the following web pages:
- the Website of the Central Bank of France: https://acpr.banque-france.fr/international/les-grands-enjeux/stress-tests.html;
- the Website of the European Central Bank: http://www.ecb.europa.eu/ssm/assessment/html/index.en.html.

The Cariparma Group took account of the results of the Comprehensive Assessment in preparing its annual accounts, assessing all data and information made available by the French Parent Company as they met the appropriate reliability requirements and fully including the impacts of the Asset Quality Review (Individual File Review) in the cost of credit for 2014.

OPTION FOR THE ITALIAN NATIONAL TAX CONSOLIDATION REGIME

Since 2013, the Italian Controlling Company Cassa di Risparmio di Parma e Piacenza S.p.A. and some Italian Companies in its Group (Banca Popolare FriulAdria, Cassa di Risparmio della Spezia 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. No. 344/2003.

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

AUDIT OF THE ACCOUNTS

The Annual Report and Financial Statements are subject to audit by Reconta Ernst & Young S.p.A, implementing the Resolution passed by the Shareholders’ General Meeting on 23 April 2012, whereby this Firm was given the assignment for the period 2012-2020.

A.2 Part reporting on the main financial statement items

1. Financial assets held for trading

CLASSIFICATION

This category consists of debt and equity securities and the positive value of derivatives contracts held for trading. Derivatives contracts include derivatives embedded in complex financial instruments that have been recognized separately because:
- their economic characteristics and risks are not closely related to the characteristics of the host contract;
- the embedded instruments, also when separated, meet the definition of derivative;
- the hybrid instruments which they belong to are not measured at fair value with the relevant changes taken to the Income Statement.

RECOGNITION

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

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

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

MEASUREMENT

After initial recognition, financial assets held for trading are measured at fair value. The effects of the application of this measurement standard are taken to the Income Statement.

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

To measure the fair value of financial instruments that are listed on an active market, market prices are used. Where there is no active market, fair value is measured using estimation methods and measurement models that take account of all the risk factors correlated to the instruments and that are based on information available on the market, such as: the measurement of the price of listed instruments with similar features, discounted cash flows, option pricing models, values reported for recent comparable transactions, etc.

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

DERECOGNITION

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

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

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

2. Available-for-sale financial assets

CLASSIFICATION

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

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

RECOGNITION

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

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

MEASUREMENT

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

Fair value is determined using the criteria adopted for “financial assets held for trading”.

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

“Financial assets available for sale” undergo impairment testing to determine whether there is objective evidence of impairment.

Where impairment is found, the amount of the loss is measured as the difference between purchase cost and fair value, net of any losses already recognized in the Income Statement.

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

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

For equity instruments this writeback is recognized in equity.

LOAN RESTRUCTURING TRANSACTIONS ENTAILING THE PARTIAL OR FULL CONVERSION INTO EQUITY INSTRUMENTS CLASSIFIED AS AVAILABLE-FOR-SALE FINANCIAL ASSETS.

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

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

DERECOGNITION

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

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

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

3. Financial assets held to maturity

CLASSIFICATION

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

RECOGNITION

Financial assets are initially recognized at the settlement date.

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

MEASUREMENT

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

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

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

Where impairment is found, the amount of the loss is measured as the difference between book value of the asset and the present value of expected future cash flows, discounted using the original effective interest rate.

The amount of the loss is recognized in the income statement. If the reasons for the impairment should be removed subsequent to the recognition of write-down for impairment, a writeback is taken to the Income Statement. The amount of the writeback shall not in any event exceed the amortized cost that the financial instrument would have had in the absence of prior adjustments.

DERECOGNITION

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

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

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

4. Loans and Receivables

CLASSIFICATION

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

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

RECOGNITION

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

MEASUREMENT

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

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

Loans are tested to determine whether events subsequent to recognition have given rise to objective evidence of possible impairment. Loans subject to testing include loans classified as bad debts, substandard loans, restructured loans or past-due positions in accordance with the Bank of Italy’s rules in force as at 31 December 2014 and consistent with the IAS/IFRS.

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

Expected cash flows take account of the expected recovery time, the expected realizable value of any guarantee, as well as of the costs likely to be incurred to recover the loan exposure.

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

The writedown is recognized in the Income Statement.

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

Value restoration instances linked with the passage of time are reported under writebacks.

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

Collective impairment losses are taken to the income statement.

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

DERECOGNITION

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

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

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

5. Financial assets measured at fair value

CLASSIFICATION

In accordance with the IAS/IFRS endorsed by the European Commission, any financial assets so defined upon acquisition may be classified in the “financial instruments measured at fair value” category with a balancing item in the Income Statement, in compliance with the cases provided for by the applicable regulation.

No reclassifications to other financial assets categories are allowed. The Bank classifies some hybrid instruments in this category, which, otherwise, would have required to be separated from the host contract.

RECOGNITION

Financial assets are initially recognized at fair value, excluding transaction expenses or income that can be directly attributed to the instrument itself. Measurement. After initial recognition, these financial instruments are measured at fair value. The effects of the application of this measurement standard are taken to the Income Statement.

DERECOGNITION

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

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

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

6. Hedging

TYPES OF HEDGES

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

The following types of hedges are used:

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

MEASUREMENT

Hedging derivatives are measured at fair value. Specifically:

- in case of fair value hedging, changes in the fair value of the hedged item are offset against changes in the fair value of the hedging instrument. This offset is recognized by reporting changes in value in the income statement, both for the hedged item and for the hedging instrument. Any difference that may arise, since it represents the partial ineffectiveness of the hedge, also represents its net economic effect;
- in case of of hedging of currency investments, changes in the fair value of the derivative is recognized in equity, for the hedging effective portion of hedging, and are recognized in the Income Statement only when, with reference to the hedged investment, hedging is not effective.

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

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

Hedging is deemed effective when changes in the fair value (or the cash flows) of the hedging instrument almost entirely – i.e. within an interval of between 80% and 125% – offset changes in the value of the hedged item for the hedged risk factor.

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

- prospective tests, which justify the application of hedge accounting, since they demonstrate the expected effectiveness of the hedge;
- retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how actual results deviate from the perfect hedge.

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

If the tests do not confirm the effectiveness of the hedge, hedge accounting, as described above, is discontinued and the hedge derivative contract is reclassified under trading instruments, while the hedged financial instrument is again measured using the criteria applicable to its original category. In case of macrohedging, IAS 39 allows fair value hedging of the exposure to interest rate risk of designated amount of financial assets or liabilities such that a group of derivative contracts can be used to reduce changes in the fair value of the items hedged against fluctuations in market interest rates.

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

7. Equity investments

RECOGNITION, CLASSIFICATION AND MEASUREMENT

This item includes shares held in associates and joint ventures.

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

Associates are companies in which the Parent Company exercises significant influence, holding, directly or indirectly, at least 20% of the voting rights (including “potential” voting rights as defined above) or having the power to participate in determining its financial and management policies, despite holding less than 20% of the voting rights, owing to specific legal ties, such as being party to a shareholders’ agreement.

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

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

If the recoverable value is lower than the book value, the difference is recognized in the Income Statement. If the reasons for the impairment should be removed subsequent to the recognition of the impairment, a writeback is taken to the income statement.

8. Property, plant and equipment

CLASSIFICATION

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

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

RECOGNITION

“Property, plant and equipment” items are initially recognized at cost, which includes, in addition to the purchase cost, all costs directly attributable to the transaction and placing the asset in service. Extraordinary maintenance expenses that increase the future economic benefits generated by such assets are recognized as an increase in the value of the assets, while ordinary maintenance costs are recognized in the Income Statement.

MEASUREMENT

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

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

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

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

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

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

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

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

DERECOGNITION

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

9. Intangible Assets

CLASSIFICATION

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

RECOGNITION AND MEASUREMENT

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

After initial recognition, intangible assets are recognized net of the accumulated amortization and of any accumulated impairment losses. Intangible assets' useful life is assessed as finite or indefinite.

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

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

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

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

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

DERECOGNITION

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

Profits or losses resulting from the derecognition of intangible assets are calculated as the difference between the net disposal revenue and the book value of the intangible asset and are recognized in the income statement for the year in which the derecognition is made.

10. Non-current assets and disposal groups being divested

"Non-current assets and disposal groups held for sale" and "Liabilities in respect of assets held for sale" include non-current assets or groups of assets/liabilities which are in the process of being divested, and for which a sale is considered highly probable. In case of transactions subject to authorization to be issued by Supervisory Authorities, the Group's accounting policy, since it attaches an essential value to such authorization, provides for "Non-current Assets/Liabilities and groups of assets being divested" to be recognized as from the date of receipt of the such authorization (whether express or tacit).

These assets/liabilities are measured at the lower between their book value and their fair value net of disposal costs. I related income and expenses (net of tax effects) are recognized as a separate item in the Income Statement.

11. Current and Deferred Taxes

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

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

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

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

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

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

Deferred tax assets and deferred tax liabilities are recognized in the balance sheet with open balances and without any offsetting, taking the former under the "Tax assets" item and the latter under the "Tax liabilities" item.

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

12. Provisions for contingencies and liabilities

RETIREMENT AND SIMILAR LIABILITIES

The company pension plans, created pursuant to corporate agreements, qualify as "defined-benefit plans". The liability in respect of these plans and relative current service cost are determined on an actuarial basis by applying the projected unit credit method. Under this method, future outlays are projected based on analyses of time series and the demographic curve and the discounting of these cash flows using a market interest rate, as set forth in the relevant tables in the Note to the Financial Statements. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

OTHER PROVISIONS

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

Where the time factor is significant, provisions are discounted using current market rates. The accrual is recognized in the Income Statement and includes the increase in the provision due to the passage of time.

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

13. Debt and securities issued

CLASSIFICATION

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

RECOGNITION

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

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

MEASUREMENT

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

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

DERECOGNITION

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

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

14. Financial liabilities held for trading

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

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

15. Financial Liabilities measured at fair value

No Company in the Cariparma Crédit Agricole Group has exercised the fair value option. In other words, no Group Company has opted to measure financial liabilities at fair value, taking the result of such measurement to the income statement, with the exception of financial liabilities for which IAS 39 provides for fair value measurement owing to their specific functional purpose. Therefore, only financial liabilities classified in the trading book, subject to fair value hedging and fair value hedging derivatives are measured at fair value and the results of this measurement are recognized in the Income Statement.

16. Foreign currency transactions

INITIAL RECOGNITION

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

SUBSEQUENT RECOGNITION

At each annual and interim financial reporting date, foreign currency items are measured as follows:

- monetary items are translated at the exchange rate prevailing at the reporting date;
- non-monetary items measured at historical cost are translated at the exchange rate in force as at the transaction date;
- non-monetary items measured at historical cost are translated at the exchange rate in force as at the reporting date.

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

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

17. Other information

FORBORNE EXPOSURES – PERFORMING AND NON-PERFORMING

Within performing loans, single exposures are identified and classified as “forborne” (that is to say, subject to Forbearance measures), for which the Bank, due to the deterioration in the debtor’s business and financial conditions (experiencing “financial difficulties”), consents to amend the original agreement conditions or to total/partial refinancing of the contract, which would not have been granted if the debtor had not been experiencing such difficulties. These exposures do not make up a separate category, but they are a shared feature across the various categories of assets and are recognized on the single position that is subject to forbearance measures.

Therefore, from among Performing Loans, Performing Forborne Exposures are identified to which the “forbearance measure” applies. In order to recover from the status as a Forborne exposure, an observation period of at least 2 year from the application of the forbearance measure (the so-called probation period) is required.

Within Non-performing loans, the Non Performing Forborne exposures are, in practice, the category of Restructured loans.

LEASES

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

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

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

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

CLASSIFICATION OF LEASES

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

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

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

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

Cariparma has also entered into operating lease agreements as Lessee, concerning cars and other operating assets. The payments associated with these operating lease agreements have been recognized in the Income Statement on a straight-line basis over the duration of the agreement.

Cariparma has no finance lease contracts currently active.

INSURANCE ASSETS AND LIABILITIES

The Financial Statements of Cariparma do not report any assets or liabilities bearing insurance risks.

TREASURY SHARES

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

LEASEHOLD IMPROVEMENT

The costs of renovating leased property are capitalized in consideration of the fact that, for the duration of the lease, the tenant has control over and enjoys the future economic benefits of the assets. These guarantees are recognized under “Other Liabilities”, pursuant to the above-mentioned Bank of Italy Circular letter No. 262/2005, are amortized over a period that does not exceed the residual duration of the lease.

EMPLOYEE SEVERANCE BENEFITS

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

Therefore, with reference to the defined benefit scheme component the benefit cost is calculated separately for each scheme using the actuarial unitary credit projection method. Under this method, future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

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

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

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

PROVISIONS FOR GUARANTEES ISSUED AND COMMITMENTS

Financial guarantee liabilities issued by the Group are the contracts requiring a payment to refund the holder of a loss following the default of a specific debtor in making the payment due at the set maturity date based on the contract clauses debt instrument. Financial guarantee contracts are initially recognized as liabilities at fair value, increased by the transaction costs directly ascribable to the guarantee issue.

Later, liabilities are measured as the higher between the best estimate of the cost required to meet the actual obligation as at the reporting date and the amount initially recognised after deducting the accrued amortization. These guarantees are recognized under “Other Liabilities”, pursuant to the above-mentioned Bank of Italy Circular letter No. 262/2005.

SHARE-BASED PAYMENT

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

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

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

REVENUE RECOGNITION

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

- interest revenues are recognized on an accrual basis, using the contractual interest rate or the effective interest rate where the amortized cost method is applied;
- default interest, if any is contractually provided for, is recognized in the Income Statement only upon collection;
- dividends are recognized in the income statement when their distribution is authorized;
- commissions for revenues from services are recognized, in accordance with the terms of the relevant agreement, in the period in which the services have been provided;
- revenues from intermediation of financial instruments held for trading, calculated as the difference between the transaction price and the instrument fair value, are recognized in the Income Statement when the transaction is recognized, if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded.

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

FAIR VALUE MEASUREMENT

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

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price) on the main (or more advantageous) market, irrespective of whether this price can be directly observed or estimated using a valuation technique. Fair value applies to each financial asset or liability on an individual basis. As an exception, it can be estimated at a portfolio level, if the strategy for the management and monitoring of risk allow it and it appropriate documentation is provided. However, certain fair value parameters are calculated on a net basis, when a group of financial assets and financial liabilities is managed based on its net exposure to market or credit risks. This is the case for calculation of Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA).

More exhaustive reporting on these parameters is given in Part A.4 of the Note to the financial statements.

● *FINANCIAL INSTRUMENTS*

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

A market is considered active if quoted prices, representing effective and regular market transactions occurring during an appropriate reference period, are readily and regularly available from sources such as securities markets, dealers, stockbrokers, industry companies, pricing services or regulatory agencies. Collective investment schemes (EFT), spot exchange transactions, futures, options and shares listed on a regulated market and bonds for which at least two executable prices can be detected on a quotation service with a bid-asking spread that is less than an interval deemed consistent, are all considered as listed in an active market meeting the above requirements. Otherwise, all securities and derivatives that do not belong to the above categories are not considered as traded on an active market.

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

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

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

With finance products for which the fair value determined with measurement techniques cannot guarantee a sufficient degree of reliability, the value is prudentially calculated as the fair value at the reference date communicated by the parties with which the transactions were signed.

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

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

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

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

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

For available-for-sale loan assets and for loan assets and liabilities recognized at cost or at amortized cost, the fair value for recognition purposes or reported in the Note to the Financial Statements is determined using the following method:

- medium- and long-term assets and liabilities are primarily measured by discounting future cash flows, taking account of the riskiness of the relevant portfolio;
- a good approximation of the fair value of demand or short-term assets and liabilities is represented by the initial book value, net of collective/individual writedowns;
- the book value of non-performing loans (bad debts, substandard loans, past.due loans and restructured loans) is deemed to be a reasonable fair value approximation;
- the initial book value of floating-rate and short-term fixed-rate securities is deemed a reasonable fair value approximation , due to the fact that it reflects both the change in rates and the measurement of the credit risk associated with the issuer.

An analogous approach is applied for the fair value measurement of medium-/long-term fixed-rate securities and structured securities that are hedged for interest rate risk, for which the book value determined for hedge accounting purposes already takes into account interest rate risk measurement. For the latter, in determining the fair value reported in the note to the financial statements, changes in their credit spread were not taken into account, given that they are immaterial.

● *NON-FINANCIAL ACTIVITIES*

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

METHOD FOR AMORTIZED COST CALCULATION

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

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability

To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

Subsequent to initial recognition, the amortized cost method makes it possible to allocate revenues and costs pertaining to the instruments over their expected lifetime. The determination of the amortized cost varies according to whether the financial assets/liabilities being assessed are at fixed or variable rate, and - in the latter case - according to whether the rate variability is known or not beforehand. For fixed-rate instruments, or instruments with fixed rate over specified time periods, future cash flows are measured using the known interest rate (single or variable) over the life of the loan. For floating rate financial assets and liabilities whose variability is not known ahead of time (e.g. because it is linked to an index), cash flows are determined using the last known rate. Each time the rate is changed, the amortization schedule is recalculated, as is the effective rate of return over the entire useful life of the instruments, i.e. through maturity. Any adjustments are recognized as expense or income in the Income Statement.

Amortized cost is calculated for loans and receivables, financial assets held to maturity financial assets available for sale, debt and securities issued.

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

Transaction costs are marginal internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument that cannot be charged to the customer. These commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for retrocession, failure to use a credit line, early repayment, underwriting, facility and arrangement.

In addition, not considered in the amortized cost calculation are the costs that the Group would sustain independently of the transaction (for example, administrative costs, recording and communication expenses), nor those that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as commissions for services collected for the completion of Structured Finance operations, which would however have been collected independently of the subsequent financing of the transaction (such as, for example, arrangement commissions).

With specific reference to loans, costs attributable to the financial instrument include commission paid to distribution channels, fees paid for advice/assistance to the organization and/or participation in syndicated loans, expenses borne for loans acquired by subrogation and, finally, up-front commissions relating to loans granted at a higher-than-market rates; while the revenues considered in the calculation of amortized cost are up-front commissions relating to loans granted at lower-than-market rates, commissions for participation in syndicated transactions and brokerage fees linked to commissions paid by intermediation companies.

As to securities not classified as held for trading, transaction costs include commissions on contracts with stockbrokers operating in Italian markets, commissions paid to intermediaries operating in foreign stock and bond markets based on a prepared schedule of commissions. The amortized cost does not include stamp duties, as these are deemed immaterial.

With regard to securities issued, amortized cost is calculated taking into account commission for placing debenture loans paid to third parties, legal expenses, fees paid to stock exchanges and fees paid to auditors for work done on each individual issue, while the amortized cost excludes commissions paid to rating agencies, legal and advice/

revision expenses for the annual update of prospectuses, expenses for the use of indexes and commissions that arise during the life of the debenture loan issued.

Following initial measurement, they are measured at amortized cost, reporting effective interest rates that are higher or lower than the nominal rates. Finally, structured assets or liabilities not assessed at fair value are assessed at depreciated cost as well, and attributed to the Profit and Loss Account where the derivative contract incorporated in the financial instrument is separated and entered separately.

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

METHODS FOR DETERMINING IMPAIRMENT LOSSES

● *FINANCIAL ASSETS*

At every reporting date, financial assets not classified as “Financial Assets held for trading” undergo impairment testing to determine whether there is objective evidence that their book value is not fully recoverable.

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

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

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

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

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

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. To this end performing loans are subdivided into categories with uniform credit risk profile, referred to as “rating classes”, and the scope of application is defined by identifying “sensitive” loans, considered as loans that implicitly include the possibility of incurred losses.

The collective impairment value of sensitive loans is, therefore, calculated applying the percentage expressing the probability of default assigned to the rating class, considering also the residual life of the loan (maturity) and the loss given default rate, defined in a perspective of Basel 2 prudential supervision . The loss given default rate is, moreover, further corrected by a sector coefficient, established based on the run-off rates published by the Bank of Italy. The collective impairment loss measurement also takes into account the risk associated with the counterparty’s country of residence.

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

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

● *OTHER NON-FINANCIAL ACTIVITIES*

Property, plant and equipment and intangible assets with definite useful life undergo impairment testing if there is evidence that the book value of the asset can no longer be recovered.

The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent from those generated by other assets or groups of assets.

If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently written down to the recoverable value.

The recoverable value is determined with reference to the fair value of the asset, excluding disposal costs, or value in use, if calculable and higher than the fair value.

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

For other Property, plant and equipment items and intangible assets (other than goodwill), Cariparma determines the value in use as the present value of the estimated future cash flows using a discount rate before-taxes reflecting market data (the current cost of money and asset-specific risks).

SEGMENT REPORTING METHOD

The Bank presents segment reporting, as required by IFRS 8.

The sectors of economic activity included in segment reporting are determined based on the Group’s organisational and management structure.

The Group’s business segments are the following:
- Retail /Private Banking;
- Large-Corporate /Mid-Corporate;
- Other/sundry ones.

For segment reporting purposes, management figures, suitably reconciled with Financial Statement figures, have been used. The methods used for the impairment testing of goodwill are reported in point 13.3 - Assets.

■ A.3 Reporting on transfers of financial assets between portfolios

In 2014 no inter-portfolio transfers were made.

■ A.4 Fair value reporting

● *QUALITATIVE DISCLOSURES*

CLASSIFICATION OF FINANCIAL INSTRUMENTS AND OF NON-FINANCIAL ASSETS/LIABILITIES

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

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

- Level 1: Fair value equal to quoted prices (with no adjustments) in active markets.

Level 1 includes financial instruments that are quoted on active markets.

Specifically, these financial instruments are stocks and bonds quoted on active markets, investment schemes quoted on active markets and derivatives traded on regulated markets..

A market is deemed active when quoted prices are easily and regularly available from the Stock Exchange, a stockbroker, an intermediary, a price quotation service or a regulatory agency and when these prices represent real transactions regularly carried out on the market in normal competition conditions.

- Level 2: Fair value measured based on directly or indirectly observable market parameters, in addition to those of level 1.

These data are directly observable or indirectly observable (for example, determining the interest rate curve based on the interest rates that can be observed directly on the market as at a reference date).

Level 2 includes:
  - stocks and bonds that are quoted on markets considered inactive or that are not quoted on an active market, but whose fair value is determined using a universally acknowledged measurement model based on observable or indirectly observable inputs;
  - financial instruments whose fair value is determined with measurement models using observable market inputs.

- Level 3: Financial instruments whose fair value is determined using, to a significant extent, inputs that do not meet the set observability requirements.

The fair value of some complex instruments that are not traded on active markets is determined with measurement techniques that are based on assumptions not supported by observable market inputs.

The above are mainly complex interest rate instruments, stock derivatives and structured loans, where the measured correlation or volatility inputs are not directly comparable to market inputs.

CREDIT VALUATION ADJUSTMENT (CVA) E DEBIT VALUATION ADJUSTMENT (DVA)

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

CVA is the value adjustment of an OTC derivative, signed by the Bank with an external counterparty, which reflects the loss resulting from the worsening of the creditworthiness/default of the counterparty.

In a mirror-like way, the DVA expresses the CVA from the external counterparty's standpoint and consists in an adjustment of the derivative fair value based on the change in the creditworthiness of the Bank (issuer).

Based on the above, the value of a portfolio of OTC derivatives that are in force with a market counterparty, is equal to the value of the same risk-free portfolio less the CVA plus the DVA.

As provided for by the IFRS13, in certain conditions, risk mitigation tools can be used, such as master netting arrangements (ISDA Agreement) and CSA (Credit Support Annex).

By signing ISDA Master Agreements, which are framework agreements that amount to the reference international standard on OTC derivatives, 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.

Much in the same way, risks can be mitigated by finalizing Credit Support Annex (CSA), which are attached to the ISDA Mater Agreement and provide for the deposit with the creditor of an amount equal to the mark-to-market value of the exposure as a collateral.

Such collateral allows the present exposure and the subsequent risk to be reduced and provides, on a regular basis, for the exposure to be recalculated in order to verify that the deposited amount is consistent.

In accordance with the IFRS 13, the Cariparma Group has adopted a model implemented by the Parent Company CAsa; in addition to the effects of any changes in the counterparty's creditworthiness (Credit Valuation Adjustment – CVA), this model also expresses any changes in the Group's creditworthiness (Debit Value Adjustment – DVA).

In accordance with the model, the calculation of the CVA depends on the exposure, on the probability of default (PD) and on the Loss Given Default (LGD) of the counterparties.

This model provides for the use of a forward-looking PD as a function of the type of counterparty, to which a CDS spread or a CDS proxy is assigned. For this purpose, the external counterparties are classified into three categories:

- the first category includes the counterparties for which CDS input parameters are directly observable in the market;
- the second category includes counterparties for which there is no official quoted parameter, but to which a CDS proxy can be assigned, based on the observable market value that is given to counterparties with the same characteristics in terms of economic activity sector, rating and geographical area;
- the third category includes the counterparties to which a proxy cannot be assigned and for which, therefore, historical data are used.

On the other hand, the DVA calculation depends on the Bank's exposure, probability of default (PD) and Loss Given Default (LGD) and this measure expresses the potential earnings from the change in the market prices of the relevant derivative, due to the worsening of the Issuer Bank's creditworthiness.

In this case, a forward-looking PD is used which reflects the Bank's credit risk.

A.4.1 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 parameter.

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

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

A.4.2 Processes and sensitivity of measurement

The Financial Management Department is responsible for defining the fair value category of the financial instruments recognized; the fair value hierarchy is reported in section "A3 Fair value reporting". Choosing between the above methods is not an option, since they must be applied in a hierarchical order: absolute priority is given to official prices that are available on active markets for assets and liabilities to be measured (Level 1) or for assets and liabilities that are measured using techniques based on parameters that are observable on the market (Level 2); lower priority is given to assets and liabilities whose fair value is determined based on measurement techniques referring to parameters that are unobservable on the market and, thus, more discretionary (Level 3).

IFRS 13 also requires that, for recurring fair value measurements categorized within Level 3 of the fair value hierarchy, a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.

In this regard, it is reported that this case does not apply to some Level-3 financial instruments classified as Held for Trading and AFS. Unobservable inputs that can affect the measurement of financial instruments classified as Level 3 mainly consist in estimates and assumptions underlying the models used to measure investments in equity securities and OTC derivatives. For these investments no quantitative sensitivity analysis of the fair value based on the change in unobservable inputs was carried out, since either the fair value was obtained from third-party sources without any adjustments or resulted from a model whose inputs are specific for the entity being measured (for example the company equity values) and for which alternative values cannot be reasonably assumed.

For other financial instruments measured at fair value and categorized as Level 3, the main parameter that is unobservable on the market and affects fair value measurement is the recovery rate of indirectly held exposures to Icelandic Banks. In quantitative terms, an increase/decrease of one percentage point in the Recovery Rate would generate an increase or decrease, respectively, in the fair value amounting to approximately Euro 1.6 million.

Reference is made to the breakdown analysis of the composition of these cases, which is reported in the next section on quantitative disclosures.

A.4.3 Fair value hierarchy

For the assets and liabilities recognized, the Financial Management Department assesses whether transfers have occurred between the hierarchy levels by reviewing categorization at every reporting date.

The Financial Management 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 Department makes transfers to Level 3 only for financial instruments that are not listed in a regulated market and that cannot be measured using standard internal pricing models of the Group.

A.4.4 Other Information

The cases provided for by IFRS 13 at paragraphs 51, 93 item (i) and 96 did not apply to the Bank.

QUANTITATIVE DISCLOSURE

A.4.5 Fair value hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: categorization by fair value level

Assets/liabilities measured at fair value	31.12.2014			31.12.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets held for trading	25	188,642	9,867	16	166,880	29,775
2. Financial assets measured at fair value	-	15,972	-	-	-	-
3. Financial assets available for sale	4,601,568	-	222,742	3,773,722	-	221,307
4. Hedging derivatives	-	710,803	-	-	571,225	-
5. Property, plant and equipment	-	-	-	-	-	-
6. Intangible assets	-	-	-	-	-	-
Total	**4,601,593**	**915,417**	**232,609**	**3,773,738**	**738,105**	**251,082**
1. Financial liabilities held for trading	-	198,161	9,845	-	169,051	29,726
2. Financial liabilities measured at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	271,279	260,931	-	161,211	94,074
Total	**-**	**469,440**	**270,776**	**-**	**330,262**	**123,800**

The impact resulting from applying CVA and DVA of the measurement of the fair value of derivatives classified under "Financial Asset held for trading" came to Euro 13,232 thousand.

As at the reporting date, Cariparma's portfolios measured at fair value, that is to say, the portfolio of financial assets held for trading, the portfolio of available-for-sale financial assets (AFS) and hedging derivatives consisted, by 80%, of financial assets that qualify for categorization as Level 1 (L1), with a similar weight vs. the previous year. This category mostly consists of Italian and French Government securities (Euro 4,601.5 million).

Financial assets categorized as Level 2 (L2) are mostly OTC derivatives held for hedging (Euro 710.8 million) and for trading purposes (Euro 188.6 million), and financial assets measured at fair value (Euro 16 million).

The portfolio of AFS financial assets that have been measured at fair value and categorized as Level 3 (L3) includes unlisted equity securities that have been measured based on internal measurement models, mainly based on the issuer's equity (Euro 173.3 million) and Index-linked policies with underlying securities issued by Glitnir Banki Hf (Euro 49 million) Assets held for trading measured at fair value and categorized as Level 3 (L3) consist of complex OTC derivatives, which are measured based on the indications provided by qualified counterparties in the market (Euro 9.8 million).

The portfolio of hedging derivatives with Level-3 fair value includes derivatives that are measured based on techniques that use assumptions not fed by observable market inputs. Further reporting on this is given in Part B Liabilities Section 6, of this Note, to which reference is made.

A.4.5.2 Changes for the period in assets measured at fair value on a recurring basis (level 3)

	Financial assets held for trading	Financial assets measured at fair value	Financial assets available for sale	Hedging derivatives	Property, plant and equipment	Intangible Assets
1. Opening balance	**29,775**	**-**	**221,307**	**-**	**-**	**-**
2. Increases	**1**	**-**	**5,775**	**-**	**-**	**-**
2.1 Purchases	-	-	5,243	-	-	-
2.2 Profits recognized in:	-	-	-	-	-	-
2.2.1 Income Statement	1	-	250	-	-	-
- of which: Capital gains	1	-	-	-	-	-
2.2.2 Equity	X	X	282	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-
2.4 Other increases	-	-	-	-	-	-
3. Decreases	**19,909**	**-**	**4,340**	**-**	**-**	**-**
3.1 Sales	51	-	4,177	-	-	-
3.2 Repayments	17,877	-	-	-	-	-
3.3 Losses recognized in:	-	-	-	-	-	-
3.3.1 Income Statement	1,981	-	58	-	-	-
- of which Capital losses	1,979	-	-	-	-	-
3.3.2 Equity	X	X	105	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-
3.5 Other decreases	-	-	-	-	-	-
4. Closing Balance	**9,867**	**-**	**222,742**	**-**	**-**	**-**

A.4.5.3 Changes for the period in liabilities measured at fair value on a recurring basis (Level 3)

	Financial liabilities held for trading	Financial liabilities measured at fair value	Hedging derivatives
1. Opening balance	**29,726**	**-**	**94,074**
2. Increases	**4**	**-**	**171,856**
2.1 Issues	4	-	161,439
2.2 Losses recognized in:	-	-	-
2.2.1 Income Statement	-	-	10,417
- of which Capital losses	-	-	10,417
2.2.2 Equity	X	X	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**19,885**	**-**	**4,999**
3.1 Repayments	17,889	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognized in:	-	-	-
3.3.1 Income Statement	1,996	-	4,999
- of which Gains	1,996	-	4,999
3.3.2 Equity	X	X	-
3.4 Transfers to other levels	-	-	-
3.5 Other decreases	-	-	-
4. Closing Balance	**9,845**	**-**	**260,931**

A.4.5.4 Assets and liabilities that are not measured at fair value or measured at fair value on a non-recurring basis: categorization by fair value level

Assets and liabilities that are not measured at fair value or measured at fair value on a non-recurring basis	31.12.2014				31.12.2013			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets held to maturity	-	-	-	-	-	-	-	-
2. Loans to banks	4,037,290	-	4,037,290	-	3,875,190	-	3,875,190	-
3. Loans to Customers	28,302,918	-	-	29,809,177	27,965,449	-	-	27,965,472
5. Investment property	7,138	-	-	19,284	7,298	-	-	19,284
Non-current assets or groups of assets being divested	-	-	-	-	-	-	-	-
Total	**32,347,346**	**-**	**4,037,290**	**29,828,461**	**31,847,937**	**-**	**3,875,190**	**27,984,756**
1. Due to banks	6,990,082	-	6,990,082	-	6,042,948	-	6,042,948	-
2. Due to Customers	18,631,839	-	18,631,839	-	17,800,759	-	17,800,759	-
3. Outstanding securities	9,691,561	-	8,441,471	1,272,727	10,608,250	-	8,875,428	1,770,846
4. Liabilities in respect of assets being divested	-	-	-	-	-	-	-	-
Total	**35,313,482**	**-**	**34,063,392**	**1,272,727**	**34,451,957**	**-**	**32,719,135**	**1,770,846**

Key:
VB: Book value
L1: Level 1
L2: Level 2
L3: Level 3

A.5 – Reporting on “day one profit/loss”

Paragraph 28 of IFRS 7 governs the specific situation where, in case of purchase of a financial instrument that is measured at fair value but not listed on an active market, the transaction price, which generally amounts to the fair value best estimate upon initial recognition, is different from the fair value determined based on the measurement techniques used by the entity.

In this case, a measurement profit/loss is realized upon acquisition, which shall be adequately disclosed by financial instrument class.

It is reported that this case does not apply to Cariparma financial statements.

PART B INFORMATION ON THE BALANCE SHEET

ASSETS

Section 1 – Cash and cash equivalents – Item 10

CASH AND CASH EQUIVALENT: COMPOSITION

	31.12.2014	31.12.2013
a) Cash	194,040	231,188
b) Demand deposits with Central Banks	-	-
Total	**194,040**	**231,188**

Section 2 – Financial assets held for trading – Item 20

2.1 FINANCIAL ASSETS HELD FOR TRADING: COMPOSITION BY TYPE

Voci/Valori	31.12.2014			31.12.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance-sheet assets						
1. Debt securities	25	31	40	16	1	92
1.1 Structured Securities	-	-	-	-	1	-
1.2 Other debt securities	25	31	40	16	-	92
2. Equity securities	-	-	-	-	-	-
3. Units in collective investment undertakings	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements for lending purposes	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	**25**	**31**	**40**	**16**	**1**	**92**
B. Derivatives						
1. Financial Derivatives	-	188,611	9,827	-	166,879	29,683
1.1 trading	-	188,611	9,827	-	166,879	29,683
1.2 associated with fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit Derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 associated with fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	**-**	**188,611**	**9,827**	**-**	**166,879**	**29,683**
Total (A+B)	**25**	**188,642**	**9,867**	**16**	**166,880**	**29,775**

2.2 FINANCIAL ASSETS HELD FOR TRADING: COMPOSITION BY DEBTOR/ISSUER

Items/Amounts	31.12.2014	31.12.2013
A. On-balance-sheet assets		
1. Debt securities	**96**	**109**
a) Governments and central banks	4	4
b) Other public entities	-	-
c) Banks	70	91
c) Other issuers	22	14
2. Equity securities	**-**	**-**
a) Banks	-	-
c) Other issuers:	-	-
- insurance companies	-	-
- financial companies	-	-
- non-financial companies	-	-
- other	-	-
3. Units in collective investment undertakings	**-**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
c) Other parties	-	-
Total A	**96**	**109**
B. Derivatives		
a) Banks	-	-
- fair value	79,384	89,677
b) Customers	-	-
- fair value	119,054	106,885
Total B	**198,438**	**196,562**
Total (A+B)	**198,534**	**196,671**

2.3 ON-BALANCE SHEET FINANCIAL ASSETS HELD FOR TRANDING: CHANGES FOR THE PERIOD

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**109**	**-**	**-**	**-**	**109**
B. Increases	**395,198**	**7,278**	**1,424**	**-**	**403,900**
B1. Purchases	394,172	7,278	1,424	-	402,874
B2. Fair value gains	1	-	-	-	1
B3. Other changes	1,025	-	-	-	1,025
C. Decreases	**395,211**	**7,278**	**1,424**	**-**	**403,913**
C1. Sales	395,185	7,278	1,424	-	403,887
C2. Loans repaid	-	-	-	-	-
C3. Fair value losses	-	-	-	-	-
C4. Transfers to other portfolios	-	-	-	-	-
C5. Other changes	26	-	-	-	26
D. Closing balance	**96**	**-**	**-**	**-**	**96**

Rows B3 and C5 include profits and losses from trading and accrued issue discounts on coupon interest. Any opening technical overdrafts are reported in row C5. and the closing ones in row B3.

Section 3 – Financial assets measured at fair value – Item 30

3.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE: COMPOSITION BY TYPE

Items/Amounts	31.12.2014			31.12.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**-**	**15,972**	**-**	**-**	**-**	**-**
1.1 Structured Securities	-	15,972	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity securities	**-**	**-**	**-**	**-**	**-**	**-**
3. Units in collective investment undertakings	**-**	**-**	**-**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Structured loans	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	**-**	**15,972**	**-**	**-**	**-**	**-**
Cost	**-**	**-**	**-**	**-**	**-**	**-**

A security from a debt restructuring has been classified in this category, “convertendo Unipol SAI”, where the Group has adopted the “fair value option”, with the measurement taken to the Income Statement.

3.2 FINANCIAL ASSETS MEASURED AT FAIR VALUE: COMPOSITION BY DEBTOR/ISSUER

Items/Amounts	31.12.2014	31.12.2013
1. Debt securities	**15,972**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
c) Other issuers	15,972	-
2. Equity securities	**-**	**-**
a) Banks	-	-
c) Other issuers:	-	-
- insurance companies	-	-
- financial companies	-	-
- non-financial companies	-	-
- other	-	-
3. Units in collective investment undertakings	**-**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
c) Other parties	-	-
Total	**15,972**	**-**

3.3 FINANCIAL ASSETS MEASURED AT FAIR VALUE: CHANGES FOR THE PERIOD

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**-**	**-**	**-**	**-**	**-**
B. Increases	**17,905**	**-**	**-**	**-**	**17,905**
B1. Purchases	17,800	-	-	-	17,800
B2. Fair value gains	-	-	-	-	-
B3. Other changes	105	-	-	-	105
C. Decreases	**1,933**	**-**	**-**	**-**	**1,933**
C1. Sales	-	-	-	-	-
C2. Loans repaid	-	-	-	-	-
C3. Fair value losses	1,933	-	-	-	1,933
C4. Other changes	-	-	-	-	-
D. Closing balance	**15,972**	**-**	**-**	**-**	**15,972**

Rows B3. and C4., where present, include profits and losses from trading and accrued issue discounts on coupon interest. Any opening technical overdrafts are reported in row C5. and the closing ones in row B3.

● *Section 4 – Available-for-sale financial assets – Item 40*

4.1 AVAILABLE FOR SALE FINANCIAL ASSETS: COMPOSITION BY TYPE

Items/Amounts	31.12.2014			31.12.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**4,601,529**	**-**	**48,982**	**3,773,396**	**-**	**48,782**
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	4,601,529	-	48,982	3,773,396	-	48,782
2. Equity securities	**39**	**-**	**173,260**	**326**	**-**	**172,525**
2.1 Measured at fair value	39	-	168,298	326	-	172,525
2.2 Carried at cost	-	-	4,962	-	-	-
3. Units in collective investment undertakings	**-**	**-**	**500**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**4,601,568**	**-**	**222,742**	**3,773,722**	**-**	**221,307**

The main equity securities measured at cost are:

- Cattleya S.r.l. (book value Euro 2,500 thousand, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed);
- SILCA S.n.c. (book value Euro 2,060 thousand, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed);
- CA Fiduciaria S.p.A. (book value Euro 400 thousand, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed);

In general, these equity securities have been measured at cost, since their fair value could not be reliably determined because there is no active market for these instruments, there were no recent transactions, similar securities could not be found and measurement models could not be properly applied as there are no estimates of future cash flows.

4.2 AVAILABLE FOR SALE FINANCIAL ASSETS: COMPOSITION BY DEBTOR/ISSUER

Items/Amounts	31.12.2014	31.12.2013
1. Debt securities	**4,650,511**	**3,822,178**
a) Governments and central banks	4,601,529	3,773,396
b) Other public entities	-	-
c) Banks	-	-
c) Other issuers	48,982	48,782
2. Equity securities	**173,299**	**172,851**
a) Banks	152,350	152,350
c) Other issuers:	20,949	20,501
- insurance companies	-	-
- financial companies	639	547
- non-financial companies	20,310	19,954
- other	-	-
3. Units in collective investment undertakings	**500**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
c) Other parties	-	-
Total	**4,824,310**	**3,995,029**

4.3 MICRO-HEDGED FINANCIAL ASSETS AVAILABLE FOR SALE

As at 31 December 2014, securities subject to micro-hedge for interest rate risk were recognized amounting to Euro 4,301 million and securities subject to micro-hedge for price risk were recognized amounting to Euro 205 million.

4.4 AVAILABLE-FOR-SALE-FINANCIAL-ASSETS: CHANGES FOR THE PERIOD

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**3,822,178**	**172,851**	**-**	**-**	**3,995,029**
B. Increases	**1,793,939**	**5,219**	**500**	**-**	**1,799,658**
B1. Purchases	1,217,609	4,744	500	-	1,222,853
B2. Fair value gains	257,248	82	-	-	257,330
B3. Writebacks	-	143	-	-	143
- taken to the Income Statement	-	X	-	-	-
- taken to Equity	-	143	-	-	143
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	319,082	250	-	-	319,332
C. Decreases	**965,606**	**4,771**	**-**	**-**	**970,377**
C1. Sales	737,143	4,346	-	-	741,489
C2. Loans repaid	-	-	-	-	-
C3. Fair value losses	3,129	224	-	-	3,353
C4. Write-down for impairment	-	143	-	-	143
- taken to the Income Statement	-	143	-	-	143
- taken to Equity	-	-	-	-	-
C5. Transfers to other portfolios	-	-	-	-	-
C6. Other changes	225,334	58	-	-	225,392
D. Closing balance	**4,650,511**	**173,299**	**500**	**-**	**4,824,310**

Rows B5. and C6. include profits and losses from realization, accruals on the differences between issue prices and nominal values and on coupon interests, as well as, marginally, effects resulting from exchange rate fluctuations.

Section 6 – Loans to customers – Item 60

6.1 LOANS TO BANKS: COMPOSITION BY TYPE

Type of transactions/Values	31.12.2014				31.12.2013			
	VB	FV			VB	FV		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Claims on Central Banks	**419,255**	**-**	**-**	**-**	**265,891**	**-**	**265,891**	**-**
1. Fixed-term deposits	-	X	X	X	-	X	X	X
2. Reserve requirement	419,255	X	X	X	265,891	X	X	X
3. Repurchase agreements	-	X	X	X	-	X	X	X
4. Others	-	X	X	X	-	X	X	X
B. Loans to Banks	**3,618,035**	**-**	**-**	**-**	**3,609,299**	**-**	**3,609,299**	**-**
1. Loans	2,709,286	-	-	-	2,700,323	-	2,700,323	-
1.1 Current accounts and demand deposits	204,331	X	X	X	293,553	X	X	X
1.2 Fixed-term deposits	2,457,447	X	X	X	2,349,419	X	X	X
1.3 Other loans	47,508	X	X	X	57,351	X	X	X
1.3.1 Repurchase agreements for lending purposes	-	X	X	X	-	X	X	X
1.3.2 Finance leases	-	X	X	X	-	X	X	X
1.3.3 Other	47,508	X	X	X	57,351	X	X	X
2. Debt securities	908,749	-	-	-	908,976	-	908,976	-
2.1 Structured Securities	-	X	X	X	-	X	X	X
2.2 Other debt securities	908,749	X	X	X	908,976	X	X	X
Total	**4,037,290**	**-**	**4,037,290**	**-**	**3,875,190**	**-**	**3,875,190**	**-**

Key:
FV = fair value
VB = book value

6.2 LOANS TO BANK SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

As at 31 December 2014, there were no loans to banks subject to micro-hedge, i.e. specifically hedged.

6.3 FINANCE LEASES

As at 31 December 2014, there were no loans to banks resulting from finance lease transactions.

● Section 7 – Loans to customers – Item 70

7.1 LOANS TO CUSTOMERS: COMPOSITION BY TYPE

Type of transactions/Amounts	31.12.2014						31.12.2013					
	Book value			Fair value			Book value			Fair value		
	Performing	Non-performing		L1	L2	L3	Performing	Non-performing		L1	L2	L3
		Purchased	Other					Purchased	Other			
Loans	**26,093,197**	**-**	**2,078,480**	**-**	**-**	**29,677,936**	**26,374,198**	**-**	**1,586,250**	**-**	**-**	**29,201,797**
1. Current accounts	2,280,287	-	489,920	X	X	X	2,879,827	-	323,146	X	X	X
2. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
3. Mortgage loans	16,944,039	-	1,323,761	X	X	X	17,451,175	-	963,341	X	X	X
4. Credit cards, personal loans and loans repaid by automatic deductions from wages	330,463	-	13,192	X	X	X	436,268	-	26,094	X	X	X
5. Finance lease	-	-	-	X	X	X	-	-	-	X	X	X
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
7. Other financing	6,538,408	-	251,607	X	X	X	5,606,928	-	273,669	X	X	X
Debt securities	**131,241**	**-**	**-**	**-**	**-**	**131,241**	**5,001**	**-**	**-**	**-**	**-**	**5,001**
8 Structured Securities	131,241	-	-	X	X	X	-	-	-	X	X	X
9 Other debt securities	-	-	-	X	X	X	5,001	-	-	X	X	X
Total	**26,224,438**	**-**	**2,078,480**	**-**	**-**	**29,809,177**	**26,379,199**	**-**	**1,586,250**	**-**	**-**	**29,206,798**

Key:
L1 = Level 1
L2 = Level 2
L3 = Level 3

7.2 LOANS TO CUSTOMERS: COMPOSITION BY DEBTOR/ISSUER

Type of transactions/Amounts	31.12.2014			31.12.2013		
	Performing	Non-performing		Performing	Non-performing	
		Purchased	Other		Purchased	Other
1. Debt securities:	**131,241**	**-**	**-**	**5,001**	**-**	**-**
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other issuers	131,241	-	-	5,001	-	-
- non-financial companies	-	-	-	5,001	-	-
- financial companies	-	-	-	-	-	-
- insurance companies	131,241	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans to:	**26,093,197**	**-**	**2,078,480**	**26,374,198**	**-**	**1,586,250**
a) Governments	12,718	-	-	8,022	-	1
b) Other State Bodies	71,080	-	4,458	111,920	-	2
c) Other parties	26,009,399	-	2,074,022	26,254,256	-	1,586,247
- non-financial companies	10,352,292	-	1,625,573	11,368,688	-	1,192,429
- financial companies	5,037,002	-	25,122	4,238,657	-	37,745
- insurance companies	54,067	-	1	67,075	-	1
- other	10,566,038	-	423,326	10,579,836	-	356,072
Total	**26,224,438**	**-**	**2,078,480**	**26,379,199**	**-**	**1,586,250**

7.3 LOANS TO CUSTOMERS: SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

As at 31 December 2014, there were no loans to customers subject to micro-hedge.

7.4 FINANCE LEASES

As at 31 December 2014, there were no loans to customers resulting from finance lease transactions.

● *Section 8 – Hedging derivatives – Item 80*

8.1 HEDGING DERIVATIVES: COMPOSITION BY TYPE OF HEDGE AND BY LEVEL

	Fair Value 31.12.2014			Book Value 31.12.2014	Fair Value 31.12.2013			Book Value 31.12.2013
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial Derivatives	**-**	**710,803**	**-**	**11,573,887**	**-**	**571,225**	**-**	**10,962,618**
1) Fair value	-	710,803	-	11,573,887	-	571,225	-	10,962,618
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**710,803**	**-**	**11,573,887**	**-**	**571,225**	**-**	**10,962,618**

8.2 HEDGING DERIVATIVES: COMPOSITION BY HEDGED PORTFOLIO AND BY TYPE OF HEDGE

Transactions/Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific								
	Interest Rate risk	Exchange rate risk	Credit Risk	Price risk	Multiple risks	Generic (macro)	Specific	Generic (macro)	
1. Financial assets available for sale	176	-	-	-	-	X	-	X	X
2. Receivables	4,902	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	-	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
Total assets	**5,078**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	705,725	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	-	X	-	X
Total liabilities	**705,725**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	-	X	-	-

The “Hedging Derivatives” item referring to financial liabilities consisted of Euro 211,498 thousand for hedging own bonds issued and Euro 494,227 thousand for generic hedging/macrohedging of fixed-rate demand deposits.

● *Section 9 – Value adjustment of financial assets subject to macro-hedge – Item 90*

9.1 VALUE ADJUSTMENT OF HEDGED ASSETS: COMPOSITION BY PORTFOLIO

Adjustments of hedged assets/values	31.12.2014	31.12.2013
1. Positive adjustment	**6,725**	**-**
1.1 of specific portfolios:	6,725	-
a) loans	6,725	-
b) financial assets available for sale	-	-
1.2 total	-	-
2. Negative adjustment	**-**	**-277**
2.1 of specific portfolios:	-	-277
a) loans	-	-277
b) financial assets available for sale	-	-
2.2 total	-	-
Total	**6,725**	**-277**

9.2 ASSETS SUBJECT TO MACRO-HEDGE FOR INTEREST RATE RISK

Type of transaction/Values	31.12.2014	31.12.2013
Loans and receivables	286,664	316,513

Section 10 – Equity investments – Item 100

10.1 EQUITY INVESTMENT IN SUBSIDIARIES, JOINT-VENTURES OR SUBJECT TO SIGNIFICANT INFLUENCE: DISCLOSURE ON EQUITY INVESTMENTS IN OTHER ENTITIES

Name	Registered Office	Operating headquarters	% held	% of votes
A. Exclusively-controlled companies				
Sliders S.r.l.	Milan, Italy		100.00	
Crédit Agricole Leasing Italia – Calit S.r.l.	Milan (IT)		85.00	
Banca Popolare Friuladria SpA	Pordenone, Italy		80.17	
Cassa di Risparmio della Spezia S.p.A.	La Spezia, Italy		80.00	
Cariparma OBG S.r.l.	Milan (IT)		60.00	
B. Joint ventures				
not present				
A. Companies subject to significant influence				
CA – Agroalimentare S.p.A.	Parma (IT)		26.32	
MondoMutui Cariparma S.r.l.	Milan (IT)		19.00	

10.5 EQUITY INVESTMENTS: CHANGES FOR THE PERIOD

	31.12.2014	31.12.2013
A. Opening balance	**1,262,969**	**1,272,613**
B. Increases	**47,086**	**4,256**
B.1 Purchases	47,086	-
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	4,256
C. Decreases	**22,546**	**13,900**
C.1 Sales	-	-
C.2 Value Adjustments	22,546	13,900
C.3 Other changes	-	-
D. Closing balance	**1,287,509**	**1,262,969**
E. Total writebacks	**-**	**-**
F. Total value adjustments	**-**	**-**

Section 11 – Property, plant and equipment – Item 110

11.1 OPERATING PROPERTY, PLANT AND EQUIPMENT: COMPOSITION OF ASSETS MEASURED AT COST

Assets/Amounts	31.12.2014	31.12.2013
1. Owned	**289,393**	**278,978**
a) land	72,339	72,340
b) buildings	168,976	166,000
c) movables	11,298	8,928
d) electrical plant	4,966	4,529
e) other	31,814	27,181
2. acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) movables	-	-
d) electrical plant	-	-
e) other	-	-
Total	**289,393**	**278,978**

11.2 INVESTMENT PROPERTY, PLANT AND EQUIPMENT: COMPOSITION OF ASSETS MEASURED AT COST

Assets/Amounts	31.12.2014				31.12.2013			
	Book value	Fair value			Book value	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned	**7,138**	**-**	**-**	**19,284**	**7,298**	**-**	**-**	**19,284**
a) land	2,989	-	-	10,655	2,972	-	-	10,655
b) buildings	4,149	-	-	8,629	4,326	-	-	8,629
2. acquired under finance leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	**7,138**	**-**	**-**	**19,284**	**7,298**	**-**	**-**	**19,284**

Key:
L1 = Level 1
L2 = Level 2
L3 = Level 3

11.5 OPERATING PROPERTY, PLANT AND EQUIPMENT: CHANGES FOR THE PERIOD

	Land	Buildings	Furnishings	Electronic equipment	Other	Total
A. Opening gross balance	**72,339**	**306,855**	**68,706**	**44,224**	**157,812**	**649,936**
A.1 Total net writedowns	-	140,855	59,778	39,695	130,631	370,959
A.2 Opening net balance	72,339	166,000	8,928	4,529	27,181	278,977
B. Increases:	**-**	**9,307**	**5,444**	**3,087**	**12,636**	**30,474**
B.1 Purchases	-	-	5,444	3,087	12,636	21,167
B.2 Capitalized improvement costs	-	9,307	-	-	-	9,307
B.3 Writebacks	-	-	-	-	-	-
B.4 Fair value gains recognized in:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Income Statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7 Other changes	-	-	-	-	-	-
C. Decreases:	**-**	**6,331**	**3,074**	**2,650**	**8,003**	**20,058**
C.1 Sales (*)	-	-	117	39	78	234
C.2 Depreciation	-	6,331	2,943	2,611	7,715	19,600
C.3 Impairment adjustments recognized in:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Income Statement	-	-	-	-	-	-
C.4 Fair value losses recognized in:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Income Statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) Investment property	-	-	-	-	-	-
b) discontinuing operations	-	-	-	-	-	-
C.7 Other changes	-	-	14	-	210	224
D. Closing net balance	**72,339**	**168,976**	**11,298**	**4,966**	**31,814**	**289,393**
D.1 Total net writedowns	-	147,187	62,721	42,306	138,346	390,560
D.2 Closing gross balance	72,339	316,163	74,019	47,272	170,160	679,953
E. Measurement at cost	**-**	**-**	**-**	**-**	**-**	**-**
**of which for transfer transactions:*						
- gross value			*1,452*	*611*	*542*	
Accumulated depreciation/amortization			*1,335*	*572*	*464*	

11.6 INVESTMENT PROPERTY, PLANT AND EQUIPMENT: CHANGES FOR THE PERIOD

	31.12.2014	
	Land	Buildings
A. Opening balance	**2,972**	**4,326**
B. Increases	**17**	**3**
B.1 Purchases	17	3
B.2 Capitalized improvement costs	-	-
B.3 Fair value gains	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from operating assets	-	-
B.7 Other changes	-	-
C. Decreases	**-**	**180**
C.1 Sales	-	-
C.2 Depreciation	-	180
C.3 Fair Value losses	-	-
C.4 Writedowns for impairment	-	-
C.5 Negative exchange rate differences	-	-
C.6 Transfers to other assets portfolios	-	-
a) operating assets	-	-
b) discontinuing operations	-	-
C.7 Other changes	-	-
D. Closing balance	**2,989**	**4,149**
E. Carried at fair value	**10,655**	**8,629**

● *Section 12 – Intangible assets – Item 120*

12.1 INTANGIBLE ASSETS: COMPOSITION BY TYPE OF ASSET

Assets/Amounts	31.12.2014		31.12.2013	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**922,340**	**X**	**922,340**
A.2 Other intangible assets	**243,305**	**-**	**253,923**	**-**
A.2.1 Assets measured at cost:	243,305	-	253,923	-
a) Intangible assets developed in-house	6,567	-	4,765	-
b) Other assets	236,738	-	249,158	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
Total	**243,305**	**922,340**	**253,923**	**922,340**

The cost of intangible assets with finite life is amortized on a straight-line basis over the useful life of the asset, which, for all software has been set at 5 years. The useful life of some types of software, specifically identified, has been estimated in 10 years.

In-house generated intangible assets were recognized for Euro 3.1 million. These assets resulted from staff expenses borne for in-house development of software and are amortized over a 5-year period.

The definite useful life of intangible assets representing business with customers has been set at 15 years, based on the time series available on the rate of Customer turnover in the Retail segment.

12.2 INTANGIBLE ASSETS: CHANGES FOR THE PERIOD

	Goodwill	Other intangible assets: developed in-house		Other intangible assets: other		Total
		with finite life	with indefinite life	with finite life	with indefinite life	
A. Opening balance	**922,340**	**5,761**	**-**	**562,795**	**-**	**1,490,896**
A.1 Total net writedowns	-	996	-	313,637	-	314,633
A.2 Opening net balance	922,340	4,765	-	249,158	-	1,176,263
B. Increases	**-**	**3,107**	**-**	**36,625**	**-**	**39,732**
B.1 Purchases	-	3,107	-	36,625	-	39,732
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Writebacks	X	-	-	-	-	-
B.4 Fair value gains:	-	-	-	-	-	-
- in Equity	X	-	-	-	-	-
- in the Income Statement	X	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**1,305**	**-**	**49,045**	**-**	**50,350**
C.1 Sales	-	-	-	-	-	-
C.2 Value Adjustments	-	1,305	-	48,698	-	50,003
- Amortization	X	1,305	-	48,698	-	50,003
- Writedowns:	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ Income Statement	-	-	-	-	-	-
C.3 Fair Value losses:	-	-	-	-	-	-
- in Equity	X	-	-	-	-	-
- in the Income Statement	X	-	-	-	-	-
C.4 Transfers to discontinuing operations	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	347	-	347
D. Closing net balance	**922,340**	**6,567**	**-**	**236,738**	**-**	**1,165,645**
D.1 Total net writedowns	-	2,301	-	362,336	-	364,637
E. Closing gross balance	**922,340**	**8,868**	**-**	**599,074**	**-**	**1,530,282**
F. Measurement at cost	**-**	**-**	**-**	**-**	**-**	**-**

12.3 OTHER INFORMATION

Impairment testing on intangible assets with finite useful life

Within the purchase transactions made in 2007 and 2011 by Cariparma, a Price Purchase Allocation process was used to identify a set of finite life assets, corresponding to the different sources of recurring profitability linked to business with Customers.

Their duration was defined based on the available time series for retail customer turnover in the Retail+Private Banking segment, over a 15 year period.

At the end of 2014 it was verified that the value of the elements making up intangible assets, which were acquired within the scope of transactions made in 2007 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the component relating to loans to Customers, the present value was calculated taking into account the rate of early repayment of loans between March 2008 and December 2014, the cost of credit (the 2011-2014 average) and the long-term taxation level;
- for the component relating to demand deposits, volumes have progressively increased (and, therefore, their stable component) since their acquisition;
- for the component relating to Net Commission Income, the present value of commission income was recalculated taking account of the expected level of commission income from “banking services”. The analysis had a favourable outcome.

Therefore, the total value of the intangible assets acquired in 2007 was found higher than the book value recognized as at 31 December 2014, amounting to Euro 80,355 thousand.

At the end of 2014 it was verified that the value of each of the elements making up intangible assets, which were recognized within the scope of the transactions made in 2011 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the component relating to demand deposits, volumes were essentially in line with the date of purchase and their measurement took into account the introduction of the Multiple ITR System;
- with regard to Net Commission Income, the changes in Wealth Management commission income for Assets under Administration and Assets under Management for 2011, 2012, 2013, 2014, 2015 (Budget) as well as the relevant 15-year forward-looking forecasts were analyzed.

Therefore, the overall value of these intangible assets was found to be higher than the value recognized as at 31 December 2014 amounting to Euro 64,185 thousand.

Impairment test on goodwill

As required by IASs/IFRSs, Cariparma tested for impairment the goodwill emerged from the transactions for the acquisition of the 180 branches purchased in 2007 and the 81 branches purchased in 2011.

First the Cash Generating Unit (CGU) was identified, i.e. the minimum unit generating cash flows, to which goodwill (equal to Euro 922,340 thousand) is to be allocated. Based on the customer segments used for reporting to the management, the CGU was identified as being the Retail+Private Banking channel of Cariparma (which includes the 180 branches acquired in 2007 and the 81 acquired in 2011).

The CGU value in use has been calculated consistently with the method adopted by the Crédit Agricole Group S.A. Group, i.e. using the Discounted Cash Flows method and compared with its absorbed assets.

Information on the method for calculating future cash flows and discount rate is provided in the Annual Report and Consolidated Financial Statements of the Cariparma Crédit Agricole Group.

The test showed that the CGU value is higher than the corresponding goodwill value.

This result also held when the parameters were varied (within a reasonable range of fluctuation). More specifically, the sensitivity analysis was carried out varying the parameters as follows:

- risk-free rate: variation range between 0.59% (rate of 10Y Bund in December 2014) and 4.49% (average yield in the last 16 years of the 10Yl BTP);
- beta: variation range between 1.04 (average Beta of a sample of medium-sized listed Italian Banks) and 1.20;
- risk premium: variation range between 3.40% (1900-2013 geometric mean, source "Equity Risk Premiums (ERP): Determinants, Estimation and Implications – The 2014 Edition", Aswath Damodaran, March 2014) e 4,22%. Also in these cases, the sensitivity analysis had a favourable result.

Lastly, we determined the discounting rate or long-term growth rate "g" at which the value in use becomes equal to the book value. This analysis showed that the book value is equal to the use value only with a marked increase in the discount rate Ke (13.51%), whereas even with a long-term growth rate equal to zero, the use value would remain higher than the book value.

A consistent method was used to verify any need to make adjustments to the value of the equity investments held in Carispezia, Banca Popolare FriulAdria and CALIT in the Separate Financial Statements. The capital absorbed by the RWAs of the two investee companies was calculated using a 8% parameter, in line with the one used in the previous years and higher than the individual minimum requirement set down by the regulation.

The value in use of the equity investments in FriulAdria and Carispezia was found, in both cases, higher than cost; therefore, no impairment writedown was required.

For Calit, the capital increase of Euro 35 million, which was resolved in December 2014, was taken into account. In view of the expected amendment in the regulation concerning financial intermediaries (that is to say, Bank of Italy Circular No. 216 of 5 August 1996 as updated) with the elimination of the 25% RWA benefit, the capital absorption was calculated using a 6,0% parameter. In this situation, the value in use of the equity investment was found lower than cost, thus requiring impairment adjustment. The net impact for 2014 (taking account also of the Provision that had been prudentially allocated in the previous year amounting to Euro 7.6 million) came to Euro14.9 million.

Section 13 – Tax Assets and Tax Liabilities – Assets Item 130 and Liabilities Item 80

13.1 DEFERRED TAX ASSETS: COMPOSITION

	(*)	REVERSAL YEAR				Undetermined reversal	Total recognized	REVERSAL YEAR		
		2015	2016	2017	Oltre			Italian Corporate income tax (IRES)	Italian Regional Tax on Productive Activities (IRAP)	TOTAL
Deductible temporary differences										
Value adjustments of loans (eighteenths)	27.50	153,111	153,111	153,111	256,901	-	716,234	196,964	25,765	222,729
Adjustments of valuation of securities	33.08	-	-	-	17,549	-	17,549	4,826	979	5,805
Net provisions for contingencies and liabilities										
- legal disputed as defendant and revocatory actions	27.50	37,467	2,858	1,293	-	-	41,618	11,445	-	11,445
- Signature loans	27.50	-				3,663	3,663	1,008	-	1,008
- staff expenses	27.50	28,555	16,509	9,259	2,744	5,232	62,299	17,132	-	17,132
- other reasons	27.50	741	-	-	-	12,120	12,861	3,537	-	3,537
Recognition of goodwill for tax purposes	33.08	92,414	92,414	92,414	952,988	-	1,230,230	338,313	68,635	406,948
Other costs or provisions not yet duducted	from 27.50 to 33.08	1,849	1,515	1,400	26,771	20,073	51,608	14,192	1,543	15,735
Tax losses that can be carried forward		-	-	-	-	-	-	-	-	-
Total by reversal year		**314,137**	**266,407**	**257,477**	**1,256,953**	**41,088**	**2,136,062**	**587,417**	**96,922**	**684,339**

(*) indicates the percentage used in calculating deferred tax liabilities and assets.

13.2 DEFERRED TAX LIABILITIES: COMPOSITION

	(*)	REVERSAL YEAR				Undetermined reversal	Total recognized	REVERSAL YEAR		
		2015	2016	2017	Beyond			Italian Corporate income tax (IRES)	Italian Regional Tax on Productive Activities (IRAP)	TOTAL
Taxable temporary differences										
Realized capital gains	from 27.50 to 33.08	5,850	5,790	4,778	-	-	16,418	4,515	-	4,515
Assets not recognized for tax purposes	from 27.50 to 33.08	2,663	6,048	44,536	75,213	59,664	188,124	51,230	10,080	61,310
Tax-relevant depreciation and amortization	from 27.50 to 33.08	40	199	-	156	52	447	123	3	126
Other income not yet taxed	from 27.50 to 33.08	-	-	-		-	-	-	-	-
Total by reversal year		**8,553**	**12,037**	**49,314**	**75,369**	**59,716**	**204,989**	**55,868**	**10,083**	**65,951**

(*) indicates the percentage used in calculating deferred tax liabilities and assets.

13.3 CHANGES IN DEFERRED TAX ASSETS (RECOGNIZED IN THE INCOME STATEMENT)

	31.12.2014	31.12.2013
1. Opening balance	**9,669,677**	**537,224**
2. Increases	**85,730**	**186,945**
2.1 Deferred tax assets recognized during the period	83,961	182,649
a) referring to previous periods	-	-
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other	83,961	182,649
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	1,769	4,296
3. Decreases	**81,560**	**54,492**
3.1 Deferred tax assets derecognized during the period	76,388	52,957
a) reversals	76,388	52,957
b) write-downs for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	5,172	1,535
a) conversion of deferred tax assets into tax credits pursuant to Law 214/2011	-	-
b) other	5,172	1,535
4. Closing balance	**9,673,847**	**669,677**

The increases and other decreases under points 2.3 and 3.3 refer to the increases or decreases resulting from the more accurate recognition of deferred tax assets after filing the income tax return. The related balancing item is not represented by income statement items, but by current tax liabilities.

13.3.1 Changes in deferred tax assets pursuant to Law 214/2011 (recognized in the Income Statement)

	31.12.2014	31.12.2013
1. Opening balance	**615,516**	**480,114**
2. Increases	**76,244**	**170,927**
3. Decreases	**63,632**	**35,525**
3.1 Reversals	61,050	35,522
3.2 Transformation into tax receivables	-	-
a) from losses for the period	-	-
b) from tax losses	-	-
3.3 Other decreases	2,582	3
4. Closing balance	**628,128**	**615,516**

Deferred tax assets pursuant to Italian Law 214/2011 were also recognized directly in equity for an amount of Euro 1,587 thousand. Therefore, total deferred tax assets that can be converted into tax receivables pursuant to Italian Law 214/2011 came to Euro 629,716 thousand.

13.4 CHANGES IN DEFERRED TAX LIABILITIES (RECOGNIZED IN THE INCOME STATEMENT)

	31.12.2014	31.12.2013
1. Opening balance	**20,840**	**31,458**
2. Increases	**5,338**	**612**
2.1 Deferred tax liabilities recognized during the year	31	377
a) referring to previous periods	-	-
b) due to change in accounting policies	-	377
c) other	31	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	5,307	235
3. Decreases	**1,940**	**11,230**
3.1 Deferred tax liabilities derecognized in the period	1,550	10,761
a) reversals	1,550	10,761
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	390	469
4. Closing balance	**24,238**	**20,840**

The increases and other decreases under points 2.3 and 3.3 refer to the increases or decreases resulting from the more accurate recognition of deferred tax assets after filing the income tax return. The related balancing item is not represented by income statement items, but by current tax liabilities.

13.5 CHANGES IN DEFERRED TAX ASSETS (RECOGNIZED IN THE INCOME STATEMENT)

	31.12.2014	31.12.2013
1. Opening balance	**34,000**	**72,186**
2. Increases	**534**	**3,464**
2.1 Deferred tax assets recognized during the period	436	855
a) referring to previous periods	-	-
b) due to change in accounting policies	-	-
c) other	436	855
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	98	2,609
3. Decreases	**24,042**	**41,650**
3.1 Deferred tax assets derecognized during the period	23,011	41,628
a) reversals (*)	23,011	41,628
b) write-downs for supervening non-recoverability	-	-
b) due to change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	1,031	22
4. Closing balance	**10,492**	**34,000**

(*) Cancelled taxes referred, as to Euro 22,857 thousand, to the measurement and sale of AFS securities.

13.6 CHANGES IN DEFERRED TAX LIABILITIES (RECOGNIZED IN EQUITY)

	31.12.2014	31.12.2013
1. Opening balance	**22,628**	**10,180**
2. Increases	**24,117**	**18,772**
2.1 Deferred tax liabilities recognized during the year	24,117	17,762
a) referring to previous periods	-	-
b) due to change in accounting policies	-	-
c) other (*)	24,117	17,762
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	1,010
3. Decreases	**5,032**	**6,324**
3.1 Deferred tax liabilities derecognized in the period	5,032	6,324
a) reversals (**)	5,032	6,324
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**41,713**	**22,628**

(*) The increase in taxes referred, as to Euro 24,116 thousand, to the measurement and sale of AFS securities.
(**) The increase in taxes referred, as to Euro 4,780 thousand, to the measurement and sale of AFS securities.

● *Section 15 – Other Assets – Item 150*

15.1 OTHER ASSETS: COMPOSITION

	31.12.2014	31.12.2013
Sundry debits in process	34,594	54,424
Stamp duty and other assets	22	4
Items being processed	20,005	74,666
Accrued income not allocated to other items	3,000	4,182
Prepaid expenses not allocated to other items	55,111	52,545
Protested bills and cheques	1,720	2,927
Leasehold improvements	13,768	10,335
Tax advances paid on behalf of third parties	65,483	65,497
Sundry items	158,488	161,691
Total	**352,191**	**426,271**

■ LIABILITIES

● *Section 1 – Due to banks – Item 10*

1.1 DUE TO BANKS: COMPOSITION BY TYPE

Type of transactions/Amounts	31.12.2014	31.12.2013
1. Due to central banks	**2,200,489**	**800,006**
2. Due to banks	**4,789,593**	**5,242,942**
2.1 Current accounts and demand deposits	418,615	308,088
2.2 Fixed-term deposits	3,181,137	3,050,057
2.3 Loans	1,163,432	1,863,350
2.3.1 Repurchase agreements	442,174	1,092,927
2.3.2 Other	721,258	770,423
2.4 Liabilities in respect of commitments to repurchase own equity instruments	-	-
2.5 Other payables	26,409	21,447
Total	**6,990,082**	**6,042,948**
Fair value – Level 1	-	-
Fair value – Level 2	6,990,082	6,042,948
Fair value – Level 3	-	-
Fair value total	**6,990,082**	**6,042,948**

1.2 BREAKDOWN OF ITEM 10 "DUE TO BANKS": SUBORDINATED LIABILITIES

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value
Subordinated liabilities	17.12.2008	17.12.2018	5 equal instalments as from December 2014	3-month Euribor + 334 bp	Euro	250,000	200,266
Subordinated liabilities	30.03.2011	30.03.2021	5 equal instalments as from March 2017	3-month Euribor + 220 bp	Euro	400,000	400,025

1.4 DUE TO BANKS SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

At the end of 2014 there were no dues to banks subject to micro-hedge.

1.5 LIABILITIES FOR LEASES

As at 31 December 2014, there were no dues to banks resulting from finance lease transactions.

● *Section 2 – Due to customers – Item 20*

2.1 DUE TO CUSTOMERS: COMPOSITION BY TYPE

Type of transactions/Amounts	31.12.2014	31.12.2013
1. Current accounts and demand deposits	17,610,349	16,705,988
2. Fixed-term deposits	913,681	975,554
3. Loans	10,566	38,680
3.1 Repurchase agreements for funding purposes	4,028	31,550
3.2 Other	6,538	7,130
4. Liabilities in respect of commitments to repurchase own equity instruments	-	-
5. Other payables	97,243	80,537
Total	**18,631,839**	**17,800,759**
Fair value – Level 1	-	-
Fair value – Level 2	18,631,839	17,800,759
Fair value – Level 3	-	-
Fair value total	**18,631,839**	**17,800,759**

2.4 DUE TO CUSTOMERS SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

As at 31 December 2014, there were no dues to customers subject to micro-hedge.

2.5 LIABILITIES FOR LEASES

As at 31 December 2014, there were no dues to customers resulting from finance lease transactions.

Section 3 – Outstanding securities – Item 30

3.1 OUTSTANDING SECURITIES: COMPOSITION BY TYPE

Type of securities/values	31.12.2014				31.12.2013			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	8,532,607	-	8,434,837	120,049	8,934,977	-	8,852,976	120,025
1.1 Structured	113,971	-	115,115	-	124,417	-	126,176	-
1.2 other	8,418,636	-	8,319,722	120,049	8,810,560	-	8,726,800	120,025
2. Other securities	1,158,954	-	6,634	1,152,678	1,673,273	-	22,452	1,650,821
2.1 Structured	-	-	-	-	-	-	-	-
2.2 other	1,158,954	-	6,634	1,152,678	1,673,273	-	22,452	1,650,821
Total	**9,691,561**	**-**	**8,441,471**	**1,272,727**	**10,608,250**	**-**	**8,875,428**	**1,770,846**

The sub-item for other securities “2.2 Other” includes certificates of deposit and banker’s drafts issued by the Bank.

3.2 BREAKDOWN OF ITEM 30 “OUTSTANDING SECURITIES”: SUBORDINATED SECURITIES

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value
Subordinated loan	30.06.2009	30.06.2016	“ 50% on 30 June 2015 50% on 30 June 2016 “	Up to 30 June 2012 5%; afterwards 50% 6-M Euribor + 1%.	Euro	77,250	76,712
Subordinated loan	30.06.2009	30.06.2016	“ 50% on 30 June 2015 50% on 30 June 2016 “	5% fixed	Euro	222,750	225,861
Subordinated loan	29.06.2011	31.12.2100	Irredeemable (5-year call)	3M Euribor + 729%	Euro	120,000	120,049

3.3 OUTSTANDING SECURITIES: SECURITIES SUBJECT TO MICRO-HEDGE (SPECIFICALLY HEDGED)

As at 31 December 2014, there were Euro 7,866 worth of securities subject to micro-hedge for exchange rate risk.

Section 4 – Financial liabilities held for trading – Item 40

4.1 FINANCIAL LIABILITIES HELD FOR TRADING: COMPOSITION BY TYPE

Type of transactions/ Amounts	31.12.2014				FV*	31.12.2013				FV*
	VN	Fair Value				VN	Fair Value			
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. On-balance-sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to Customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-		-	-	-	-	
3.1 Bonds	-	-	-	-		-	-	-	-	
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-		-	-	-	-	
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial Derivatives		-	198,161	9,845			-	169,051	29,726	
1.1 Trading	X	-	194,444	9,845	X	X	-	163,275	29,726	X
1.2 associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	3,717	-	X	X	-	5,776	-	X
2. Credit Derivatives		-	-	-			-	-	-	
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 associated with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	**X**	**-**	**198,161**	**9,845**	**X**	**X**	**-**	**169,051**	**29,726**	**X**
Total (A+B)	**X**	**-**	**198,161**	**9,845**	**X**	**X**	**-**	**169,051**	**29,726**	**X**

Key:

FV* = fair value calculated excluding changes in value resulting from an alteration in the issuer's credit rating after the date of issue.

NV = nominal value or notional value.

Section 6 – Hedging derivatives – Item 60

6.1 HEDGING DERIVATIVES: COMPOSITION BY TYPE OF HEDGE AND BY HIERARCHY LEVEL

	Fair value 31.12.2014			Valore nozionale 31.12.2014	Fair value 31.12.2013			Valore nozionale 31.12.2013
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial Derivatives	**-**	**271,279**	**260,931**	**5,988,173**	**-**	**161,211**	**94,074**	**4,524,700**
1) Fair value	-	271,279	260,931	5,988,173	-	161,211	94,074	4,524,700
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**271,279**	**260,931**	**5,988,173**	**-**	**161,211**	**94,074**	**4,524,700**

6.2 HEDGING DERIVATIVES: COMPOSITION BY HEDGED PORTFOLIO AND BY TYPE OF HEDGE

Transactions/Type of hedge	Fair value						Cash flows		
	Specific								
	Interest Rate risk	Exchange rate risk	Credit Risk	Price risk	Multiple risks	Generic (macro)	Specific	Generic (macro)	Investments in foreign operations
1. Financial assets available for sale	500,564	-	-	355	-	X	-	X	X
2. Loans and receivables	23,035	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X		X		X
5. Other transactions	-	-	-		-	X	-	X	
Total assets	**523,599**	**-**	**-**	**355**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	8,256	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	-	X	-	X
Total liabilities	**8,256**	**-**	**-**		**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X		X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	-	X	-	-

The "Hedging Derivatives" item referring to financial liabilities consisted of Euro 6,765 thousand for hedging own bonds issued and Euro 1,491 thousand for generic hedging/macrohedging of fixed-rate demand deposits.

● Section 7 – Value adjustment of financial liabilities subject to macro-hedge – Item 70

7.1 VALUE ADJUSTMENT OF HEDGED FINANCIAL LIABILITIES:

Adjustment of hedged liabilities /Amounts	31.12.2014	31.12.2013
1. Positive adjustment of financial liabilities	475,964	275,497
2. Negative adjustment of financial liabilities	-	-
Total	**475,964**	**275,497**

The part of demand deposits that is considered stable by the internal model adopted by the Group is subject to macro-hedge.

7.2 LIABILITIES SUBJECT TO MACRO-HEDGE FOR INTEREST RATE RISK: COMPOSITION

Type of transaction/Values	31.12.2014	31.12.2013
Financial liabilities - payables	5,956,200	4,499,200

● Section 8 – Tax Liabilities – Item 80

See Section 13 – Assets.

● Section 10 – Other Liabilities – Item 100

10.1 OTHER LIABILITIES: COMPOSITION

	31.12.2014	31.12.2013
Payables to suppliers/providers	99,033	109,000
Amounts due to third parties	162,114	166,267
Credit transfers ordered and being processed	38,310	75,487
Amounts payable to tax authorities on behalf of third parties	49,212	54,557
Advances on loans	131	2,524
Adjustments for illiquid items	113,556	112,087
Staff costs	54,719	66,154
Uncapitalized accrued expenses	13,733	6,101
Deferred income not allocated to other items	55,598	51,478
Risk hedging with guarantees issued and commitments	3,664	5,433
Sundry items	76,042	84,763
Total	**666,112**	**733,851**

Section 11 – Employee severance benefits – Item 110

11.1 EMPLOYEE SEVERANCE BENEFITS CHANGES FOR THE PERIOD

	31.12.2014	31.12.2013
A. Opening balance	**118,015**	**132,001**
B. Increases	**15,496**	**2,779**
B.1 Provision for the period	3,022	2,698
B.2. Other changes	12,474	81
C. Decreases	**16,799**	**16,765**
C.1 Severance payments	11,191	9,984
C.2 Other changes	5,608	6,781
D. Closing balance	**116,712**	**118,015**
Total	**116,712**	**118,015**

11.2 OTHER INFORMATION

Information explaining the characteristics of defined benefit plans and risks associated with them (IAS 19, paragraph 139)

Employees' Severance Benefits

Pursuant to the Italian legislation (Article 2120 of the Italian Civil Code), at the date of termination of his/her employment at a company, each employee is entitled to a severance package called "Trattamento di Fine Rapporto" (Employee Severance Benefits or with the Italian acronym TFR) equal to the sum of the Severance Benefits accrued for each year of work for the employer.

The benefit accrued each year is equal to 6.91% of the gross annual Pay. This rate is calculated by dividing the ordinary pay by 13.5; to the resulting amount a deduction is made of 0.5%, which is paid directly to the Italian National Social Security Institute (INPS) as a pension contribution.

As at 31 December of each year, the Provision for Employees' Severance Benefits is subject to revaluation applying a fixed-rate of 1.5% plus 75% of the increase in the consumer price index for blue-collar and white-collar households for the year.

The revaluation so determined is subject to 11% taxation up to 31 December 2014 and starting from 1 January 2015 to a 17% taxation, as provided for by the Italian 2015 Stability Law (Law No.190 of 23 December 2014).

Pursuant to the legislation, employees may ask for advances on the Severance Benefits accrued when the employment is still going on. This advance may be obtained only once during the employment relation, after at least 8 years on staff and up to 70% of the Employee Severance Benefits accrued as at the date of request.

With the entry into force of Italian 2007 Finance Act, concerning the Reform of Supplementary pension Schemes, the measurement of Employees Severance Benefits, in accordance with IAS 19 Revised, must take account of the impacts of these provisions, as well as of the guidelines for their calculation which were issued by the Italian National Association of Actuaries and by the Italian National Accounting Body.

Since, in 2006, Carispezia had an average number of employees higher than 50, the provision was calculated taking account of the fact that future portions of the employee severance benefits accrued will be paid to a separate entity (complementary pension scheme, FONDINPS or the Italian State Treasury Fund) irrespective of the employee's choice. Specifically, the calculation took account of the fact that the Italian State Treasury Fund managed by the Italian National

Social Security Institute (INPS), pursuant to Article 1, paragraph 5, of the Italian 2007 Finance Act “provides for the payment to private sector employees of their accrued severance benefits pursuant to Article 2120 of the Italian Civil Code, as regards the portion equal to the payments made to the same”.

0.5% supplement to the provision for employee severance benefits

For the employees who were formerly employees of the Intesa San Paolo Group (hereinafter referred to as “formerly Intesa”) and were already on staff as at 31 December 1990, upon employment termination, an amount supplementing their severance benefits is granted, amounting to the 0.5% contribution paid to the Italian National Social Security Institute (INPS) by the workers.

Such supplementary amount accrues on a monthly basis and is revalued in accordance with the ISTAT (the Italian National Institute of Statistics) index for the revaluation of employee severance benefits.

Additional 2.75% revaluation of the employee severance benefits

In case of termination of employment, the Company provides former Intesa employees with and additional amount calculated by – on a yearly basis – applying an additional revaluation at a fixed rate of 2.75% to their severance benefits accrued from 1992 onward. This amount is then revalued, on a yearly basis, according to the reference ISTAT (the Italian National Institute of Statistics) index.

Changes for the period in net liabilities (assets) serving the defined-benefit plan for repayment (IAS 19, paragraphs 140 and 141)

The statement of reconciliation for 2014 of the present value of the plan obligation for Cariparma is given below:

Actuarial value of the obligation as at 1 Jan. 2014		**118,015**
a	Service cost	78
b	Interest cost	2,944
c	Curtailment	-4,076
d.1	Actuarial gains/losses from changes in financial assumptions	12,474
d.2	Actuarial gains/losses from changes in demographic assumptions	-
d.3	Actuarial gains/losses from demographic experience	-1,532
e	Payments provided for by the Plan	-11,191
Actuarial value of the obligation as at 31 Dec. 2014		**116,712**

Disclosure of the fair value of the plan assets (IAS 19, paragraphs 142 and 143)

This point does not apply because no assets covering Employees’ Severance Benefits have been provided for.

Description of the main actuarial assumptions (IAS 19, paragraph 144)

In order to be able to make the required measurement, appropriate demographic and economic assumptions must be used on:
- mortality;
- invalidity;
- company termination (resignation or dismissal);

- requests for advances;
- the workers' future economic career (including the assumptions on promotion to higher positions);
- performance of the actual purchasing power of money.

Specifically, based on the data supplied by Cariparma, the following assumptions were used:

a) DEMOGRAPHIC TECHNICAL BASES:

a.1 annual probabilities of exclusion due to death of employees on staff were calculated based on RGS48;

a.2 annual probabilities of exclusion due to causes other than death of employees on staff were calculated based on an annual frequency of turnover of 3.25%;

a.3 the percentage of annual promotion to a higher position (for age and seniority) was calculated based on the Group historical data;

a.4 the annual probability of request of advances on employee severance benefits was calculated based on the experience of he Group and was set at an average annual rate of 3.00%;

a.5 retirement is assumed upon meeting the first requirement to qualify for pension.

b) ECONOMIC TECHNICAL BASES:

b.1 To calculate the Present Value, in compliance with the instructions of the Parent Company Casa, the rate adopted was IBOXX AA 0.91% (IBOXX duration 7-10 year as at 31 December 2014);

b.2 for the cost of living index for blue-collar and white-collar families, required for the revaluation of the provisions for employee severance benefits accrued, it was assumed at 2.00%;

b.3 the pay line, as a function of seniority, increasing by automatic pay increases only, was calculated, on average, with reference to Carispezia employees, based on the interpolation and smoothing of the distribution of pays by seniority and on the national and company collective bargaining agreements;

b.4 the average annual rate of increase in pay for changes in the minimum wage, is to be seen as related to the fluctuation in the value of money and, therefore, its appreciation, especially in a long-term perspective, is technically difficult; a 2.00% rate was assumed;

b.5 percentage of accrued employee severance benefits: 60% This percentage was inferred based on the Group historical data.

Disclosure of amount, timing and uncertainty of cash flows (IAS 19, paragraphs 145, 146 and 147).

The outcomes of the sensitivity analyses for each one of the main assumption described above:

Discount rate

Actuarial value of the bond as at 31 Dec. 2014		
Central assumption	**+50 bp**	**-50 bp**
116,712	112,238	121,467

Inflation rate

Actuarial value of the obligation as at 31 Dec. 2014		
Central assumption	**+100 bp**	**-100 bp**
116,712	119,676	113,918

Turnover rate

Actuarial value of the obligation as at 31 Dec. 2014		
Central assumption	+50 bp	-50 bp
116,712	115,901	117,608

Section 12 – Provisions for contingencies and liabilities – Item 120

12.1 PROVISIONS FOR CONTINGENCIES AND LIABILITIES: COMPOSITION

Items/Amounts	31.12.2014	31.12.2013
1 Company pension plans	19,851	19,963
2. Other provisions for liabilities and contingencies	117,017	148,342
2.1 legal disputes	42,673	34,384
2.2 staff expenses	61,980	79,034
2.3 other	12,364	34,924
Total	**136,868**	**168,305**

12.2 PROVISIONS FOR CONTINGENCIES AND LIABILITIES CHANGES FOR THE PERIOD

	Pension plans	Other provisions	Total
A. Opening balance	**19,963**	**148,342**	**168,305**
B. Increases	**2,245**	**23,161**	**25,406**
B.1 Provision for the period	417	21,987	22,404
B.2 Changes due to passage	-	-	-
of time	-	1,160	1,160
B.3 Changes due to alterations	-	-	-
in the discount rate	-	14	14
B.4 Other changes	1,828	-	1,828
C. Decreases	**2,357**	**54,486**	**56,843**
C.1 Use in the period	2,357	37,871	40,228
C.2 Changes due to alterations in the discount rate	-	40	40
C.3 Other changes	-	16,575	16,575
D. Closing balance	**19,851**	**117,017**	**136,868**

12.3 DEFINED-BENEFIT COMPANY PENSION PLANS

1. Information explaining the characteristics of defined benefit plans and risks associated with them

Through its Defied-Benefit Pension Plans, Cariparma provides pension schemes that are supplementary or complementary to the pensions paid by INPS (Italian National Social Security Institute) on whatsoever ground, in compliance with the specific Regulations of the Pension Funds.

The plan is funded by a provision accrued by the Company, determined based on the mathematical reserve that is calculated and certified annually by an independent actuary.

As at today's date, in accordance with the above Regulations, the employees on staff are not entitled to the benefits provided by the Pension Funds.

These benefits may consist in a pension assigned directly to the person concerned, in a pension assigned indirectly to the surviving family of the person concerned dying either before or after retirement.

As at 31 December 2014, 286 people were the beneficiary of the Pension Schemes (120 women and 166 men), to whom an annual gross average supplementary pension is paid amounting to Euro 8,058.05.

The average age of Cariparma beneficiaries is 77.8 year.

2. Changes for the period in the exercise of defined-benefit net liabilities (assets) and in repayment rights

As regard the various banks mentioned above, the reconciliations (expressed in Euro) are given below for the year 2014, for Cariparma:

Actuarial value of the obligation as at 1 Jan. 2014		**19,965**
a	Service cost	-
b	Interest cost	417
c.1	Actuarial gains/losses from changes in financial assumptions	1,655
c.2	Actuarial gains/losses from changes in demographic assumptions	-
c.3	Actuarial gains/losses from demographic experience	173
d	Payments provided for by the Plan	-2,357
Actuarial value of the obligation as at 31 Dec. 2014		**19,851**

The value of the mathematical reserve is equal to the amount that the Management should have as at the measurement date, based on the assumptions used, in order to meet all the commitments undertaken to the participants in the plan.

3. Disclosure of the fair value of plan assets

This point does not apply because no assets covering the various plans under examination have been provided for.

4. Description of the main actuarial assumptions

In order to be able to make the required measurement, appropriate demographic and economic assumptions must be used, including:

- mortality;
- probability to have a family;
- performance of the actual purchasing power of money.

The main economic and demographic assumptions are given below, which have been used for the plan measurement and have been made based on the information provided by the Company subject to assessment and on market data/statistics:

- for the annual probability of exclusion due to death of employees not on staff the SIM tables were used 2006;
- for assignation to the surviving family case of the pensioner' s death, the technical bases were used and were appropriately differentiated based on the participant's age and sex;
- the cost of living index for white-collar and blue-collar workers, required for smoothing the annual pension instalments, was assumed at 2.00%;

- the annual increase in the fund benefits is provided for in the relevant regulation and and, thus, in the legislation in force concerning INPS pensions (automatic smoothing pursuant to paragraph 1, Art. 34 of Italian Law No. 448/1998, as amended by paragraph 1, Art. 69 of Law No. 388/2000);
- to calculate the Present Value, in compliance with the instructions issued by the Parent Company, the rate used was IBOXX AA (duration 7-10 years as at 31 December 2014) if 0.91%.

5. Disclosure of amount, timing and uncertainty of cash flows (IAS 19, paragraphs 145, 146 and 147).

The outcomes of the sensitivity analyses for each one of the main assumption described below:

Discount rate

Actuarial value of the obligation as at 31 Dec. 2014		
Central assumption	**+50 bp**	**-50 bp**
19,851	19,114	20,647

Demographic table

Actuarial value of the obligation as at 31 Dec. 2014		
Central assumption	**+20 bp**	**-20 bp**
19,851	18,050	22,224

6. Multi-employer plans

This does not apply to Cariparma.

7. Defined-benefit plans that share risks between entities under common control (IAS 19, paragraphs

This case does not apply to Cariparma.

12.4 PROVISIONS FOR CONTINGENCIES AND LIABILITIES – OTHER PROVISIONS

Sub-item 2.2 “Other provisions – staff expenses” of Table 12.1 also reports the provisioning made in 2012 by the Bank, for the liabilities resulting from the Trade Union agreement that gave the possibility to interested employees, who are already eligible for pension or will become eligible in the next few years, to voluntarily terminate their employment receiving incentives.

Item,2.3 also reports the provisioning referring to the Credit Protection policies in compliance with ISVAP Regulation No. 35 that requires insurance undertakings to repay the portion of the single-premium that has been paid but not used subsequent to the early repayment of the loan linked to the policy. This provision reflects the potential future expense to be made by the Bank to repay the insurer the portion of the commissions collected on the premiums paid by the customers.

A disputed is pending on registration taxes 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 36 million, plus interest. A similar dispute arose for a transaction carried out by CALIT with the Intesa Group for Euro 2.2 million. On these disputes, favourable decisions were issued by the competent Court of second instance, against which the Agenzia delle Entrate filed appeal with the Italian Court of Cassation.

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. The consideration set forth above cannot but apply also to the latest dispute.

A tax-related dispute is pending concerning Cariparma as regards the sale of loans on a non-recourse basis to an unrelated securitization firm, made in 2005 for an amount of tax being disputed of Euro 5.5 million, plus fines and interest. In the light of both the opinions obtained from leading Law Firms and of the latest issued administrative law practices that are relevant for this dispute, the Group believes that no provision is necessary.

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 No. 185/2008 for the amounts credited by it to Customers relating to the State contribution on floating-rate mortgage loans that were taken out by 31 October 2008.

With the above Decree-Law, the Italian State provided a contribution to tax payers that took out floating-rate mortgage loans for the purchase of their home amounting to the interest paid by the same tax payers in 2009 at a rate over 4%. 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.

Since the same Inland Revenue Service has admitted in its own documents that the contribution could be made also in 2010, no provision has been allocated for this dispute.

● *Section 14 – Equity attributable to the Shareholders of the Parent Company – Items 130, 150, 160, 170, 180, 190 and 200*

14.1 SHARE CAPITAL AND TREASURY SHARES: COMPOSITION

The Parent Company’s share capital, fully paid-in, consists of 876,761,620 ordinary shares.

No treasury shares were held as at the reporting date.

14.2 SHARE CAPITAL – NUMBER OF SHARES: CHANGES FOR THE PERIOD

Items/Types	Ordinary	Other
A. Shares at start of the year	**876,761,620**	**-**
- fully paid-up	876,761,620	-
- partially paid-up	-	-
A.1 Treasury shares (-)	-	-
A.2 Outstanding shares: opening balance	**876,761,620**	**-**
B. Increases	**-**	**-**
B.1 New issues	-	-
- for a consideration:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- free of charge:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Disposal of companies	-	-
C.4 Other changes	-	-
D. Outstanding shares: closing balance	**876,761,620**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares at the end of the year	876,761,620	-
- fully paid-up	876,761,620	-
- partially paid-up	-	-

14.3 SHARE CAPITAL: OTHER INFORMATION

The unit nominal value of the 876,761,620 ordinary share is Euro 1.

14.4 INCOME RESERVES OTHER INFORMATION

Items/Types	Amounts
Legal reserve	125,779
Reserves provided for by the Articles of Association	693,158
Reserve pursuant to Art. 13 of It. Leg. D. 124/93 (*)	314
Reserve for business combinations under common control	17,134
Total	**836,385**
Reserve from share-based payments (**)	2,361
Total reserves	**838,746**

(*) Reserve made pursuant to Article13 of Italian Legislative Decree 124/93 to take advantage of tax relief on the portions of Employees' severance benefits to be used for complementary pension schemes.

(**) Reserve recognizing the increase in equity resulting from payments based on shares of the Controlling Company Crédit Agricole SA. made to employees and directors

OTHER INFORMATION

1. Guarantees issued and commitments

Transactions	31.12.2014	31.12.2013
1) Financial guarantees issued	737,124	729,116
a) Banks	261,809	252,822
b) Customers	475,315	476,294
2) Commercial guarantees issued	628,240	697,321
a) Banks	32,798	69,522
b) Customers	595,442	627,799
3) Irrevocable commitments to disburse funds	433,964	256,591
a) Banks	313,498	83,663
i) certain use	313,498	83,663
ii) uncertain use	-	-
b) Customers	120,466	172,928
i) certain use	14,987	17,284
ii) uncertain use	105,479	155,644
4) Commitments underlying credit derivatives: protection sales	-	-
5) Assets pledged as collaterals for third-party debts	-	-
6) Other commitments	-	-
Total	**1,799,328**	**1,683,028**

2. Assets pledged as collateral for own liabilities and commitments

Portfolios	31.12.2014	31.12.2013
1. Financial assets held for trading	-	-
2. Financial assets measured at fair value	-	-
3. Financial assets available for sale	739,187	1,361,413
4. Financial assets held to maturity	-	-
5. Loans to banks	62,266	115,709
6. Loans to Customers	1,566,643	1,178,439
7. Property, plant and equipment	-	-

3. INFORMATION OF OPERATING LEASES

OPERATING LEASES – LESSEE – IAS 17 ART. 35 – LETTER A/B

Future minimum payments due under non-cancellable leases	< 1 year	1<> 5 years	> 5 years	unspecified maturity	Total
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant – hardware	-	-	-	-	-
Electronic plant – other	-	-	-	-	-
Other – vehicles (including automobiles)	1,945	2,079	-	-	4,024
Other – office machinery	35	-	-	-	35
Other – telephones (fixed and mobile)	-	-	-	-	-
Other – other	-	-	-	-	-
Software	-	-	-	-	-
Total	**1,980**	**2,079**	**-**	**-**	**4,059**

OPERATING LEASES – LESSEE – IAS 17 ART. 35 – LETTER C

Expenses for the period	Minimum payments	Potential lease fees	Payments from subleases	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant – hardware	-	-	-	-
Electronic plant – other	-	-	-	-
Other – vehicles (including automobiles)	2,055	-	-	2,055
Other – office machinery	212	-	-	212
Other – telephones (fixed and mobile)	-	-	-	-
Other – other	-	-	-	-
Software	-	-	-	-
Total	**2,267**	**-**	**-**	**2,267**

OPERATING LEASES – LESSEE – IAS 17 ART. 35 – LETTER D

Agreement description	Criteria for determining lease fees	Renewal or purchase option clauses	Indexing clauses
Other - vehicles (including automobiles)	Fee determined based on brand, model, engine size and accessories of each vehicle and including additional services	The Customer shall have the right to request an extension of the agreement, with prior acceptance by the renting Company, at a fee that the renting Company may review	-
Other - office equipment	Photocopiers: fixed monthly fee for Stamper: Fixed monthly fee	Photocopiers: surrender option at the lease end Stamper.	-

4. Management and intermediation services

Type of services	Amount
1. Trading on behalf of customers	**-**
a) Purchases	-
1. settled	-
2. not yet settled	-
b) Sales	-
1. settled	-
2. not yet settled	-
2. Asset management	**700,856**
a) individual	700,856
b) collective	-
3. Custody and administration of securities	
a) third-party securities on deposit held for depository bank services (excluding asset management)	-
1. securities issued by the reporting Bank	-
2. other securities	-
b) third party's assets deposited (excluding asset management): other	44,483,813
1. securities issued by the reporting Bank	10,948,544
2. other securities	33,535,269
c) third-party securities deposited with third parties	41,013,176
c) proprietary securities deposited with third parties	5,129,061
4. Other transactions	**-**

5. Financial assets subject to offsetting or subject to master netting agreements or similar agreements

Technical forms	Gross amount of financial assets (a)	Gross amount of financial liabilities offset (b)	Net amount of financial assets recognized (c=a-b)	Related amounts not subject to offsetting		Net Amount (f=c-d-e) 31.12.2014	Net Amount 31.12.2013
				Financial Instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	909,238	-	909,238	678,553	149,900	80,785	250,994
2. Repurchase agreements	-	-	-	-	-	-	-
3. Securities loan	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total 31.12.2014	**909,238**	**-**	**909,238**	**678,553**	**149,900**	**80,785**	**X**
Total 31.12.2013	**767,787**	**-**	**909,238**	**263,831**	**253,000**	**X**	**250,994**

6. Financial liabilities subject to offsetting or subject to master netting agreements or similar agreements

Technical forms	Gross amount of financial liabilities (a)	Gross amount of financial assets offset (b)	Net amount of financial liabilities recognized (c=a-b)	Related amounts not subject to offsetting		Net Amount (f=c-d-e) 31.12.2014	Net Amount 31.12.2013
				Financial Instruments (d)	Cash deposits as collateral (e)		
1. Derivatives	740,216	-	740,216	678,553	5,171	56,492	94,631
2. Repurchase agreements	446,202	-	446,202	-	383,565	62,637	123,428
3. Securities loan	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total 31.12.2014	**1,186,418**	**-**	**1,186,418**	**678,553**	**388,736**	**119,129**	**X**
Total 31.12.2013	**1,578,539**	**-**	**1,578,539**	**263,831**	**1,096,649**	**X**	**218,059**

PART C – INFORMATION ON THE INCOME STATEMENT

Section 1 – Interest – Items 10 and 20

INTEREST INCOME AND SIMILAR INCOME: COMPOSITION

Items/Technical forms	Debt securities	Loans	Other transactions	31.12.2014	31.12.2013
1 Financial assets held for trading	5	-	-	5	5
2 Financial assets available for sale	115,613	-	-	115,613	120,525
3 Financial assets held to maturity	-	-	-	-	-
4 Loans to banks	11,761	23,523	-	35,284	42,128
5 Loans to Customers	5,172	753,018	-	758,190	760,715
6 Financial assets measured at fair value	2,129	-	-	2,129	-
7 Hedging derivatives	X	X	134,136	134,136	160,897
8 Other assets	X	X	561	561	274
Total	**134,680**	**776,541**	**134,697**	**1,045,918**	**1,084,544**

1.2 INTEREST INCOME AND SIMILAR INCOME: DIFFERENCES ON HEDGING TRANSACTIONS

Items/Amounts	31.12.2014	31.12.2013
A. Positive differences on hedging transactions:	372,640	386,085
B. Negative differences on hedging transactions:	(238,504)	(225,188)
C. Balance (A-B)	134,136	160,897

1.3 INTEREST INCOME AND SIMILAR INCOME: OTHER INFORMATION

1.3.1 Interest income on foreign-currency financial assets

At the end of 2014, interest income on foreign-currency assets came to Euro 3,526 thousand.

1.3.2 Interest income on finance leasetransactions

As at 31 December 2014, there were no interest income resulting from finance lease transactions.

1.4 INTEREST EXPENSES AND SIMILAR CHARGES: COMPOSITION

Items/Technical forms	Payables	Securities	Other transactions	31.12.2014	31.12.2013
1. Due to central banks	(489)	X	-	-	-
2. Due to banks	(43,462)	X	-	(43,951)	(36,825)
3. Due to Customers	(65,113)	X	-	(65,113)	(86,381)
4. Outstanding securities	X	(253,888)	-	(253,888)	(291,219)
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities measured at fair value	-	-	-	-	-
7. Other liabilities and provisions	X	X	(956)	(956)	(1,276)
8. Hedging derivatives	X	X	-	-	-
Total	**(109,064)**	**(253,888)**	**(956)**	**(363,908)**	**(415,701)**

1.6 INTEREST EXPENSES AND SIMILAR CHARGES: OTHER INFORMATION

1.6.1 Interest expense on foreign-currency liabilities

At the end of 2014, interest expenses on foreign-currency assets came to Euro 904 thousand.

1.6.2 Interest expenses on Finance leases transactions

As at 31 December 2014, there were no interest expenses resulting from finance lease transactions.

Section 2 – Commissions – Items 40 and 50

2.1 COMMISSION INCOME: COMPOSITION

Type of services / Amounts	31.12.2014	31.12.2013
a) guarantees issued	10,851	10,874
b) credit derivatives	-	-
c) Management, intermediation and advisory services:	248,017	207,716
1. trading in financial instruments	-	-
2. foreign exchange trading	2,804	2,667
3. asset management	5,403	6,163
3.1 individual	5,403	6,163
3.2 collective	-	-
Custody and administration of securities	4,545	4,658
5. depositary bank services	-	-
6. placement of securities	87,588	72,656
7. receipt and transmission of orders	11,019	12,400
8. advisory services	35	50
8.1 in respect of investments	-	-
8.2 in respect of financial structure	35	50
9. distribution of third-party services	136,623	109,122
9.1. asset management	-	-
9.1.1 individual	-	-
9.1.2 collective	-	-
9.2 insurance products	132,451	106,380
9.3 other products	4,172	2,742
d) collection and payment services	33,304	34,596
e) servicing activities for securitizations	-	-
f) services for factoring transactions	-	-
g) tax collection services	-	-
h) management of multilateral exchange systems	-	-
i) keeping and managing current accounts	140,184	140,420
j) other services	64,365	64,178
Total	**496,721**	**457,784**

Sub-item “j) other services” includes commissions on debit and credit cards and e-money services amounting to Euro 32,127 thousand, commissions for loans granted amounting to Euro 13,321 thousand, and other residual items.

2.2 COMMISSION INCOME: DISTRIBUTION CHANNELS FOR PRODUCTS ANS SERVICES

Channels/Amounts	31.12.2014	31.12.2013
a) at own branches:	**229,614**	**187,940**
1. asset management	5,403	6,163
2. placement of securities	87,588	72,656
3. third party products and services	136,623	109,121
b) off-premises distribution:	**-**	**-**
1. asset management	-	-
2. placement of securities	-	-
3. third party products and services	-	-
c) other distribution channels:	**-**	**-**
1. asset management	-	-
2. placement of securities	-	-
3. third party products and services	-	-

2.3 COMMISSION EXPENSES: COMPOSITION

Services/Amounts	31.12.2014	31.12.2013
a) guarantees received	(5,632)	(2,995)
b) credit derivatives	-	-
c) management and intermediation services:	(5,519)	(6,110)
1. trading in financial instruments	(1,828)	(1,830)
2. foreign exchange trading	-	-
3. asset management	(1,135)	(1,452)
3.1 own portfolio	-	-
3.2 third-party portfolio	(1,135)	(1,452)
Custody and administration of securities	(994)	(1,138)
5. placement of financial instruments	(1,562)	(1,690)
6. off-premises distribution of financial instruments, products and services	-	-
d) collection and payment services	(2,504)	(3,077)
e) other services	(8,730)	(8,898)
Total	**(22,385)**	**(21,080)**

Sub-item “e) other services” includes commissions on debit and credit cards and e-money services amounting to Euro 4,852 thousand and other residual items.

Section 3 – Dividends and similar revenues – Item 70

3.1 DIVIDENDS AND SIMILAR REVENUES: COMPOSITION

Items/Revenues	31.12.2014		31.12.2013	
	Dividends	Income from units of collective investment undertakings	Dividends	Income from units of collective investment undertakings
A. Financial assets held for trading	3	-	5	-
B. Financial assets available for sale	7,919	-	1,485	-
C. Financial assets measured at fair value	-	-	-	-
D. Equity investments	28,956	X	23,069	X
Total	**36,878**	**-**	**24,559**	**-**

The main dividends in the period referred to the controlling equity investments in Banca Popolare FriulAdria (Euro 19,545 thousand) and in Cassa di Risparmio della Spezia (Euro 9,411 thousand) and the shareholding in the Bank of Italy, which was classified in theA FS portfolio (Euro 7,719 thousand).

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

4.1 NET GAIN (LOSS) ON TRADING ACTIVITIES: COMPOSITION

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gain (loss) [(A+B) - (C+D)]
1. Financial assets held for trading	**1**	**1,398**	**-**	**(180)**	**1,219**
1.1 Debt securities	1	1,025	-	(25)	1,001
1.2 Equity securities	-	-	-	-	-
1.3 Units in collective investment undertakings	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	373	-	(155)	218
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial financial assets and liabilities: exchange rate differences	**X**	**X**	**X**	**X**	**2,655**
4. Derivative instruments	**138,791**	**89,280**	**(143,112)**	**(89,801)**	**(4,780)**
4.1 Financial derivatives:	138,791	89,280	(143,112)	(89,801)	(4,780)
- on debt securities and interest rates	138,770	89,190	(143,093)	(89,722)	(4,855)
- on equity securities and equity indices	-	-	-	-	-
- on foreign currencies and gold	X	X	X	X	62
- Other	21	90	(19)	(79)	13
4.2 Credit derivatives	-	-	-	-	-
Total	**138,792**	**90,678**	**(143,112)**	**(89,981)**	**(906)**

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

5.1 NET GAIN (LOSS) ON HEDGING ACTIVITIES: COMPOSITION

Income components/Values	31.12.2014	31.12.2013
A. Gain on:		
A.1 Fair value hedges	511,632	297,260
A.2 Hedged financial assets (fair value)	167,866	2,027
A.3 Hedged financial liabilities (fair value)	36,014	304,940
A.4 Cash flow hedges	-	-
A.5 Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)	**715,512**	**604,227**
B. Loss on:		
B.1 Fair value hedges	(475,752)	(493,868)
B.2 Hedged financial assets (fair value)	(3,074)	(104,260)
B.3 Hedged financial liabilities (fair value)	(240,817)	(63)
B.4 Cash flow hedges	-	-
B.5 Assets and liabilities in foreign currencies	-	-
Total expenses on hedging activities (B)	**(719,643)**	**(598,191)**
C. Net gain (loss) on hedging activities (A - B)	**(4,131)**	**6,036**

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

GAIN (LOSS) ON DISPOSAL OR REPURCHASE: COMPOSITION

Items/Income components	31.12.2014			31.12.2013		
	Gains	Losses	Net profit (loss)	Gains	Losses	Net profit (loss)
Financial assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to Customers	3,161	(4)	3,157	-	(9)	(9)
3. Financial assets available for sale	44,861	(23,444)	21,417	116,416	(4,193)	112,223
3.1 Debt securities	44,593	(23,393)	21,200	27,197	(4,193)	23,004
3.2 Equity securities	268	(51)	217	89,219	-	89,219
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total Assets	**48,022**	**(23,448)**	**24,574**	**116,416**	**(4,202)**	**112,214**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to Customers	-	-	-	-	-	-
3. Outstanding securities	1,274	(4,774)	(3,500)	5,204	(2,710)	2,494
Total liabilities	**1,274**	**(4,774)**	**(3,500)**	**5,204**	**(2,710)**	**2,494**

In 2013 the profit in item 3.2 Equity Securities was mainly due to the recognition of the capital gain resulting from the derecognition of the equity investments in the Banca of Italy for Euro 88.9 million.

● *Section 7 – Net gain (loss) on financial assets and liabilities measured at fair value – Item 110*

7.1 NET CHANGE IN VALUE OF FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE: COMPOSITION

Transactions/Income components	Capital gains (A)	Realization gains (B)	Capital losses (C)	Realization losses (D)	Net gain (loss) [(A+B) - (C+D)]
1. Financial assets	**-**	**-**	**(1,933)**	**-**	**(1,933)**
1.1 Debt securities	-	-	(1,933)	-	(1,933)
1.2 Equity securities	-	-	-	-	-
1.3 Units in collective investment undertakings	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial liabilities	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-
2.3 Due to Customers	-	-	-	-	-
3. Financial assets and liabilities in foreign currencies: exchange rate differences	**X**	**X**	**X**	**X**	
4. Credit and financial derivatives	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**(1,933)**	**-**	**(1,933)**

Section 8 – Net impairment adjustments/writebacks – Item 130

8.1 NET IMPAIRMENT ADJUSTMENTS OF LOANS: COMPOSITION

Transactions/Income components	Adjustments			Writebacks				31.12.2014	31.12.2013
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Loans to Banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- loans	-	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-	-
B. Loans to customers	**(13,271)**	**(365,715)**	**(29,785)**	**46,451**	**24,589**	**-**	**44,091**	**(293,640)**	**(384,708)**
Non-performing loans purchased	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- loans	-	-	X	-	-	X	X	-	-
1.1 Debt securities	-	-	X	-	-	X	X	-	-
Other loans and receivables	**(13,271)**	**(365,715)**	**(29,785)**	**46,451**	**24,589**	**-**	**44,091**	**(293,640)**	**(384,708)**
- loans	(13,271)	(365,715)	(29,785)	46,451	24,589	-	44,091	(293,640)	(384,708)
1.1 Debt securities	-	-	-	-	-	-	-	-	-
C. Total	**(13,271)**	**(365,715)**	**(29,785)**	**46,451**	**24,589**	**-**	**44,091**	**(293,640)**	**(384,708)**

Key:
A= from interest
B= other writebacks

8.2 NET IMPAIRMENT ADJUSTMENTS OF FINANCIAL ASSETS AVAILABLE FOR SALE: COMPOSITION

Transactions/Income components	Adjustments		Writebacks		31.12.2014	31.12.2013
	Specific		Specific			
	Writeoffs	Other	A	B		
A. Debt securities	-	-	-	-	-	-
B. Equity securities	-	(143)	X	X	(143)	(1,592)
C. Units in collective investment undertakings	-	-	X	-	-	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**-**	**(143)**	**-**	**-**	**(143)**	**(1,592)**

Key:
A= from interest
B= other writebacks

8.4 NET IMPAIRMENT ADJUSTMENTS OF OTHER FINANCIAL INSTRUMENTS: COMPOSITION

Transactions/Income components	Adjustments			Writebacks				31.12.2014	31.12.2013
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Guarantees issued	-	(2,071)	(795)	-	5,917	-	67	3,118	(1,669)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	**-**	**(2,071)**	**(795)**	**-**	**5,917**	**-**	**67**	**3,118**	**(1,669)**

Key:
A= from interest
B= other writebacks

Section 9 - Administrative expenses – Item 150

9.1 STAFF EXPENSES: COMPOSITION

Type of expense/Values	31.12.2014	31.12.2013
1) Employees	(425,662)	(439,493)
a) wages and salaries	(305,579)	(315,829)
b) social security contributions	(79,421)	(82,343)
c) severance benefits	(77)	(43)
d) pensions	-	-
e) allocation to employee severance benefit provision	(3,022)	(2,698)
f) allocation to provision for retirement and similar liabilities:	(417)	(548)
- defined contribution	-	-
- defined benefit	(417)	(548)
g) payment to external supplementary pension schemes:	(28,329)	(28,614)
- defined contribution	(28,329)	(28,614)
- defined benefit	-	-
h) costs in respect of agreements to make payments	-	-
i) other employee benefits	(8,817)	(9,418)
2) Other personnel	(689)	(1,197)
3) Directors and Auditors	(1,173)	(1,048)
4) Retired staff	-	-
5) Expense recovery for employees seconded to other companies	5,027	4,649
6) Expense refund for third party employees seconded to the company	(6,081)	(4,860)
Total	**(428,578)**	**(441,949)**

9.2 AVERAGE NUMBER OF EMPLOYEES BY CATEGORY

	31.12.2014
Employees:	
a) Senior Managers	74
b) Junior Managers	2,595
c) other Employees	3,179
Other Staff	36

9.3 DEFINED-BENEFIT COMPANY PENSION PLANS TOTAL COSTS

Type of cost/amounts	31.12.2014	31.12.2013
Provision for the period	-	-
Changes due to passage of time	(417)	(548)

9.4 OTHER EMPLOYEES' BENEFITS

These consisted of costs for non-occupational policies, incentives for voluntary redundancy, other fringe benefit, as well as to the contribution to the bank employees' cultural and recreational club.

9.5 OTHER ADMINISTRATIVE EXPENSES: COMPOSITION

Type of expense/amounts	31.12.2014	31.12.2013
Direct and indirect taxes	(81,956)	(78,011)
Data processing	(31,145)	(34,763)
Facility rental and management	(42,448)	(47,175)
Expenses for advisory services	(18,784)	(12,450)
Mail, telegraph and delivery services	(6,810)	(8,753)
Telephone and data transmission	(6,686)	(8,186)
Legal expenses	(3,782)	(3,839)
Property maintenance	(2,824)	(2,974)
Furnishing and plant maintenance	(10,940)	(11,326)
Marketing, promotion and entertainment expenses	(6,323)	(6,620)
Transport services	(15,157)	(14,518)
Lighting, heating and air conditioning	(12,017)	(13,025)
Office supplies, printed material, print subscriptions, photocopying, etc	(4,161)	(4,530)
Staff training expenses and reimbursements	(5,655)	(6,594)
Surveillance services	(2,654)	(2,848)
Information and title searches	(4,066)	(4,238)
Insurance	(102,906)	(86,604)
Cleaning services	(3,924)	(4,741)
Leasing of other property, plant and equipment	(5,546)	(5,092)
Management of archives and document handling	(482)	(554)
Reimbursement of costs to Group companies	(21,293)	(20,080)
Sundry expenses	(7,151)	(6,020)
Total	**(396,710)**	**(382,941)**

● *Section 10 – Net provisions for contingencies and liabilities – Item 160*

10.1 NET PROVISIONS FOR CONTINGENCIES AND LIABILITIES: COMPOSITION

This provision consists of Euro 1,588 thousand for bankruptcy revocatory actions, Euro 10.827 thousand for non-lending-related legal disputes, whereas, as concerns the other provisions, a recovery of Euro 5,330 thousand.

Section 11 – Net value adjustments/writebacks of property, plant and equipment – Item 170

11.1 NET VALUE ADJUSTMENTS ON PROPERTY, PLANT AND EQUIPMENT: COMPOSITION

Assets/Income components	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net gain (loss) (a + b - c)
A. Property, plant and equipment	-	-	-	-
A.1 Owned	(19,949)	-	-	(19,949)
- Operating assets	(19,769)	-	-	(19,769)
- Investment property	(180)	-	-	(180)
A.2 acquired under finance leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
Total	**(19,949)**	**-**	**-**	**(19,949)**

Section 12 – Net value adjustments/writebacks of intangible assets – Item 180

12.1 NET VALUE ADJUSTMENTS OF INTANGIBLE ASSETS: COMPOSITION

Assets/Income components	Amortization (a)	Writedowns for impairment (b)	“Writebacks (c)”	“Net gain (loss) (a + b - c)”
A. Intangible Assets	-	-	-	
A.1 Owned	(50,167)	-	-	(50,167)
- Generated in-house	(1,305)	-	-	(1,305)
- Other	(48,862)	-	-	(48,862)
A.2 acquired under finance leases	-	-	-	-
Total	**(50,167)**	**-**	**-**	**(50,167)**

Section 13 – Other operating expenses and revenues – Item 190

13.1 OTHER OPERATING EXPENSES: COMPOSITION

Type of expense/amounts	31.12.2014	31.12.2013
Amortization of expenditure for leasehold improvements	(4,783)	(4,401)
Other expenses	(5,538)	(16,901)
Total	**(10,321)**	**(21,302)**

13.2 OTHER OPERATING REVENUES: COMPOSITION

Type of expense/amounts	31.12.2014	31.12.2013
Rental income and recovery of expenses on real estate	328	306
Recovery of taxes and duties	73,023	69,022
Recovery of insurance costs	100,494	83,712
Recovery of other expenses	4,755	4,004
Service recovery	31,766	30,248
Other income	42,264	47,891
Total	**252,630**	**235,183**

Section 14 – Gain (loss) on equity investments – Item 210

14.1 GAIN (LOSS) ON EQUITY INVESTMENTS: COMPOSITION

Income components/Values	31.12.2014	31.12.2013
A. Gains	-	-
1. Writebacks	-	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other income	-	-
B. Losses	(22,546)	(13,900)
1. Writedowns	-	-
2. Impairments	(22,546)	(13,900)
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit (loss)	**(22,546)**	**(13,900)**

Impairment adjustments resulted from the impairment test carried out in the year on Calit.

Section 17 – Gain (loss) on disposal of investments – Item 240

17.1 GAIN (LOSS) ON DISPOSAL OF INVESTMENTS: COMPOSITION

Income component/Values	31.12.2014	31.12.2013
A. Real estate	-	217
- Gains on disposal	-	217
- Losses on disposal	-	-
B. Other assets	-	1
- Gains on disposal	-	1
- Losses on disposal	-	-
Net profit (loss)	**-**	**218**

Section 18 – Income tax for the period on continuing operations – Item 260

18.1 INCOME TAX FOR THE PERIOD ON CONTINUING OPERATIONS: COMPOSITION

Income components/Values		31.12.2014	31.12.2013
1.	Current taxes (-) (*)	(106,577)	(149,854)
2.	Changes in current taxes for previous periods (+/-)	-	-
3.	Reduction in current taxes for the period (+)	286	60
3.bis	Reduction in current taxes for the period for tax receivables pursuant to Law No. 214/2011 (+)	-	-
4.	Change in deferred tax assets (+/-)	8,633	129,692
5.	Change in deferred tax liabilities (+/-)	1,771	10,384
6.	Taxes for the period (-) (-1+/-2+3+/-4+/-5)	(95,887)	(9,718)

(*) This amount includes the use of tax provisions made for the recognition of the higher value of the Bank of Italy shares pursuant to Italian Law No. 147/2013 and the use of excess provisioning for taxes allocated in previous years for Euro 13,956 thousand.

18.2 RECONCILIATION OF THEORETICAL TAX LIABILITY AND ACTUAL TAX LIABILITY RECOGNIZED

	31.12.2014
Net profit before tax on continuing operations	233,938
Net profit before tax on discontinuing operations	-
Theoretical taxable income	**233,938**

	31.12.2014
Income tax – Theoretical tax liability	(64,333)
- effect of revenue that do not form tax income or taxed at subsidized rates	-
- effect of revenues already subject to taxation	-
- effect of expenses that are fully or partially non-deductible and income that is fully or partially non-taxable	4,695
Income tax – actual tax liability	**(59,638)**
- provision for tax to recognize the higher value of Bank of Italy shares L. 147/2013	**(21,329)**
- use of excess tax provisioning in previous periods	**13,956**
- taxes for acceptance of assessment on foreign P/T	**-**
-tax on realignment gain under Decree Law 98/2011	**-**
- substitute tax from realignment of values under suspended taxation for tax-neutral transfers	**-**
effect of recovery of future taxes on realignment gain under Decree Law 98/2011	**-**
- effect of recovery of future taxes from realignment of values under suspended taxation for tax-neutral transfers	**-**
- effect of application for corporate income tax (IRES) refund for Italian Regional Tax on Productive Activities (IRAP) under DL 201/2011	
- effect of tax credits and deduction	**286**
Effects of equity investments	**-**
Other expenses	**-**
IRAP - Theoretical tax liability	(13,051)
effect of revenues/expenses that do not form taxable income	(54,305)
- effect of other changes	38,194
- effect of rate increase	-
IRAP - Actual tax liability	**(29,162)**
Other taxes	-
Effects of equity investments	-
Other expenses	-
Actual tax liability recognized	**(95,887)**
Of which: actual tax liability on continuing operations	(95,887)
Actual tax liabilities on discontinuing operations	-

● *Section 21 – Earnings per Share*

21.1 AVERAGE NUMBER OF ORDINARY SHARES OF DILUTED CAPITAL

The Bank’s capital consists of 876,761,620 shares with a nominal value of €1 each.

PART D – COMPREHENSIVE INCOME

Breakdown of comprehensive income

Items		Gross amount	"Income tax"	Net amount
10.	**Profit (loss) for the period**	**X**	**X**	**138,050**
	Other income components without reversal to Income Statement			
20.	Property, plant and equipment	-	-	-
30.	Intangible Assets	-	-	-
40.	Defined benefit plans	(12,770)	4,081	(8,689)
50.	Discontinuing operations	-	-	-
60.	Portion of valuation reserve on equity investments accounted for with the equity method:	-	-	-
	Other income components with reversal to Income Statement			
70.	Hedging of foreign investments:	-	-	-
	a) changes in fair value	-	-	-
	b) reversals to Income Statement	-	-	-
	c) other changes	-	-	-
80.	Exchange rate differences:	-	-	-
	a) value changes	-	-	-
	b) reversals to Income Statement	-	-	-
	c) other changes	-	-	-
90.	Cash flow hedges:	-	-	-
	a) changes in fair value	-	-	-
	b) reversals to Income Statement	-	-	-
	c) other changes	-	-	-
100.	Financial assets available for sale:	127,527	(42,195)	85,332
	a) changes in fair value	134,385	(44,509)	89,876
	b) reversals to Income Statement	(6,858)	2,314	(4,544)
	- impairment adjustments	135	-	135
	- profit/loss from realization	(6,993)	2,314	(4,679)
	c) other changes	-	-	-
110.	Discontinuing operations:	-	-	-
	a) changes in fair value	-	-	-
	b) reversals to Income Statement	-	-	-
	c) other changes	-	-	-
120.	Share of valuation reserve on equity investments accounted for by equity method:	-	-	-
	a) changes in fair value	-	-	-
	b) reversals to Income Statement	-	-	-
	- impairment adjustments	-	-	-
	- profit/loss from realization	-	-	-
	c) other changes	-	-	-
130.	**Total for other income components**	**114,757**	**(38,114)**	**76,643**
140.	**Comprehensive income (10+130)**			**214,693**

■ PART E – INFORMATION ON RISK AND RELATIVE HEDGING POLICIES

The Cariparma Crédit Agricole Group attaches great relevance to risk measurement, management and control, as an essential condition to ensure sustainable growth, in such a complex economic situation as the present one.

In Italy, Cariparma is the operating Parent Company of the Cariparma Crédit Agricole Group and is engaged in overall risk management and control, acting both as coordinator and in its capacity as commercial bank with its own Distribution Network. In designing the risk management system, Cariparma complies with both the Italian legislation (with specific reference to the provisions of the 15th update of the Bank of Italy's Circular No. 263/2006, issued in July 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 on reference perimeters.

● *Section 1 – Credit risk*

● *Qualitative disclosures*

1. GENERAL ASPECTS

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

This Central Department has also the following responsibilities:
- to define, for the Cariparma Crédit Agricole Group, the strategies and guidelines for the achievement of the set objectives in terms of control of the cost of credit;
- to define and promote, consistently with the Group strategies and objectives, an appropriate standardization of models, lending instruments and lending governance rules.
- to verify, through appropriate operating control mechanisms, compliance with the lending guidelines and policies within the Cariparma Crédit Agricole Group, ensuring quality and monitoring the allocation of loans by sector and size.

2. CREDIT RISK MANAGEMENT POLICIES

2.1 Organizational Aspects

Lending operations are carried out and adjusted to the various dedicated structures that have been set up by the Parent Company and by the investee Banks and Companies, who report, on a solid line and on a doted line, to the Lending Governance Central Department.

Cariparma has the Loan Department, the Non-performing Loan Department and the Special Loan Department:
- Cariparma Loan Department is responsible for loans' performance and quality within the scope of lending processes and policies approved by the Lending Governance Central Department; it consists of Loan Granting Offices, each of which specializes in the assessment of loan applications segmented by Customer type (Retail and Corporate Banking) and relating to specific "production chains" representing economic activity sectors that are deemed particularly significant for the Group's strategy;
- the Non-performing loan Department is responsible to provide centralized control of monitoring and recovery processes for non-performing loans and impaired loans, ensuring close contact with the Cariparma Network for prompt and effective action to prevent loan impairment;

- the Special Loan Department is responsible for the performance and quality of loans to Real Estate and Building Companies, as well as to Companies that are subject to debt restructuring agreements, with reference to the remedial actions provided for by Articles 67,182, 160 and 161 of the Italian Bankruptcy Law.

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

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

2.2 Management, measurement and control

In compliance with the legislation and regulations in force, the Cariparma Crédit Agricole Group has implemented a risk control system, in organizational, regulatory and methodological terms, which all the Group Companies must comply with, in order for the Parent Company to perform, effectively and economically, its steering, management, technical-operational and strategic control functions.

The Group entities proactively cooperate to identify the risks which they are exposed to and to define the relevant criteria for their measurement, management and control.

The key principles to which the Group's risk analysis and management refer, in order to pursue an increasingly aware and efficient allocation of the economic and regulatory capital, are the following:
- rigorous control and effective management of all types of risk;
- implementation of logics for sustainable value creation in the process for setting the Group's risk appetite and capital allocation;
- fine-tuning of the Group's risk appetite based on the specific risk cases and/or specific operations within the Risk Strategy of the Cariparma Crédit Agricole Group.

The Cariparma Crédit Agricole Group reasserted its priorities, which are controlled growth that is:
- focused on Customer segments having low risk profiles, as well as on providing support to the Communities of operation,
- checked by the need to maintain a balance between funding and control of credit risk, in a still uncertain economic situation.

Specifically, in 2014, the Bank continued to focus on risk and aimed at:
- strengthening both the loan portfolio management and the process for the recovery of sensitive or non-performing exposures;

•ensuring that the loan granting mechanism be selective, especially as regards sector-risk.

The Risk Management and Permanent Controls Department is responsible also for the Group risk reporting. These reports are submitted on a quarterly basis to the Boards of Directors of the single Banks. The reporting produced by this Department covers, among other things, the policies for loan coverage and is addressed to the Top Management, with the objective of presenting the performance of the key risk indicators for more effective and prompter preparation of the action plans required to mitigate or avoid risk factors.

In 2014, the Risk Management and Permanent Controls Department defined a monthly "Credit Risk Tableau". This document analyses the credit quality of the single entities in the Group, as well as the Risk Exposures developments, on the basis of the main regulation and management guiding principles: the regulatory segmentation of customers, product types, sales structure and customer segments and sub-segments. Credit Risk, in its main components being default risk and migration risk, is measured in terms of impacts on the Income Statement (cost of Credit Risk) and on the Balance Sheet (absorbed Regulatory Capital).

In addition to its specific reporting activities, the Risk Management and Permanent Controls Department participates in analyzing the portfolio risk developments. Specifically, it has the following tasks:

- to create, develop and produce analysis and monitoring tools, also in cooperation with the Management Departments in charge, for the management and mitigation of credit risk;
- to estimate and forecast future and perspective risk scenarios, which could impact on the credit quality of the Group's Customers portfolio, in terms of distribution channel, product sector and geographical area, with regard to regulatory (e.g.: ICAAP), management and budget objectives;
- to provide risk estimates and forecasts, for regulatory, management and budget purposes.

The credit quality analysis is made also thanks to tools (Key Risk Indicators) that the Risk Management and Permanent Controls Department develops for more effective monitoring of the perimeter (either geographical or sector) in which the monitoring and mitigation action is to be performed, as well as for more effective measurement of the risk.

Development, management and updating of the Models – Roles and Responsibilities

The process for the development, management and updating of the models, consistently with the guidelines issued by Crédit Agricole S.A., consists in the activities and procedures aimed at defining, at the initial stage, or at later updating the rating models that apply to loan exposures, that is to say, statistical models that have been designed to support credit assessment and to allow the capital requirements to be calculated in terms of risks of unexpected losses for the Cariparma Crédit Agricole Group.

The models for the measurement of risk parameters aim at achieving – for both reporting and management purposes – risk measures that are:

- fit to grasp the key elements at the basis of assessment of the creditworthiness of the parties with whom the Group has or intends to assume loan exposures;
- relatively stable over time over time in order to reflect at all times and in every Customer segment, long-term riskiness (measured by the rate of default) of the Group's exposures, both present and potential;
- fit to prevent uncontrolled growth of risk in the positive cycle phases and – as a reaction – indiscriminate crunch in lending in negative phases (reverse cycle).

The function responsible for the development, management and updating of the models is the Model Development and Capital Requirements Control Service, which reports to the Credit and Financial Risks Area (RAF) reporting to the Risk Management and Permanent Controls Department.

Specifically, the Model Development and Capital Requirements Control Service is responsible for the development of internal rating models and of the LGD model, for the Cariparma Crédit Agricole Group as a whole, ensuring compliance with the regulatory requirements provided for by the Bank of Italy (in terms of implementation of the New Basel Accord II), with the guidelines issued by the French Parent Company and constant consistency with the international best practices. Moreover, this Service is responsible for producing documentation on the structuring and operating details of the adopted models, especially of the rating system, formalizing the features and methods adopted, as well as any alterations in the components and overall structure of the model, setting forth the reasons for such alterations.

In 2014, the Model Development Function issued a Model Development Policy, which was approved by the Board of Directors of the Parent Company and adopted by the Boards of Directors of the other Banks in the Group.

This Policy defines the "guidelines" for the development and maintenance of the internal measurement of risks, valid for all the entities in the Cariparma Crédit Agricole Group and describes the processes through which the Model Development Function periodically assesses/updates the internal systems for the measurement of first and second Basel Pillar risks.

Moreover, all internal models used by the Cariparma Crédit Agricole Group are submitted for approval to the "Comité Normes et Méthodes" of the Parent Company Crédit Agricole S.A, are submitted for validation to Cariparma Validation Unit and for Internal Audit activities to IGL (Inspection Générale Groupe) of Crédit Agricole S.A.

Stress test

Within the management and control of credit risk, on a yearly basis, strategies are defined to act on overall exposures to sectors, products or types of customers that have been identified as belonging to sectors that are not fully in line with the corporate objectives in terms of risk control. The performance of the perimeters thus identified is monitored on a quarterly basis.

In 2014 the focus was on the “Real Estate Players” and the Hotel sectors, as well as on loans for Renewable Energy (Non-Investment Grade Customers).

Moreover, the monitoring of the diversification of risk in loans was fully implemented, by controlling the limits to portfolio concentration, with different values for “ Investment Grade” and “Non-Investment Grade” Counterparties.

The periodic audits reported compliance with the set strategies.

Within the ICAAP process, the stress test analyses on credit risk were carried out with a factorial model that links the endogenous variables (Probability of Default, PD) to the macroeconomic variables that have proven to have higher explanatory power. Based on forecast scenarios, as defined by the user services or by international forecaster, the portfolio average PD are estimated by management segment. Based on the experiential scenarios (baseline and stress), or historical (worst case), the estimated effects of the economic cycle on the PD allow future developments in Risk Weighted Assets and Expected Loss to be calculated by aggregation level, with the possibility to simulate and calculate separately the impacts in terms of changes in volumes and increase in risk.

In 2014 the ordinary stress testing activity was extended with the participation in the exercise carried out by the European Central Bank together with the European Banking Authority; the main evidence generated by this exercise at Crédit Agricole Group level were published within the comprehensive assessment. This exercise, which operated across the various corporate divisions engaged in risk measurement and management, allowed a prospective analysis of the impact on the Income Statement main variables. Moreover, as reported in the section on projects, the outcomes of the stress test exercise are taken into account within the definition and management of the Risk Appetite Framework.

QUANTITATIVE DISCLOSURES

A. CREDIT QUALITY

A.1 Non-performing and Performing exposures: amounts, value adjustments, changes, breakdown by economic sector and geographical area

A.1.1 Breakdown of exposures by portfolio and credit quality: book values

Portfolio/quality	Bad debts	Substandard loans	Restructured positions	Non-performing past due exposures	Performing past due exposures	Other assets	Total
1. Financial assets held for trading	39	1,068	5,570	915	-	190,942	198,534
2. Financial assets available for sale	48,982	-	-	-	-	4,601,529	4,650,511
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	-	4,037,290	4,037,290
5. Loans to Customers	744,343	678,969	536,443	118,725	1,347,416	24,877,022	28,302,918
6. Financial assets measured at fair value	-	-	-	-	-	15,972	15,972
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-	710,803	710,803
Total 31.12.2014	**793,364**	**680,037**	**542,013**	**119,640**	**1,347,416**	**34,433,558**	**37,916,028**
Total 31.12.2013	**665,820**	**490,829**	**346,891**	**135,547**	**1,527,969**	**33,263,657**	**36,430,713**

All financial assets are classified by credit quality with the exception of capital securities and units in collective investment schemes. Loans to Banks and loans to Customers include both loans and other technical forms (securities, etc.).

Financial assets held for trading and classified as bad debts are securities that matured on 4 November 2010 and were issued by Glitnir Banki Hf that has been put into liquidation by a decision of the Reikjavik Constitutional Court of 22 November 2010.

A.1.2 Breakdown of exposures by portfolio and credit quality: gross and net values

Portfolio/quality	Impaired assets			Performing			Total (net exposure)
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	
1. Financial assets held for trading	9,121	1,529	7,592	X	X	190,942	198,534
2. Financial assets available for sale	48,982	-	48,982	4,601,529	-	4,601,529	4,650,511
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	4,037,290	-	4,037,290	4,037,290
5. Loans to Customers	3,418,278	1,339,798	2,078,480	26,391,930	167,492	26,224,438	28,302,918
6. Financial assets measured at fair value	-	-	-	X	X	15,972	15,972
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	710,803	710,803
Total 31.12.2014	**3,476,381**	**1,341,327**	**2,135,054**	**35,030,749**	**167,492**	**35,780,974**	**37,916,028**
Total 31.12.2013	**2,699,246**	**1,060,158**	**1,639,088**	**34,235,265**	**207,480**	**34,791,625**	**36,430,713**

All financial assets are classified by credit quality with the exception of capital securities and units in collective investment schemes. Loans to Banks and loans to Customers include both loans and other technical forms (securities, etc.).

Performing loans to customers: analysis of age of past-due loans

Loans to customers: analysis of age of past-due loans	Exposures subject to collective agreement renegotiation			Exposures subject renegotiations granted by the Bank			Other Performing Exposures		
	Gross exposure	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure
1. Non past-due exposures	157,783	1,257	156,526	568,088	4,548	563,540	24,307,831	150,875	24,156,956
2. Up to 90 year	18,959	152	18,807	191,009	1,529	189,480	838,612	6,652	831,960
3. From 91 to 180 days	4,015	32	3,982	44,417	356	44,061	51,299	411	50,888
4. From 181 to 1 year	234	2	232	94,256	755	93,502	84,222	674	83,548
5. More than 1 year	-	-	-	20,194	162	20,032	11,012	88	10,924
Total 31.12.2014	**180,991**	**1,443**	**179,547**	**917,964**	**7,350**	**910,615**	**25,292,976**	**158,700**	**25,134,276**

A.1.3 On-balance-sheet and off-balance-sheet exposure to banks gross and net values

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. ON-BALANCE SHEET EXPOSURES				
a) Bad debts	160	121	X	39
b) Substandard loans	-	-	X	-
c) Restructured positions	-	-	X	-
d) Non-performing past-due exposures	-	-	X	-
e) Other assets	4,037,321	X	-	4,037,321
TOTAL A	**4,037,481**	**121**	**-**	**4,037,360**
B. OFF-BALANCE SHEET EXPOSURES				
a) Non-performing	-	-	X	-
b) Other	1,603,158	X	-	1,603,158
TOTAL B	**1,603,158**	**-**	**-**	**1,603,158**
TOTAL A+B	**5,640,639**	**121**	**-**	**5,640,518**

On-balance sheet exposures summarize all financial assets within business with banks as recognized in items 20 “Financial Assets held for trading”, 40 “Available-for-sale financial assets” and 60 “Loans to Banks”, except for derivatives that, in this section, are considered off-balance-sheet. Off-balance sheet exposures include all financial transactions other than on-balance -sheet ones (guarantees issued, commitments, derivatives, including hedging ones) which entail credit-risk taking.

A.1.4 On-balance sheet exposures to Banks: changes in gross non-performing exposures

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past-due exposures
A. Opening gross exposure	**160**	**-**	**-**	**-**
- of which: sold exposures not derecognized	-	-	-	-
B. Increases	**-**	**-**	**-**	**-**
B.1 from performing loans	-	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 outflows to performing exposures	-	-	-	-
C.2 writeoffs	-	-	-	-
C.3 collections	-	-	-	-
C.4 assignments	-	-	-	-
C.4 bis losses on sales	-	-	-	-
C.5 transfers to other categories of impaired positions	-	-	-	-
C.6 other decreases	-	-	-	-
D. Closing gross exposure	**160**	**-**	**-**	**-**
- of which: sold exposures not derecognized	-	-	-	-

A.1.5 On-balance sheet exposures to Banks: changes in total value adjustments

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past-due exposures
A. Opening total adjustments	**121**	**-**	**-**	**-**
- of which: sold exposures not derecognized	-	-	-	-
B. Increases	**-**	**-**	**-**	**-**
C.2 value adjustments	-	-	-	-
B.4-bis losses on sales	-	-	-	-
B.2 transfers from other categories of impaired positions	-	-	-	-
B.3 other increases	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**
C.1 writebacks from valuations	-	-	-	-
C.2 writebacks from collections	-	-	-	-
C.2 bis gains on sales	-	-	-	-
C.3 derecognition	-	-	-	-
C.4 transfers to other categories of non-performing exposures	-	-	-	-
C.5 other decreases	-	-	-	-
D. Total closing adjustments	**121**	**-**	**-**	**-**
- of which: sold exposures not derecognized	-	-	-	-

A.1.6 On-balance-sheet and off-balance-sheet exposure to customers (gross and net values)

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. ON-BALANCE SHEET EXPOSURES				
a) Bad debts	1,822,285	1,028,959	X	793,326
b) Substandard loans	897,389	218,421	X	678,968
c) Restructured positions	624,265	87,822	X	536,443
d) Non-performing past-due exposures	123,321	4,596	X	118,725
e) Other assets	31,009,457	X	167,492	30,841,965
TOTAL A	**34,476,717**	**1,339,798**	**167,492**	**32,969,427**
B. OFF-BALANCE SHEET EXPOSURES				
a) Non-performing	55,501	4,012	X	51,489
b) Other	1,500,683	X	1,182	1,499,501
TOTAL B	**1,556,184**	**4,012**	**1,182**	**1,550,990**

On-balance sheet exposures summarize all financial assets within business with customers as recognized in items 20 “Financial Assets held for trading”, 40 “Available-for-sale financial assets” and 70 “Loans to Customers”, except for derivatives that, in this section, are considered off-balance-sheet. Off-balance sheet exposures include all financial transactions other than on-balance -sheet ones (guarantees issued, commitments, derivatives, including hedging ones) which entail credit-risk taking.

A.1.7 – On-balance sheet exposures to Customers: changes in gross non-performing exposures

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past-due exposures
A. Opening gross exposure	**1,455,486**	**701,753**	**397,699**	**139,522**
- of which: sold exposures not derecognized	-	-	-	-
B. Increases	**432,972**	**751,475**	**359,972**	**368,393**
B.1 from performing loans	6,051	465,933	279,981	347,690
B.2 transfers from other categories of impaired positions	415,182	236,514	57,016	4,703
B.3 other increases	11,739	49,028	22,975	16,000
C. Decreases	**66,173**	**555,839**	**133,406**	**384,594**
C.1 to performing loans	51	37,388	59	120,773
C.2 writeoffs	15,826	24,099	4,551	3,407
C.3 collections	49,779	32,559	86,390	19,134
C.4 realized income from disposals	-	-	-	-
C.4 bis losses from disposal	-	-	-	-
C.5 transfers to other categories of impaired positions	517	434,937	41,116	236,844
C.6 other decreases	-	26,856	1,290	4,436
D. Closing gross exposure	**1,822,285**	**897,389**	**624,265**	**123,321**
- of which: sold exposures not derecognized	-	-	-	-

A.1.8 On-balance sheet exposures to Customers: changes in total value adjustments

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past-due exposures
A. Opening total adjustments	**789,706**	**211,385**	**53,211**	**5,125**
- of which: sold exposures not derecognized	-	-	-	-
B. Increases	**288,648**	**162,719**	**57,395**	**9,860**
C.2 value adjustments	197,975	136,823	39,476	4,712
B.4-bis losses on sales	-	-	-	-
B.2 transfers from other categories of impaired positions	90,243	8,844	8,095	2,286
B.3 other increases	430	17,052	9,824	2,862
C. Decreases	**49,395**	**155,683**	**22,784**	**10,389**
C.1 writebacks from valuations	29,598	27,311	4,317	548
C.2 writebacks from collections	3,970	3,809	1,141	223
C.2 bis gains on sales	-	-	-	-
C.3 derecognition	15,826	24,099	4,551	3,407
C.4 transfers to other categories of non-performing exposures	-	91,687	12,576	5,205
C.5 other decreases	1	8,777	199	1,006
D. Total closing adjustments	**1,028,959**	**218,421**	**87,822**	**4,596**
- of which: sold exposures not derecognized	-	-	-	-

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

Qualitative disclosures

The categorization by rating classes is based on the internal and external models of the Cariparma Crédit Agricole Group.

Quantitative disclosures

A.2.1 Categorization of on-balance sheet and off-balance sheet loan exposures by external rating class

Exposures	External rating grades						Without rating	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. On-balance-sheet exposures	**2,596,126**	**1,900,864**	**829,352**	**1,638,118**	**70,412**	**52,323**	**29,919,592**	**37,006,787**
B. Derivatives	**-**	**47,565**	**8,636**	**16,546**	**18**	**1,355**	**984,730**	**1,058,850**
B.1 Financial Derivatives	-	47,565	8,636	16,546	18	1,355	984,730	1,058,850
B. Credit Derivatives	-	-	-	-	-	-	-	-
C. Guarantees issued	**35**	**415,098**	**127,177**	**145,458**	**10,365**	**48,275**	**768,567**	**1,514,975**
D. Commitments to disburse funds	**53,271**	**1,219**	**-**	**-**	**241,946**	**-**	**283,887**	**580,323**
E. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**2,649,432**	**2,364,746**	**965,165**	**1,800,122**	**322,741**	**101,953**	**31,956,776**	**40,160,935**

The above breakdown by rating class refers to measurements made by Cerved Group S.p.A. (ECAI - External Credit Assessment Institution - authorized by the Bank of Italy). The “without rating” column includes exposures with counterparties for which a Cerved rating is not available.

A.2.2 Categorization of on-balance-sheet and off-balance-sheet loan exposure by internal rating class

Exposures	Internal rating grades				Without rating	Total
	from AAA to BBB+	from BBB to BBB-	from BB+ to B	from B- to D		
A. On-balance-sheet exposures	**4,324,522**	**7,611,831**	**6,757,756**	**3,430,696**	**14,881,982**	**37,006,787**
B. Derivatives	**2,381**	**22,620**	**55,296**	**12,489**	**966,064**	**1,058,850**
B.1 Financial Derivatives	2,381	22,620	55,296	12,489	966,064	1,058,850
B.2 Credit derivatives	-	-	-	-	-	-
C. Guarantees issued	**259,982**	**363,411**	**332,655**	**68,357**	**490,570**	**1,514,975**
D. Commitments to disburse funds	**33**	**822**	**300**	**304**	**578,864**	**580,323**
E. Other	**-**	**-**	**-**	**-**	**-**	**-**
Total	**4,586,918**	**7,998,684**	**7,146,007**	**3,511,846**	**16,917,480**	**40,160,935**

The breakdown by rating class given below refers to Cariparma Crédit Agricole Group internal models.

The column “Without rating” mainly shows exposures to Banks, State bodies and Sovereign States, for which internal rating models are not available.

Excluding counterparties without rating, there is a concentration in the Investment Grade classes (from AAA to BBB-), equal to 63% of the total, while 23% falls within the BB+/BB class and 14% in the B-/D class.

A.3 BREAKDOWN OF SECURED EXPOSURES BY TYPE OF GUARANTEE

A.3.2 Secured Loan exposure to customers

	Net value of exposure	Collaterals (1)				Personal guarantees (2)									Total (1)+(2)
						Credit derivatives					Signature loans				
		Real estate mortgages	Real estate - Finance leases	Securities	Other assets	CLN	Other derivatives								
							Governments and central banks	Other public entities	Banks	Other	Governments and central banks	Other public entities	Banks	Other	
1. Secured on-balance-sheet exposures:	**21,993,900**	**63,053,961**	**-**	**163,995**	**798,671**	**-**	**-**	**-**	**-**	**-**	**-**	**4,161**	**3,893,570**	**5,793,479**	**73,707,837**
1.1 fully secured	19,225,483	61,778,532	-	148,722	640,281	-	-	-	-	-	-	4,146	2,045,693	5,409,808	70,027,182
- of which non-performing	1,689,636	7,784,778	-	5,618	14,917	-	-	-	-	-	-	592	121	1,210,304	9,016,330
1.2 partially secured	2,768,417	1,275,429	-	15,273	158,390	-	-	-	-	-	-	15	1,847,877	383,671	3,680,655
- of which non-performing	93,014	262,256	-	1,023	6,638	-	-	-	-	-	-	-	-	78,107	348,024
2. Off-balance-sheet secured exposures:	**387,562**	**177,771**	**-**	**23,047**	**74,288**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,534**	**395,902**	**676,542**
2.1 fully secured	293,952	176,272	-	14,939	52,892	-	-	-	-	-	-	-	626	375,310	620,039
- of which non-performing	8,501	-	-	48	1,664	-	-	-	-	-	-	-	60	16,933	18,705
2.2 partially secured	93,610	1,499	-	8,108	21,396	-	-	-	-	-	-	-	4,908	20,592	56,503
- of which non-performing	1,882	-	-	-	1,230	-	-	-	-	-	-	-	-	576	1,806

On-balance-sheet exposures, totally or partially secured, include secured loans and other financial assets, with the exclusion of derivative contracts and equity securities. Off-balance-sheet transactions include financial transactions (guarantees issued, commitments, derivatives) entailing the assumption of credit risk. The value of exposures is net of uncertain outcomes and of portfolio adjustments.

Collateral and personal guarantees are expressed at the fair value estimated as at the reporting date.

Breakdown and concentration of loan exposures

B.1 BREAKDOWN BY SECTOR OF ON-BALANCE-SHEET AND OFF-BALANCE SHEET EXPOSURES

Exposures/Counterparties	Governments			Other pub ic entities			Financial companies			Insurance undertakings			Non-financial companies			Other		
	Net Exposure	Specific value adjustments	Portfolio value adjustments	Net Exposure	Specific value adjustments	Portfolio value adjustments	Net Exposure	Specific value adjustments	Portfolio value adjustments	Net Exposure	Specific value adjustments	Portfolio value adjustments	Net Exposure	Specific value adjustments	Portfolio value adjustments	Net Exposure	Specific value adjustments	Portfolio value adjustments
A. On-balance-sheet exposures																		
A.1 Bad debts			X			X	1,674	8,537	X	48,983	22	X	511,850	916,817	X	230,819	103,583	X
A.2 Substandard loans	-	-	X	1	2	X	13,704	3,869	X			X	511,272	150,103	X	153,991	64,447	X
A.3 Restructured exposures			X	4,449	300	X	8,483	3,415	X			X	522,994	84,040	X	517	67	X
A.4 Past due pos tions			X	9	1	X	1,261	35	X			X	79,458	3,280	X	37,997	1,280	X
A.5 Other exposures	4,614,251	X		71,080	X		5,037,002	X	2,819	70,040	X	-	10,352,313	X	79,477	10,697,279	X	85,196
Total A	**4,614,251**	**-**	**-**	**75,539**	**303**	**-**	**5,062,124**	**15,856**	**2,819**	**119,023**	**22**	**-**	**11,977,887**	**1,154,240**	**79,477**	**11,120,603**	**169,377**	**85,196**
B. Off-balance-sheet exposures																		
B.1 Bad debts			X			X	329		X			X	5,903	226	X	38		X
B.2 Substandard loans			X			X	9	9	X			X	9,380	2,813	X	158	168	X
B.3 Other non-performing exposures			X			X	3	3	X			X	35,520	788	X	149	5	X
B.4 Other	241,384	X		1,602	X		61,434	X	11	21,296	X	24	1,136,448	X	1,124	37,337	X	23
Total B	**241,384**	**-**	**-**	**1,602**	**-**	**-**	**61,775**	**12**	**11**	**21,296**	**-**	**24**	**1,187,251**	**3,827**	**1,124**	**37,682**	**173**	**23**
Total (A+B) 31.12.2014	**4,855,635**	**-**	**-**	**77,141**	**303**	**-**	**5,123,899**	**15,868**	**2,830**	**140,319**	**22**	**24**	**13,165,138**	**1,158,067**	**80,601**	**11,158,285**	**169,550**	**85,219**
Total (A+B) 31.12.2013	**3,791,705**	**-**		**113,859**	**2**		**4,304,053**	**10,855**	**3,875**	**137,185**	**22**	**9**	**13,846,730**	**913,285**	**108,040**	**10,984,898**	**140,960**	**96,023**

On-balance-sheet exposures include loans as well as financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives) entailing credit risk assumption.

B.2 BREAKDOWN OF ON-BALANCE SHEET AND OFF-BALANCE SHEET BY GEOGRAPHICAL AREA

Exposure/Geographical areas	North-western Italy		North-eastern Italy		Central Italy		Southern Italy and Islands	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures								
A.1 Bad debts	357,861	479,609	303,826	312,397	72,516	132,253	58,507	99,967
A.2 Substandard loans	280,079	92,213	241,699	66,365	99,866	24,085	56,305	35,236
A.3 Restructured exposures	100,262	18,300	333,761	47,679	87,343	15,973	15,077	5,870
A.4 Past due positions	41,436	1,713	51,570	1,801	10,823	436	14,887	646
A.5 Other exposures	14,299,946	73,329	6,610,373	52,378	7,954,949	26,935	1,738,247	14,004
Total	**15,079,584**	**665,164**	**7,541,229**	**480,620**	**8,225,497**	**199,682**	**1,883,023**	**155,723**
B. Off-balance-sheet exposures								
B.1 Bad debts	1,741	43	4,037	183	452	-	40	-
B.2 Substandard loans	910	583	2,966	1,372	5,604	904	67	130
B.3 Other non-performing exposures	4,036	225	29,839	370	1,797	202	-	-
B.4 Other	501,642	758	522,728	281	424,635	134	47,555	7
Total	**508,329**	**1,609**	**559,570**	**2,206**	**432,488**	**1,240**	**47,662**	**137**
Total (A+B) 31.12.2014	**15,587,913**	**666,773**	**8,100,799**	**482,826**	**8,657,985**	**200,922**	**1,930,685**	**155,860**
Total (A+B) 31.12.2013	**15,207,268**	**578,782**	**8,498,875**	**384,377**	**7,490,384**	**169,607**	**1,863,006**	**134,572**

On-balance-sheet exposures include loans as well as financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives) entailing credit risk assumption.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives) entailing credit risk assumption.

B.3 BREAKDOWN OF ON-BALANCE SHEET AND OFF-BALANCE SHEET BY GEOGRAPHICAL AREA

Exposure/Geographical areas	Italy		Other European Countries		America		Asia		Rest of the world	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	39	121	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured exposures	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other exposures	1,278,568	-	2,744,250	-	8,615	-	4,608	-	1,280	-
Total A	**1,278,568**	**-**	**2,744,289**	**121**	**8,615**	**-**	**4,608**	**-**	**1,280**	**-**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Other non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.4 Other	321,550	-	810,287	-	1,080	-	17,236	-	7,426	-
Total B	**321,550**	**-**	**810,287**	**-**	**1,080**	**-**	**17,236**	**-**	**7,426**	**-**
Total (A+B) 31.12.2014	**1,600,118**	**-**	**3,554,576**	**121**	**9,695**	**-**	**21,844**	**-**	**8,706**	**-**
Total (A+B) 31.12.2013	**1,200,394**	**-**	**3,692,214**	**121**	**19,783**	**-**	**14,154**	**-**	**5,655**	**-**

On-balance-sheet exposures include loans as well as financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives) entailing credit risk assumption.

B.4 LARGE RISKS

As at 31 December 2014, positions showing large risk features as defined in Circular No. 285/2013 (as amended) are:
a1) of a total nominal amount of Euro 22,678,099 thousand. a2) of total weighted amounts of Euro 1,493,396.
b) a total number of 6.

E Asset disposals

E.1 FINANCIAL ASSES DISPOSED BUT NOT DERECOGNIZED

Technical forms/Portfolio	Financial assets held for trading			Financial assets measured at fair value			Financial assets available for sale			Financial assets held to maturity			Loans to banks			Loans to Customers			Total	
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	31.12.2014	31.12.2013
A. On-balance-sheet assets	-	-	-	-	-	-	**386,686**	-	-	-	-	-	**62,266**	-	-	-	-	-	**448,952**	**1,127,914**
1. Debt securities	-	-	-	-	-	-	386,686	-	-	-	-	-	62,266	-	-	-	-	-	448,952	1,127,914
2. Equity securities	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
3. collective investment undertakings	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Derivatives	-	-	-	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	-	-
Total 31.12.2014	-	-	-	-	-	-	**386,686**	-	-	-	-	-	**62,266**	-	-	-	-	-	**448,952**	
of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2013	-	-	-	-	-	-	**1,012,205**	-	-	-	-	-	**115,709**	-	-	-	-	-	-	**1,127,914**
of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Legenda:

A = disposed financial assets fully recognized (book value)

B = disposed financial assets partially recognized (book value)

C = disposed financial assets partially recognized (full value)

E.2 FINANCIAL LIABILITIES IN RESPECT OF FINANCIAL ASSETS DISPOSED AND NOT DERECOGNIZED

Liabilities/ Assets portfolio	Financial assets held for trading	Financial assets measured at fair value	Financial assets available for sale	Financial assets held to maturity	Loans to banks	Loans to Customers	Total
1. Due to Customers	-	-	-	-	**4,028**	-	**4,028**
a) in respect of assets fully recognized	-	-	-	-	4,028	-	4,028
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	-	-	**383,565**	-	**58,609**	-	**442,174**
a) in respect of assets fully recognized	-	-	383,565	-	58,609	-	442,174
b) in respect of assets partially recognized	-	-	-	-	-	-	-
Total 31.12.2014	-	-	**383,565**	-	**62,637**	-	**446,202**
Total 31.12.2013	-	-	**1,006,523**	-	**117,954**	-	**1,124,477**

The table below reports financial liabilities which have the assets disposed but not derecognized – and still partially or totally recognized in the Balance Sheet – as underlying asset. These are repurchase agreements concerning securities held in the "Available-for-sale financial assets" and "Loans to Banks" portfolio.

E.4 COVERED BOND TRANSACTIONS

Portfolio being disposed

In order to increase its liquidity reserves, in the period Cariparma completed the design of its first program for the issue of Covered Bonds. These bonds are secured, i.e. “covered” both by the issuing bank and by a pool of high-quality loans, whose “separate” administration is assigned to a special-purpose vehicle (Cariparma OBG srl - the Special Purpose Vehicle selected to participate in the Program, in which Cariparma holds a 60% stake), which acts as the “depositary of loans used as collaterals”. On 3 December 2014, Cariparma launched its first issue of Covered Bonds on the market. This transaction, which is part of a process for enhancing the efficiency of funding sources, aims at providing the Bank with a wider range of liquidity management instruments. This decision was made considering that the Covered Bond market allows Cariparma to have access to funding instruments with higher maturity than the securities placed with its Retail customers, to diversify its investor base and to stabilize the cost of funding. The program, which has been designed to increase eligible assets with the European Central Bank and, in the period, did not entail issues on the market, requires effective organizational control and significant capital soundness. It is also emphasized that the above program has no effect on the regulatory risk profile of the disposing Banks (and of the Group) and does not generate the obligation for the Banks to derecognize the assets used as collaterals.

Disclosure

The Board of Directors of Cariparma S.p.A., at its meetings held on 24 July 2012 and 26 March 2013, resolved to start the design of a program for the issue of covered bonds for a maximum amount of Euro 8 billion.

The Italian legislation framework on Covered Bonds consists of Article 7-bis of Law No. 130 of 30 April 1999 (“Law 130”), of the Decree issued by the Italian Minister of the Economy and Finance No. 310 of 14 December 2006 (the “MEF Decree”) and by the New Provisions for Prudential Supervision of Banks setdown in the Bank of Italy’s Circular No. 265 of 17 December 2013, as updated and specified (the “Instructions” and, jointly with Law 130 and with the MEF Decree, the “Legislation”).

The issue of Covered Bonds has allowed the Cariparma Crédit Agricole Group to further diversify its stock of eligible assets with the European Central Bank, to have access to funding tools with longer maturity than the securities placed with its Retail Customers, to diversify its investor base and to stabilize the cost of funding.

In general, the transaction, in accordance with the relevant regulations, consisted in the following activities. The Banks of the Cariparma Crédit Agricole Group (Cariparma, Banca Popolare FriulAdria and Carispezia) transferred a “Pool” of mortgage loans to Cariparma OBG. The assets transferred to the Special-Purpose Vehicle are separated from the SPV’s assets and are to be used to the benefit of the holders of the covered bonds issued and of other parties in favour of whom the guarantee has been given. The Banks granted a subordinated loan to Cariparma OBG, to be used to pay the purchase price of the assets by the same Special-Purpose Vehicle.

Therefore, Cariparma issued the Covered Bonds that were then repurchased; the Special-Purpose Vehicle issued a collateral in favour of the holders of the covered bonds.

As a consequence, the repayment of the Covered Bonds that were issued within this transaction is secured by an unconditional and irrevocable collateral issued by Cariparma OBG exclusively to the benefit of the Covered Bond subscribers (Cariparma) and of unrelated counterparties.

The disposal portfolio

The loans that, each time, is transferred to the Special-Purpose Vehicle must have some common features.

Accounts receivable based on mortgage loans contracts were selected, which, as at 18 May 2013, had, by way of an example:

- Accounts receivable based on Mortgage loans agreements that are either:
  - (A) Home mortgage loans (i) having a risk-weighting factor not higher than 35% and for which the residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 80% of the value of the mortgaged property; or
  - (B) commercial mortgage loans (i) having a risk-weighting factor not higher than 50% and for which the residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 60% of the value of the mortgaged property:
    - which have been granted or purchased by the Cariparma Crédit Agricole Group;
    - which are performing with no instalments past due for over 30 days from the due date;
    - - which do not include clauses restricting the Group Banks' right to sell the loans resulting from the relevant contract or providing for the borrower's consent to the transfer and the Group Banks have obtained such consent;
    - for which any pre-amortization time provided for by the contract has fully expired and at least one instalment has matured and has been paid;
    - - which have been granted to a natural person, a legal person or to more than one natural or legal person, who have jointly taken out the loan;
    - - which provide for the borrower to pay floating-rate interest (determined each time by the Group Banks) or fixed-rate interest.

Upon the first disposal, made by signing, on 20 May 2013, a specific loan sale master agreement, the Banks in the Cariparma Crédit Agricole Group transferred an initial pool to Cariparma OBG S.r.l. for a total principal amount of approximately Euro 3.2 billion (the "Initial Pool", of which Euro 1.9 billion transferred by Cariparma, Euro 1.0 billion by Banca Popolare FriulAdria and Euro 0.3 billion by Carispezia).

As at 31 December 2014, the Cover Pool consisted in accounts receivable resulting from 32,556 mortgage loans, with a total residual debt of approximately Euro 2.7 billion (Cariparma Euro 1.6 billion, Banca Popolare FriulAdria Euro 0.9 billion and Carispezia Euro 0.2 billion).

Current accounts

The Program provides for a complex structure of current accounts to manage the cash flows from the transaction. A number of accounts have been opened in the name of Cariparma OBG and specifically, but not limited to: Collection Accounts, Capital Account Portion, Reserve Fund Accounts, Guarantor Payments Accounts and Expenses Accounts.

Parties involved in the Program

With regard to the Program, the following parties have the roles set forth here below:

- Transferor Banks: Cariparma, Cassa di Risparmio della Spezia S.p.A., Banca Popolare FriulAdria S.p.A.;
- Master Servicer: Cariparma (which, in this capacity, has been tasked by Cariparma OBG S.r.l., pursuant to the Servicing Master Agreement, with the collection and recovery of the receivables in the Initial Portfolio and in the portfolios that the Transferor Banks will transfer to Cariparma OBG S.r.l. pursuant to the Transfer Master Agreement);;
- Sub-Servicers and Services Provider: each Transferor Bank (which, in this capacity, shall undertake to carry out, as sub-servicer, the same services that Cariparma shall undertake to provide to Cariparma OBG S.r.l., in its capacity as Master Servicer, with reference only to the portion of Portfolio transferred by the same Transferor Bank to Cariparma OBG S.r.l ;
- Principal Paying Agent: Cariparma (which, in this capacity, pursuant to the Cash Management and Agency Agreement, shall have the main task to determine and process the payments due, for principal and interest, to the holders of the Covered Bonds);
- Calculation Agent: Crédit Agricole Corporate & Investment Bank, Milan Branch ("CACIB") (which, in this capacity, pursuant to the Cash Management and Agency Agreement, shall have the main task to prepare and sent - to all

parties to the agreement - the so-called Payments Report, setting forth the available funds owned by Cariparma OBG S.r.l and the payments to be made, based on the payment priority order as set by the parties in the transaction, pursuant to the Intercreditor Agreement, from the available funds);

- Account Bank: Cariparma (with which, in this capacity, pursuant to the Cash Management and Agency Agreement, the Italian current accounts shall be opened and kept in the name of Cariparma OBG S.r.l; on these accounts the liquidity shall be deposited to be used for the payments set as per the Program schedule);
- Asset Monitor: Mazars S.p.A. (which, in this capacity, pursuant to the Asset Monitor Agreement, shall carry out the calculations and verifications on the Mandatory Tests and on the Amortisation Test to be performed pursuant to the Cover Pool Administration Agreement, verifying the accurateness of the calculations made by the Calculation Agent pursuant to the Cover Pool Administration Agreement. With separate assignment, it is presently established that the Asset Monitor, tasked by Cariparma, carries out further verifications, specifically on (i) compliance of the eligible assets making up the Pool with the requirements set by the Legislation and (ii) compliance with the limits set for the transfer and with the issuers' requirements as provided for in the Instructions and (iii) the completeness, truthfulness and promptness of the information made available by investors.
- Guarantor Quotaholders: Cariparma and Stichting Pavia (which, in this capacity, shall sign the Quotaholders Agreement to exercise the corporate rights associated to the equity investment held by each one of them in Cariparma OBG S.r.l);
- Representative of the Covered Bondholders: Zenith Service S.p.A. (which, in this capacity, shall exercise, towards Cariparma and Cariparma OBG S.r.l., the rights of the counterparties involved in the transaction based on the Program Contracts);
- Administrative Services Provider Zenith Service S.p.A. (which, in this capacity, shall have the task to provide Cariparma OBG S.r.l. with administrative and corporate services relating to the activities to be carried out within the Program).
- Arranger: CACIB;
- Rating Agency: Moody's.

Risks associated with the transaction

The Program for the Issue of Covered Bonds entails the financial risks specified below, for which several mitigation measures have been adopted: Credit Risk, Liquidity Risk, Refinancing Risk, Counterparty Risk, Operational Risks, Risk of Bankruptcy of the Issuer Bank, Legal Risks.

Based on the procedures, in compliance with the Supervisory Instructions, Cariparma Internal Audit Department shall perform, at least every 12 months, a verification of the controls carried out, also using the information received and the judgements expressed by the Asset Monitor.

Main features of the Program

The Program financial structure envisages that Cariparma may issue Covered Bonds in more than one subsequent series of Covered Bonds with expected rating of Aa2 by Moody's Investors Service (on 21 January 2015 Moody's raised the of Covered Bonds with Italian and Spanish Issuers after reviewing its internal approaches for rating assignment).

In 2013 a single issue of Covered Bonds was made, the so-called retained (the bonds were repurchase by Cariparma) at a floating rate, indexed to the Euribor, for an amount of Euro 2.7 billion, to be used in refinancing operations with the European Central Bank.

In 2014 Cariparma, partially cancelled the securities issued in 2013, which currently amounts to Euro 1.2 billion and launched its first issue of Covered Bonds on the market for Euro 1 billion; the latter was placed with institutional investors with the support of Dealers, such as Crédit Agricole Corporate & Investment Bank, Banca Imi, Erste Group, LBBW, Nord LB, Unicredit.

As at 31 December 2014, therefore, the nominal value of the issues came to Euro 2,2 billion, of which Euro 1.2 billion worth of retained bonds and Euro 1 billion worth of bonds publicly traded.

Cariparma will be able to issue, within the Program, Covered Bonds for a total amount not exceeding Euro 8 billion.

Section 2 – Market risk

2.1 INTEREST RATE RISK AND PRICE RISK – SUPERVISORY TRADING BOOK

QUALITATIVE DISCLOSURES

General aspects

Cariparma (consistently with the 2011-2014 Strategic Plan and in line with past operations) does not engage in significant proprietary trading in financial and capital markets.

Therefore, trading is essentially instrumental and made on behalf of Customers based on the concept of intermediation, which allows the Cariparma Group to take only residual financial risk positions.

The Cariparma Crédit Agricole Group trading book is historically composed of securities (mainly bonds issued by Banks) and of over-the-counter derivatives (matched trading). Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk of the Group's trading book, centrally managing financial operations as well as the risk assessment and control activities.

The equity absorbed is reported using standard methods.

Management and measurement of market risks

Organizational aspects

The market risk in the Group's trading book is managed as part of each bank's risk policies.

This document defines the internal regulatory system for the management of market risk with reference to operations in financial instruments, foreign currencies and commodities, in terms of:

- The principles, objectives, methodologies and tools used for the measurement, control and management of market risk;
- Guidelines and rules on which the market risk management processes are based.

The Market Risk Policy is one of the components of the overall risk governance model adopted by the Group, consistently with Crédit Agricole guidelines.

Within the market risk management, the main responsibility is assigned, according to the respective scopes, to:

- the Board of Directors is tasked with strategic overseeing and is therefore responsible for defining market risk governance policies and management processes;
- Cariparma's Co-General Manager, delegating the relevant powers to the Market Area, is the officer responsible for market risk management, and, therefore, defines and steers the Group's mechanism for the management of market risk, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee;
- Risk Management and Permanent Controls Department is responsible for control. In compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee, it verifies the corporate risk management process and supervises compliance of the treatment of market risk with the legislation in force and with the Group risk strategy.

The limit structure

The limit structure reflects the level of risk deemed acceptable with reference to the individual business areas and is a mechanism designed to control that operational practices, at the various organisational levels, are performed in compliance with management guidelines and strategies, as defined by the Top Management.

The framework system for market risk regarding the Trading book of the Cariparma Group is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole Group. Such risk appetite is structured through global limits and operational limits that are defined by the Risk Strategy.

Global limits on market risk, regarding the Parent Company, are defined on the basis of the maximum mark-to-market variation compared to the initial value and are set by the Crédit Agricole Group Risk Committee (CRG). Operational limits are defined on the basis of the nominal value of the open position (that is after clearing of identical purchase and sale positions). Operational limits are validated by Cariparma Board of Directors.

Therefore, operational limits are, consistently with global limits, adaptations of the latter by type of asset, product, portfolio, and risk factors.

The Board of Directors of Cariparma retains the power to set further restrictions on activities (for example, in terms of instruments that can be held, foreign currency risks, etc.), the structure of operational decision-making powers and any sub-limits (for example, by individual entity in the Group and/or portfolio).

Control System

Risk monitoring is a task assigned to the Risk Management and Permanent Controls Department, which is responsible for verifying:

- compliance with the operational limits set on the trading books of the individual Banks;
- adequacy and functionality of the finance process;
- compliance with approved risk management rules and criteria;
- proper operations of activities and controls for protection from risks.

QUANTITATIVE DISCLOSURES

1. Supervisory Trading Book: breakdown by residual maturity (repricing date) of on-balance-sheet financial assets and liabilities and financial derivatives

Currency	US DOLLAR							
Type/Residual maturity	On demand	up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**-**
1.1 Debt securities	-	-	-	-	-	-	10	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	10	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**112,996**	**38,364**	**19,795**	**840**	**23**	**112**	**-**
3.1 With underlying security	-	976	-	-	840	23	112	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	976	-	-	840	23	112	-
+ long positions	-	482	-	-	420	23	51	-
+ short positions	-	494	-	-	420	-	61	-
3.2 Without underlying security	-	112,020	38,364	19,795	-	-	-	-
- Options	-	72	24	90	-	-	-	-
+ long positions	-	36	12	45	-	-	-	-
+ short positions	-	36	12	45	-	-	-	-
- Other derivatives	-	111,948	38,340	19,705	-	-	-	-
+ long positions	-	57,770	19,174	9,839	-	-	-	-
+ short positions	-	54,178	19,166	9,866	-	-	-	-

Currency	POUND STERLING							
Type/Residual maturity	On demand	up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**8,389**	**1,936**	**5,892**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	8,389	1,936	5,892	-	-	-	-
- Options	-	12	26	-	-	-	-	-
+ long positions	-	6	13	-	-	-	-	-
+ short positions	-	6	13	-	-	-	-	-
- Other derivatives	-	8,377	1,910	5,892	-	-	-	-
+ long positions	-	4,182	955	2,946	-	-	-	-
+ short positions	-	4,195	955	2,946	-	-	-	-

Currency	SWISS FRANC							
Type/Residual maturity	On demand	up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**1,230**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	1,230	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	1,230	-	-	-	-	-	-
+ long positions	-	657	-	-	-	-	-	-
+ short positions	-	573	-	-	-	-	-	-

Currency	CANADIAN DOLLAR							
Type/Residual maturity	On demand	up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**9,421**	**-**	**1,352**	**-**	**118**	**-**	**-**
3.1 With underlying security	-	120	-	-	-	118	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	120	-	-	-	118	-	-
+ long positions	-	60	-	-	-	59	-	-
+ short positions	-	60	-	-	-	59	-	-
3.2 Without underlying security	-	9,301	-	1,352	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	9,301	-	1,352	-	-	-	-
+ long positions	-	4,662	-	676	-	-	-	-
+ short positions	-	4,639	-	676	-	-	-	-

Currency	JAPAN YEN							
Type/Residual maturity	**On demand**	**up to 3 months**	**More than 3 months to 6 months**	**more than 6 months to 1 year**	**More than 1 year to 5 years**	**more than 5 year to 10 years**	**more than 10 years**	**Unspecified maturity**
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**793**	**158**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	793	158	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	793	158	-	-	-	-	-
+ long positions	-	393	79	-	-	-	-	-
+ short positions	-	400	79	-	-	-	-	-

Currency	EURO							
Type/Residual maturity	On demand	up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**6**	**64**	**1**	**12**	**1**	**2**	**-**
1.1 Debt securities	-	6	64	1	12	1	2	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	6	64	1	12	1	2	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**246,681**	**3,796,567**	**764,772**	**2,302,946**	**1,992,768**	**755,445**	**147,570**	**4**
3.1 With underlying security	-	9,216	7,631	441	596	-	406	4
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	9,216	7,631	441	596	-	406	4
+ long positions	-	4,548	3,764	280	347	-	203	4
+ short positions	-	4,668	3,867	161	249	-	203	-
3.2 Without underlying security	246,681	3,787,351	757,141	2,302,505	1,992,172	755,445	147,164	-
- Options	35	1,580	2,462	1,606,924	149,749	67,676	12,224	-
+ long positions	18	790	1,231	803,462	74,874	33,838	6,112	-
+ short positions	17	790	1,231	803,462	74,875	33,838	6,112	-
- Other derivatives	246,646	3,785,771	754,679	695,581	1,842,423	687,769	134,940	-
+ long positions	123,323	1,914,964	353,453	347,824	921,172	343,924	67,470	-
+ short positions	123,323	1,870,807	401,226	347,757	921,251	343,845	67,470	-

Currency	Other currencies							
Type/Residual maturity	On demand	up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	more than 5 year to 10 years	more than 10 years	Unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**1,143**	**852**	**298**	**188**	**-**	**-**	**-**
3.1 With underlying security	-	243	-	44	188	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	243	-	44	188	-	-	-
+ long positions	-	122	-	22	94	-	-	-
+ short positions	-	121	-	22	94	-	-	-
3.2 Without underlying security	-	900	852	254	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	900	852	254	-	-	-	-
+ long positions	-	492	350	106	-	-	-	-
+ short positions	-	408	502	148	-	-	-	-

1.2.2 Interest rate risk and price risk – Banking Book

QUALITATIVE DISCLOSURES

General aspects

Asset Liability Management activities refer to all on-balance-sheet and off-balance-sheet transactions (Banking Book) and focus on fixed-rate positions, excluding from this perimeter the positions in the supervisory Trading Book. Fluctuations in interest rates impact the Group's profits by reducing net interest income and net banking income and also affect capital by causing changes in the net present value of future cash flows.

The Banking Book price risk is generated by financial-type assets held for various trading objectives.

Organisational aspects

The process for the measurement and management of interest rate risk and price risk regarding the Group Banking Book is regulated within the relevant risk policies.

Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk of the Group's Banking Book, centrally managing financial operations as well as the risk assessment and control activities.

The Governance model vests the ALM and Financial Risks Committee with the task of setting the strategic and direction lines for the management, of validating the methods for measuring the exposure to interest rate risk, of examining the reporting produced by the Financial Management Department and by the Risk Management and Permanent Controls Department, as well as to resolve any measures to be implemented.

The CFO, through the Financial Management Department, plays a management role and is specifically responsible for the management of interest rate risk and is subject to second-level controls made by the Risk Management and Permanent Control Department.

The framework system for interest rate risk and price risk regarding the Banking Book of the Cariparma Group is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole Group. Such risk appetite is structured through global limits and operational limits that are defined by the Risk Strategy.

The Risk Management and Permanent Controls Department is responsible for control.

Risk policy and management

The processes for the management of interest rate and price risks are governed by the respective risk policies. These documents define the internal regulatory system for the management of risks with reference to operations in financial instruments, in terms of:

- The principles, objectives, methodologies and tools used for the measurement, control and management of risks;
- Guidelines and rules on which the risk management and stress testing processes are based.

The policy for the management of interest rate risk is designed to implement the short-term and long-term strategies by defining a cumulative gap by maturity. The management of this position aims at maximizing the profitability of the Bank, in compliance with the limits and with the guidelines set by the Board of Directors and by the Group Risks Committee of Crédit Agricole S.A. The main financial instruments for the management of interest risk hedges are Interest Rate Swaps, which, for their very nature, are contracts referring to "pure" interest rate risk.

The policy for the management of the Banking Book is designed to invest available liquidity and to hold liquidity reserves in a Basel 3 (LCR) perspective. The management of price risk aims at monitoring the impacts on the book value of capital and on regulatory capital generated by changes in value of the financial instruments held in the proprietary portfolio, consistently with the acceptable risk level as set by the Board of Directors and by the Group Risk Committee of Crédit Agricole S.A.

Control System

Independent control on the system for the management of interest rate risk is performed by the Risk Management and Permanent Controls Department who:

- controls the risk measurement and stress testing models, consistently with the guidelines issued by the Supervisory Body and with the procedures set by Crédit Agricole S.A.;
- assesses, within the validation and update process, the results of quantitative and qualitative analysis of the models, expressing its opinion in this regard;
- independently verifies the outcomes of the stress tests on the AFS portfolio;
- informs the Board of Directors and Crédit Agricole S.A. (within the control process) where the limits set for risk management have been breached since the last communication and recommends remedial actions to be implemented, after obtaining the opinion of the Financial Management Department.

The Risk Management and Permanent Controls Department is responsible for control of compliance with the set limits (global, operational and alert thresholds); therefore, it prepares and send to the corporate Bodies its Financial Risk Report, covering the control outcomes, any breaches of limits and activates, where required, the appropriate alert procedures. On a quarterly basis, it submits a summary of the above Report to the ALM and Financial Risks Committee, as well as to the Internal Control Committee.

Risk measurement: Methodological aspects

For measuring interest rate risk, the Group has adopted an interest-rate gap model, according to which, at each future maturity date, the cumulative gap generated by sensitive fixed-rate assets and liabilities existing at the relevant date is measured. To calculate the fixed-rate gap, on-balance-sheet exposures to interest rate risk must be identified, as well as the stable component of demand items, the effects of the “optionality” underlying some Banking Book positions must be estimated (e.g. early repayment of mortgage loans), as well as the maturity of some balance sheet items that have no certain contractual maturity, in accordance with the proprietary models of the Group and of Crédit Agricole S.A.

In 2014, the Interest Rate Risk internal model was subject to annual updating. In this regard, no specific changes were made to the stability components set in the previous version. In line with the instructions issued by Crédit Agricole S.A., a set of limits for the gaps was defined, which represents the maximum acceptable level of interest rate risk for the Group These limits are calculated with reference to a series of risk indicators that measure the impact of a change in interest rates on equity, gross income and gross operating margin. The ALM and Financial Risks Committee approved the new limits proposed, which were then submitted to the Group Risk Committee of Crédit Agricole S.A. and to the Board of Directors of Cariparma.

The Risk Strategy was approved in the second half of 2014 and confirmed the new limit structure, reviewing them as to their quantitative component in line with the Group’s management profile.

- the global limit, in terms of Net Present Value (NPV)
- the gap global limits subdivided into different time ranges.

As regards the Banking Book price risk, global limits are defined on the basis of the type of instrument that can be held (Italian, German, and French Government Bonds) and are expressed with reference to the maximum nominal value that can be held. These limits are validated by Cariparma Board of Directors. In 2014 new global limits and alert thresholds were set on the impact of the stress test on the Banking Book, at Group level.

Fair value hedging

Hedging interest rate risk has the objective of immunizing the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the interest rate curve, or of reducing the uncertainty of cash flows linked to a specific asset/liability. Specifically, subject to hedging are fixed-rate debenture loans and fixed-rate securities recognized as assets (micro-hedge), mortgage loans with CAP grated to Customers (macro-hedge) and fixed-rate gaps, which are subject to macro-hedge. The hedging were made exclusively by purchasing Interest Rate Swaps and Interest Rate Options.

In compliance with the IASs, the effectiveness of the hedges was assessed by the Financial Management Department, which carries out the relevant tests on a monthly basis; within the procedures, formal documentation for every hedging transaction is kept.

Cash flow hedging

There is no current cash flow hedging.

QUANTITATIVE DISCLOSURES

1. Banking Book: breakdown by residual duration (repricing date of financial assets and liabilities)

Currency	US DOLLAR							
Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	More than 5 year to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**18,737**	**178,810**	**15,082**	**4,988**	**13,834**	**666**	**148**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	8,728	93,199	1,153	137	639	-	-	-
1.3 Loans to customers	10,009	85,611	13,929	4,851	13,195	666	148	-
- c/a	9,854	5	1	2	-	-	148	-
- other loans	155	85,606	13,928	4,849	13,195	666	-	-
- with early repayment option	-	20,587	3,255	388	-	-	-	-
- other	155	65,019	10,673	4,461	13,195	666	-	-
2. On-balance-sheet liabilities	**134,552**	**89,132**	**6,416**	**3,251**	**898**	**676**	**-**	**-**
2.1 Due to customers	128,367	36	35	599	-	-	-	-
- c/a	126,412	36	35	599	-	-	-	-
- other due and payables	1,955	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	1,955	-	-	-	-	-	-	-
2.2 Due to banks	6,185	89,096	6,381	2,652	898	676	-	-
- c/a	6,057	-	-	-	-	-	-	-
- other due and payables	128	89,096	6,381	2,652	898	676	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**671**	**157,112**	**54**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	671	157,112	54	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**671**	**157,112**	**54**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	78,865	54	-	-	-	-	-
+ short positions	671	78,247	-	-	-	-	-	-

Currency	POUND STERLING							
Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	More than 5 year to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**2,601**	**13,734**	**540**	**-**	**4,776**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	2,548	11,555	-	-	-	-	-	-
1.3 Loans to customers	53	2,179	540	-	4,776	-	-	-
- c/a	2	2	-	-	-	-	-	-
- other loans	51	2,177	540	-	4,776	-	-	-
- with early repayment option	51	1,590	540	-	-	-	-	-
- other	-	587	-	-	4,776	-	-	-
2. On-balance-sheet liabilities	**14,682**	**5,864**	**-**	**552**	**-**	**-**	**-**	**-**
2.1 Due to customers	13,103	-	-	552	-	-	-	-
- c/a	13,102	-	-	552	-	-	-	-
- other due and payables	1	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	1	-	-	-	-	-	-	-
2.2 Due to banks	1,579	5,864	-	-	-	-	-	-
- c/a	1,579	-	-	-	-	-	-	-
- other due and payables	-	5,864	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**20**	**15,406**	**20**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	20	15,406	20	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**20**	**15,406**	**20**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	7,703	20	-	-	-	-	-
+ short positions	20	7,703	-	-	-	-	-	-

Currency	SWISS FRANC							
Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	More than 5 year to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**889**	**4,294**	**5,605**	**2,381**	**7,020**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	888	-	-	-	-	-	-	-
1.3 Loans to customers	1	4,294	5,605	2,381	7,020	-	-	-
- c/a	1	-	-	-	-	-	-	-
- other loans	-	4,294	5,605	2,381	7,020	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	4,294	5,605	2,381	7,020	-	-	-
2. On-balance-sheet liabilities	**4,515**	**14,554**	**1,123**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	4,428	-	-	-	-	-	-	-
- c/a	4,428	-	-	-	-	-	-	-
- other due and payables	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	87	14,554	1,123	-	-	-	-	-
- c/a	87	-	-	-	-	-	-	-
- other due and payables	-	14,554	1,123	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**768**	**34,035**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	768	34,035	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**768**	**34,035**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	17,402	-	-	-	-	-	-
+ short positions	768	16,633	-	-	-	-	-	-

Currency	CANADIAN DOLLAR							
Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	More than 5 year to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	717	4,916	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	717	4,785	-	-	-	-	-	-
1.3 Loans to customers	-	131	-	-	-	-	-	-
- c/a	-	1	-	-	-	-	-	-
- other loans	-	130	-	-	-	-	-	-
- with early repayment option	-	130	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**899**	**4,622**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	444	4,622	-	-	-	-	-	-
- c/a	444	4,622	-	-	-	-	-	-
- other due and payables	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	455	-	-	-	-	-	-	-
- c/a	455	-	-	-	-	-	-	-
- other due and payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

Currency	JAPAN YEN							
Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	More than 5 year to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**354**	**372**	**-**	**1,134**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	354	311	-	-	-	-	-	-
1.3 Loans to customers	-	61	-	1,134	-	-	-	-
- c/a	-	-	-	-	-	-	-	-
- other loans	-	61	-	1,134	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	61	-	1,134	-	-	-	-
2. On-balance-sheet liabilities	**921**	**910**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	911	-	-	-	-	-	-	-
- c/a	908	-	-	-	-	-	-	-
- other due and payables	3	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	3	-	-	-	-	-	-	-
2.2 Due to banks	10	910	-	-	-	-	-	-
- c/a	10	-	-	-	-	-	-	-
- other due and payables	-	910	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**2,672**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	2,672	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**2,672**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	1,336	-	-	-	-	-	-
+ short positions	-	1,336	-	-	-	-	-	-

Currency	EURO							
Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	More than 5 year to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**6,549,705**	**18,977,536**	**2,338,112**	**861,417**	**2,379,806**	**2,698,265**	**2,778,286**	**131,266**
1.1 Debt securities	-	2,676,819	209,781	201,262	685,226	1,802,145	-	131,266
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	2,676,819	209,781	201,262	685,226	1,802,145	-	131,266
1.2 Loans to banks	184,976	2,658,204	1,766	31,948	26,693	90,228	-	-
1.3 Loans to customers	6,364,729	13,642,513	2,126,565	628,207	1,667,887	805,892	2,778,286	-
- c/a	684,885	614,324	21,964	56,271	131,682	36,091	1,207,318	-
- other loans	5,679,844	13,028,189	2,104,601	571,936	1,536,205	769,801	1,570,968	-
- with early repayment option	7,751	268,437	59,848	48,222	90,782	1,005	1	-
- other	5,672,093	12,759,752	2,044,753	523,714	1,445,423	768,796	1,570,967	-
2. On-balance-sheet liabilities	**15,543,546**	**5,271,318**	**2,212,830**	**2,072,758**	**6,304,082**	**1,026,609**	**2,457,182**	**-**
2.1 Due to customers	15,092,911	911,391	6,498	543	-	-	2,457,182	-
- c/a	12,660,475	900,028	-	-	-	-	2,457,182	-
- other due and payables	2,432,436	11,363	6,498	543	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	2,432,436	11,363	6,498	543	-	-	-	-
2.2 Due to banks	434,907	3,046,927	1,021,598	316,583	2,004,216	30,006	-	-
- c/a	156,082	-	-	-	-	-	-	-
- other due and payables	278,825	3,046,927	1,021,598	316,583	2,004,216	30,006	-	-
2.3 Debt securities	15,728	1,313,000	1,184,734	1,755,632	4,299,866	996,603	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	15,728	1,313,000	1,184,734	1,755,632	4,299,866	996,603	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**7**	**564,296**	**127,623**	**9,394**	**221,585**	**538,843**	**61,615**	**-**
3.1 With underlying security	-	321,951	119,892	-	175,941	267,859	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	321,951	119,892	-	175,941	267,859	-	-
+ long positions	-	148,674	55,799	-	-	239,084	-	-
+ short positions	-	173,277	64,093	-	175,941	28,775	-	-
3.2 Without underlying security	7	242,345	7,731	9,394	45,644	270,984	61,615	-
- Options	7	242,345	7,731	9,394	45,644	270,984	61,615	-
+ long positions	5	121,157	2,332	4,779	23,056	135,656	31,875	-
+ short positions	2	121,188	5,399	4,615	22,588	135,328	29,740	-
- Other derivatives	226,000	16,646,804	1,673,542	2,092,041	7,753,059	6,122,400	-	-
+ long positions	-	4,578,700	622,848	1,929,916	6,634,759	3,490,700	-	-
+ short positions	226,000	12,068,104	1,050,694	162,125	1,118,300	2,631,700	-	-
4. Other off-balance-sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

Currency	Other currencies							
Type/Residual maturity	On demand	Up to 3 months	More than 3 months to 6 months	more than 6 months to 1 year	More than 1 year to 5 years	More than 5 year to 10 years	More than 10 years	Unspecified maturity
1. On-balance-sheet assets	**8,079**	**2,484**	**-**	**24**	**138**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	7,496	2,215	-	-	-	-	-	-
1.3 Loans to customers	583	269	-	24	138	-	-	-
- c/a	583	-	-	-	-	-	-	-
- other loans	-	269	-	24	138	-	-	-
- with early repayment option	-	269	-	-	-	-	-	-
- other	-	-	-	24	138	-	-	-
2. On-balance-sheet liabilities	**5,799**	**3,446**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	3,869	-	-	-	-	-	-	-
- c/a	3,473	-	-	-	-	-	-	-
- other due and payables	396	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	396	-	-	-	-	-	-	-
2.2 Due to banks	1,930	3,446	-	-	-	-	-	-
- c/a	1,930	-	-	-	-	-	-	-
- other due and payables	-	3,446	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**13,918**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	13,918	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**13,918**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	6,959	-	-	-	-	-	-
+ short positions	-	6,959	-	-	-	-	-	-

2.3 EXCHANGE RATE RISK

QUALITATIVE DISCLOSURES

Cariparma is not engaged in proprietary trading on the currency market and does not hold assets or liabilities which are not hedged against this risk. Consequently, there are no exposures apart from residual positions in respect of activities carried out to meet customer requirements in both the spot and forward markets.

The process for the management of exchange rate risk of the Group is regulated by the relevant Group risk policy. These residual positions are nonetheless monitored daily.

The framework system for exchange rate risk regarding the Cariparma Group is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole Group. Such risk appetite is structured through global limits and operational limits that are defined by the Risk Strategy.

QUANTITATIVE DISCLOSURES

1. Distribution by currency of assets and liabilities and derivatives

Items	Currencies					
	US DOLLAR	POUND STERLING	JAPAN YEN	CANADIAN DOLLAR	SWISS FRANC	OTHER CURRENCIES
A. Financial Assets	**232,277**	**21,651**	**1,860**	**5,632**	**20,189**	**10,725**
A.1 Debt securities	10	-	-	-	-	-
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	103,856	14,103	665	5,502	888	9,711
A.4 Loans to customers	128,411	7,548	1,195	130	19,301	1,014
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**1,139**	**627**	**45**	**68**	**502**	**313**
C. Financial Liabilities	**234,926**	**21,098**	**1,831**	**5,522**	**20,193**	**9,244**
C.1 Due to banks	105,889	7,443	920	455	15,764	5,375
C.2 Due to customers	129,037	13,655	911	5,067	4,429	3,869
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**5,578**	**540**	**34**	**91**	**138**	**549**
E. Financial derivatives	**170,177**	**16,218**	**950**	**10,653**	**1,230**	**2,006**
- Options	184	38	-	-	-	-
+ long positions	92	19	-	-	-	-
+ short positions	92	19	-	-	-	-
- Other derivatives	169,993	16,180	950	10,653	1,230	2,006
+ long positions	86,783	8,083	472	5,338	657	948
+ short positions	83,210	8,097	478	5,315	573	1,058
Total assets	**320,291**	**30,380**	**2,377**	**11,038**	**21,348**	**11,986**
Total liabilities	**323,806**	**29,754**	**2,343**	**10,928**	**20,904**	**10,851**
Difference (+/-)	**3,515**	**626**	**34**	**110**	**444**	**1,135**

2.4 DERIVATIVE INSTRUMENTS

A. Financial Derivatives

A.1. Supervisory Trading Book: closing and average notional values

Underlying assets/Type of derivative	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**8,159,418**	**-**	**9,077,622**	**-**
a) Options	4,182,253	-	4,821,995	-
b) Swaps	3,977,165	-	4,255,627	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**222,437**	**-**	**212,225**	**-**
a) Options	45,232	-	68,338	-
b) Swaps	-	-	-	-
c) Forward contracts	177,205	-	143,887	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**1,451**	**-**	**395**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**8,383,306**	**-**	**9,290,242**	**-**
Average values	**8,760,029**	**-**	**9,423,499**	**-**

A.2 Banking Book: closing and average notional amounts

A.2.1 Hedging

Underlying assets/Type of derivative	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**17,562,060**	**-**	**15,487,318**	**-**
a) Options	286,664	-	316,513	-
b) Swaps	17,070,923	-	15,170,805	-
c) Forward contracts	204,473	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**17,562,060**	**-**	**15,487,318**	**-**
Average values	**16,501,357**	**-**	**15,156,604**	**-**

A.2.2 Other derivatives

Underlyng assets/ Type of deritative	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**888,076**	**-**	**510,840**	**-**
a) Options	464,706	-	510,840	-
b) Swaps	186,000	-	-	-
c) Forward contracts	237,370	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**888,076**	**-**	**510,840**	**-**
Average values	**583,988**	**-**	**398,830**	**-**

A.3 Financial derivatives: GROSS positive fair value – breakdown by product

Underlying assets/Type of derivative	Positive fair value			
	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory Trading Book	**191,172**	**-**	**190,604**	**-**
a) Options	6,597	-	18,826	-
b) Interest rate swap	180,805	-	170,805	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	3,760	-	962	-
f) Futures	-	-	-	-
g) Other	10	-	11	-
B. Banking Book - hedging	**710,803**	**-**	**571,225**	**-**
a) Options	4,902	-	13,204	-
b) Interest rate swap	705,901	-	558,021	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking Book - other derivatives	**7,266**	**-**	**5,958**	**-**
a) Options	3,828	-	5,958	-
b) Interest rate swap	157	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	3,281	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**909,241**	**-**	**767,787**	**-**

A.4 Financial derivatives: GROSS negative fair value – breakdown by product

Underlying assets/Type of derivative	Negative fair value			
	31.12.2014		31.12.2013	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory Trading Book	**204,263**	**-**	**193,001**	**-**
a) Options	20,329	-	19,575	-
b) Interest rate swap	180,141	-	172,465	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	3,785	-	950	-
f) Futures	-	-	-	-
g) Other	8	-	11	-
B. Banking Book – hedging	**532,210**	**-**	**255,285**	**-**
a) Options	-	-	-	-
b) Interest rate swap	531,855	-	255,285	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	355	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking Book – other derivatives	**3,743**	**-**	**5,775**	**-**
a) Options	3,717	-	5,775	-
b) Interest rate swap	26	-	-	-
c) Cross currency swap	-	-	-	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**740,216**	**-**	**454,061**	**-**

A.5 OTC financial derivatives – Supervisory Trading Book: notional value, gross positive and negative fair values by counterparty – contracts not subject to netting arrangements

Contracts not included in netting arrangements	Governments and Central Banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional value	328,290	2,881	4,743,503	-	-	2,798,456	286,287
- positive fair value	11,178	31	69,789	-	-	105,431	492
- negative fair value	2	2	196,911	-	-	1,895	1,175
- future exposure	1,323	-	30,008	-	-	8,475	48
2) Equity securities and equity indices							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold							
- notional value	202	-	118,545	-	-	90,647	13,043
- positive fair value	-	-	2,324	-	-	1,899	19
- negative fair value	2	-	2,232	-	-	1,431	605
- future exposure	2	-	1,072	-	-	794	130
4) Other assets							
- notional value	-	-	725	-	-	727	-
- positive fair value	-	-	4	-	-	5	-
- negative fair value	-	-	4	-	-	4	-
- future exposure	-	-	72	-	-	73	-

A.7 OTC financial derivatives – Banking Book: notional value, gross positive and negative fair values by counterparty – contracts not subject to netting arrangements

Contracts not included in netting arrangements	Govern-ments and Central Banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional value	-	-	18,220,830	-	-	-	229,306
- positive fair value	-	-	718,069	-	-	-	-
- negative fair value	-	-	532,236	-	-	-	3,717
- future exposure	-	-	135,490	-	-	-	573
2) Equity securities and equity indices							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
4) Other assets							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

A.9 Residual maturity of OTC financial derivatives: notional values

Underlying asset/residual maturity	Up to 1 year	More than 1 and up to 5 years	More than 5 years	Total
A. Supervisory Trading Book	**2,634,348**	**3,157,983**	**2,590,975**	**8,383,306**
A.1 Financial derivatives on debt securities and interest rates	2,410,460	3,157,983	2,590,975	8,159,418
A.2 Financial derivatives on share capital securities and share indices	-	-	-	-
A.3. Financial Derivatives on exchange rates and gold	222,437	-	-	222,437
B.4 Financial derivatives on other values	1,451	-	-	1,451
B. Banking book	**3,823,307**	**8,217,765**	**6,409,064**	**18,450,136**
A.1 Financial derivatives on debt certificates and interest rates	3,823,307	8,217,765	6,409,064	18,450,136
B.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial Derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
Total 31.12.2014	**6,457,655**	**11,375,748**	**9,000,039**	**26,833,442**
Total 31.12.2013	**4,941,940**	**12,640,775**	**7,705,685**	**25,288,400**

Section 3 – Liquidity risk

QUALITATIVE DISCLOSURES

General aspects, management and measurement of liquidity risk

General and organizational aspects

Liquidity risk concerns the possibility that the Group may not be able to meet its payment commitments, both expected and unexpected, without prejudicing its daily operations or its financial position. This risk is managed based on the following components:

- management of short-term liquidity: its objective is to ensure that outgoing liquidity flows can be handled with incoming liquidity flows, in the perspective of supporting continuously routine banking;
- management of structural liquidity: its objective is to maintain the balance between total liabilities and medium-/long-term assets.

The liquidity risk management model, approved by Cariparma Board of Directors, is based on the principle of separation of liquidity management processes from liquidity risk controlling processes, in compliance with the regulatory requirements and with the guidelines issued by CAsa. This model provides for the governance and management of liquidity risk to be centrally performed by the Parent Company Cariparma, which is also responsible for refinancing all the entities in the Group. This framework is defined as the “Liquidity System”.

The model sets the responsibilities of the corporate Bodies and Departments involved, specifically:

- The Board of Directors, the body in charge of strategic steering, is responsible for defining governance policies, the organizational structure and management processes. It approves measurement methods, risk tolerance thresholds and the limits system, the assumptions at the basis of stress tests, Plan d’Urgence and the Contingency Funding Plan.
- The CFO, through the Financial Management Department, is the role responsible for management and, specifically, for the preparation of the reporting to the Bank of Italy, as well as of internal reporting on the Group’s liquidity situation (statement of liquidity). The Financial Management Department operates in compliance with the directions of the ALM and Financial Risks Committee, in which the Senior Management of Cariparma takes part.
- The Risk Management and Permanent Controls Department is responsible of the permanent controls mechanism, controls compliance with global and operational limits, as well as with alert thresholds, prepares the reporting to corporate Bodies and triggers, where required, the alert procedures. Jointly with the Financial Management Department, it is also responsible for monitoring the ratios provided for in the Contingency Funding Plan.

The process for the management of liquidity risk is regulated by the relevant risk policy.

Risk management and control: Methodological aspects

The model adopted for liquidity risk management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.

The main objective of the short-term liquidity management process is to ensure that the Bank is able to satisfy on-balance-sheet payment commitments, expected and unexpected, in such a way as not to prejudice normal business.

A basic condition for achieving this objective is to permanently maintain sufficient balance between incoming and outgoing liquidity flow.

To measure short-term exposure to liquidity risk, the maturity mismatch approach has been used, in accordance with the guidelines set down by Crédit Agricole SA and with supervisory instructions.

The system for monitoring the Group's liquidity risk considers the following factors:

- maintaining immediate liquidity, represented by the net balance of Customer sources, surplus equity and loans to Customers. This activity is carried out by identifying on-balance-sheet inflows and outflows expected during the different residual maturity bands that make up the "maturity ladder.
- the continuation of the business activity based on planned rates (monitoring the performance of liquidity from loans to customers/customer sources).

An essential aspect of liquidity management is the definition of an interbank short-term refinancing limit (LCT - Limite Court Terme), which is fine-tuned using the method set by the Liquidity System aimed at ensuring surplus liquidity over a one-year horizon in a market under stress conditions. It imposes "non-concentration" on shorter maturities, with the effect of fostering longer terms for inter-bank funding within one year.

Stress scenarios on which the structure of the limits is based are defined on realistic assumptions but, at the same time, are appropriately conservative in relation to the severity and duration of the simulated shock.

Short-term liquidity risk management and supervision policies are aimed at ensuring the surmounting of any crisis that leads to serious reduction in the Group's normal financing sources; in this regard, three stress scenarios have been identified

- Systemic crisis: a situation that leads to partial closure of the short-term and medium-/long-term refinancing market, with continuing business operations. The Bank must be able to continue operations for a one-year time horizon.
- Idiosyncratic crisis: a situation that leads to a bank run, partial closure of the short-term market and total closure of the medium-/long-term market with continuing business operations. The Bank must be able to continue operations for a one-month time horizon.
- global crisis: a situation having the combined features of both a systemic crisis and an idiosyncratic crisis, in terms of substantial bank run, total closure of the markets, use of reserves even though with write-downs. The Bank must be able to continue business operations in a serious crisis for a two-week time horizon.

Alert thresholds have also been implemented for the management medium-/long-term liquidity, by defining the ratios Position en Resources Stable (PRS) and Coefficient en Resources Stable (CRS). They aim at ensuring the Group financial balance between stable resources (medium-/long-term market resources, resources from Customers, own funds) and long-term uses (non-current assets, loans to Customers, Customers' securities and investment securities). PRS and CRS positive levels substantiate the Bank's ability to support its assets during a crisis.

The resilience ratios for every one of the assumed scenarios are calculated on a monthly basis.

In 2014, the Group, in compliance with the Basel III regulatory framework, reported the liquidity coverage ratio (LCR) to the Supervisory Bodies on a regular basis.

These ratios have the purpose of monitoring compliance with the Group's risk appetite and are set against specific limits, defined by Crédit Agricole S.A and approved by the Group Risk Committee, upon presentation of the Risk Strategy and then submitted to the Board of Directors of the Parent Company Cariparma for its approval.

It is also reported that, in 2014, the self-held covered bond position was reduced (from Euro 2.3 billion to Euro 1 billion.), subsequent to the placement of part of the security with Institutional Investors. The purpose of this transaction is to improve the Group's liquidity profile, and to considerably reduce refinancing of Government securities in the portfolio (through repurchase agreements). In December 2014, the Liquidity Reserves held consisted of two internal securitization transactions, one Bank Covered Bond and of an AFS portfolio.

Finally, in 2014, the Cariparma Group took part in the ECB four-year TLTRO and on 3M open market ones (OMA).

In marketing the Bank's products, liquidity risk is taken into account through the internal transfer rate system. Based on the products' financial features and on the prevailing market conditions, the system allows the internal return rate to be determined, which, in turn, is the basis for the pricing of lending and direct funding products.

Risk control

The Risk Management and Permanent Controls Department is responsible for controlling compliance with the set limits; therefore it prepares and issues its own Financial Risk Report, which includes information on the control outcomes and on any breaches of the limits or alert thresholds. On a quarterly basis, it submits a summary of the above Report to the ALM and Financial Risks Committee, as well as to the Internal Control Committee and to Cariparma Boards of Directors.

The Risk Management and Permanent Controls Department calculates, independently and on a daily basis, the short-term liquidity ratios (LCT) and monitors on a monthly basis the stress scenario and alert indicators as generated by the Crédit Agricole Group tools, ensuring proper feeding through a specific permanent controls plan. Jointly with the Financial Management Department, it is also responsible for monitoring the ratios provided for in the Contingency Funding Plan.

A process is in place for notifying and formalizing a corrective plan to senior management and Crédit Agricole S.A. in the event of any global or limits being exceeded, of significant losses, warning ceilings being reached in terms of risks or results, significant variations in risk indicators, potentially negative and unexpected variations in financial markets, insufficiencies or malfunctions of any systems for the management or assessment of risks and results, or any other event or situation deemed relevant in monitoring liquidity risk.

QUANTITATIVE DISCLOSURES

1. Distribution over time by residual contract maturity of financial assets and liabilities

Currency:	US DOLLAR									
Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspe-cified maturity
On-balance-sheet assets	**40,761**	**90,318**	**7,256**	**32,138**	**49,976**	**15,220**	**1,949**	**703**	**10**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	10	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	40,761	90,318	7,256	32,138	49,976	15,220	1,949	703	-	-
- banks	8,728	86,731	-	4,945	1,526	1,156	138	666	-	-
- customers	32,033	3,587	7,256	27,193	48,450	14,064	1,811	37	-	-
On-balance-sheet liabilities	**137,298**	**21,758**	**-**	**28,042**	**39,354**	**6,424**	**2,070**	**-**	**-**	**-**
B.1 Deposits and current accounts	132,469	21,758	-	27,851	38,653	5,275	602	-	-	-
- banks	6,057	21,741	-	27,851	38,633	5,240	-	-	-	-
- customers	126,412	17	-	-	20	35	602	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	4,829	-	-	191	701	1,149	1,468	-	-	-
Off-balance-sheet transactions	**671**	**101,815**	**10,702**	**105,116**	**52,474**	**38,418**	**19,794**	**840**	**131**	**-**
C.1 Financial derivatives with exchange of principal	-	23,568	10,702	26,869	51,856	38,364	19,794	840	131	-
- long positions	-	13,965	5,392	13,408	25,522	19,186	9,884	420	72	-
- short positions	-	9,603	5,310	13,461	26,334	19,178	9,910	420	59	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	16,473	-	16,473	-	-	-	-	-	-
- long positions	-	16,473	-	-	-	-	-	-	-	-
- short positions	-	-	-	16,473	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	671	61,774	-	61,774	618	54	-	-	-	-
- long positions	-	-	-	61,774	618	54	-	-	-	-
- short positions	671	61,774	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	POUND STERLING									
Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**2,602**	**11,555**	**22**	**724**	**1,456**	**551**	**-**	**4,814**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	2,602	11,555	22	724	1,456	551	-	4,814	-	-
- banks	2,548	11,555	-	-	-	-	-	-	-	-
- customers	54	-	22	724	1,456	551	-	4,814	-	-
On-balance-sheet liabilities	**14,682**	**-**	**-**	**-**	**5,875**	**-**	**555**	**-**	**-**	**-**
B.1 Deposits and current accounts	14,681	-	-	-	5,875	-	555	-	-	-
- banks	1,579	-	-	-	5,875	-	-	-	-	-
- customers	13,102	-	-	-	-	-	555	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	1	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**20**	**9,586**	**-**	**8,443**	**5,768**	**1,956**	**5,892**	**-**	**-**	**-**
C.1 Financial derivatives with exchange of principal	-	1,883	-	740	5,768	1,936	5,892	-	-	-
- long positions	-	935	-	370	2,884	968	2,946	-	-	-
- short positions	-	948	-	370	2,884	968	2,946	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	20	7,703	-	7,703	-	20	-	-	-	-
- long positions	-	-	-	7,703	-	20	-	-	-	-
- short positions	20	7,703	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	SWISS FRANC									
Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspe-cified maturity
On-balance-sheet assets	**3,284**	**13**	**-**	**20**	**2,614**	**5,384**	**477**	**8,291**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	3,284	13	-	20	2,614	5,384	477	8,291	-	-
- banks	888	-	-	-	-	-	-	-	-	-
- customers	2,396	13	-	20	2,614	5,384	477	8,291	-	-
On-balance-sheet liabilities	**4,515**	**13,390**	**-**	**-**	**1,165**	**1,123**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	4,515	13,390	-	-	1,165	1,123	-	-	-	-
- banks	87	13,390	-	-	1,165	1,123	-	-	-	-
- customers	4,428	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**768**	**17,863**	**-**	**16,633**	**768**	**-**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with exchange of principal	-	1,230	-	-	-	-	-	-	-	-
- long positions	-	657	-	-	-	-	-	-	-	-
- short positions	-	573	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	16,633	-	16,633	-	-	-	-	-	-
- long positions	-	16,633	-	-	-	-	-	-	-	-
- short positions	-	-	-	16,633	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	768	-	-	-	768	-	-	-	-	-
- long positions	-	-	-	-	768	-	-	-	-	-
- short positions	768	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	CANADIAN DOLLAR									
Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**717**	**142**	**32**	**4,647**	**100**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	717	142	32	4,647	100	-	-	-	-	-
- banks	717	142	-	4,647	-	-	-	-	-	-
- customers	-	-	32	-	100	-	-	-	-	-
On-balance-sheet liabilities	**899**	**-**	**-**	**4,641**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	899	-	-	4,641	-	-	-	-	-	-
- banks	455	-	-	-	-	-	-	-	-	-
- customers	444	-	-	4,641	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**177**	**-**	**9,244**	**-**	**-**	**1,352**	**-**	**118**	**-**
C.1 Financial derivatives with exchange of principal	-	177	-	9,244	-	-	1,352	-	118	-
- long positions	-	100	-	4,622	-	-	676	-	59	-
- short positions	-	77	-	4,622	-	-	676	-	59	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	JAPAN YEN									
Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**1,497**	**311**	**-**	**61**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	1,497	311	-	61	-	-	-	-	-	-
- banks	354	311	-	-	-	-	-	-	-	-
- customers	1,143	-	-	61	-	-	-	-	-	-
On-balance-sheet liabilities	**921**	**910**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	918	910	-	-	-	-	-	-	-	-
- banks	10	910	-	-	-	-	-	-	-	-
- customers	908	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	3	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**3,228**	**30**	**-**	**206**	**158**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with exchange of principal	-	556	30	-	206	158	-	-	-	-
- long positions	-	275	15	-	103	79	-	-	-	-
- short positions	-	281	15	-	103	79	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	1,922	-	-	-	-	-	-	-	-
- long positions	-	961	-	-	-	-	-	-	-	-
- short positions	-	961	-	-	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	-	750	-	-	-	-	-	-	-	-
- long positions	-	375	-	-	-	-	-	-	-	-
- short positions	-	375	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	EURO									
Items/Timeframe	**On demand**	**More than 1 day to 7 days**	**More than 7 days to 15 days**	**More than 15 days to 1 month**	**More than 1 month to 3 months**	**More than 3 months to 6 months**	**More than 6 months to 1 year**	**More than 1 year to 5 years**	**More than 5 years**	**Unspecified maturity**
On-balance-sheet assets	**2,629,151**	**72,898**	**267,463**	**589,784**	**1,637,971**	**1,135,140**	**3,882,267**	**11,457,163**	**14,626,018**	**576,270**
A.1 Government securities	-	-	-	-	111,920	8,608	198,533	1,337,301	2,362,702	-
A.2 Other debt securities	-	-	-	-	152,712	1,943	438,200	350,014	1	157,021
A.3 Units of collective investment undertakings	500	-	-	-	-	-	-	-	-	-
A.4 Loans	2,628,651	72,898	267,463	589,784	1,373,339	1,124,589	3,245,534	9,769,848	12,263,315	419,249
- banks	184,045	282	120,001	111,747	404,113	102,061	283,455	879,429	490,202	419,249
- customers	2,444,606	72,616	147,462	478,037	969,226	1,022,528	2,962,079	8,890,419	11,773,113	-
On-balance-sheet liabilities	**18,075,791**	**193,606**	**960,053**	**1,367,775**	**1,862,083**	**2,146,496**	**2,211,813**	**6,932,653**	**1,207,584**	**120,000**
B.1 Deposits and current accounts	17,866,418	100,186	900,343	296,549	858,245	982,554	204,146	602,616	29,995	-
- banks	408,498	100,186	-	295,757	851,687	982,268	200,261	602,616	29,995	-
- customers	17,457,920	-	900,343	792	6,558	286	3,885	-	-	-
B.2 Debt securities	88,077	37,842	59,710	298,410	689,283	1,150,626	1,822,661	4,462,878	1,000,000	120,000
B.3 Other liabilities	121,296	55,578	-	772,816	314,555	13,316	185,006	1,867,159	177,589	-
Off-balance-sheet transactions	**388,666**	**361,310**	**32,858**	**41,729**	**163,918**	**219,910**	**334,533**	**281,595**	**547,402**	**-**
C.1 Financial derivatives with exchange of principal	-	357,828	10,285	35,284	56,198	166,586	26,636	161,595	211,402	-
- long positions	-	164,277	5,105	17,704	28,474	79,162	13,410	349	186,201	-
- short positions	-	193,551	5,180	17,580	27,724	87,424	13,226	161,246	25,201	-
C.2 Financial derivatives without exchange of principal	388,666	3,482	22,573	6,445	107,720	53,324	307,897	120,000	336,000	-
- long positions	187,801	2,629	13,643	5,448	56,250	33,563	244,978	-	228,000	-
- short positions	200,865	853	8,930	997	51,470	19,761	62,919	120,000	108,000	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency:	Other currencies									
Items/Timeframe	On demand	More than 1 day to 7 days	More than 7 days to 15 days	More than 15 days to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Unspecified maturity
On-balance-sheet assets	**8,243**	**2,215**	**-**	**-**	**272**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	8,243	2,215	-	-	272	-	-	-	-	-
- banks	7,496	2,215	-	-	-	-	-	-	-	-
- customers	747	-	-	-	272	-	-	-	-	-
On-balance-sheet liabilities	**5,799**	**3,446**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	5,403	3,446	-	-	-	-	-	-	-	-
- banks	1,930	3,446	-	-	-	-	-	-	-	-
- customers	3,473	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	396	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**10,741**	**2**	**4,161**	**154**	**852**	**302**	**200**	**-**	**-**
C.1 Financial derivatives with exchange of principal	-	883	2	103	154	852	302	200	-	-
- long positions	-	470	2	41	100	350	130	100	-	-
- short positions	-	413	-	62	54	502	172	100	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	4,606	-	4,058	-	-	-	-	-	-
- long positions	-	4,332	-	-	-	-	-	-	-	-
- short positions	-	274	-	4,058	-	-	-	-	-	-
3) Irrevocable commitments to disburse funds	-	5,252	-	-	-	-	-	-	-	-
- long positions	-	2,626	-	-	-	-	-	-	-	-
- short positions	-	2,626	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

As at 31 December 2014, the Parent Company Cariparma was carrying out two so-called “internal” securitization transactions transferring receivables deriving from mortgage loans so called “fondiari” (real estate mortgage loans with duration higher than 18 months and ratio between the loan amount and the value of the collateral not higher than 80%) secured by first mortgage. As at 31 December 2014, the residual debt of securitized loans amounted to Euro 4,567 million.

Following transfer of the mortgages, the Parent Company fully subscribed the securities (Senior and Junior) having the following features:

Securitization 1:
- Senior: nominal Euro 2,071 million, maturity 31 January 2058, indexed to 6M EUR+0.35%;
- Junior: nominal Euro 390 million, maturity 31 January 2058, indexed to 6M EUR +0.60%+variable rate.

Securitization 2:
- Senior: nominal Euro 2,052 million, maturity 30 April 2060, indexed to 6M EUR+0.75%;
- Junior: nominal Euro 453 million, maturity 30 April 2060, indexed to 6M EUR +0.90%+variable rate.

To ensure liquidity for the SPV for payment of the coupons, two Interest Rate Swap transactions were finalized with it for a notional value of Euro 2,071 million, maturity 31 January 2058 and 30 April 2060, respectively; amortization of the derivative reflects the amortization of the Senior security.

3.2 DISCLOSURE ON COMMITTED ASSETS RECOGNIZED

Technical forms	Committed		Non-committed		Total 31.12.2014	Total 31.12.2013
	VB	FV	VB	FV		
1. Cash and cash equivalents	-	X	194,040	X	194,040	231,188
2. Debt securities	801,453	801,453	4,905,117	4,889,073	5,706,570	4,736,263
3. Equity securities	-	-	173,299	170,399	173,299	172,851
4. Loans	6,134,145	X	25,166,073	X	31,300,218	30,926,663
5. Other financial assets	-	X	2,203,986	X	2,203,986	2,030,793
6. Non-financial assets	-	X	2,782,107	X	2,782,107	2,885,321
Total 31.12.2014	**6,935,598**	**801,453**	**35,424,622**	**5,059,472**	**42,360,220**	**X**
Total 31.12.2013	**8,405,396**	**1,476,971**	**32,577,683**	**3,431,992**	**X**	**40,983,079**

3.3. DISCLOSURE ON COMMITTED ASSETS NOT RECOGNIZED

Technical forms	Committed	Non-committed	Total 31.12.2014	Total 31.12.2013
1. Financial assets	3,365,118	3,171,235	6,536,353	10,899,881
- Securities	3,365,118	3,171,235	6,536,353	10,899,881
- Other	-	-	-	-
2. Non-financial assets	-	-	-	-
Total 31.12.2014	**3,365,118**	**3,171,235**	**6,536,353**	**X**
Total 31.12.2013	**7,181,560**	**3,718,321**	**X**	**10,899,881**

Section 4 – Operational risks

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of operational risks

Cariparma has adopted the definition of operational risk given in “Basel 2 – International Convergence of Capital Measurement and Capital Standards” prepared by the Basel Committee on Banking Supervision.

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

To consolidate and enhance control of operational risks, the Group has set clear objectives:
- to achieve full compliance with the requirements set by the Supervisory regulations for internal control systems (15th update of Bank of Italy’s Circular No. 263/2006);
- constant full compliance by the Group Banks with the regulatory requirements for the use of the Traditional Standardised Approach (TSA) for the calculation of the Regulatory Capital as provided for by Basel 2, except CALIT (an intermediary pursuant to Article 107 of the Italian Consolidated Banking Act -TUB), which uses the base approach;
- constant improvement in the monitoring of risks and losses, in order to allow a management-oriented approach, especially in terms of risk mitigation and prevention initiatives, as well as risk culture dissemination;
- fine-tuning of the permanent controls systems and extension of the coverage of the same controls within the company perimeter;
- being fully compliant with the regulatory requirements for the use of AMA (Advanced Measurement Approaches) for the calculation of Regulatory Capital.

Macro-organisational aspects

Governance of operational risks is the responsibility of Cariparma’s Risk Management and Permanent Controls Department that implements the guidelines issued by the Risk Management Department of the Controlling Company Crédit Agricole S.A., and reports on a solid line to the latter.

In 2014, within an organizational restructuring action that aimed at rationalizing the control structures, the Risk Management Services of the subsidiary Banks were centralized into the Parent Company. Therefore, since July 2014, the Risk Management and Permanent Controls Department (DRCP) has been carrying out the activities for risk management and control for the 3 Banks of the Group. Given its specific features, CALIT has its own risk structure, which reports on a solid line to the Risk Management and Permanent Controls Department.

In complying with the supervisory regulations, the Group formalized the roles and responsibilities of the corporate bodies and functions involved in the management of operational risks.

The governance model provides for:
- a centralized strategy for the control of operational risks;
- close connections with the activities for permanent controls;
- synergies with the Compliance Central Department and with the Internal Audit Department.

Risk management

The adopted model is consistent with the guidelines issued by Crédit Agricole and governed by the central Department, which works with the well-established and complementary contributions, in its operating, management and mitigation activities, of specialist roles, departments and mechanisms:

- ORM (Operational Risk Manager, Italian acronym: MRO);
- Control on Information Systems Security, Control on Physical Security, on the Continuity of Operations Plan (COP) and FOIE/PSEE (Important Operating Functions Outsourced/Provision of Outsourced Essential Services);
- Person in Charge of IT System Security (Italian acronym: RSSI)
- Business Continuity Manager (BCM);
- Area Operating Units;
- Fraud Prevention Unit (Italian acronym: NAF);
- structures and tools, instrumental for proper risk control and for the management of mitigation/improvement actions, including:
- the Supervisory Committee of CA s.a.(Comité Suivi Métier);
- the Internal Control Committee;
- the Operational Risks Committee;
- the FOIE/PSEE Interfunctional Work Group for the Provision of Outsourced Essential Services);
- the COP (Continuity of Operations Plan) Interfunctional Work Group PCO;
- CA S.A. Parent Company Supervisory Committee in IT Security and on PCO (CSSCA, Supervisory Committee on Security and Continuity of Operations);
- the remote controls system for the Distribution Network, with the summary early warning indicators;
- Work Groups for Improvement.

The upgrading of the process for the management and control of operational risk to the guidelines and the adoption of the same general methods used by Group had the purpose of meeting the requirements for the adoption of Advanced Measurement Approaches (AMA) to determine the capital requirements for Operational Risks.

The operational risk management process is divided into the following macro-phases:

- detection, identification and classification of risks and losses and their recognition in the accounts where necessary;
- assessment and measurement of the risk profile for every corporate environment;
- identification of mitigation actions and preparation of the action plan;
- verification of the adequacy of the control plan;
- verification of the controls actual implementation;
- development of the system for remote controls;
- verification of correct exercise of mitigation actions;
- information and reporting.

In the above phases, the following processes are also applied:

- Loss Data Collection (recording, classification and processing of loss data);
- Scenario analysis (prospective measurement of exposure to high-impact low-frequency operational risks, relating to specific contexts);
- Risk Self Assessment (self-assessment of the exposure to operational risks relating to the specific operating Departments and the relevant processes, made directly by the Department Head);
- direct involvement of corporate departments in collective assessment work groups (FOIE/PSEE, improvement, ...).

Each of these processes entails processing information using methods that are predefined, repeatable and formalized in the Company’s regulations, as well as with the support of specific application tools.

Risk mitigation

The policy for operational risk mitigation is implemented with:
- specific self-assessment activities (so-called “Self Risk Assessment”) aimed at defining an annual Action Plan containing all the initiatives that the Persons responsible for the various corporate processes have identified as required in order to mitigate existing operational risks;
- implementation and increasing coverage of the permanent controls plan, both at the Distribution Network and at Central Departments, in order to control the most critical processes;
- a fraud prevention unit, whose Manager coordinates company units in the interception, management and prevention of fraud;
- implementation of a fraud prevention specific training program, in order to foster culture and awareness of risks; process for the measurement and management of reputational risks;
- implementation of the mechanism for control and monitoring on outsourced essential services (FOIE/ PSEE), specifically with a new regulatory structure and a general review on existing contracts;
- implementation of the mechanism for control and monitoring on:
- security, both physical and IT;
- Continuity of Operations (COP).

Transfer of Risk

Based on specific assessments, the operational risk is transferred through dedicated initiatives:
- activation of insurance policies to offset the impact of unexpected losses;
- implementation of a structure that has the objective, among others, of assessing and managing insurance covers;

Other activities implemented

Proactive involvement in the most important corporate projects, especially those with high organizational impact, in order to contribute, from the earliest phases, to consistent and complete preparation of the mechanisms for the management of the risks that are inherent in each project.

Implementation of initiatives aimed at compliance with the new Supervisory regulation on the Internal Controls System (ICS) (15th update (of Bank of Italy’s Circular No. 263/2006);

Risk management coordination and shared solutions

This is the specific task of the Group Operational Risks Committee, composed of the main Corporate Departments, which is responsible for:
- Approving guidelines and action plans on operational risks (other than Compliance).
- Reporting on LDC (Loss Data Collection).
- Monitoring control activities and outcomes, as well as:
- periodically validating operational risk mapping;
- periodically validating the identification of risk scenarios being measured during the Scenario Analysis Process.
- governing continuity of operations for the Cariparma Crédit Agricole Group. The relevant responsibilities include:
- assessing the situation based on the periodic reporting made by Person in Charge of the Continuity of Operations);
- validating the scope of critical processes to be submitted to Continuity of Operations measures and relevant particularly significant changes;
- validating the strategies for Continuity of Operations, in line with the applicable Supervisory Regulations;
- monitoring and, if necessary, taking action on Information Systems Security for the Cariparma Crédit Agricole Group, assessing the situation based on the periodic reporting made by the Person in Charge of IT Systems Security (Italian acronym: RSSI);

- monitoring and, if necessary, taking action on outsourced essential services (FOIE/PSEE) for the Cariparma Crédit Agricole Group;
- managing risk transfer, with specific reference to insurance coverage.

FOIE – Outsourced Essential Services (called by CAsa PSEE – Provisions of Outsourced Essential Services)

In 2014, organizational and regulatory control was enhanced with regard to the most important portions of the purchasing cycle management on Outsourced Services that are defined as "essential", pursuant to the supervisory regulations (specifically, the15th update to the Bank of Italy Circular No. 263/2006). The Risk Management and Permanent Control Department, through the specific FOIE/PSEE Control Unit that operates in the Operational Risks and PC Area, exercises the ownership of the FOI governance process and the relevant responsibility/accountability.

The most important actions concerned:
- the Group "Outsourcing Policy", which:
  - in addition to implementing the Supervisory guidelines, implements the process system for the FOI taking account also of the actual experience;
  - arranges for the definition of specific guidelines on the outsourcing of Information Systems;
  - arranges for the definition of specific guidelines on the outsourcing of cash handling;
  - defines the procedures in case of intra-group outsourcing;
  - sets general criteria for the outsourcing of "non-essential" services.
- implements general monitoring actions and actions to increase the awareness of the Departments that are the owners of outsourced services, through:
- a specific Tableau de bord aimed, depending on the respective responsibilities, at acquiring all information and updates required to control compliance of all relationships (in terms of agreements and execution) with the regulatory guidelines, both Supervisory and corporate ones;
- the updating of the permanent controls plan;
- support to the corporate departments in outsourcing management;
- the carrying out of specific activities, in cooperation with the corporate departments concerned, for direct monitoring of FOIE-related operational risks.

The following are also focused on:
- updating of the official list of FOIE/PSEE;
- adequacy of periodic reporting to the Bank's Top Officers;
- support for the definition and updating of the mapping of the Group operational risks associated to outsourced processes;
- support for the implementation and operation of the Controls System;
- support for the definition and updating of the Action Plan for the mitigation of operational risks and the monitoring of its implementation status;
- monitoring of the outcomes of the campaign for the assessment of the adequacy of the Continuity of Operations Plans (Italian acronym PCO).

In 2014, the activities of the FOIE/PSEE specific Interfunctional Work Groups continued, mainly aiming at:
- verifying that the requirements to be deemed essential are met or continue to be met for newly-outsourced and already outsourced services, respectively;
- analyzing and managing the critical situations that actually occurred;
- carrying out and/or sharing the main activities for the review of the system between the Corporate Departments.

IT systems security

In 2014, Cariparma continued to implement the activities provided for in the "Three-year Action Plan" which was defined in accordance with the measurements made by the Head of IT Systems Security, who reports on a dotted-line basis to the Risk Management and Permanent Controls Department.

Among the most important ones, the following are to be reported:
- IAM – Identity Access Management: improvement in access management, with specific focus on changes in terms of Human Resources;
- the start-up of a Group Policy Administration specific solution, interfacing the IAM platform;
- the completion of the project to review authorizations;
- The strengthening of fraud prevention platforms for Internet banking products;
- The installation of solution dedicated to protection against “APT – Advanced Persistent Threat”;
- The extension of the “Data Loss Prevention” project to the network folders for shared databases;
- The release of a specific antivirus solution for virtualized environment;
- the development of specific solution regarding tracking of Banking transactions, as provided for by a measure issued by thePrivacy Garante, the Italian Authority for Personal Data Protection;
- The release of the Biometric Signature to the Distribution Network.

The actions implemented in 2014 allowed strengthening of security protection for both Customers and the Bank, especially against “Cybercrime” and attacks on the Internet. Monitoring, patch management, penetration tests and the security devices implemented by Cariparma allowed protection against dangerous attacks, such as “Heartbleed”, “Shell Shock” and ramsonware evolutions, such as “Cryptolocker”, which amounted to a serious threat for the entire banking system.

Actions started to consolidate the security devices consistently with the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006 and in view of integrating the evolutions in the security policies of the Parent Company Crédit Agricole, with the start-up of the CARS (“Credit Agricole Reinforcement of Security”) project.

To this end, specific topics are focused on:
- Awareness, Governance and Organization (as regards IT security);
- Event monitoring;
- Control on sensitive information;
- Strengthening of Internet security;

Finally, Cariparma is ready for the implementations set down in the “New Security Governance Model” of Crédit Agricole s.a., which provides for the review of core roles in security governance and the strengthening of interfunctional connections, both within the various Entities and between the Group Banks.

Continuity of Operations Plan (Italian acronym: PCO);

In 2014, Cariparma updated and checked the Continuity of Operations Plan to take into account the changes in the general situation and in the Group’s organisational, technology and software infrastructure, through:
- implementation of the actions to comply with the provisions set down in the 15th update to the Bank of Italy Circular No. 263/2006
- carrying out regular of testing and certification sessions, all with favourable results, concerning the solutions for the restoration of IT Systems (both mainframe and departmental environment, networks and TLC, Security Control-room) and the critical processes in the continuity of operation perimeter;
- consolidating the CA s.a. method for “Business Continuity Management”, also by strengthening the control mechanisms for the management of special scenarios of “massive non-availability of servers or workstations (PdL)” and of “logic destruction of a critical information system”;
- implementing specific activities, especially the analysis and assessment of of the adequacy of the COP on FOIE (continuity of operation of providers of Outsourced Essential Services);
- updating the impact analysis (the so-called BIA, “Business impact analysis”);
- updating the Emergency Operational Plans designed to find back-up solutions to be triggered in case of a crisis;
- implementing the Crisis Management Organizational Model (Italian acronym MOGC) on an actual instance of accident on the telematic networks;
- enabling the Disaster Recovery solutions during extraordinary implementation and maintenance on the mainframe Information Systems.

Evidence of the reliability of the continuity of operations plan is that it could limit damage and stoppage in operations during the floods that hit the Liguria, Piedmont, Tuscany and Emilia-Romagna Regions.

In 2014, specific "Interfunctional Work Groups on the Continuity of Operations Plan" were set up, with the objective of analyzing and managing the critical situations that actually occurred, as well as of ensuring alignment of ll corporate departments involved in continuity of operations topics.

Loss data

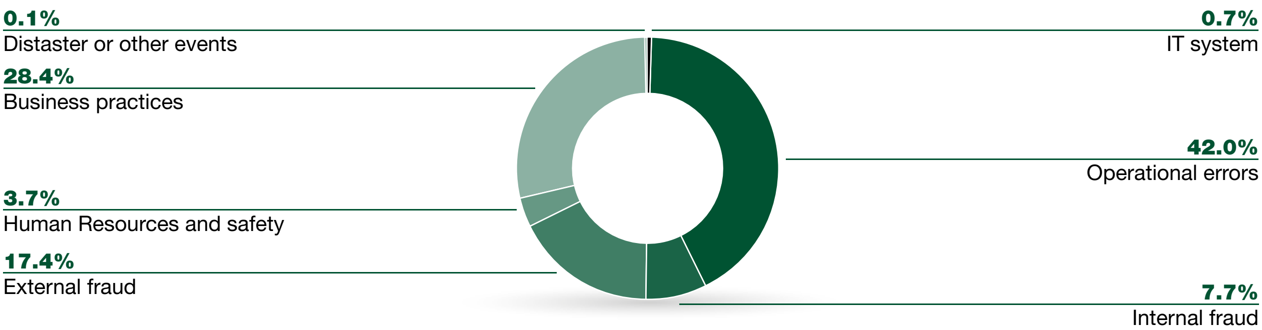
Operational losses, which the model considers as quantitative data, are collected, managed and analyzed, to different levels of granularity and detail, using an event classification scheme complying with the one set by Basel II Framework, by the Supervisory Authority and by Crédit Agricole S.A. The basic structure is as follows:

- internal frauds: events due to deliberate acts committed by at least one party internal to the Bank and causing losses to the Bank;
- external frauds: events due to deliberate acts committed exclusively by parties that cannot be defined as internal to the Bank, generally for the purpose of personal gain;
- relations with staff and workplace safety: events relating to the relations between the company and its staff or to the failure of the workplace to meet health and safety standards. These include liabilities arising from accidents to employees in company offices or vehicles;
- Business practices: events linked to the supply of services and products to clients carried out in an improper or negligent manner (fiduciary requirements and adequate information on investments), as well as defects in the nature or characteristics of products/models/contracts. These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector;
- disasters or other events: events due to natural causes or human actions, which lead to damage to company resources (tangible or intangible property, persons, etc.) and/or service interruptions or other events (including improper conduct/illegal acts by third-party companies that damage the company). The category also includes liabilities arising from political changes and retroactive changes in legislation and tax.
- technological systems and services: losses arising from the malfunctions, logical or structural defects in technological and other support systems;
- Execution, delivery and process management: losses arising from unintentional errors in the management of operational and support assets or caused by counterparties other than customers and suppliers.

To report consolidated loss data, the Group has adopted a new IT application especially designed to facilitate the adoption of advanced methods, and has also adopted specific tools and models developed directly by Crédit Agricole S.A.

QUANTITATIVE DISCLOSURES

With reference to sources of operational risk, the breakdown of net losses (gross losses net of other recoveries excluding insurance-related ones) by event type recognized in 2013 is given below based on the above classification scheme. So-called boundary losses are excluded.



PART F – INFORMATION ON EQUITY

Section 1 – Shareholders' equity

A. QUALITATIVE DISCLOSURES

The capital management policy of Cariparma is aimed at maintaining the level of resources needed at any time to cope with the risks undertaken.

B. QUANTITATIVE DISCLOSURES

B.1 Shareholders' equity: composition

The breakdown of equity as at 31 December 2014 is given below:

Items/Amounts	31.12.2014	31.12.2013
1. Share Capital	876,762	876,762
2. Share premium reserve	2,736,004	2,736,004
3. Reserves	838,746	779,486
- Income reserves	836,385	777,125
a) legal reserve	125,779	119,467
b) reserve provided for in the Articles of Association	693,158	657,526
4) Treasury Shares	-	-
d) other	17,448	132
- other	2,361	2,361
4. Equity instruments	-	-
5. (Treasury Shares)	-	-
6. Valuation reserves	45,152	-31,492
- Available-for-sale financial assets	72,211	-13,122
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedging of foreign investments	-	-
- Cash flow hedges	-	-
- Exchange Rate differences	-	-
- Discontinuing operations	-	-
- Actuarial gains (losses) pertaining to defined-benefit pension plans	-27,059	-18,370
- Portions of valuation reserves pertaining to subsidiaries measured at equity	-	-
- Special revaluation laws	-	-
7. Profit (loss) for the period	138,050	126,236
Total	**4,634,714**	**4,486,996**

The "Other" reserves consist of the relevant portions from assignation of shares and rights on shares of the Parent CompanyCrédit Agricole S.A.

For more exhaustive reporting on Item "3. Reserve", reference is made to table 14.4 Income Reserve: other information of the Note to the Financial Statements Part B – Liabilities.

B.2 Valuation reserves for available-for-sale financial assets: composition

Assets/Amounts	31.12.2014		31.12.2013	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	82,581	-11,744	43,467	-57,986
2. Equity securities	1,792	-418	1,762	-365
3. Units in collective investment undertakings	-	-	-	-
4. Loans	-	-	-	-
Total	**84,373**	**-12,162**	**45,229**	**-58,351**

B.3 Valuation reserves for available-for-sale financial assets: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1. Opening balance	**-14,519**	**1,397**	**-**	**-**
2. Increases	**95,020**	**222**	**-**	**-**
2.1 Fair value gains	92,712	76	-	-
2.2 Reversal to Income Statement of	-	-	-	-
negative reserves:	-	-	-	-
- for impairment	-	143	-	-
- for realization	2,308	3	-	-
2.3. Other changes	-	-	-	-
3. Decreases	**9,664**	**245**	**-**	**-**
3.1 Fair value losses	2,675	237	-	-
3.2 Impairment losses	-	8	-	-
3.3 Reversal to Income Statement of	6,989	-	-	-
positive reserves: from realization				
3.4. Other changes	-	-	-	-
4. Closing Balance	**70,837**	**1,374**	**-**	**-**

● *Section 2 – Own Funds and supervisory requirements for banks*

2.1 Own Funds

A. QUALITATIVE DISCLOSURES

Own Funds, minimum capital requirements and the consequent capital ratios were determined on the basis of the provisions of Bank of Italy Circular No. 285 of 17 December 2013 (as updated) "Supervisory provisions for Banks" and Circular No. 286 of 17December 2013 (as updated) "Instructions for the preparation of reports on Regulatory Capital and capital ratios for banks and securities intermediation firms".

2.2 Bank Own Funds

A. QUALITATIVE DISCLOSURE

1. Common Equity Tier 1 Capital (CET1)

As at 31 December 2014, the Common Equity Tier 1 capital consisted of high quality components (share capital, share premiums, reserves) appropriately adjusted for goodwill, other intangible assets, 20% of Excess of expected losses vs. value adjustments (the so-called shortfall referring to the advanced approach), excess of elements to be deducted from the Additional Tier 1 capital vs. the Additional Tier 1.

In January 2014, the Cariparma Crédit Agricole Group exercised the option – giving the relevant communication to the Bank of Italy - not to include, in any element of its own funds, unrealized profit and/or losses from exposures to state bodies classified in the AFS category (Bank of Italy, Supervisory Bulletin 12 December 2013).

2. Additional Tier 1 Capital (AT1)

The Additional Tier 1 capital includes the Lower Tier 1 amounting to Euro 120 million issued in 2011 (admitted to *grandfathering*, contributing to Additional Tier 1 Capital in 2014 only up to 80% of its value) and among the negative elements of 40% of the *shortfall*. As at 31 December 2014, the negative elements of the Additional Tier 1 Capital exceed the positive elements of the same capital component and, therefore, the excess portion was deducted from the Common Equity Tier 1 (which is the reason why Tier 1 Capital was equal to the Common Equity Tier 1).

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value	Portion that can be included in Additional Tier 1 Capital
Subordinated loan	29 Jun. 2011	31 Dec. 2100	perpetual with call from 28 June 2016	3-M Euribor + 729 bp	Euro	120,000	120,049	96,000

3. Tier 2 capital (T2)

As at 31 December 2014, the Tier 2 Capital included – in its positive components – the subordinated deposits subscribed by Crédit Agricole, the Lower Tier 2 issued in 2009 and subscribed by Customers (they contribute to Tier 2 Capital to the extent remaining after applying amortization for prudential purposes), the excess value adjustments vs. expected losses, and, among the negative components 40% of the ***shortfall***.

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value	Portion included in Tier 2
Subordinated deposit	17.12.2008	17.12.2018	5 units from 17 Dec. 2013	3-month Euribor + 334 bp	euro	250,000	200,266	200,000
Subordinated deposit	30.03.2011	30.03.2021	5 units from 30 Mar. 2017	3-month Euribor + 220 bp	euro	400,000	400,025	400,000
Subordinated loan	30.06.2009	30.06.2016	" 50% on 30 June 2015 50% on 30 June 2016 "	Up to 30 June 2012 5%; afterwards 50% 6-M Euribor + 1%.	euro	77,250	76,712	30,900
Subordinated loan	30.06.2009	30.06.2016	" 50% on 30 June 2015 50% on 30 June 2016 "	5% fixed	euro	222,750	225,861	89,100

B. QUANTITATIVE DISCLOSURES

Items	31.12.2014	31.12.2013
A. Common Equity Tier 1 Capital (CET1) prior to the application of prudential filters	**4,517,905**	**n.a**
of which CET 1 instruments subject to transitional regulations	-	n.a
B. CET1(+/-) prudential filters	-6,329	n.a
C. CET1 including deductible elements and the effects of the transitional regulations (A+/-B)	**4,511,575**	**n.a**
D. Elements to be deducted from CET1	**1,655,294**	**n.a**
E. Transitional regulations - Impact on CET1 (+/-)	**272,797**	**n.a**
F. Total Common Equity Tier 1 Capital (TIER1 -CET1) (C-D +/-E)	**3,129,078**	**n.a**
G. Additional Tier 1 Capital (AT1) including deductible elements and the effects of the transitional regulations	**96,000**	**n.a**
of which AT1 instruments subject to transitional regulations	96,000	n.a
H. Elements to be deducted from AT1	**-**	**n.a**
E. Transitional regulations - Impact on AT1 (+/-)	**-183,328**	**n.a**
L. Total Additional Tier 1 Capital - AT1 (G-H+/-I)	**-**	**n.a**
M. Tier 2 Capital (T2) including deductible elements and the effects of the transitional regulations	**738,002**	**n.a**
of which T2 instruments subject to transitional regulations	-	n.a
N. Elements to be deducted from T2	**-**	**n.a**
O. Transitional regulations - Impact on T2 (+/-)	**-160,480**	**n.a**
P. Total Tier 2 capital (T2) (M - N +/- O)	**577,522**	**n.a**
Q. Total own funds (F+L+P)	**3,706,600**	**n.a**

On 1 January 2014, the new regulation for banks and investment firms (Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013; Circular No. 285 of the Bank of Italy) entered into force and structurally changed the method to calculated Own Funds, making any comparison with 2013 non-significant.

2.2 Capital Adequacy

A. QUALITATIVE DISCLOSURES

Compliance with minimum mandatory capital requirements is verified by calculating the ratio of Own Funds, as calculated above, to total risk-weighted assets calculated in accordance with the provisions of Bank of Italy Circular No. 285 of 17 December 2013 (as updated) “Supervisory Provisions for Banks” and Circular No.

Circular No. 286 of 17 December 2013 (as updated) “Instructions for the preparation of reports on Regulatory Capital and capital ratios for banks and securities intermediation firms”

This ratio shows a Total Capital ratio value that complies, as at 31 December 2014, with the threshold set down by the Supervisory regulations. This performance is also the result of a corporate policy that favours, wherever possible, the distribution of earnings to shareholders, also to reward the key role of minority shareholders in maintaining a strong bond with the communities the Group operates in, always in full compliance with the regulatory limits and with the Recommendations issued by the Regulator.

B. QUANTITATIVE DISCLOSURES

Categories/amounts	Non-weighted amounts		Non-weighted amounts/requirements	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
A. RISK ASSETS				
A.1 Credit and counterparty risk	43,966,701	n.a.	15,512,151	n.a.
1. Standardized Approach	28,672,421	n.a.	12,511,889	n.a.
2. IRB approach	15,294,280	n.a.	3,000,262	n.a.
2.1 Base	-	n.a.	-	n.a.
2.2 Advanced	15,294,280	n.a.	3,000,262	n.a.
3. Securitizations	-	n.a.	-	n.a.
B. SUPERVISORY CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			1,240,972	n.a.
B.2 Risk of value adjustments of loans			6,039	n.a.
B.3 Regulatory risk			-	n.a.
B.4 Market risks			1,231	n.a.
1. Standardized Approach			1,231	n.a.
2. Internal models			-	n.a.
3. Concentration risk			-	n.a.
B.5 Operational risk			154,025	n.a.
1. Basic indicator approach			-	n.a.
2. Standardized approach			154,025	n.a.
3. Advanced approach			-	n.a.
B.6 Other measurement elements			-	n.a.
B.7 Total prudential requirements (*)			1,402,267	n.a.
C. EXPOSURES AND CAPITAL ADEQUACY RATIOS				
C.1 Risk-weighted assets			17,528,332	n.a.
C.2 Common Equity Tier 1/Risk-weighted assets (CET1 capital ratio)			17.9%	n.a.
C.3 Tier 1/Risk-weighted assets (Tier 1 capital ratio)			17.9%	n.a.
C.4 Total own funds/Risk-weighted assets (Total capital ratio)			21.1%	n.a.

On 1 January 2014, the new regulation for banks and investment firms (Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013; Circular No. 285 of the Bank of Italy) entered into force and generated significant impacts on the method to calculated Risk-weighted Assets, making any comparison with 2013 non-significant.

PART G – BUSINESS COMBINATIONS

In the first half year, within the Cariparma Crédit Agricole Group, a non-recurring intra-group transaction was carried out. This transaction does not fall within the IFRS 3 scope of application, and consisted in the transfer of a business unit between companies belonging to the Group.

Given that reorganization was the only purpose of this transaction and in accordance with the Group policy on this matter, this intra-group business combination was recognized at pre-combination carrying amounts as reported in the separate financial statements of the companies involved, without recognizing any economic effect of such transaction.

The intra-group transaction concerned the transfer from the Parent Company Cariparma to the Subsidiary Carispezia of 16 Retail Branches located in the provinces of Genova, Imperia, Savona, the Genova Corporate Center e relevant sub-center in Sanremo, the Genova Private Banking Center, the Corporate customers with accounts based in the same provinces.

This transaction has been designed for the rationalization of operations in terms of geographical areas by strengthening Carispezia in the Liguria Region.

The transfer concerned Euro 533 million worth of gross loans to customers, Euro 492 million worth of direct funding and Euro 948 million worth of indirect funding.

PART H – TRANSACTIONS WITH RELATED PARTIES

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

This regulation came into force on 31 December 2012 and, consequently, the first supervisory reporting was made on 31 March 2013, as required by the Supervisory Authority.

The Cariparma Crédit Agricole Group had already adopted a Regulation on transactions with related parties implementing the original CONSOB regulation of 2010; on 11 December 2012, in accordance with the regulation issued by the Bank of Italy, Cariparma approved the Document “Regulation for Risk Assets and Conflicts of Interests with Parties 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 above Regulations was updated.

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

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

Related parties

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 steering functions, also based on any agreement whatsoever or clauses of the Articles of Association dealing with or providing for the exercise of the above rights and powers;
d) a company or an enterprise, also set up in a legal form other than that of a company, on which a Group company can exercise control or a significant influence;
e) the core staff, who, within Cariparma as at today’s date, consists of the following:
   - CFO;
   - the Executive at the head of the Lending Governance Department;
   - the Executive at the head of the Organization and Systems Department;
   - the Executive at the head of the Compliance Department;
   - the Executive at the head of the Audit Department;
   - the Executive at the head of the Risks and Permanent Controls Department.

Connected Persons

Persons connected to a related party are defined as follows:

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

Associated Persons

Associated persons of the Cariparma Crédit Agricole Banking Group are defined as the set consisting of a related party and of all the persons connected to the same. For application at individual level, the single Banks belonging to the Group refer to the same perimeter of associated persons as determined by the Parent Company Cariparma, without prejudice to any sector-specific regulations applying to the single Companies.

1. Information on remuneration of senior managers with strategic responsibilities

	31.12.2014
Short-term employee benefits	10,427
Benefits subsequent to severance from employment	224
Other long-term benefits	-
Employee severance benefits	-
Share-based payments	-

2. Information on transactions with related parties

TYPE OF RELATED PARTIES	Financial assets held for trading	Financial assets available for sale	Loans to Customers	Loans to banks	Due to Customers	Due to banks	Guarantees issued
Controlling Company	-	-	-	2,595,123	-	3,107,957	35
Entity exercising significant influence on Company	-	-	-	-	660	-	-
Subsidiaries	3,133	-	-	822,564	173,526	912,763	4,360
Associates	-	-	-	-	10,319	-	-
Directors and Managers with strategic responsibilities	-	-	1,372	-	2,248	-	-
Other related parties	18,743	60,396	5,381,830	9,104	753,535	532,924	29,045
Total	**21,876**	**60,396**	**5,383,202**	**3,426,791**	**940,288**	**4,553,644**	**33,440**

PART I – SHARE-BASED PAYMENTS

QUALITATIVE DISCLOSURES

The Bank has no agreements for payments based on its shares in place.

The plan for the free allocation of shares by the Parent Company Crédit Agricole S.A., to all Employees of the Crédit Agricole S.A. Group was completed in November 2013 with the assignation of shares to the Employees. These shares will be tied for three years, at the end of which time each employee may freely dispose of them.

From 2011 to 2013 higher expenses equal to the fair value of the shares assigned to the Group Employees were recognized, calculated as at the date of approval of the plan and recognizing, as offsetting item, an identical increase in equity.

QUANTITATIVE DISCLOSURES

The specific reserve came to Euro 1,240 thousand (as recognized from 2011 to 2013).

PART L – SEGMENT REPORTING

Operations and income by business segment

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

Segment reporting was prepared using the multiple ITR (internal transfer rate) method, integrating the cost of liquidity in compliance with the Bank of Italy's provisions.

Cariparma operates through an organization structure that includes: **Retail** and **Private Banking** channels for individual consumers, households and small businesses; the **Corporate Banking** channel designed for large-size companies. The **Other** channel is of a residual nature and includes the activities pertaining to central departments, with specific reference to governance.

The year-on-year change for Cariparma was impacted by the transfer made in 2014 of assets to the subsidiary Cassa di risparmio della Spezia (16 branches).

Income from the Retail and Private Banking channels came to Euro 1,173 million, increasing by +1.5% YOY, mainly due to the net commission income component that performed well in the Wealth Management business. Higher commission income offset the decrease in net interest income. The latter aggregate was affected by the review of the modeling for demand deposits. The contribution to total revenues given by the Corporate Banking Channel came to Euro 208 million, increasing by +30.9% vs. 2013. Revenues posted a significant increase in the interest component, which was driven by the increase in loans to product companies of the Crédit Agricole Group and by a decrease in funding. The performance of the “Other” channel was impacted by the derecognition of the Bank of Italy shares held, which was carried out in the year.

As regards expenses, the Retail and Private Banking channels posted a +4.1% increase, due to both higher cost of risk and to higher operating expenses, which were impacted by the projects that were implemented for the development of the service model. Quite the opposite performance is to be reported for the Corporate Banking Channel that posted a- 0.6% decrease. The expenses pertaining to the “Other” channel were in line with the previous year, net of the non-recurring effects reported in the period.

Moreover, it is pointed out that the item gains losses on equity investments reports the allocation of the partial writedown of the equity investment Calit.

Assets by segment (point volumes) mainly consisted of loans to Customers, property, plant and equipment and intangible assets that can be directly allocated to the operating segments. As at 31 December 2014, the business of the Retail and Private Banking channels came to Euro 18 billion, slightly decreasing by -1.5% vs. 31 December 2013, despite the considerable development in new medium-/long-term loans in terms of volumes; this increase was impacted by the transfer of assets to Cassa di Risparmio della Spezia. The Corporate Banking Channel increased by +5.1%, coming to Euro 11.8 billion and, thus, substantiating the increase in loans to the product companies of the Crédit Agricole Group.

Liabilities by segment (point value) 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 24 billion worth of funding, down by -3.4% vs. 31 December 2013; the Corporate Banking channel achieved Euro 2.6 million down by -5.3% vs. 31 December 2013.

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: 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's business operations are essentially carried out in the Italian national territory, they are not subject to periodic performance reporting to the management breaking down by foreign geographical area. The Bank has no customer that could allow the achievement of revenues for an amount exceeding 10% of the recognized figure.

SEGMENT REPORTING AS AT 31 DECEMBER 2014

	Retail and Private Banking	Corporate Banking	Other	Total
External operating income:				
Net interest income	547,554	143,934	-9,478	682,010
Net commission income	412,696	62,166	-526	474,336
Net gain (loss) on trading activities	3,464	2,194	-8,498	-2,840
Dividends	-		36,878	36,878
Other net operating revenues	209,280	-341	50,312	259,251
Total operating revenues	**1,172,994**	**207,953**	**68,688**	**1,449,635**
Net impairment adjustments of loans	-148,087	-145,553	-	-293,640
Impairment adjustments of AFS financial assets and other financial transactions	-	-	2,976	2,976
staff and administrative expenses and depreciation/ amortization	-699,162	-39,348	-156,893	-895,403
Accruals to provisions for risks	-6,658	-5,965	5,538	-7,085
Total costs	**-853,907**	**-190,866**	**-148,379**	**-1,193,152**
Gain (loss) on equity investments	-	-	-22,546	-22,546
Value adjustments of goodwill	-	-	-	-
Gains on disposal of investments	-	-	-	-
Profit (loss) by segment	**319,087**	**17,087**	**-102,237**	**233,937**
Unallocated operating expenses	-	-	-	-
Operating margin	-	-	-	-
Share of profit of associates attributable to the Group	-	-	-	-
Profit before tax	**319,087**	**17,087**	**-102,237**	**233,937**
Taxes	-127,832	-6,846	38,791	-95,887
Profit for the period	**191,255**	**10,241**	**-63,446**	**138,050**
Assets and liabilities				
Assets by segment	18,021,973	11,800,422	294,889	30,117,284
Equity investments in associates	-	-	1,287,509	1,287,509
Unallocated assets	-	-	10,955,426	10,955,426
Total Assets	**18,021,973**	**11,800,422**	**12,537,824**	**42,360,219**
Liabilities by segment	24,033,691	2,648,705	646,841	27,329,237
Unallocated liabilities	-	-	10,396,270	10,396,270
Total liabilities	**24,033,691**	**2,648,705**	**11,043,111**	**37,725,507**

SEGMENT REPORTING AS AT 31 DECEMBER 2013

	Retail and Private Banking	Corporate Banking	Other	Total
External operating income:				
Net interest income	579,894	90,742	-1,793	668,843
Net commission income	373,630	63,288	-214	436,704
Net gain (loss) on trading activities	6,220	2,815	408	9,443
Dividends			24,559	24,559
Other net operating revenues	195,962	2,011	144,706	342,679
Total operating revenues	**1,155,706**	**158,856**	**167,666**	**1,482,228**
Net impairment adjustments of loans	-119,742	-145,437	-119,529	-384,708
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-11,316	-11,316
staff and administrative expenses and depreciation/ amortization	-697,897	-43,208	-157,179	-898,284
Accruals to provisions for risks	-2,322	-3,311	-32,651	-38,284
Total costs	**-819,961**	**-191,956**	**-320,675**	**-1,332,592**
Gain (loss) on equity investments	-	-	-13,900	-13,900
Value adjustments of goodwill	-	-	-	-
Gains on disposal of investments	-	-	218	218
Profit (loss) by segment	**335,745**	**-33,100**	**-166,691**	**135,954**
Unallocated operating expenses	-	-	-	-
Operating margin	-	-	-	-
Share of profit of associates attributable to the Group	-	-	-	-
Profit before tax	**335,745**	**-33,100**	**-166,691**	**135,954**
Taxes	-151,274	14,914	126,642	-9,718
Profit for the period	**184,471**	**-18,186**	**-40,049**	**126,236**
Assets and liabilities				
Assets by segment	18,291,870	11,232,297	330,092	29,854,259
Equity investments in associates	-	-	1,262,969	1,262,969
Unallocated assets	-	-	9,865,573	9,865,573
Total Assets	**18,291,870**	**11,232,297**	**11,458,634**	**40,982,801**
Liabilities by segment	24,890,378	2,796,892	721,739	28,409,009
Unallocated liabilities	-	-	8,086,798	8,086,798
Total liabilities	**24,890,378**	**2,796,892**	**8,808,537**	**36,495,807**

FINANCIAL STATEMENTS OF THE CONTROLLING COMPANY CRÉDIT AGRICOLE S.A.

ACTIF

(en millions d'euros)	31.12.2013	31.12.2012
Opérations interbancaires et assimilées	**142,398**	**143,882**
Caisse. banques centrales	7,729	521
Effets publics et valeurs assimilées	22,314	26,511
Créances sur les établissements de crédit	112,355	116,850
Opérations internes au Crédit Agricole	**274,219**	**267,819**
Opérations avec la clientèle	**2,455**	**2,638**
Opérations sur titres	**42,850**	**30,878**
Obligations et autres titres à revenu fixe	37,829	30,430
Actions et autres titres à revenu variable	5,021	448
Valeurs immobilisées	**63,713**	**62,714**
Participations et autres titres détenus à long terme	8,281	8,688
Parts dans les entreprises liées	55,245	53,828
Immobilisations incorporelles	45	46
Immobilisations corporelles	142	152
Capital souscrit non versé	**-**	**-**
Actions propres	**50**	**45**
Comptes de régularisation et actifs divers	**30,957**	**32,099**
Autres actifs	7,639	5,921
Comptes de régularisation	23,318	26,178
TOTAL ACTIF	**556,642**	**540,075**

PASSIF

(en millions d'euros)	31.12.2013	31.12.2012
Opérations interbancaires et assimilées	**97,983**	**99,642**
Banques centrales	11	3
Dettes envers les établissements de crédit	97,972	99,639
Opérations internes au Crédit Agricole	**49,150**	**49,895**
Comptes créditeurs de la clientèle	**226,386**	**208,853**
Dettes représentées par un titre	**88,314**	**85,938**
Comptes de régularisation et passifs divers	**30,908**	**32,094**
Autres passifs	3,823	5,343
Comptes de régularisation	27,085	26,751
Provisions et dettes subordonnées	**31,779**	**35,086**
Provisions	1,835	2,868
Dettes subordonnées	29,944	32,218
Fonds pour risques bancaires généraux	**971**	**939**
Capitaux propres hors FRBG	**31,151**	**27,628**
Capital souscrit	7,505	7,494
Primes d'émission	22,441	22,452
Réserves	2,827	2,827
Écart de réévaluation	-	-
Provisions réglementées et subventions d'investissement	24	31
Report à nouveau	(5177)	(941)
Résultat de l'exercice	3,531	(4235)
TOTAL PASSIF	**556,642**	**540,075**

HORS-BILAN DE CRÉDIT AGRICOLE S.A

(en millions d'euros)	31.12.2013	31.12.2012
Engagements donnés	50,585	63,310
Engagements de financement	30,954	35,700
Engagements de garantie	19,631	27,455
Engagements sur titres	-	155

(en millions d'euros)	31.12.2013	31.12.2012
Engagements reçus	64,345	59,365
Engagements de financement	46,390	40,641
Engagements de garantie	17,955	18,569
Engagements sur titres	-	155

COMPTE DE RÉSULTAT DE CRÉDIT AGRICOLE S.A

(en millions d'euros)	31.12.2013	31.12.2012
Intérêts et produits assimilés	12,811	15,112
Intérêts et charges assimilées	(15,250)	(16,478)
Revenus des titres à revenu variable	2,815	4,419
Commissions (produits)	777	801
Commissions (charges)	(1,263)	(1,260)
Gains ou pertes sur opérations des portefeuilles de négociation	516	479
Gains ou pertes sur opérations des portefeuilles de placement et assimilés	(361)	753
Autres produits d'exploitation bancaire	46	82
Autres charges d'exploitation bancaire	(91)	(118)
Produit net bancaire	**-**	**3,790**
Charges générales d'exploitation	(672)	(689)
«Dotations aux amortissements et aux dépréciations sur immobilisations		
incorporelles et corporelles»	(12)	(15)
Résultat brut d'exploitation	**(684)**	**3,086**
Coût du risque	570	(1,004)
Résultat d'exploitation	**(114)**	**2,082**
Résultat net sur actifs immobilisés	892	(7,026)
Résultat courant avant impôt	**778**	**(4,944)**
Résultat exceptionnel	-	-
Impôt sur les bénéfices	2,777	767
Dotations/reprises de FRBG et provisions réglementées	(24)	(58)
RÉSULTAT NET DE L'EXERCICE	**3,531**	**(4,235)**

DISCLOSURE OF THE FEES FOR THE AUDIT OF THE ACCOUNTS AND OTHER SERVICES PURSUANT TO THE ITALIAN CIVIL CODE AT ARTICLE 2427 PARAGRAPH 16 BIS

FEES FOR:	31.12.2014
statutory audit of annual accounts	470
other auditing services	52
Services other than audit of the accounts	296
Total	**818**

ANNEXES

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED UP TO 31 DEC. 2014

List of IAS/IFRS		Endorsement regulation
IFRS 1	First-time adoption of International Financial Reporting Standards	1136/2009 – 550/2010 – 574/2010 – 662/2010 – 149/2011 – 1205/2011 - 1255/2012-183/2013- 301/2013-313/2013
IFRS 2	Share-based payment	1126/2008 – 1261/2008 – 495/2009 - 243/2010 – 244/2010
IFRS 3	Business combinations	495/2009 – 149/2011 – 1361/2014
IFRS 4	Insurance contracts	1126/2008 – 494/2009 – 1165/2009
IFRS 5	Non-current assets held for sale and discontinues operations	1126/2008 – 494/2009 – 243/2010
IFRS 6	Exploration for and evaluation of mineral assets	1126/2008
IFRS 7	Financial instruments: Disclosures	1126/2008 – 70/2009 – 495/2009 – 824/2009 – 1165/2009 – 574/2010 – 149/2011 – 1205/2011 – 1256/2012
IFRS 8	Operating segments	1126/2008 – 243/2010 - 632/2010
IFRS 10	Consolidated Financial Statements	1254/2012 – 313/2013 - 1174/2013
IFRS 11	Joint Arrangements	1254/2012 – 313/2013
IFRS 12	Disclosure of Interests in Other Entities	1254/2012 – 313/2013 - 1174/2013
IFRS 13	Fair Value Measurement	1255/2012 – 1361/2014
IAS 1	Presentation of Financial Statements	1274/2008 – 53/2009 – 70/2009 – 494/2009 – 243/2010 – 149/2011 – 301/2013
IAS 2	Inventories	1126/2008 – 70/2009
IAS 7	Statement of cash flows	1126/2008 – 53/2009 – 70/2009 – 494/2009 – 243/2010
IAS 8	Accounting policies, changes in accounting estimates and errors	1126/2008 – 70/2009
IAS 10	Events after the reporting period	1126/2008 – 70/2009 – 1142/2009
IAS 11	Construction contracts	1126/2008
IAS 12	Income taxes	1126/2008 – 495/2009 – 1255/2012
IAS 16	Property, plant and equipment	1126/2008 – 70/2009 – 70/2009 – 495/2009 – 301/2013
IAS 17	Leases	1126/2008 – 243/2010
IAS 18	Revenue	1126/2008 – 69/2009
IAS 19	Employee benefits	1126/2008 – 70/2009 – 28/2015
IAS 20	Accounting for government grants and disclosure of government assistance	1126/2008 – 70/2009
IAS 21	The effects of changes in foreign Exchange rates	1126/2008 – 69/2009 – 494/2009 – 149/2011
IAS 23	Borrowing costs	1260/2008 – 70/2009
IAS 24	Relates Party Disclosures	1126/2008 – 632/2010
IAS 26	Accounting and reporting by retirement benefits plans	1126/2008
IAS 27	Consolidated and separate financial statements	494/2009 – 1254/2012 – 1174/2013
IAS 28	Investments in associates and joint venture	1126/2008 – 70/2009 – 494/2009 – 495/2009 – 149/2011 – 1254/2012
IAS 29	Financial reporting in hyperinflationary economies	1126/2008 – 70/2009
IAS 31	Interests in joint ventures	1126/2008 – 70/2009 – 494/2009 – 149/2011
IAS 32	Financial instruments: presentation	1126/2008 – 53/2009 – 70/2009 – 494/2009 – 495/2009 – 1293/2009 149/2011 – 1256/2012 – 301/2013
IAS 33	Earning pershare	1126/2008 – 494/2009 – 495/2009

IAS 34	Interim financial reporting	1126/2008 – 70/2009 – 495/2009 – 149/2011 – 301/2013
IAS 36	Impairment of assets	1126/2008 – 69/2009 – 70/2009 – 495/2009 – 243/2010- 1174/2013
IAS 37	Provisions, Contingent, Liabilities and Contingent Assets	1126/2008 – 495/2009
IAS 38	Intangible assets	1126/2008 – 70/2009 – 495/2009 – 243/2010
IAS 39	Financial instruments: recognition and measurement (except a few provisions relating to recognition of hedging transactions)	1126/2008 – 53/2009 – 70/2009 – 494/2009 – 495/2009 – 824/2009 – 839/2009 – 1171/2009 – 243/2010 – 149/2011- 1375/2013 – 1174/2013
IAS 40	Investment property	1126/2008 – 70/2009 – 1361/2014
IAS 41	Agriculture	1126/2008 – 70/2009
IFRIC 1	Changes in existing decommissioning , restoration and similar liabilities	1126/2008
IFRIC 2	Members' shares in cooperative entities and similar instruments	1126/2008 – 301/2013
IFRIC 4	Determining whether an arrangement contains a lease	1126/2008 – 254/2009
IFRIC 5	Rights to interests arising from decommissioning, restoration and environmental reclamation funds	1126/2008 – 70/2009 – 1142/2009
IFRIC 6	Liabilities arising from participating in a specific market – Waste electrical and electronic equipment	1126/2008
IFRIC 7	Applying the restatement approach under IAS 29. Financial reporting in hyperinflationary economies	1126/2008
IFRIC 8	Scope of IFRS 2	1126/2008
IFRIC 9	Reassessment of embedded derivatives	1126/2008 – 495/2009 – 1171/2009 – 243/2010
IFRIC 10	Interim financial reporting and impairment	1126/2008
IFRIC 11	IFRS 2 – Group and treasury share transactions	1126/2008
IFRIC 12	Service Concession Arrangements	254/2009
IFRIC 13	Customer loyalty programmes	1262/2008 – 149/2011
IFRIC 14	IAS 19 – the limit on a Defined-Benefits-Assets, minimum funding requirements and their interaction	1263/2008 – 633/2010
IFRIC 15	Agreements for the construction of real estate	636/2009
IFRIC 16	Hedges of a net investment in a foreign operation	460/2009
IFRIC 17	Distribution of Non-cash Assets to Owners	1142/2009
IFRIC 18	Transfers of assets from Customers	1164/2009
IFRIC 19	Extinguishing financial liabilities with equity instruments	662/2010
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1255/02012
IFRIC 21	Tributi	634/2014
SIC 7	Introduction of the Euro	1126/2008 – 494/2009
SIC 10	Government assistance – No specific relation to operations	1126/2008
SIC 12	Consolidation – Special purpose entities	1126/2008
SIC 13	Jointly controlled entities – Non-monetary contributions by ventures	1126/2008
SIC 15	Operating leases – Incentives	1126/2008
SIC 21	Income taxes – Recovery of revalued non-depreciable assets	1126/2008
SIC 25	Income taxes – Changes in the tax status of an enterprise or its shareholders	1126/2008
SIC 27	Evaluating the substance of transactions in the legal form of lease	1126/2008
SIC 29	Service Concession Arrangements Disclosures	1126/2008 – 254/2009
SIC 31	Revenue – Barter transactions involving advertising services	1126/2008
SIC 32	Intangible assets – Website costs	1126/2008

Source EFRAG – The EU endorsement status report - Position as at 4 March 2015

TAX INFORMATION ON RESERVES

Tax information on equity reserves

	Reserves and provisions that do not form part of shareholders' income in the event of distribution	Reserves and provisions that form part of taxable income of company in the event of distribution	Reserves and provisions of shareholders' taxable income in the event of distribution	Valuation reserves not availablefor distribution
Share premium reserve	2,693,560	42,444	-	-
Reserve-payments for share capital increase	-	314	-	-
Reserve pursuant to Article 13 of Legislative Decree 124/93	-	-	125,779	-
Legal reserve	-	-	782,961	-
Reserve from first time adoption of IAS/IFRS	-	-	-97,651	-
Reserve from tax adjustment from first time adoption of IAS/IFRS for realignment of tax and reporting values	-	-	12,319	-
Valuation reserve other: corridor elimination	-	-	-5,076	-
Valuation reserves for financial assets available for sale	-	-	-	72,211
Reserve from actuarial valuation reserve - definedbenefit pension plans	-	-	-	-27,059
Reserve for share-based payments	517	-	604	-
Reserve for free assignation of shares	-	-	1,240	-
Reserve from adjustment of transfer Purchase Price Allocation	-	-	605	-
Reserve for purchases of business units	-	-	-3,853	-
Reserve for disposal of business units	-	-	20,987	-
TOTAL	**2,694,077**	**42,758**	**837,915**	**45,152**

Capital and reserves: possible uses and distributability

Items of liabilities	Amount		Possible uses (*)	Amount available	Sommary of uses in last three years	
					Loss coverage	Other uses
Share capital		876,762	-	-	-	-
Share premium reserve		2,693,560	A. B. C(4)	2,693,560	-	-
Tax share premium reserve - Law 266/2005		42,444	A.B(2).C(3)	42,444	-	-
Reserves		838,744	-	-	-	-
Legal reserve	125,779		A(1).B	-	-	-
Extraordinary Reserve	782,961		A.B.C	782,961	-	-
Reserve pursuant to Article 13of Legislative Decree 124/93	314		A.B.C	314	-	-
Reserve for share-based payments	1,121		A.B.C	1,121	-	-
Reserve for free assignation of shares	1,240		A.B.C	1,240	-	-
Reserve from adjustments of transfer Purchase Price Allocation	605		A.B.C	605	-	-
Reserve for purchase of business units	-3,853		A.B.C	-3,853	-	-
Reserve for disposal of business units	20,987		A.B.C	20,987	-	-
Reserve from first time adoption of IAS/IFRS	-97,651			-	-	-
Reserve for tax adjustment from first time adoption of IAS/IFRS for realignment of tax and reporting values	12,319			-	-	-
Valuation reserve other: corridor elimination	-5,076			-	-	-
Valuation reserves		45,152		-	-	-
Valuation reserves for financial assets available for sale	72,211			-	-	-
Reserve from actuarial valuation reserve - defined benefit pension plans	-27,059			-	-	-
Met profit (loss) for the period		138,050		-	-	-
TOTAL		**4,634,712**		**3,539,379**	**-**	**-**

(*) A= capital increases B= coverage of losses C= distribution to shareholders.

(1) Can be used for increase in capital (A) for the quota higher than one-fifth of the share capital.

(2) If the reserve is used to cover losses, no profits may be distributed until such reserve is restored or reduced by a corresponding amount. The reduction must be approved by the Extraordinary Shareholders' Meeting without applying the provision of the second and third paragraphs of Art. 2445 of the Italian Civil Code.

(3) Unless the reserve is transferred to share capital, it may only be reduced with the application of the provizion af Article 2445 paragraphs 2 and 3 of the Italian Civil Code. If distributed, it shall form part of the Company's taxable income.

(4) Distributable when the legal reserve has reached the fifth one of the capital.

OWNED PROPERTY SUBJECT TO REVALUATION PURSUANT SPECIAL LAW

List of owned property item that have been revaluated and are still recognized setting forth the revaluation amount pursuant to Article. 10 of Italian Law No. 72 of 19 March 1983.

Description	Book value net revaluations	L.11.2.62 N.74	L.19.2.73 n.823	L.2.12.75 n.576	L. 19.3.83 n.72	L.30.7.90 n.218	L.29.12.90n.408	L.30.12.91n.413	1994 Merger Revaluation	Total Cost	Accumulates depreciation 31.12.2014	Net book value at 31.12.2014
VIA UNIVERSITA'. 1 - PARMA	1,686,264	-	510,263	195,089	2,039,910	6,708,770	-	428,631	-	11,568,928	2,546,823	9,022,104
VIA CAVESTRO. - PARMA	1,415,074	-	385,900	-	1,501,229	3,609,776	-	389,474	-	7,301,454	1,992,599	5,308,855
AGENZ A CITTA' N.1 - PARMA	767,584	-	99,914	-	249,070	983,272	-	378,832	-	2,478,671	1,094,976	1,383,695
AGENZ A CITTA' N.3 - PARMA	1,335,779	-	56,793	3,788	285,627	807,691	-	189,474	-	2,679,151	1,252,355	1,426,796
AGENZ A CITTA' N.6 - PARMA	985,920	-	2,406	25,203	112,926	159,997	-	166,015	-	1,452,467	775,078	677,389
AGENZ A CITTA' N.8 - PARMA	983,174	-	37	-	382,861	887,578	-	319,388	-	2,573,039	1,037,100	1,535,939
AGENZ A CITTA' N.9 - PARMA	540,345	-	15,987	-	186,612	319,851	-	149,334	-	1,212,130	547,266	664,864
AGENZ A CITTA' N.4 - PARMA	3,687,412	-	-	-	-	1,954,872	-	607,415	-	6,249,699	3,518,996	2,730,703
AGENZ A CITTA' N.2 - PARMA	1,473,491	-	-	-	-	793,152	57,092	98,378	-	2,422,113	993,309	1,428,803
TALIGNANO	652,397	-	-	-	-	1,710,026	289,767	-	-	2,652,190	628,013	2,024,177
VIA SPEZIA C.S.C. - PARMA	30,293,052	-	-	-	-	22,894,280	42,608	3,957,751	-	57,187,690	30,193,016	26,994,674
PARMA - VIA SPEZIA -(PODERE MARTINELLA)	391,489	-	-	-	-	44,284	-	-	-	435,774	-	435,774
ALBARETO	179,826	-	-	-	-	64,005	-	22,958	-	266,788	168,505	98,283
BARDI	130,807	-	11,930	5,967	61,540	106,574	-	76,594	-	393,412	209,915	183,497
BASILICANOVA	313,727	-	-	-	57,102	167,520	13,316	147,621	-	699,287	275,505	423,782
BEDONIA - NUOVA SEDE	578,226	-	-	-	-	182,435	-	112,306	-	872,967	467,756	405,211
BERCETO	153,774	-	2,161	11,500	61,274	87,586	-	55,926	-	372,220	168,303	203,917
BORGOTARO	419,605	-	11,389	18,401	95,615	128,117	-	16,994	-	690,122	373,132	316,990
BUSSETO FILIALE	679,284	-	22,360	-	-	468,356	-	100,485	-	1,270,485	606,273	664,212
CALESTANO	27,937	-	9,321	1,911	47,801	94,609	-	17,398	-	198,977	103,914	95,063
COENZO	371,668	-	1,808	-	-	138,121	-	9,465	-	521,062	277,877	243,185
COLLECCHIO	2,079,626	-	-	-	-	288,117	-	191,196	-	2,558,939	1,119,015	1,439,925
COLORNO - NUOVA SEDE	939,727	-	-	-	-	786,454	-	108,667	-	1,834,847	806,227	1,028,621
CORNIGLIO	68,511	-	26,353	928	48,146	194,040	-	35,078	-	373,056	145,841	227,215
FIDENZA AGENZIA N.1	1,922,371	-	83,677	29,665	215,527	307,531	-	-	-	2,558,770	903,354	1,655,416
FIDENZA AGENZIA N.2	602,864	-	-	-	28,659	345,710	-	48,093	-	1,025,326	429,447	595,879
FONTANELLATO	707,731	-	29,897	-	111,655	379,247	-	15,582	-	1,244,112	535,239	708,874
FORNOVO TARO	1,187,567	-	8,156	19,437	-	198,065	-	14,142	-	1,427,367	629,724	797,643
LANGHIRANO	876,688	-	42,532	12,128	90,543	562,140	-	50,672	-	1,634,703	486,525	1,148,178
MEDESANO	176,168	-	18,132	9,531	108,953	219,782	-	40,468	-	573,034	224,128	348,906
MILANO	2,272,834	-	-	-	-	1,555,993	-	158,469	-	3,987,296	2,239,195	1,748,101
MONCHIO	43,829	-	1,143	5,726	59,171	90,515	-	10,666	-	211,050	100,806	110,243
NEV ANO ARDU NI	70,408	-	3,954	2,574	46,044	88,290	-	11,935	-	223,206	104,078	119,128
NOCETO - FILIALE	789,182	-	14,143	10,558	76,036	108,038	-	28,103	-	1,026,058	478,026	548,033
PALANZANO	70,340	-	974	8,767	46,594	122,582	-	13,092	-	262,349	127,419	134,931
PELLEGRINO - FIL ALE	236,593	-	15,431	2,998	49,259	182,482	-	19,224	-	505,987	187,526	318,461
PIEVEOTTOVILLE	38,507	-	342	-	45,249	73,623	-	8,525	-	166,244	81,828	84,416
POLESINE	384,863	-	-	-	-	150,460	-	70,135	-	605,458	385,104	220,353
PONTETARO	697,047	-	19,513	3,367	66,243	93,310	26,289	116,981	-	1,022,748	459,226	563,522
ROCCAB ANCA	761,869	-	-	-	-	241,824	-	17,912	-	1,021,605	562,039	459,565

Description	Book value net revaluations	L.11.2.62 N.74	L.19.2.73 n.823	L.2.12.75 n.576	L. 19.3.83 n.72	L.30.7.90 n.218	L.29.12.90n.408	L.30.12.91n.413	1994 Merger Revaluation	Total Cost	Accumulates depreciation 31.12.2014	Net book value at 31.12.2014
SALA BAGANZA	87,452	-	46,459	6,907	72,054	323,203	-	59,315	-	595,390	187,887	407,503
SALSOMAGGIORE	1,581,904	-	60,047	41,818	338,509	424,119	-	16,718	-	2,463,115	1,133,246	1,329,869
S.MARIA DEL TARO	48,209	-	3,146	-	58,320	100,472	-	10,200	-	220,347	121,317	99,030
S.SECONDO	349,869	-	145	-	105,674	392,743	-	71,430	-	919,860	363,328	556,532
S.ANDREA BAGNI	205,545	-	1,859	-	-	129,517	-	5,253	-	342,174	198,227	143,947
SISSA	345,465	-	3,353	7,578	-	159,671	-	27,414	-	543,482	260,315	283,167
SOLIGNANO	26,999	-	4,209	5,424	51,082	97,942	-	9,218	-	194,874	102,744	92,130
SORAGNA	248,364	-	18,533	17,254	67,759	177,224	-	39,340	-	568,473	224,354	344,119
SORBOLO	1,269,873	-	-	-	-	651,020	-	62,444	-	1,983,337	1,216,785	766,552
SUZZARA	1,026,134	-	-	-	-	539,476	-	18,414	-	1,584,024	946,536	637,489
TABIANO TERME	68,799	-	757	19,119	85,501	132,004	-	16,618	-	322,800	177,988	144,812
TRAVERSETOLO	1,098,944	-	23,043	8,221	72,176	259,432	-	84,935	-	1,546,750	591,191	955,559
ZIBELLO	188,657	-	136	-	98,960	278,852	-	6,056	-	572,661	283,907	288,754
PARMA AG. 11	527,548	-	-	-	-	131,803	-	54,888	-	714,239	654,715	59,524
SPORTELLO AREA S.P.I.P.	926,911	-	-	-	-	14,843	-	9,560	-	951,314	409,784	541,530
AGENZIA DI CITTA' N. 5	4,114,887	-	-	-	-	2,518	-	-	-	4,117,406	1,854,912	2,262,494
LANGHIRANO AGENZIA 3	406,312	-	-	-	-	138	-	-	-	406,449	233,184	173,266
VIA MISTRALI 1/3 - PARMA	4,851,313	-	369,753	377,014	1,508,925	-	897,799	2,460,915	-	10,465,719	3,773,062	6,692,657
B.GO S. AMBROGIO 3/5/7 - PARMA	1,703,080	-	-	-	140,699	-	1,050,126	295,927	-	3,189,833	1,420,458	1,769,375
VIA EMILIO LEPIDO. 12/A - PARMA	1,066,563	-	-	-	179,927	-	498,958	177,237	-	1,922,685	1,026,030	896,655
PIAZZA DEL POPOLO. 22 - LANGHIRANO	57,180	-	34,618	15,494	162,684	-	255,039	217,764	-	742,779	358,356	384,423
PIAZZA MIODINI. 2 - FELINO	774,102	-	35,969	10,329	87,798	-	301,908	220,281	-	1,430,387	603,554	826,833
PIAZZA GRAMSCI. 24 - SALA BAGANZA	547,291	-	15,749	-	235,765	-	670,239	14,659	-	1,483,704	693,123	790,582
STRADA PER BUSSETO. 135 - FONTEVIVO	282,542	-	11,927	20,658	103,291	-	350,998	299,492	-	1,068,907	401,197	667,711
STRADA PROVINCIALE. 59 - FONTANELLE	84,888	-	9,533	2,582	45,448	-	151,905	63,487	-	357,844	170,235	187,608
VIA M. LIBERTA'. 322 - MEZZANI	32,302	-	5,127	5,210	38,218	-	65,506	53,984	-	200,348	118,987	81,360
VIA LA SPEZIA. 8 - COLLECCHIO	766,785	-	-	-	73,636	-	59,469	641,640	-	1,541,529	789,680	751,850
LAGRIMONE	172,191	-	-	-	-	-	99,980	-	-	272,171	227,625	44,547
STRADA ASOLANA. 128 - S. POLO TORRI	738,205	-	-	-	-	-	-	11,996	-	750,201	332,223	417,979
VIA GRAMSCI. 13 - PARMA	528,849	-	-	-	-	-	436,369	70,280	-	1,035,498	496,399	539,099
AGAZZANO - VIA MACALLE' 11	139,607	-	-	-	72,046	53,139	-	27,352	-	292,145	65,542	226,603
ALSENO - VIA EMILIA OVEST 18	340,104	-	-	-	51,646	108,998	-	47,211	-	547,959	207,062	340,897
PIAZZA COLOMBO 11 - BETTOLA	83,016	-	-	-	61,975	134,658	-	27,484	-	307,133	154,604	152,529
PIAZZA S.FRANCESCO 11/A - BOBBIO	280,152	-	-	-	43,608	112,497	-	20,969	-	457,225	208,007	249,218
VIA ROMA 23 - BORGONOVO VAL TIDONE	438,762	-	-	-	56,810	87,567	-	31,598	-	614,738	230,171	384,567
VIA EMILIA PARMENSE 146 - CADEO LOC	446,244	-	-	-	-	16,673	-	102,983	-	565,900	290,292	275,609
PIAZZA BERGAMASCHI 4 - CALENDASCO	285,670	-	-	-	-	36,431	-	41,650	-	363,751	121,557	242,193
VIA ROMA 8 - CAORSO	341,206	-	-	-	98,127	101,462	-	41,257	-	582,051	199,401	382,650
GALLERIA BRAGHIERI 1 - CASTEL S.GIO	680,565	-	-	-	171,844	413,391	-	88,751	-	1,354,551	572,146	782,405
VIA CAVOUR 1/A - CORTEMAGGIORE	108,578	-	-	-	77,469	87,409	-	35,055	-	308,511	158,012	150,499
VIA DEL CONSORZIO 7 - FERRIERE	172,784	-	-	-	-	4,523	-	53,147	-	230,454	154,823	75,632
CORSO GARIBALDI 120 - FIORENZUOLA D	568,721	-	-	-	135,487	183,413	-	114,352	-	1,001,972	332,738	669,235
VIA ROMA 63 - GRAGNANO TREBBIENSE	152,934	-	-	-	41,317	23,034	-	29,569	-	246,854	151,425	95,429
P.ZZA CASTELLANA 22 - LUGAGNANO VAL	622,159	-	-	-	65,107	28,660	-	26,297	-	742,224	244,089	498,134

Description	Book value net revaluations	L.11.2.62 N.74	L.19.2.73 n.823	L.2.12.75 n.576	L. 19.3.83 n.72	L.30.7.90 n.218	L.29.12.90n.408	L.30.12.91n.413	1994 Merger Revaluation	Total Cost	Accumulates depreciation 31.12.2014	Net book value at 31.12.2014
VIA MARTIRI LIBERTA' 35 - MONTICELL	465,831	-	-	-	-	-	-	69,145	-	534,976	264,548	270,428
PIAZZA INZANI - MORFASSO	189,384	-	-	-	-	-	-	49,730	-	239,113	184,433	54,680
PIAZZA VITTORIA 25 - OTTONE	58,894	-	-	-	15,494	33,085	-	7,709	-	115,182	45,035	70,147
LARGO DAL VERME 3 - PIANELLO VAL TI	302,283	-	-	-	-	60,751	-	9,449	-	372,482	194,877	177,605
VIA MONTE GRAPPA 49 - PODENZANO	469,109	-	-	-	67,139	115,376	-	70,923	-	722,547	330,891	391,656
VIA VITTORIO VENETO 90 - PONTE DELL	496,158	-	-	-	-	172,170	-	99,830	-	768,158	315,878	452,281
PIAZZA TRE MARTIRI 11 - PONTENURE	678,353	-	-	-	-	-	-	68,083	-	746,436	406,245	340,191
VIA EMILIA EST 33 - ROTTOFRENO	47,391	-	-	-	56,810	61,128	-	24,581	-	189,910	96,777	93,133
VIA ANGUISSOLA 4 - TRAVO	225,160	-	-	-	-	1,640	-	38,548	-	265,347	127,036	138,311
VIA MORO 4 - VILLANOVA SULL'ARDA	345,424	-	-	-	-	57,044	-	71,327	-	473,795	185,368	288,427
VIA ZIANO 9 - VICOBARONE DI ZIANO P	48,378	-	-	-	15,494	14,084	-	8,451	-	86,408	47,888	38,520
VIA ROMA 175 - ZIANO PIACENTINO	69,449	-	-	-	20,658	45,381	-	8,838	-	144,327	63,240	81,087
VIA POGGIALI 18 - PIACENZA	4,043,951	-	-	769,851	1,567,362	5,788,954	-	1,952,811	-	14,122,930	4,586,433	9,536,497
VIA COLOMBO 101 - PIACENZA	1,180,705	-	-	-	-	195,554	-	196,597	-	1,572,856	684,954	887,902
VIALE DANTE ALIGHIERI 14 - PIACENZA	1,613,323	-	-	-	-	426,870	-	215,624	-	2,255,817	961,067	1,294,750
PIAZZA CA ROLI 3 - CODOGNO	1,222,959	-	-	-	-	171,309	-	217,624	-	1,611,892	988,976	622,916
CORSO MILANO 65 - VIGEVANO	252,138	-	-	7,230	-	163,008	-	17,382	-	439,758	183,878	255,881
PIAZZA VOLTA 4 - VIGEVANO	353,535	-	-	15,494	-	270,714	-	11,718	-	651,461	170,625	480,835
PIAZZA DUCALE 43 - VIGEVANO	1,697,517	-	-	129,114	1,077,258	1,004,817	-	417,537	-	4,326,243	1,294,278	3,031,965
VIA LAVATELLI 32 - CASSOLNOVO	378,821	-	-	10,329	-	91,583	-	21,130	-	501,863	181,976	319,886
VIA COTTA 2 - GAMBOLO'	403,081	-	-	10,329	-	94,165	-	4,474	-	512,049	225,507	286,542
VIA XXV APRILE 17 - PARONA	104,194	-	-	-	-	75,689	-	12,941	-	192,824	78,110	114,714
PIAZZA CAMPEGI 2 - TROMELLO	446,883	-	-	-	-	78,092	-	17,078	-	542,052	145,687	396,365
VIALE CAMPARI 12 - PAVIA	662,928	-	-	-	-	22,047	-	32,726	-	717,700	362,198	355,502
VALENZA	349,382	-	-	56,334	252,201	-	-	90,987	858,291	1,607,196	838,970	768,226
VINOVO	292,719	-	-	-	-	-	-	20,734	148,416	461,869	313,689	148,179
VIA ARMORARI 4 - MILANO	3,926,712	-	1,313,331	-	7,266,549	-	-	19,847,235	7,308,423	39,662,249	10,102,469	29,559,780
VIA ARMORARI 8 - MILANO	2,551,382	-	-	-	-	-	-	7,164,345	5,498,307	15,214,033	4,045,396	11,168,637
VIA FARINI 82 - MILANO	2,628,593	-	-	-	-	-	-	933,643	278,488	3,840,724	2,879,107	961,617
P.ZZA FRATTINI 19 - MILANO	613,103	-	81,632	-	371,849	-	-	543,908	268,264	1,878,756	1,013,315	865,441
VIA MUSSI 4 - MILANO	529,512	-	92,969	-	291,282	-	-	439,674	275,121	1,628,558	891,571	736,987
VIA PISTRUCCI 25 - MILANO	699,645	-	41,673	-	127,048	-	-	258,173	351,453	1,477,992	670,726	807,265
VIA RIPAMONTI 177 - MILANO	571,636	-	103,421	-	335,697	-	-	381,513	161,503	1,553,769	881,026	672,744
P.ZZA VELASCA 4 - MILANO	412,599	-	191,991	-	192,122	-	-	433,140	889,114	2,118,966	1,241,363	877,603
CORSO MAZZINI 2 - CREMONA	1,595,444	25,087	350,772	-	2,076,157	-	-	1,870,791	803,837	6,722,088	2,678,824	4,043,264
VIA CAVOUR 40/42 - CASALMAGGIORE	248,450	2,359	22,273	-	-	-	-	36,030	292,244	601,355	248,047	353,309
P.ZZA MUNICIPIO 3-9-11 - CASTELVERD	60,421	-	12,946	-	-	-	-	40,216	111,816	225,399	107,471	117,928
VIA GIUSEPPINA 152 - CING A DE'BOTT	2,619	429	5,941	-	-	-	-	12,612	74,914	96,516	56,803	39,714
P.ZZA VITT.VENETO 4 - 6 - CORTE DE'	128,424	-	713	-	-	-	-	7,370	47,582	184,089	68,930	115,158
VIA MAZZINI 8 - GRUMELLO CREMONESE	156,510	59	2,644	-	-	-	-	9,162	66,174	234,549	64,776	169,773
VIA ROMA 8 - GUSSOLA	63,551	-	7,753	-	-	-	-	58,355	51,318	180,975	110,803	70,173
VIA ROMA 1 - PIEVE D'OLMI	16,523	-	12,488	-	-	-	-	21,534	48,712	99,258	57,468	41,790
LARGO DELLA VITTOR A 7 - PIZZIGHETT	457,070	-	-	-	178,694	-	-	99,878	20,092	755,734	364,436	391,298
VIA DELLA LIBERTA' 10-16 - RIVAROLO	385,352	-	1,600	-	-	-	-	90,021	14,886	491,859	346,804	145,055

Description	Book value net revaluations	L.11.2.62 N.74	L.19.2.73 n.823	L.2.12.75 n.576	L. 19.3.83 n.72	L.30.7.90 n.218	L.29.12.90n.408	L.30.12.91n.413	1994 Merger Revaluation	Total Cost	Accumulates depreciation 31.12.2014	Net book value at 31.12.2014
VIA MART RI LIBERTA' 48-50 - ROBECC	128,368	948	8,786	-	-	-	-	15,957	81,443	235,502	64,432	171,069
VIA GIUSEPPINA 15-17 - S.GIOVANNI I	596,932	664	3,813	-	-	-	-	11,034	54,843	667,285	288,750	378,535
V.LE G.MATTEOTTI 6-8 - SESTO CREMON	109,417	508	3,370	-	-	-	-	12,890	76,972	203,158	76,581	126,577
VIA GARIBALDI 2 - VESCOVATO	19,949	51	12,911	-	-	-	-	18,956	106,168	158,035	82,378	75,657
VIA MARSALA 18 - LODI	658,175	4,127	113,691	-	-	-	-	259,762	1,051,150	2,086,906	1,025,772	1,061,134
LARGO CASALI 31 - CASALPUSTERLENGO	842,601	-	-	-	211,740	-	-	409,979	266,529	1,730,848	1,095,499	635,349
VIA ROMA 5 - S.GIULIANO MILANESE	749,861	-	43,900	-	232,406	-	-	369,534	73,368	1,469,069	717,741	751,328
P.ZZA DEI CADUTI 10 - SANT'ANGELO L	719,997	1,411	13,012	-	-	-	-	66,702	8,769	809,890	348,604	461,286
VIA I. NIEVO 18/VIA OBERDAN - MANTO	4,641,956	-	-	-	-	-	-	1,560,197	321,766	6,523,919	5,260,020	1,263,899
P.ZZA XX SETTEMBRE 23 - ASOLA	274,896	1,501	19,641	-	-	-	-	66,395	227,909	590,342	217,148	373,194
VIA G. MATTEOTTI 18 - CASTELLUCCHIO	598,866	-	-	-	-	-	-	226,505	49,464	874,835	642,590	232,245
VIA XXV APRILE 1 - MARMIROLO	126,415	-	10,252	-	-	-	-	78,068	61,702	276,436	181,737	94,700
VIA PIAVE 18-20 - OSTIGLIA	60,018	-	-	-	-	-	-	54,938	77,867	192,824	125,297	67,527
VIA CUSTOZA 124 - ROVERBELLA	167,777	-	14,949	-	-	-	-	22,589	155,423	360,738	136,299	224,439
P.ZZA DEL LINO 4 - PAVIA	1,122,034	3,079	92,263	-	481,035	-	-	941,760	217,178	2,857,349	1,911,947	945,402
VIA VITT.VENETO 2 - BELGIOIOSO	163,661	1,151	11,204	-	-	-	-	21,180	229,336	426,532	174,473	252,059
VIA EMILIA 371 - BRONI	865,012	-	-	-	328,983	-	-	300,316	50,149	1,544,459	878,493	665,967
V.LE CERTOSA 78 - CERTOSA DI PAV A	495,515	-	4,692	-	120,851	-	-	82,275	28,618	731,951	278,431	453,520
VIA CARDINAL MAFFI 2 - CORTEOLONA	47,714	-	9,608	-	-	-	-	20,950	74,440	152,711	82,414	70,297
VIA ROMA 24 - PIEVE PORTO MORONE	124,526	-	-	-	-	-	-	53,937	84,966	263,429	148,106	115,323
VIA G. MATTEOTTI 26/28 - CREMA	362,417	4,822	56,297	-	298,140	-	-	628,944	257,319	1,607,939	1,010,312	597,627
P.ZZA GARIBALDI 3 - ANNICCO	65,914	1,176	3,176	-	-	-	-	52,652	67,277	190,196	114,211	75,985
P.ZZA DELLA L BERTA' 21 - CASALBUTT	76,536	506	31,536	-	-	-	-	57,722	100,940	267,240	144,250	122,990
P.ZZA DELLA L BERTA' 6 - PADERNO PO	60,910	-	4,106	-	-	-	-	14,653	84,481	164,150	78,724	85,426
VIA MILANO 20-22 - PANDINO	344,568	1,731	27,915	-	-	-	-	66,462	159,407	600,083	163,787	436,295
VIA G. VEZZOLI 2 - ROMANENGO	719,174	795	12,932	-	-	-	-	21,601	110,278	864,780	240,979	623,800
VIA F. GENALA 17 - SORESINA	243,124	830	35,251	-	-	-	-	97,091	382,504	758,801	375,958	382,843
VIA ROMA 73 - TRIGOLO	60,857	129	8,539	-	-	-	-	14,433	61,857	145,814	62,349	83,466
ASILO NIDO AZIENDALE-C/OCAVAGNARI	2,328,787	-	-	-	-	271,083	-	48,005	-	2,647,875	238,376	2,409,499
Assets revalued	**138,002,699**	**51,365**	**4,822,871**	**1,903,826**	**26,060,476**	**62,720,448**	**5,267,368**	**55,509,581**	**22,091,079**	**316,429,712**	**134,970,231**	**181,459,480**
AGENZIA 22 (FORUM) - PARMA	553,737	-	-	-	-	-	-	-	-	553,737	288,078	265,658
LESIGNANO BAGNI - NUOVA SEDE	577,256	-	-	-	-	-	-	-	-	577,256	251,632	325,624
PARMA - VIA SPEZIA NUOVO CRAL	112,781	-	-	-	-	-	-	-	-	112,781	-	112,781
VIA SISTINA 104/A - ROMA	4,099,052	-	-	-	-	-	-	-	-	4,099,052	2,226,787	1,872,265
VIA GRAMSCI 1 MEDE	354,460	-	-	-	-	-	-	-	-	354,460	26,639	327,821
V.LE MARTIRI DELLA RESISTENZA 16/18	311,134	-	-	-	-	-	-	-	-	311,134	60,926	250,208
AMPLIAMENTO CAVAGNARI	4,385,869	-	-	-	-	-	-	-	-	4,385,869	-	4,385,869
PIAZZA MARCONI 2 - SAN GIORGIO PIAC	482,834	-	-	-	-	-	-	-	-	482,834	191,638	291,196
PIACENZA -PALCO TEATRO MUNICIPALE	58	-	-	-	-	-	-	-	-	58	17	40
VIA S. BARTOLOMEO 40 - PIACENZA	21,083,739	-	-	-	-	-	-	-	-	21,083,739	6,416,058	14,667,681
VIALE GIOLITTI 17 - AVERSA	816,786	-	-	-	-	-	-	-	-	816,786	112,927	703,859
CORSO ITALIA 122 - P ANO DI SORRENT	1,560,616	-	-	-	-	-	-	-	-	1,560,616	214,050	1,346,566
VIA LIBERTA' 175 - PORTICI	1,944,494	-	-	-	-	-	-	-	-	1,944,494	267,648	1,676,846

Description	Book value net revaluations	L.11.2.62 N.74	L.19.2.73 n.823	L.2.12.75 n.576	L. 19.3.83 n.72	L.30.7.90 n.218	L.29.12.90n.408	L.30.12.91n.413	1994 Merger Revaluation	Total Cost	Accumulates depreciation 31.12.2014	Net book value at 31.12.2014
LARGO PORTA NAPOLI - CAPUA	1,222,279	-	-	-	-	-	-	-	-	1,222,279	168,989	1,053,290
P.ZZA MEDAGLIE D'ORO 17 - NAPOLI	4,416,103	-	-	-	-	-	-	-	-	4,416,103	597,833	3,818,270
PIAZZA DE AMICIS 121/BIS - TORINO	1,286,002	-	-	-	-	-	-	-	-	1,286,002	165,292	1,120,710
CASERTA-PZZA ALDO MORO	4,340,914	-	-	-	-	-	-	-	-	4,340,914	599,908	3,741,007
NAPOLI 18-VIA ENRICO FERMI 2	3,730,914	-	-	-	-	-	-	-	-	3,730,914	515,455	3,215,459
NAPOLI 6-VIA FERRANTE IMPARATO 29	1,052,996	-	-	-	-	-	-	-	-	1,052,996	144,739	908,257
NAPOLI 25-VIA ABATE MINICHINI. 1/A	1,423,682	-	-	-	-	-	-	-	-	1,423,682	195,852	1,227,830
ASTI SEDE-CORSO V.ALFIERI. 213	2,171,266	-	-	-	-	-	-	-	-	2,171,266	298,298	1,872,967
CHIAVARI-PZZA GIACOMO MATTEOTTI.4	3,047,328	-	-	-	-	-	-	-	-	3,047,328	172,686	2,874,641
COMO SEDE-VIA P ETRO BOLDONI.1	2,859,156	-	-	-	-	-	-	-	-	2,859,156	371,481	2,487,675
DESIO- LARGO VOLONTARI DEL SANGUE	4,059,519	-	-	-	-	-	-	-	-	4,059,519	360,509	3,699,010
GENOVA 2-PEGLI-PZZA A.PONCHIELLI 2	1,858,099	-	-	-	-	-	-	-	-	1,858,099	253,047	1,605,052
MONZA 2- V.MONTE CERVINO 3	2,596,766	-	-	-	-	-	-	-	-	2,596,766	348,128	2,248,638
PAVIA 2- CORSO CAVOUR 12	3,818,358	-	-	-	-	-	-	-	-	3,818,358	54,649	3,763,709
RIETI- VIA GARIBALDI. 281	1,348,331	-	-	-	-	-	-	-	-	1,348,331	186,417	1,161,914
TORINO 15- CORSO G. GABETTI 2/A	1,812,297	-	-	-	-	-	-	-	-	1,812,297	248,719	1,563,578
VARESE SEDE - VIA MARCOBI.5	4,536,702	-	-	-	-	-	-	-	-	4,536,702	625,771	3,910,931
FILIALE DI PAROLA FONTANELLATO	553,173	-	-	-	-	-	-	-	-	553,173	59,456	493,717
Assets not revalued	**82,416,700**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**82,416,700**	**15,423,630**	**66,993,070**
Total	**220,419,399**	**51,365**	**4,822,871**	**1,903,826**	**26,060,476**	**62,720,448**	**5,267,368**	**55,509,581**	**22,091,079**	**398,846,412**	**150,393,861**	**248,452,551**

SHAREHOLDINGS AND ASSETS AVAILABLE FOR SALE	Book value net of revaluations	L. 30,7,90 n. 218	Impairment	Measurement equity infestante/ AFS	Total cost	Net book value at 31.12.2013
ALMA SCUOLA CUCINA	120,556	-	-	36,678	157,234	157,234
BANCA D'ITALIA	152,350,000	-	-	-	152,350,000	152,350,000
BANCA POPOLARE FRIULADRIA SPA	1,011,566,006	-	- 108,158,006	-	903,408,000	903,408,000
CA AGROALIMENTARE SPA	12,500,000	-	-	-	12,500,000	12,500,000
CALIT SRL	123,350,000	-	- 47,133,000	-	76,217,000	76,217,000
MONDOMUTUI CARIPARMA S.R.L.	2,280	-	-	-	2,280	2,280
CASSA DI RISPARMIO DELLA SPEZIA	295,376,055	-	-	-	295,376,055	295,376,055
CE.P.I.M. SPA	801,542	- 44,831	-	769,988	1,526,699	1,526,699
CENTRO AGRO-ALIMENTARE DI PARMA S.R.L.	619,748	- 9,296	- 610,452	-	-	-
CENTRO RICERCA E FORMAZIONE (SOCRIS)	-	-	-	-	-	-
CONS. AGRARIO PROVINCIALE PAVIA SRL	-	-	-	-	-	-
CONS. AGRARIO PROVINCIALE PIACENZA SCRL	26	427	- 453	-	-	-
CONSORZIO AGRARIO PROVINCIALE DI PARMA	84,915	487,535	- 572,000	- 450	-	-
EUROCASSE SOCIETA' DI INTERMEDIAZIONE MOBILIARE	-	-	-	-	-	-
EUROSIM S.p.A	-	-	-	-	-	-
FIDI TOSCANA	226,616	-	-	12,453	239,069	239,069
FIERE DI PARMA SPA	10,386,790	- 416,050	-	1,043,672	11,014,412	11,014,412
IMPIANTI SRL	-	-	-	-	-	-
PIACENZA EXPO SPA (EX SO.PR.A.E. SPA)	1,288,405	94,063	-	- 418,196	964,272	964,272
S.W.I.F.T. SC	55,950	971	-	28,879	85,800	85,800
SIA-SSB SPA	225,443	7,012	-	- 1,604	230,851	230,851
SLIDERS S.R.L.	130,000	-	- 130,000	-	-	-
SO.GE.A.P. AEROPORTO DI PARMA SOCIETA' PER LA GESTIONE S.P.A.	236,125	- 38,911	- 60,276	-	136,938	136,938
SOCIETA' PROV.LE INSEDIAMENTI PROD. SPA - SO.PR.I.P.	225,002	1,033	- 226,035	-	-	-
STELLINA 10	1,900	-	-	-	1,900	1,900
VISA EUROPE LIMITED	1	-	-	-	1	1
CARIPARMA OBG S.R.L.	6,000	-	-	-	6,000	6,000
SILCA S.N.C.	2,059,972	-	-	-	2,059,972	2,059,972
CATTLEYA S.R.L.	2,500,000	-	-	-	2,500,000	2,500,000
CA FIDUCIARIA S.P.A.	400,000	-	-	-	400,000	400,000
TOTAL EQUITY INVESTMENTS AND ASSETS AVAILABLE FOR SALE	**1,614,513,332**	**81,953**	**- 156,890,222**	**1,471,420**	**1,459,176,483**	**1,459,176,483**

Cassa di Risparmio di Parma e Piacenza S.p.A.
Registered office: Via Università, 1 – 43121 Parma, Italy
Phone +390521,912111
Share Capital € 876,761,620.00 fully paid up
Entered in the Business Register of Parma, Italy, Tax ID and VAT registration no. 02113530345
Member of the Interbank Deposit Protection Fund and of National Guarantee Fund
Registered in the Register of Banks at no. 5435
Parent Company of the Cariparma Crédit Agricole banking Group entered in the Register of banking Groups
Subject to the direction and coordination activity of Crédit Agricole S.A.