Annual Report 2012

GRUPPO CARIPARMA
CRÉDIT AGRICOLE

CARISPEZIA | FRIULADRIA | CARIPARMA

Annual Report 2012

2012 Report and Consolidated Financial Statements of the Cariparma Crédit Agricole Group

Summary

Letter from the Chairperson	5
Corporate Bodies and Independent Auditors	7
Profile of the Cariparma Crédit Agricole Group	8
The Crédit Agricole Group	10
The Crédit Agricole Group in Italy	12
Consolidated Report and Financial Statements	15
Report and Financial Statements of Cariparma	225
Annexes	381

Letter from the Chairperson

In 2012, the European economy continued in recession.

This was particularly marked in Italy, with a 2.2% decrease in the GDP, but the crisis continued also in the other Southern European countries, and even the economies of countries like France and Germany slowed down sensibly.

The end of this recession is certainly not here yet and the macroeconomic situation is expected to remain weak also in 2013.

The ongoing crisis in a system like the Italian one, which is mainly based on small and medium enterprises caused an increase in impaired loans for Italian banks, with unavoidable impacts on their performance.

Despite this situation, in 2012 our Bank made a consolidated net profit of €160 million, with one of the best performances in the Italian banking scenario, which was achieved in spite of an increase in the coverage ratio of impaired loans.

A Solidarity Fund for a Voluntary Redundancy Programme was also activated, which will allow the Group's staff to be reduced by over 700 employees, thus reducing operating expenses for the next few years and allowing the recruitment of over 100 young people.

Excluding these extraordinary elements, the Bank's business performed well, with an increase in direct funding (up by 2%) and indirect funding (up by 10%), as well as in loans (up by 1%).

A particularly significant aspect was the improvement in capital ratios: Core Tier 1 came to 9.03% and Tier Total to 12.3%, substantiating the excellent soundness of our Bank.

The organization of the Cariparma Crédit Agricole Group, with the subsidiaries FriulAdria, Carispezia and CALIT, continued being a focus, improving system efficiency and allowing more effective operations in our reference areas, in accordance with the principles of the federal model informing our Group.

In short, it can be said that the approach adopted by the Cariparma Crédit Agricole Group proved successful even in a still difficult year, allowing our Bank to increase its market share and to remain sound and profitable.

The Chairperson

ARIBERTO FASSATI

Corporate Bodies and Independent Auditors

Board of Directors

CHAIRPERSON

Ariberto Fassati*

DEPUTY CHAIRPERSONS

Guido Corradi

Fabrizio Pezzani*

CHIEF EXECUTIVE OFFICER

Giampiero Maioli*

DIRECTORS

Anna Maria Artoni

Giovanni Borri

Pierre Derajinski

Daniel Epron

Marco Granelli

Nicolas Langevin

Stefano Lottici

Michel Mathieu

Germano Montanari

Xavier Musca*

Marc Oppenheim*

Philippe Pellegrin

Marco Rosi

Jean-Louis Roveyaz

* Members of the Executive Committee

Board of Auditors

CHAIRPERSON

Marco Ziliotti

STANDING AUDITORS

Paolo Alinovi

Angelo Gilardi

Giovanni Ossola

Umberto Tosi

ALTERNATE AUDITORS

Alberto Cacciani

Giancarlo Ducceschi

Senior management

CO-GENERAL MANAGER

Hugues Brasseur

DEPUTY GENERAL MANAGER

Massimo Basso Ricci

SENIOR MANAGER IN CHARGE OF THE PREPARATION OF THE CORPORATE ACCOUNTING DOCUMENTS

Pierre Debourdeaux

Independent auditors

Reconta Ernst & Young S.p.A.

Profile of the Cariparma Crédit Agricole Group

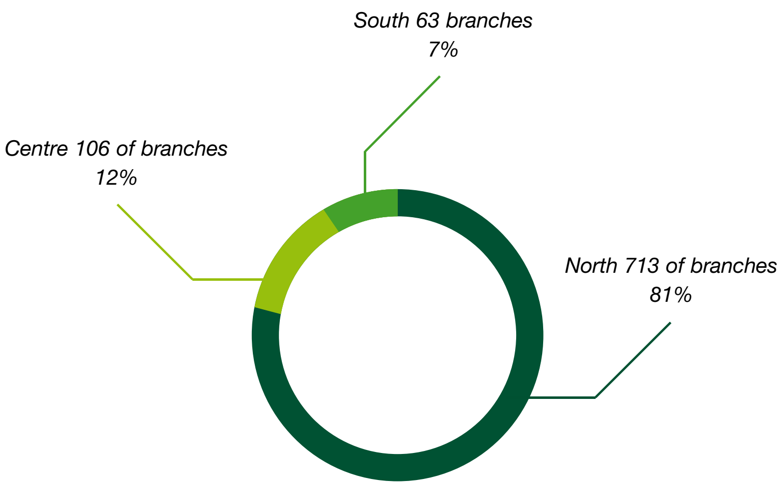
The Cariparma Crédit Agricole Group is part of the French Group Crédit Agricole and consists of:
- Cassa di Risparmio di Parma & Piacenza S.p.A. (Cariparma)
- Banca Popolare FriulAdria S.p.A. (FriulAdria)
- Cassa di Risparmio della Spezia S.p.A. (Carispezia)
- Crédit Agricole Leasing S.r.l. (CALIT)

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

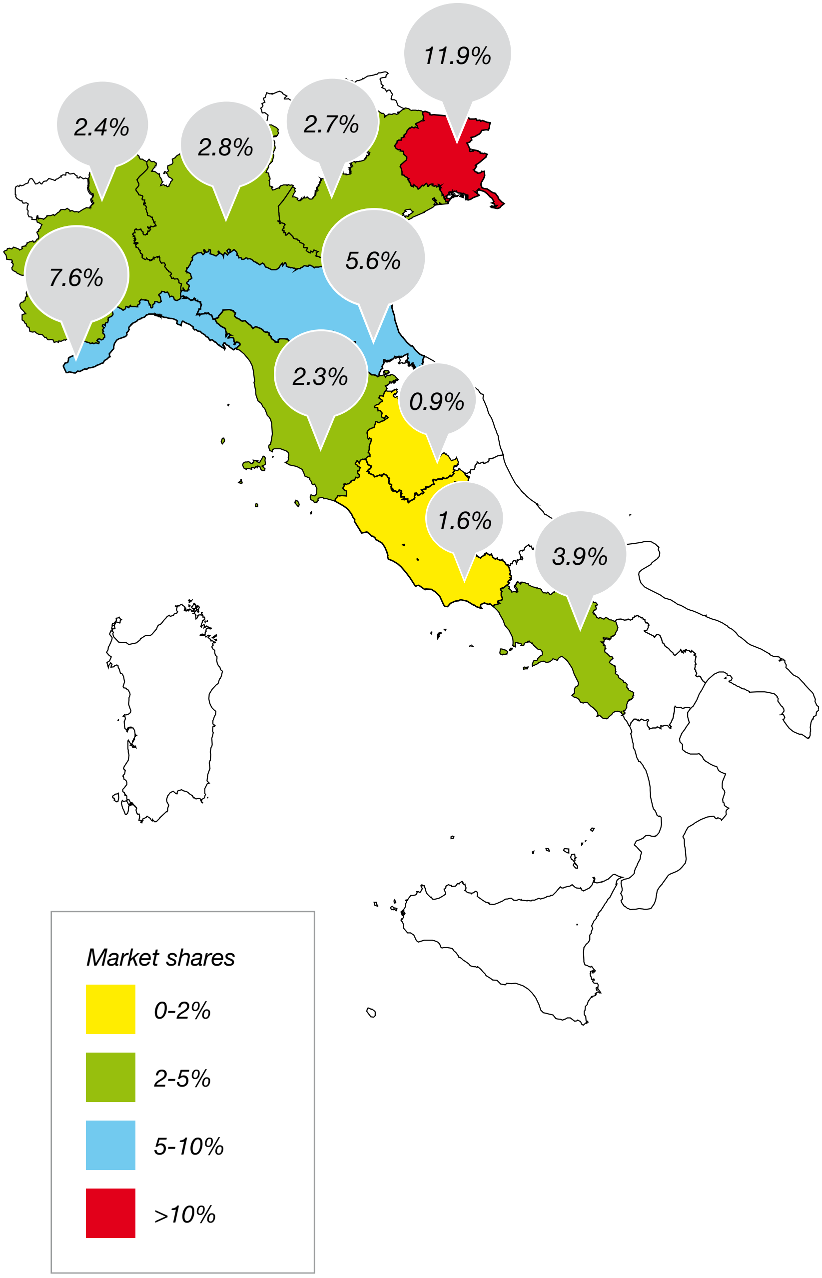
The Cariparma Crédit Agricole Group ranks among the top eight players in the Italian banking scenario in terms of areas of operations, with 8,775 employees and 1,700,000 customers.

	Cariparma	Carispezia	FriulAdria	Group
Number of branches	606	72	204	882
Private Banking centres	15	1	6	22
Enterprise Centres	17	3	8	28
Corporate Areas	5	1	1	7

» TERRITORIAL DISTRIBUTION OF BRANCHES



» BRANCH MARKET SHARE BY REGION



profile

The Crédit Agricole Group is the market leader in France in Universal Customer-Focused Banking and one of the largest banks in Europe.

As the leading financial partner of the French economy and a major European player, the Crédit Agricole Group supports its customers' projects in France and around the world across the full spectrum of retail banking businesses and related specialised businesses: insurance, asset management, leasing and factoring, consumer finance, corporate and investment banking.

Underpinned by firm cooperative and mutual foundations, 150,000 employees and the 29,000 directors of its Local and Regional Banks, the Crédit Agricole Group is a responsible and responsive bank serving 51 million customers, 6.9 million mutual shareholders and 1.2 million shareholders.

In its efforts to support the economy, Crédit Agricole also stands out through its dynamic and innovative social and environmental responsibility policy. The Group features in the top 3 of Novethic's rankings concerning corporate social responsibility and responsible reporting by Europe's 31 largest banks and insurance companies.

www.credit-agricole.com

51 million
clients worldwide

150,000
employees

€31 billion
Revenues

€10.6 billion
Gross operating income

€71 billion
Shareholders'equity - Group share

11.8 % *
Core tier one ratio

* *pro forma post completion of Emporiki disposal*

The Group's organisation

6.9 million mutual shareholders underpin Crédit Agricole's cooperative organisational structure. They own the capital of the **2,512 Local Banks** in the form of mutual shares and they designate their representatives each year. **29,000 directors** carry their expectations.

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

Crédit Agricole S.A. owns around 25% of share capital in the Regional Banks (excl. the Regional Bank of Corsica). It coordinates, in relation with its specialist subsidiaries the various business lines' strategies in France and abroad.

CRÉDIT AGRICOLE S.A.'S SHARE OWNERSHIP

56.3%

of share capital held by the 39 Regional Banks via holding company SAS Rue La Boétie.

43.4%

of share capital held by:

01 Institutional investors: 27.9%

02 Individual shareholders: 11.1%

03 Employees via employee mutual funds: 4.4%

0.3%

treasury shares

A Universal Customer-Focused Bank

The Credit Agricole Group consists of Crédit Agricole S.A. along with all of the Regional and Local Banks, and together they are developing the Universal Customer-Focused Banking model. This model relies on synergies realised between retail banks and associated specialised business lines.

Savings management

MARKET-LEADING POSITIONS IN FRANCE AND EUROPE

- No. 1 in bancassurance in France
- No. 2 in asset management in Europe
- A key player in private banking in Europe

Specialised business lines

- No. 1 in factoring in France
- A leader in lease financing in France
- A key player in consumer finance

Retail Banking

THE MARKET LEADER IN FRANCE AND A KEY PLAYER IN EUROPE, WITH ALMOST 11,300 BRANCHES SERVICING 32 MILLION CUSTOMERS

39 CRÉDIT AGR ICOLE REGIONAL BANKS

Cooperative companies and fully-pledged banks with strong local roots, the Crédit Agricole Regional Banks offer a full range of banking and financial products and services to individual customers, farmers, professionals, businesses, and public authorities.

LCL

LCL is a retail banking network with a strong presence in urban areas across France, with four main business lines: retail banking for individual customers, retail banking for professionals, private banking and corporate banking.

INTERNATIONAL RETAIL BANKING

Crédit Agricole is implementing its Universal Customer-Focused Banking model internationally and mainly in Europe, in its key Mediterranean countries of operation.

Corporate and investment banking

AN INTERNATIONAL NETWORK IN THE MAIN COUNTRIES OF EUROPE, THE AMERICAS AND ASIA

- Financing activities
- Investment banking
- Debt optimisation and distribution
- Capital markets

Other specialised subsidiaries

- Crédit Agricole Immobilier
- Crédit Agricole Capital Investissement & Finance
- Uni-éditions
- Crédit Agricole Cards & Payments

The Crédit Agricole Group in Italy

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

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

Specialised Financial Services

CRÉDIT AGRICOLE LEASING

- is operating in real estate, equipment, cars and energy leasing
- Ranked 15th in the italian lease market with a market share of about 2%
- € 2 billion credit portfolio at the end of 2012

CRÉDIT AGRICOLE COMMERCIAL FINANCE

- ranked 14th in factoring in Italy
- Italian market is highly competitive with 30 operators
- € 1,8 billion factored turnover
- market share: 1%

Agos DUCATO

- € 18,2 billion total assets
- market share: 12,3%
- widespread presence throughout Italy with 234 direct branches and Cariparma Crédit Agricole Group and Banco Popolare Italiano networks.

Corporate and investment banking

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

- provides its customers with products and services in capital markets activities, structured finance and loans
- its customers are large corporates, financial institutions and public sector

Asset Management

Amundi ASSET MANAGEMENT

- Manager of more than 70 italian based funds and of one open- end pension fund (Seconda pensione)
- distributes the Luxemburg-based Sicav, Amundi Funds and Amundi Sicav
- Asset Under Management: about €23,4 billion (source Assogestioni - june 2012)
- is one of the leading foreign operators in Italy in managed assests

CRÉDIT AGRICOLE FIDUCIARIA

- a trust company specialising in customer asset servicing, according to italian law (1966/1939)
- operates in Italy since 2012
- it refers for the most part to clients of italian and international banks

Insurance

CRÉDIT AGRICOLE VITA

- subsidiary, 100% owned by Crédit Agricole Assurances S.A., is a life insurer
- markets its products through Cariparma Group network
- ranked 7th bancassurer in italian sector
- € 1,7 billion is the amount of premiums received in 2012 (tecnical riserves for €8B)
- 360.000 existing policies

CRÉDIT AGRICOLE ASSICURAZIONI

- subsidiary, 100% owned by Crédit Agricole Assurances S.A., is a non-life insurer
- 1,9% market share in the italian non-life bancassurance sector
- 57.000 homes policies
- 38.000 vehicles policies
- “Protezione persona” a new personal accident product offered from december 2012

CRÉDIT AGRICOLE CREDITOR INSURANCE

- a specialized company in CPI products, credit protection and Life-Style
- Operates in 11 different country, in Italy since september 2010 with CACI-Life and CACI-Non Life
- is one of the first company specialized in this sector

Private Equity

IDIA-SODICA ITALIA CA AGRO-ALIMENTARE

- Operates in Italy through C3A, an italian-based financial holding, 36,85% owned by Cariparma and FriulAdria
- Focus on unlisted italian SMEs and on investment in the agri-food and agri-industrial sectors

Report and Consolidated Financial Statements of the Cariparma Crédit Agricole Group

Financial highlights and ratios	**16**
Consolidated management report	**18**
Information pursuant to Article 123-bis paragraph 2, letter b)of Legislative Decree no. 58/98 (the Italian Consolidated Financial Act, Italian acronym TUF)	**65**
Corporate social responsibility	**68**
Certification of the Consolidated Financial Statements pursuant to Article 154-bis of Legislative Decree no. 58/1998	**69**
Report of the Board of Auditors	**70**
Report of the Independent Auditors	**74**
Consolidated Financial Statements	**76**
CONSOLIDATED BALANCE SHEET	
CONSOLIDATED INCOME STATEMENT	
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME	
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY	
STATEMENT OF CONSOLIDATED CASH FLOWS	
Notes to the consolidated financial statements	**82**
PART A - ACCOUNTING POLICIES	
PART B - INFORMATION ON THE CONSOLIDATED BALANCE SHEET	
PART C - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT	
PART D - COMPREHENSIVE INCOME	
PART E - RISKS AND RISK MANAGEMENT POLICIES	
PART F - INFORMATION ON CONSOLIDATED EQUITY	
PART G - INFORMATION ON BUSINESS COMBINATIONS	
PART H - TRANSACTIONS WITH RELATED PARTIES	
PART I - SHARE - BASED PAYMENTS	
PART L - SEGMENT REPORTING	

Group financial highlights and ratios

Income statement (°) (thousands of euro)	31.12.2012	31.12.2011	Changes Amount	Changes %
Net interest income	994,123	1,066,775	-72,652	-6.8
Net commission income	610,596	566,754	43,842	7.7
Dividends	2,259	1,642	617	37.6
Net gain (loss) on financial activities	46,323	33,888	12,435	36.7
Other operating revenues (expenses)	48,723	-12,554	61,277	-
Net operating revenues	1,702,024	1,656,505	45,519	2.7
Operating expenses	-1,156,697	-1,034,894	121,803	11.8
Net operating profit	545,327	621,611	-76,284	-12.3
Net provisions for liabilities and contingencies	-35,986	-44,177	-8,191	-18.5
Net impairment adjustments of loans	-403,358	-253,560	149,798	59.1
Net profit	160,026	200,243	-40,217	-20.1

Balance sheet (°) (thousands of euro)	31.12.2012	31.12.2011 (*)	Changes Amount	Changes %
Loans to customers	35,128,149	34,781,783	346,366	1.0
Net financial assets/liabilities held for trading	-218	13,170	-13,388	-
Financial assets available for sale	4,030,081	3,686,706	343,375	9.3
Equity investments	20,433	123,222	-102,789	-83.4
Property, plant and equipment and intangible assets	2,388,916	2,423,909	-34,993	-1.4
Total net assets	44,885,958	44,507,154	378,804	0.9
Funding from customers	36,219,988	35,558,541	661,447	1.9
Indirect funding from customers	51,292,493	46,411,661	4,880,832	10.5
of which: asset management	17,384,593	17,661,529	-276,936	-1.6
Net due to banks	1,151,537	2,410,685	-1,259,148	-52.2
Equity pertaining to shareholders of the parent company	4,383,100	4,095,203	287,897	7.0

Operating structure	31.12.2012	31.12.2011	Changes Amount	Changes %
Number of employees	8,775	8,954	-179	-2.0
Average number of employees (**)	8,486	8,356	130	1.6
Number of branches	882	902	-20	-2.2

(°) Income statement and balance sheet figures have been drawn from the reclassified financial statements shown on pages 22 and 32.

(*) Re-stated following the final allocation of the cost of the business combination provisionally recognized in 2011 [IFRS 3 par. 62).

(**) 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 (°)	31.12.2012	31.12.2011 (*)
Loans to customers / Total net assets	78.3%	78.1%
Direct customer deposits / Total net assets	80.7%	79.9%
Asset management / Total indirect funding	33.9%	38.1%
Loans to customers / Direct customer deposits	97.0%	97.8%
Total assets / Shareholders' Equity (Leverage)	11.3	12.0

Profitability ratios (°)	31.12.2012	31.12.2011
Net interest income / Net operating revenues	58.4%	64.4%
Net commissions income / Net operating revenues	35.9%	34.2%
Cost / income [(c)]	60.9%	62.5%
Net income / Average equity (ROE) [(a)]	3.8%	5.0%
Net profit (loss) for the year pertaining to shareholders of the parent company / Total assets (ROA)	0.3%	0.4%
Net profit (loss) for the year pertaining to shareholders of the parent company / Risk-weighted assets	0.5%	0.7%

Risk ratios (°)	31.12.2012	31.12.2011
Gross bad debts / Gross loans to customers	4.4%	3.6%
Net bad debts / Net loans to customers	2.0%	1.6%
Net impairment adjustments of loans / Net loans to customers	1.1%	0.7%
Cost of risk [(b)] / Operating profit	80.6%	47.9%
Net bad debts / Total regulatory capital	18.9%	16.3%
Net impaired loans / Net loans to customers	5.1%	4.5%
Total writedowns on impaired loans / Gross impaired loans	40.3%	38.2%

Productivity ratios (°) (economic)	31.12.2012	31.12.2011 (*)
Operating expenses / No. of employees (average) [(c)]	122.1	123.85
Operating revenues / No. of employees (average)	200.6	198.2

Productivity ratios (°) (capital)	31.12.2012	31.12.2011 (*)
Loans to customers / No. of employees (average)	4,139.5	4,162.5
Direct customer deposits / No. of employees (average)	4,268.2	4,255.5

Capital ratios (§)	31.12.2012	31.12.2011
Core Tier 1 [(d)] / Risk-weighted assets (Core Tier 1 ratio)	9.0%	8.3%
Tier 1 capital / Risk-weighted assets (Tier 1 ratio)	9.4%	8.7%
Total regulatory capital / Risk-weighted assets (Total capital ratio)	12.3%	11.4%
Risk-weighted assets (thousands of euro)	29,808,112	30,147,996

(°) The Ratios have been based on the balance sheet and income statement figures restated in the reclassified financial statements shown on pages 22 and 32.

(*) Re-stated following the final allocation of the cost of the business combination provisionally recognized in 2011 [IFRS 3 par. 62).

(a) Ratio of net profit to equity weighted average.

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

(c) Ratio calculated net of the expenses borne for the Solidarity Fund activated in 2012 as reported on page 27.

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

Management Report

» THE MACROECONOMIC SCENARIO AND THE BANKING SYSTEM IN 2012

The macroeconomic scenario in 2012

The slowdown in the world economy, which started at the end of 2011, continued throughout 2012. The economic activity in the main emerging economies continued to drop due to the negative impact caused by the economic situation, which, in some cases, was partially offset by stable domestic demand. Only around the end of the year, both emerging markets and mature economies stabilized. The steps forward in the USA budgetary policy, which prevented the adoption of a strict policy of increase in taxes and decrease in government spending (fiscal cliff), and those in the Europe have eased tensions in international markets.

In the Eurozone, economic activity continued to weaken throughout 2012. The consequences of the financial tensions that hit several Eurozone countries in the year and the effects of the necessary fiscal consolidation measures have now also spread to economies that were considered to be robust. However, in the last part of the year, tensions on financial markets abated. In the countries that had been severely affected by the sovereign debt crisis, Government securities yields came down and capital began to flow again. These positive developments were also due to the effects of the ECB's Outright Monetary Transactions (OMT), which were announced in September and, afterwards, the decisions made at a European level. Specifically, in November, the Eurogroup renewed its support to Greece and an agreement was reached on the setting up of a single supervisory mechanism for banks, in order to break the vicious circle between sovereign debt and state of the banking system. These positive developments were also due to the credibility gained by national Governments.

Despite abatement of tensions, recession, which hit EU peripheral countries throughout 2012, spread also to core Europe. For 2012, the Eurozone GDP[1] is estimated to decrease by -0.4% y/y due to the negative performance of domestic demand, downturn in investments and stagnation of household consumption; export was the only positive contribution to the performance of European economy.

As to monetary policy action, in July, the European Central Bank cut the interest rate on the main refinancing operations by 25 basis points reducing it to 0.75%. In 2012, 3-month Euribor interest rate markedly decreased from 1.44% of December 2011 to 0.19% of December 2012 (-126 basis points).

As to the Italian economy, in the second half of 2012 financial markets recovered, foreign investors started again buying Italian public debt securities and Italy-Germany 10-year yield spread dropped from 550 basis points in November 2011 to approximately 250 basis points in January 2013.

With regard to real economy, recession continued throughout 2012, with a decrease in GDP[1] by -2.2% y/y, due to the sharp contraction in household spending (down by -4.2% y/y), in investments (down by -8.0% y/y) and modest growth in exports (up by +2.3% y/y).

Starting from autumn 2012, inflation progressively declined, coming to 2.3% in December. This fall was due to both the decrease in prices of energy products (in particular oil price), and to the increase in indirect taxes implemented in autumn 2011 (VAT rate from 20% to 21%).

[1] Source: Prometeia Forecast Report March 2013

The Banking System in 2012

In 2012, the Italian Banking System achieved modest profitability, due to a contraction in interest income, a decrease in intermediated assets and the significant weight of adjustments of loans. For many banks, only trading and carry trade activities on government securities offset the contraction in interest income from their traditional business.

Lending to households and enterprises[2] continued to weaken showing a volume decrease in December 2012 by -2.9% y/y. This contraction was mainly due to the enterprise segment, which decreased by -5.1% y/y. Loans to households also progressively decreased and, in December 2012 were in line with the previous year (up by +0.4% y/y), driven by the home loan component (up by +1.1% y/y). In general, the downturn in bank loans was due to the decrease in demand associated to the economic recession, fall in investments, financial instability and the low confidence of households and enterprises. In terms of supply, in 2012 there was a slight improvement thanks to the effectiveness of the measures implemented by the ECB to support bank lending and liquidity, as well as to Banks' capital strengthening.

Throughout 2012, funding[1] performance was rather modest. In the last part of the year, with no contribution of funding from abroad, funding from customers had a negative performance decreasing by -3.5% y/y in December 2012. The various components show that the short-term segment increased by +7.4% y/y, driven by deposits with longer maturity terms, while the medium-long-term segment decreased significantly (down by -13.6% y/y).

In December 2012, interest rates on loans had decreased and come to modest values, with regard to both total loans and new loans.
In December 2012, the weighted average interest rate on total loans to households and enterprises came to 3.78% (45 basis points below the value of December 2011). On the other hand, interest rate on funding continued high (coming to 2.08% in December 2012, up by + 8 basis points compared with December 2011) due to the strong tensions on Italian public debt.

As to assets under administration, their weakening, which started at the beginning of 2012, progressively worsened mainly due to a contraction in the share component. With regard to assets under management, the common investment scheme segment improved compared with the crisis most acute phase of 2011, mainly thanks to bond placement. The insurance segment significantly decreased with regard to both traditional products and the financial component that was affected by Customers' higher risk aversion.

Throughout 2012, credit quality worsened. In the first eleven months of 2012, new bad debts amounted to € 14.6 billion; the majority of these new bad debts (€ 11.5 billion) consisted of loans to businesses. In terms of total stock, in November gross bad debts came to € 122 billion, increasing by € +17.5 billion over November 2011 (stock: up by +16.8% y/y). The ratio of bad debts to loans also increased coming to 6.1% in November 2012 (compared with 5.3% of the previous year).

Macroeconomic outlook for 2013

Based on the latest estimates[3], the world product, which, in 2012, posted a lower increase than in the previous year (2012 GDP: +3.0% y/y vs. 2011 GDP: +3.9% y/y), is expected to recover in 2013 coming to +3.3% y/y. Activity would expand at different rates in the different economies: +1.7% y/y in the USA, +2.3% y/y in Japan, and +0.5% y/y in the United Kingdom with new stagnation in the Eurozone. On the other hand, in the main emerging economies, product performance is expected to be livelier, improving compared with the previous year. World economy prospects are still exposed to risks of decrease mainly associated to the management of unbalances and reforms in the Eurozone, as well as to the development of the US budgetary policy.

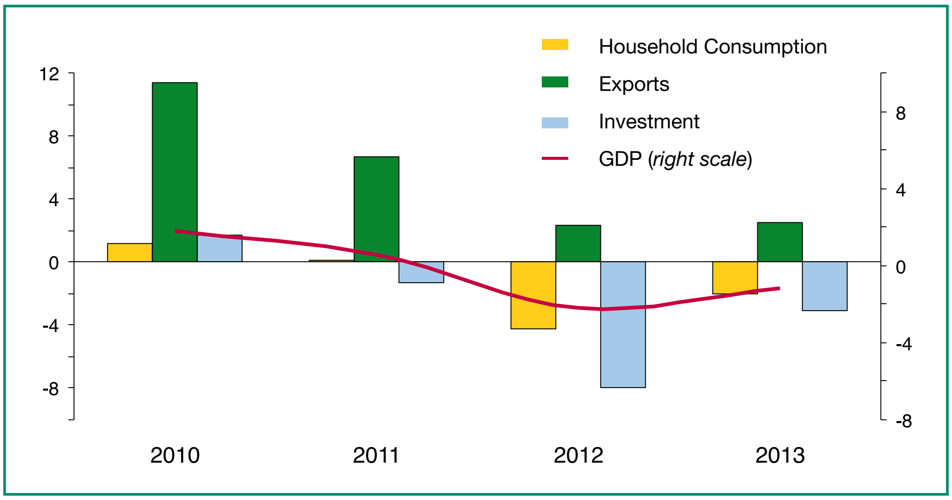
For the Eurozone, 2013 will be another year of recession, with the GDP decreasing by -0.4% y/y, even though decreasing to a lesser extent than in 2012 (-0.5% y/y). This contraction will be mainly due to domestic spending items. High unemployment rate and the restrictions imposed by budgetary policies are negatively impacting households' available income and are expected to generate a new contraction in consumption. The overall expected demand will not be such so as to spur a significant investment cycle. Finally, export is expected to benefit from the world recovery, but to be partially hindered by the relative strength of the Euro in the international currency markets.

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

[3] Source: Prometeia Forecast Report March 2013

With regard to monetary policy, the European Central Bank is expected to keep the interest rate on the main refinancing operations unchanged, in the light of a cyclical recovery that is expected to consolidate at the end of 2013 only, and to continue being weak, governed by the policies for public finance adjustments.

Italy: GDP components (%, y/y)



For the Italian economy, the recession phase, which started in the third quarter of 2011 and continued throughout 2012, is forecast to generate repercussions also on 2013, causing the GDP to decrease by -1.2% y/y. The recovery in Italian economy will heavily depend on the extent to which the improvement in financial markets' confidence will be able to accelerate the end of recession.

The outlook for growth is still conditioned by weak domestic demand; however, assuming gradual growth of orders from abroad and relaxation of financial restrictions, recession is forecast to end in the second half of 2013. The turning point in economic activity is forecast to be fostered by productive investments returning to grow, after decreasing for seven consecutive quarters.

Total investments, even though decreasing in terms of annual average (down by -3.2% y/y), are forecast to return to growth in the final part of 2013 due to a recovery in the machinery and equipment component. On the other hand, household spending is expected to continue being limited by the disposable income, which is impacted by public finance adjustment measures adopted in the second half of 2011. Household spending is forecast to decrease by -2.0% y/y. Due to the worsening outlook for employment and to uncertainty on recovery timeframes and extent, households are expected to have a cautious attitude in making spending decisions. The main positive contribution to growth is expected to come from exports (up +2.5% y/y), with a more significant increase in the component of exports to non-Eurozone countries.

Despite the weakness of the macroeconomic situation, in 2013 the primary surplus is expected to increase further thanks to the measures approved. Net debt is expected to decrease further, while the weight of public debt on the GDP is expected to increase further, with limited developments in the nominal product.

In 2013, inflation is expected to decrease to 1.7%, and the increase in VAT ordinary rate expected for July 2013 should be offset by the expected favourable performance of energy prices and by wage moderation.

The uncertainty in the outlook for growth of the Italian economy is very high. The higher risks of fall are associated to the performance of domestic demand and to credit conditions. Despite the substantial improvement of the situation of financial markets, the impairment of the quality of bank loan portfolio could have repercussions on credit cost and availability, thus generating negative effects on real economy.

» GUIDELINES AND SIGNIFICANT EVENTS IN THE YEAR

In a situation of recession and modest profitability for the entire banking system, the Cariparma Crédit Agricole Group has consolidated its position among the leading Italian banks confirming the main strategic lines set by the Business Plan of 2011:
- its mission as proximity bank which establishes strong bonds with its customers and the communities where it operates;
- pursuing sustainable growth by extending its customer base and continuously innovating its products;
- developing equity soundness as the basis for a balanced growth;
- pursuing efficient and effective management of human and technological resources.

In 2012 some significant activities were carried out confirming the Group's strategic project: full commercial and operational integration of Carispezia and of the 96 former Intesa SanPaolo branches, activation of a Voluntary Redundancy Plan with incentives involving 700 resources from 2012 to 2015, enhancing and review of the organization structure to support the Group's distribution channels, strengthening of the loans granting and monitoring processes.

» PERFORMANCE

In 2012, the Cariparma Crédit Agricole Group operations were heavily conditioned by the macroeconomic situation and by the recession started at the end of 2011. Combined with all-time low market rates, expensive funding, contraction in lending volumes and increasing weight of impaired loans, this situation, caused a reduction in core business profitability for the entire banking system.

Despite this situation, the Cariparma Crédit Agricole Group **achieved significant commercial and operating performances:**
- an increase in direct funding (with volumes coming to € 36.2 billion, up by +2% y/y), developing the medium-/long-term component, as well as an increase in loans (which came to € 35.2 billion, up by +1% y/y), mainly in terms of loans to households;
- a development of indirect funding (up by +11% y/y), focussing on the placement of Wealth Management products, in line with Customers' risk profile;
- the completion of important measures aimed at rationalizing operating expenses, concomitantly maintaining investments at a significant level (approximately € 75 million a year - in line with the previous years - over 40% of which for strategic initiatives within the implementation of the business plan).

Profitability for the year was significantly impacted by some **"non-recurring" management actions,** which were taken in order to ensure efficiency and stability of long-term performances; first of all, the **activation of the Solidarity Fund** (over 700 resources joined the voluntary redundancy plan) which required a provision of approximately € 120 million, fully covered and recognized in the year; this measure will become progressively operational in 2015 and will allow staff expenses to be curbed, thus streamlining and making the organizational structure more efficient.

The Group succeeded in consolidating its profitability, with a net profit of € 160.0 million, thanks to a good performance of ordinary operations and to the capital gains resulting from the sale of the equity investment in CA Vita.

The Cariparma Group implemented measures designed to strengthen its capital, achieving improvements in all capital ratios with Core Tier 1 coming to 9.03%, Tier 1 to 9.4% and Tier Total to 12.3%.

The Group's performance

The 2012 reference perimeter of the Group consisted of Cariparma S.p.A.(Parent Company), Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia S.p.A., Crédit Agricole Leasing Italia S.r.l., the special purpose entities Mondo Mutui Cariparma S.r.l. and Sliders S.r.l., which have been consolidated on a line-item basis, and CA Agro-Alimentare S.p.A., which has been consolidated with the equity method. It is reported that, in 2012, the equity investment in the company Crédit Agricole Vita S.p.A. was transferred to Crédit Agricole Assurances.

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

The figures presented below are expressed in thousands of Euros.

Reclassified Consolidated Income Statement

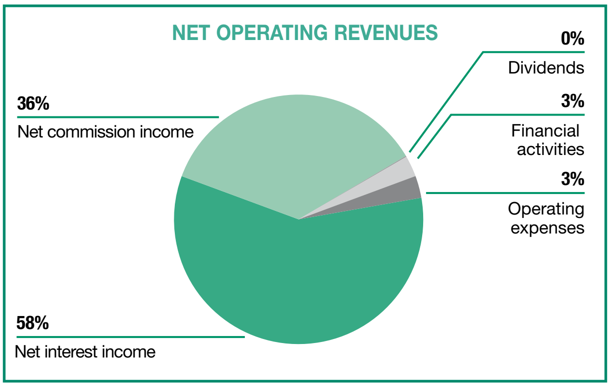
			Changes	
	31.12.2012	31.12.2011	Amount	%
Net interest income	994,123	1,066,775	-72,652	-6.8
Net commission income	610,596	566,754	43,842	7.7
Dividends	2,259	1,642	617	37.6
Net Gain (loss) on financial activities	46,323	33,888	12,435	36.7
Other operating revenues (expenses)	48,723	-12,554	61,277	-
Net operating revenues	**1,702,024**	**1,656,505**	**45,519**	**2.7**
Staff expenses	-733,096	-615,152	117,944	19.2
Administrative expenses	-325,081	-330,042	-4,961	-1.5
Depreciation and amortization	-98,520	-89,700	8,820	9.8
Operating expenses	**-1,156,697**	**-1,034,894**	**121,803**	**11.8**
Net operating profit	**545,327**	**621,611**	**-76,284**	**-12.3**
Net provisions for liabilities and contingencies	-35,986	-44,177	-8,191	-18.5
Net adjustments of loans	-403,358	-253,560	149,798	59.1
Gain (loss) from financial assets held to maturity and other investments	57,269	-44,536	101,805	-
Goodwill value adjustments	**-10**	**-6,000**	**-5,990**	**-99.8**
Profit before tax on continuing operations	**163,242**	**273,338**	**-110,096**	**-40.3**
Income tax for the period on continuing operations	-1,563	-65,302	-63,739	-97.6
Net profit (loss) for the period	**161,679**	**208,036**	**-46,357**	**-22.3**
Net profit (loss) pertaining to minority interestes	-1,653	-7,793	-6,140	-78.8
Net profit for the period pertaining to shareholders of the Group	**160,026**	**200,243**	**-40,217**	**-20.1**

Reconciliation between the Official and Reclassified Income Statements

	31.12.2012	31.12.2011
Net interest income	**994,123**	**1,066,775**
30. Net interest margin	965,943	1,048,299
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	27,583	17,768
220. Net gains (IAS) pertaining to Calit	597	708
Net commissions income = item 60	**610,596**	**566,754**
60. Net commissions	596,065	566,754
220. Other operating revenues/expenses: past due commission	14,531	-
Dividends = item 70	**2,259**	**1,642**
Net gain (loss) on financial activities	**46,323**	**33,888**
80. Net gain (loss) on financial activities	18,731	21,633
90. Net gain (loss) on hedging activities	12,417	-1,309
100. Gain (loss) on the disposal or repurchase of: b) financial assets available for sale	14,018	13,096
100. Gain (loss) on the disposal or repurchase of: d) financial liabilities	1,157	468
Other operating revenues (expenses)	**48,723**	**-12,554**
220. Other operating revenues (expenses)	273,548	205,413
less: recovery of expenses	-207,422	-214,661
less: net gains (IAS) pertaining to Calit	-597	-708
less: past due commission	-14,531	-
130. Net impairment adjustments of: b) financial assets available for sale	-2,275	-2,598
Net operating revenues	**1,702,024**	**1,656,505**
Staff expenses = 180 a)	**-733,096**	**-615,152**
Administrative expenses	**-325,081**	**-330,042**
180. Administrative expenses: b) other administrative expenses	-532,503	-544,703
190. Other operating revenues/expenses: recovery of expenses	207,422	214,661
Depreciation and amortization	**-98,520**	**-89,700**
200. Net adjustments of property, plant and equipment	-30,807	-30,158
210. Net adjustments of intangible assets	-67,713	-59,542
Operating expenses	**-1,156,697**	**-1,034,894**
Net operating profit	**545,327**	**621,611**
Net provisions for liabilities and contingencies = Item 190	**-35,986**	**-44,177**
Net impairment adjustments of loans	**-403,358**	**-253,560**
100. Gain/loss on the disposal of: a) loans	-1,030	-4,169
130. Net impairment adjustments of: a) loans	-373,313	-232,036
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	-27,583	-17,768
130. Net impairment adjustments of: d) other financial transactions	-1,432	413
Goodwill value adjustments = Item 230	**-10**	**-6,000**
Gain (loss) from financial assets held to maturity and other investments	**57,269**	**-44,536**
240. Gain (loss) from equity investments	56,897	-44,834
270. Gain (loss) on disposal of investments	372	298
Profit before tax on continuing operations	**163,242**	**273,338**
Income tax on continuing operations	-1,563	-65,302
Profit (loss) for the period	**161,679**	**208,036**
Net profit (loss) pertaining to minority interests	-1,653	-7,793
Net profit for the period pertaining to shareholders of the Group	**160,026**	**200,243**

Net operating revenues

Net operating revenues of the Cariparma Crédit Agricole Group, accounting for total revenues from lending and services, came to €1,702 million, increasing (up by +2.7%) over 2011. This was driven by the positive performance of commission income (up by +7.7%) and net gain (loss) on trading activities (up by +36.7%).



Net interest income

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
Business with customers	1,055,085	1,093,600	-38,515	-3.5
Business with banks	1,594	-53,919	55,513	-
Securities issued	-371,832	-281,308	90,524	32.2
Differences on hedging derivatives	165,216	93,395	71,821	76.9
Financial assets held for trading	240	407	-167	-41.0
Financial assets held to maturity	-	-	-	-
Financial assets available for sale	143,451	214,258	-70,807	-33.0
Other net interest	369	342	27	7.9
Net interest income	**994,123**	**1,066,775**	**-72,652**	**-6.8**

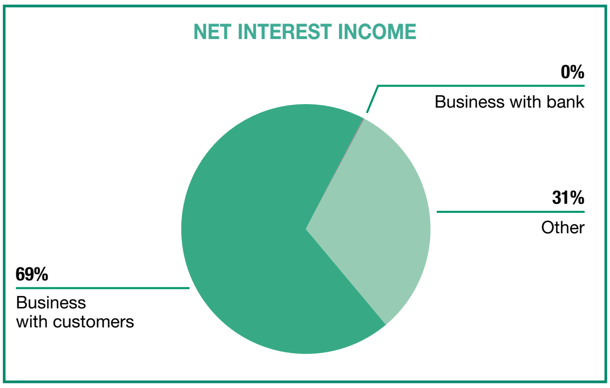
Net Interest income came to €994.1 million, decreasing by €72.7 million, (i.e. down by -6.8%) year-on-year.

This aggregate was penalized by the lesser contribution of business with customers, decreasing by €-38.5 million (down by -3.5%), which, even though growing in terms of volumes, was significantly impacted by the spread decrease. The decrease in lending rates was mainly due to market rates and was not offset by any decrease in the cost of funding, which was conditioned by strong competition in terms of liquidity.

Interest income from securities issued came to €-371.8 million, increasing by €90.5 million (up by +32.2%) compared with the previous year. This was generated by both the increase in volumes of bond issues and by the increase in the relating cost, which was due to higher cost of funding.

These impacts were partially offset by a larger contribution of differences on hedging derivatives (reducing interest expenses on funding), which increased by €+71.8 million (up by +76.9%), benefiting from market rates.

Interest income from available-for-sale financial assets decreased from €214.3 million in 2011 to €143.5 million in 2012, due to lower volumes of government securities held in the owned portfolio. The same occurred for net interest expenses resulting from business with banks, whose positive contribution for 2012 was almost entirely due to the decrease in interest expenses from repurchase agreements on interbank funding.



Net commission income

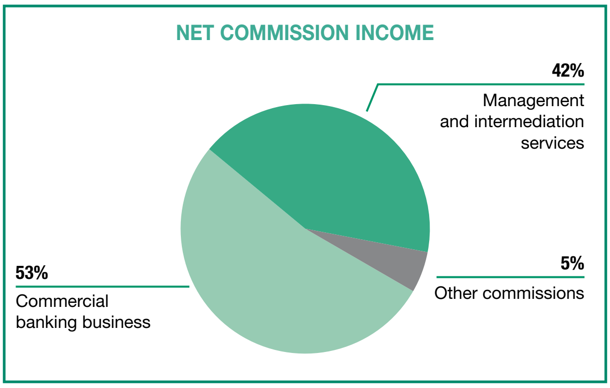
Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- guarantees issued	11,283	12,107	-824	-6.8
- collection and payment services	45,374	42,717	2,657	6.2
- current accounts	231,808	197,589	34,219	17.3
- debit and credit card services	33,073	31,384	1,689	5.4
Commercial banking business	**321,538**	**283,797**	**37,741**	**13.3**
- securities intermediation and placement	119,903	105,205	14,698	14.0
- foreign exchange	4,552	5,235	-683	-13.0
- asset management	6,705	8,173	-1,468	-18.0
- distribution of insurance products	123,110	128,371	-5,261	-4.1
- other intermediation/management commissions	2,297	4,118	-1,821	-44.2
Management, intermediation and advisory services	**256,567**	**251,102**	**5,465**	**2.2**
Other net commissions	**32,491**	**31,855**	**636**	**2.0**
Total net commissions income	**610,596**	**566,754**	**43,842**	**7.7**

Net commission income amounted to €610.6 million, up by €43.8 million y/y (up by +7.7%). This growth was driven by both the positive change in revenues from the traditional banking business increasing by €37.7 million (+13.3%), and by a €5.5 million (+2.2%) increase in revenues from management, intermediation and advisory services for financial and insurance products.

Traditional banking business posted a strong increase in commissions on current accounts, up by €34.2 million (+17.3%), as well as a more limited increase in commissions on collection and payment services, up by €2.7 million (+6.2%) and in commissions for debit and credit cards, up by €1.7 million (+5.4%).

The increase in commissions on current accounts was mainly due to the changes made to the commissions applied by the Group on credit lines and overlimit positions subsequent to the adoption of legislative measures concerning the banking sector ("Save-Italy" decree, "Liberalization" decree and Law Decree No. 29/2012).

The €5.5 million increase in commission income from management and intermediation of financial products was fully due to higher commissions for intermediation and placement of securities issued by third parties, increasing by +€14,7 million (up by +14.0%), especially thanks to the significant placing activity carried out in the year. Income from the insurance business and assets under management decreased by -€5.3 million (-4.1%) and -€1.5 million (-18.0%), respectively, due to Customers' preference for lower risk products.



Net gain (loss) on financial activities

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
Interest rates	17,490	19,145	-1,655	-8.6
Equities	26	-6	32	-
Foreign exchange	2,361	2,841	-480	-16.9
Commodities	11	121	-110	-90.9
Total net gain (loss) on financial assets held for trading	**19,888**	**22,101**	**-2,213**	**-10.0**
Total gain (loss) on hedging activities	**12,417**	**-1,309**	**13,726**	-
Gain (loss) on disposal of financial assets available for sale	**14,018**	**13,096**	**922**	**7.0**
Net gain (loss) on financial activities	**46,323**	**33,888**	**12,435**	**36.7**

Net gain (loss) on trading activities came to €46.3 million, increasing by €12.4 million (+36.7%) over the previous year; this performance was driven mostly by net gains on hedging activities.

Specifically:

- **Net gains (losses) on hedging activities:** these came to €12.4 million, with sign reversal compared with 2011, when they had a negative balance of €-1.3 million; IAS-based measurement of the delta fair value between the hedging instrument and the asset/liability hedged accounted for approximately €7.2 million of total net gains on hedging activities. The remaining portion, approximately €5.2 million, reflected the gains from early repayment of derivatives hedging the Bank's own bonds, which was resolved subsequent to repurchases made in the period;
- **Gains on financial assets/liabilities held for trading:** these came to €19.9 million, decreasing by -€2.2 million (down by -10%) compared with the previous year; interest rate derivatives accounted for -€1.7 million of the above decrease and foreign exchange for -€0.5 million;
- **Gains on disposal of financial assets available for sale:** these came to €14.0 million, increasing by € 0.9 million (up by +7.0%) due to higher revenues from disposals of assets in the ALM (Asset Liability Management) portfolio, made in 2012; indeed, balancing of fixed-rate assets and liabilities was progressively reorganized with more hedging made through Swaps (macrohedging). Owned securities still held in the portfolio, whose risk is mitigated with asset swap, are used for liquidity management purposes.

Other operating revenues (expenses)

Other operating revenues and expenses came to €48.7 million vs. the negative balance of €12.6 million in 2011.

Operating expenses

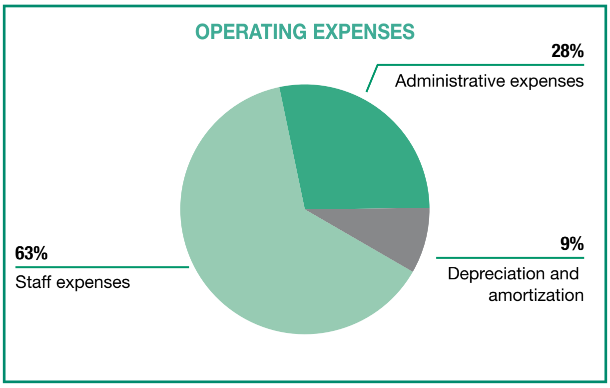
Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- wages and salaries	-437,523	-429,958	7,565	1.8
- social security contributions	-116,783	-114,130	2,653	2.3
- other staff expenses	-178,790	-71,064	107,726	-
Staff expenses	**-733,096**	**-615,152**	**117,944**	**19.2**
- general operating expenses	-96,277	-116,798	-20,521	-17.6
- IT services	-50,961	-53,169	-2,208	-4.2
- direct and indirect taxes	-87,318	-86,531	787	0.9
- facilities management	-66,536	-60,267	6,269	10.4
- legal and other professional services	-27,084	-32,857	-5,773	-17.6
- advertising and promotion costs	-11,784	-18,412	-6,628	-36.0
- indirect staff expenses	-12,379	-11,486	893	7.8
- other expenses	-180,164	-165,183	14,981	9.1
- recovery of expenses and charges	207,422	214,661	-7,239	-3.4
Administrative expenses	**-325,081**	**-330,042**	**-4,961**	**-1.5**
- intangible assets	-67,713	-59,542	8,171	13.7
- property, plant and equipment	-30,807	-30,158	649	2.2
Depreciation and amortization	**-98,520**	**-89,700**	**8,820**	**9.8**
Operating expenses	**-1,156,697**	**-1,034,894**	**121,803**	**11.8**

Operating expenses for 2012 totalled €1,156.7 million compared with €1,034.9 million of the previous year, up by €121.8 million (+11.8%). The Solidarity Fund activated in 2012 accounted for €120 million of this increase in operating expenses. Net of this non-recurring component, operating expenses would post a limited increase (up by €1.4 million, +0.1%) compared with 2011.

Specifically:

- **Staff expenses:** these accounted for 60% of operating expenses and came to €733.1 million, up by €117.9 million (+19.2%); this increase was fully due to the accrual to the Solidarity Fund. In the year, higher expenses were recognized resulting from full application of the pay increases provided for by the Italian National Collective Bargaining Agreement. In the year the efficiency improvement policy continued being implemented, with an extraordinary measure on variable components and reorganization of some processes, which allowed staff expenses to be kept in line with the previous year. In 2012, since the preconditions required were met, the Cariparma Crédit Agricole Group recognized, under intangible assets, part of the expenses for in-house developed software, thus achieving a €2.9 million decrease in administrative expenses;
- **Administrative expenses:** these came to €325.1 million, decreasing by -€5.0 million (-1.5%) over the previous year. This change was due to a number of rationalization measures, which will generate benefits also in coming years and mainly concerned general operating expenses (-€20.5 million), legal and other professional expenses (-€5.8 million) and advertising and promotion expenses (-€6.6 million);
- **Depreciation and amortization:** these came to €98.5 million, increasing by 9.8% compared with the previous year, due to full operation of amortization of both investments made in 2011, associated to the acquisition of Gemini branches (intangible assets representing “business with customers”), and new investments in property, plant and equipment and intangible assets made in 2012 and amounting to approximately €75 million.

In this situation, the cost/income ratio, net of the expenses resulting from the Solidarity Fund provision, came to 60.9%, decreasing by -1.6 percentage points compared with 2011.



Net operating profit

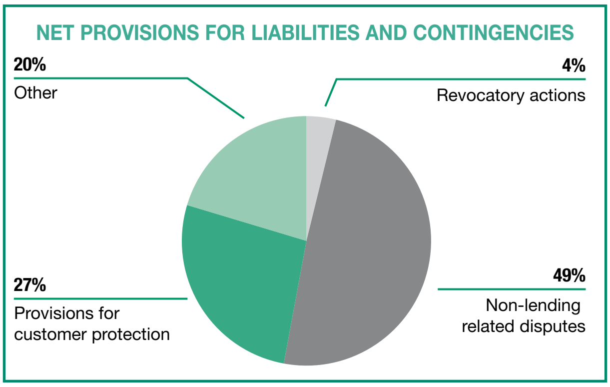
Net operating profit came to €545.3 million and included the expenses amounting to €120 million for the Solidarity Fund provision. Net of this effect, this aggregate would increase by €41.8 million (+6.7%), due to the increase in revenues and the essential stability of ordinary operating expenses.

Provisions and other components

Net Provisions for liabilities and contingencies

Net provisions for liabilities and contingencies came to €36.0 million, decreasing from €44.2 million of the previous year. Provisions accrued for non-lending related disputes accounted for €17.7 million and provisions accrued for financial products-related disputes accounted for €9.6 million.

This decrease compared with 2011 was mainly due to lower provisions for financial products-related disputes, which decreased by approximately €16 million; in addition, lower provisions for non-lending-related disputes accounted for -€3.3 million, and provisions for lending-related disputes accounted for -€3.9 million.



Net impairment adjustments of loans

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- bad debts	-219,440	-127,217	92,223	72.5
- other impaired loans	-173,022	-118,600	54,422	45.9
- performing loans	-9,465	-8,060	1,405	17.4
Net impairment adjustments of loans	**-401,927**	**-253,877**	**148,050**	**58.3**
Net adjustments of guarantees and commitments	-1,431	317	-1,748	
Net adjustments of loans	**-403,358**	**-253,560**	**149,798**	**59.1**

In 2012 the cost of credit significantly increased over the previous year due to the persistent deterioration of the economic situation - with substantial impacts on portfolio impairment - and, consequently, to the implementation of more prudential policies for covering exposures.

The “Enterprises” and “Small Business” channels/segments were the ones most impacted by the negative macroeconomic trend. Conversely, the Retail segment essentially confirmed its good quality, with positive trends of risk ratios. As to sector developments, the Group reduced exposures in riskier sectors (e.g. building and real estate sectors).

Net impairment adjustments of loans totalled €403.4 million, markedly increasing over the previous year (up by +€59.1%). The increase in this aggregate was also due to the application of the Basel rules that, as from 1 January 2012, provide for all overlimit positions continuing for over 90 days to be classified as impaired loans, while the threshold previously in force was 180 days.

The Cariparma Group strengthened its prudential policy, which led to a coverage ratio of total impaired loans increasing to 40.3 % from 38.2% of 2011.

In this aggregate, the most substantial increase referred to adjustments of bad debts and other impaired loans, increasing by +€92.2 million (+72.5%) and +€54.4 million (+45.9%), respectively. Writedowns of bad debts, net of writebacks, amounted to €219.4 million vs. €127.2 million in 2011, (up by +72.5%). Adjustments of other impaired positions (substandard loans, restructured loans and past-due positions) amounted to €173.0 million, up by 45.9% compared with December 2011.

Adjustments of performing loans came to €9.5 million, slightly increasing compared with the previous year.

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

This aggregate showed a positive balance of €57.3 million, which was essentially due to the total transfer of the equity investment held by the Parent Company in Crédit Agricole Vita S.p.A. to the majority shareholder Crédit Agricole Assurance. This divestment, made in the first quarter of 2012, fell within the rationalization of use of equity and development of the Group’s core business. The exit of this equity investment form the consolidation perimeter generated capital gains recognized in the Income Statement for €72 million, resulting mainly from the difference between the sale price of the equity investment, as determined by the independent expert based on the adjusted value of the company’s equity as at 31 December 2011, and the present value of future production over a ten-years time horizon, considered also in the earn-out calculation, and the book value of the same company in the Cariparma Crédit Agricole Group’s consolidated financial statements as at the transfer date.

In 2012, production was in line with forecasts.

The performance was also penalized by full impairment of the equity investment in Bauhaus (a vehicle company for the restructuring of the debt of RDB S.p.A., an investee company of the subsidiary Slider s.r.l. which holds 19.90%).

The performance for 2011, negative by €44.5 million, was due to the negative performance of the consolidated company Crédit Agricole Vita S.p.A.

Value adjustments of goodwill

In 2012, goodwill arising from various business combinations made by the Group since 2007 was tested for impairment.

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

The amount of Euro 10 thousand, recognized in the Income Statement in 2012, referred to the adjustment of goodwill recognized on the subsidiary Sliders S.r.l.

Profit before tax on continuing operations

Profit before tax on continuing operation came to €163.2 million declining by €110.0 million (-40.3%) compared with 2011. The impact of the Solidarity Fund provision and the increase in the cost of risk were only partially absorbed by the gains on the sale of the equity investment in CA Vita.

Income taxes on continuing operations

Current and deferred taxes totalled €1.6 million, decreasing by €63.7 million compared with the previous year.

This decrease was also due to the realignment of the tax value of goodwill and the value of the intangible assets with definite useful life resulting from the acquisition of a business unit which was transferred by the Intesa SanPaolo Group; this realignment was resolved and made in 2012 and is to be finalized by paying the relevant tax in 2013; it generated a tax benefit amounting to €53.9 million for Cariparma and €7.1 million for FriulAdria, totalling €61 million.

The decrease in tax burden was also due to the application of the new tax regulation (Measure issued by Director of the Italian Inland Revenue Agency on 17 December 2012), which allowed refund to be asked resulting from the lower Corporate Income Tax (Italian acronym: IRES) due in the previous years (from 2007 to 2011) because of the deductibility of the Italian Regional Tax on Productive Activities (IRAP) relating to the taxable portion of expenses for employees and equivalent staff net of the relevant deductions; thus, a positive effect was generated on the income statement for the year amounting to €20 million for Cariparma, €4.2 million for FriulAdria and €1.8 million for Carispezia, totalling €26 million.

Net of the above “non-recurring” components, the tax burden for 2012 would have however decreased over the previous year due to, on the one hand, the non-taxable gains for a significant amount generated by sale of the equity interest in Ca Vita, but, on the other hand, due to the Regional Tax on Productive Activities calculated on a taxable income not including provisions on loans.

Indeed, with a gross income essentially stable, the amount due for this tax was in line with the previous year: the effect of the decrease in gross profit caused the weight of the Regional Tax on Productive Activities to increase from 21.3% to 36.5% of the gross profit.

Net profit (loss) and comprehensive income

Net profit (loss)

The net profit came to €160.0 million, decreasing by €40.2 million (down by -20.1%) over the previous year, also due to the combined effects of the “non-recurring” income components described above. If considered net of the provisions to the Solidarity Fund amounting to €120 million, the change in net profit over 2011 would be reversed posting an increase of €45.5 million.

ROE (net income over average equity) excluding the provision to the Solidarity Fund, came to 5.8% compared with 5.0% of the previous year.

Comprehensive income

	Items	31.12.2012	31.12.2011
10.	**Net profit (loss) for the period**	**161,679**	**208,036**
	Other income after tax		
20.	Financial assets available for sale	264,379	(295,623)
30.	Property, plant and equipment	-	-
40.	Intangible assets	-	-
50.	Hedging of foreign investments	-	-
60.	Cash flow hedges	-	(234)
70.	Exchange rate differences	-	-
80.	Disposal groups	-	-
90.	Actuarial gains (losses) on defined-benefit plans	(16,410)	(9,931)
100.	Share of valuation reserves on equity investments accounted for using the equity method	22,601	(13,548)
110.	**Total other income components after tax**	**270,570**	**(319,336)**
120.	**Comprehensive income (Item 10+110)**	**432,249**	**(111,300)**
130.	Consolidated comprehensive income pertaining to minority interests	10,241	(3,017)
140.	**Consolidated comprehensive income pertaining to the Parent Company**	**422,008**	**(108,283)**

The Cariparma Crédit Agricole Group's comprehensive income consists of the profit for the period and of the changes in assets directly recognized in equity reserves. Comprehensive income for 2012 produced a net income amounting to €422.0 million, compared with a negative net balance of -€108.3 million for 2011.

This value was mainly due to the increase in the valuation reserves for securities held in the "financial assets available-for-sale" portfolio; these reserves mainly included the effect of the fair value measurement of government securities (Italian and French) and added to the profit for the period amounting to €161.7 million.

The change recognized was due to the volatility, also for 2012, in issuer risk of government securities of European peripheral countries.

» PERFORMANCE OF BALANCE-SHEET AGGREGATES

Reclassification of the Balance Sheet

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

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

Reclassified Consolidated Balance Sheet

			Changes	
Assets	**31.12.2012**	**31.12.2011 (*)**	**Amount**	**%**
Net financial assets/liabilities held for trading	-218	13,170	-13,388	-101.7
Financial assets available for sale	4,030,081	3,686,706	343,375	9.3
Loans to customers	35,128,149	34,781,783	346,366	1.0
Equity investments	20,433	123,222	-102,789	-83.4
Property, plant and equipment and intangible assets	2,388,916	2,423,909	-34,993	-1.4
Tax assets	1,045,212	996,178	49,034	4.9
Other assets	2,273,385	2,482,186	-208,801	-8.4
Total net assets	**44,885,958**	**44,507,154**	**378,804**	**0.9**

			Changes	
Liabilities and equity	**31.12.2012**	**31.12.2011 (*)**	**Amount**	**%**
Net due to banks	1,151,537	2,410,685	-1,259,148	-52.2
Funding from customers	36,219,988	35,558,541	661,447	1.9
Tax liabilities	327,861	344,345	-16,484	-4.8
Other liabilities	2,203,151	1,590,871	612,280	38.5
Specific-purpose provisions	405,379	315,605	89,774	28.4
Share capital	876,762	876,762	-	-
Reserves (net of treasury shares)	3,507,703	3,441,571	66,132	1.9
Valuation reserves	-161,391	-423,373	261,982	-61.9
Minority interests	194,942	191,904	3,038	1.6
Net profit (loss) for the period	160,026	200,243	-40,217	-20.1
Total net liabilities and equity	**44,885,958**	**44,507,154**	**378,804**	**0.9**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62)

Reconciliation of the official and reclassified balance sheets

Assets		31.12.2012	31.12.2011 (*)
	Net financial assets/liabilities held for trading	**-218**	**13,170**
20.	Financial assets held for trading	311,930	320,635
40.	Financial liabilities held for trading	-312,148	-307,465
	Financial assets available for sale	**4,030,081**	**3,686,706**
40.	Financial assets available for sale	4,030,081	3,686,706
	Loans to customers	**35,128,149**	**34,781,783**
70.	Loans to customers	35,128,149	34,781,783
	Equity investments	**20,433**	**123,222**
100.	Equity investments	20,433	123,222
	Property, plant and equipment and intangible assets	**2,388,916**	**2,423,909**
120.	Property, plant and equipment	442,792	452,397
130.	Intangible assets	1,946,124	1,971,512
	Tax assets	**1,045,212**	**996,178**
140.	Tax assets	1,045,212	996,178
	Other assets	**2,273,385**	**2,482,186**
10.	Cash and cash equivalents	285,966	930,780
80.	Hedging derivatives	1,151,735	707,001
90.	Value adjustment of financial assets subject to macro hedging (+/-)	6,363	4,203
160.	Other Assets	829,321	840,202
Total net assets		**44,885,958**	**44,507,154**

Liabilities and equity		31.12.2012	31.12.2011 (*)
	Net interbank funding	**1,151,537**	**2,410,685**
60.	Loans to banks	-4,123,908	-4,490,814
10.	Due to banks	5,275,445	6,901,499
	Funding from customers	**36,219,988**	**35,558,541**
20.	Due to customers	22,264,469	22,888,810
30.	Securities issued	13,955,519	12,669,731
	Tax liabilities	**327,861**	**344,345**
80.	Tax liabilities	327,861	344,345
	Other liabilities	**2,203,151**	**1,590,871**
60.	Hedging derivatives	319,350	176,602
70.	Adjustment of financial liabilities hedged generically (+/-)	658,142	344,469
100.	Other liabilities	1,225,659	1,069,800
	Specific-purpose provisions	**405,379**	**315,605**
110.	Employee severance benefits	171,108	164,246
120.	Provisions for liabilities and contingencies	234,271	151,359
	Share capital	**876,762**	**876,762**
190.	Share capital	876,762	876,762
	Reserves (net of treasury shares)	**3,507,703**	**3,441,571**
170.	Reserves	772,241	706,109
180.	Share premium reserve	2,735,462	2,735,462
	Valuation reserves	**-161,391**	**-423,373**
140.	Valuation reserves	-161,391	-423,373
	Assets pertaining to minority interests	**194,942**	**191,904**
210.	Assets pertaining to minority interests	194,942	191,904
	Net profit (loss) for the period	**160,026**	**200,243**
220.	Net profit (loss) for the period	160,026	200,243
Total net liabilities and equity		**44,885,958**	**44,507,154**

(*)Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

Operations with customers

Also in 2012, in a situation significantly impacted by the economic crisis, the Cariparma Crédit Agricole Group ensured strong support to the development of the local economy, monitoring, at the same time, the credit quality of the parties to be granted loans.

After the earthquake that hit the Emilia-Romagna region, the Cariparma Crédit Agricole Group, which has very strong bonds in this area, started implementing a series of initiatives to support the population impacted by the earthquake: the Group has allocated significant credit lines for the towns hit by earthquake, to be used to support both individuals and businesses through loans at easy terms.

Intermediated assets, consisting of the sum of loans, direct and indirect funding, came to €122,640 million, posting an increase of €5,888 million (up by +5.0%) compared with 2011.

Loans came to €35.128 million, increasing by €346 million (up by +1.0%) in the year, with improved performance of the medium- and long-term component.

At the end of 2012, total funds administered on behalf of customers amounted to €87,512 million with an increase of €5,542 million (up by +6.8%) y/y.

Direct funding came to €36,220 million increasing by approximately 2% over the previous year, while indirect funding increased by about 11% coming to €51,292 million. In the percentage composition of Total Funding, indirect funding accounted for 59%, thus posting a slight increase, while direct funding accounted for 41%.

Loans to Customers

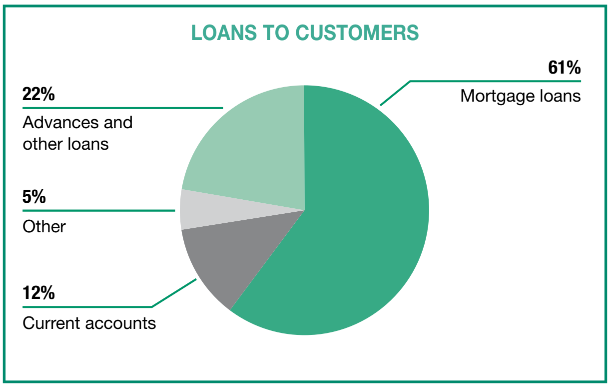
Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- Current accounts	4,317,175	4,857,668	-540,493	-11.1
- Mortgage loans	21,217,718	20,721,967	495,751	2.4
- Advances and other loans	7,800,106	7,632,017	168,089	2.2
- Impaired loans	1,788,111	1,565,069	223,042	14.3
Loans	**35,123,110**	**34,776,721**	**346,389**	**1.0**
Loans represented by securities	**5,039**	**5,062**	**-23**	**-0.5**
Loans to customers	**35,128,149**	**34,781,783**	**346,366**	**1.0**

The performance of loans to customers, which came to €35,128 million increasing by €346 million (+1,0%) over the previous year, confirmed the Group's constant focus on households.

Following the development of the operations started in the year, mortgage loans increased by €495.8 million (+2.4%), supported by the over 14,000 mortgage loans granted in the year.

The loan portfolio was composed as follows: mortgage loans (60%), advances and other financing (22%), current accounts (12%) and other (5%).

The increase in impaired loans, which came to €1,788 million increasing by €223 million (up by +14.3%), reflected the critical phase of the economic system in the areas of operations and its repercussion on bank credit quality.



Credit quality

Items	31.12.2012			31.12.2011		
	Gross exposure	Total writedowns	Net exposure	Gross exposure	Total writedowns	Net exposure
- Bad debts	1,591,372	898,079	693,293	1,296,702	738,764	557,938
- Substandard loans	902,333	280,948	621,385	705,671	204,863	500,808
- Restructured loans	166,636	20,698	145,938	132,875	19,848	113,027
- Past-due / overlimit loans	335,824	8,329	327,495	397,711	4,415	393,296
Impaired loans	**2,996,165**	**1,208,054**	**1,788,111**	**2,532,959**	**967,890**	**1,565,069**
Performing loans	**33,475,162**	**135,124**	**33,340,038**	**33,353,399**	**136,685**	**33,216,714**
Total	**36,471,327**	**1,343,178**	**35,128,149**	**35,886,358**	**1,104,575**	**34,781,783**

Impaired loans, net of total adjustments, amounted to €1,788 million increasing by 14.3% from €1,565 million of the previous year.

At the end of the year, the weight of problem loans on total net loans was 5.1% vs. 4.5% in 2011, while the coverage ratio, calculated as the ratio of total writedowns to gross exposure, came to 40.3%, increasing from the previous year value (38.2%), substantiating the effectiveness of a prudent risk management policy in a difficult economic situation.

Net bad debts came to €693 million compared with €558 million of December 2011 and their weight on total loans to customers came to 2.0%, increasing from 1.6% of the previous year, with a coverage ratio of 56.4%.

Net substandard positions came to €621 million, with a weight on total loans to customers of 1.8% and a coverage ratio of 31.1 %, increasing from 29.0 % of 2011.

Net restructured loans came to €146 million, increasing from €113 million of the previous year, and accounted for 0.4% of total loans to customers.

Net past-due and overlimit positions posted a y/y decrease from €393 million of December 2011 to €327 million of December 2012 and accounted for 0.9% of total loans to customers (1.1% in 2011); the relevant coverage ratio came to 2.5%, increasing from 1.1% of the previous year.

The cumulative total of writedowns of performing loans came to approximately €135 million and accounted for 0.4% of the nominal value of performing all positions. Writedowns of performing loans were measured collectively, using a measurement approach based on in-house estimates of Probability of Default (PD) and Loss Given Default (LGD).

Funding from customers

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- Deposits	3,233,713	1,479,568	1,754,145	-
- Current and other accounts	18,664,625	21,200,443	-2,535,818	-12.0
- Other items	120,439	113,619	6,820	6.0
- Repurchase agreements	245,692	95,180	150,512	-
Due to customers	**22,264,469**	**22,888,810**	**-624,341**	**-2.7**
Securities issued	13,955,519	12,669,731	1,285,788	10.1
Total direct funding	**36,219,988**	**35,558,541**	**661,447**	**1.9**
Indirect funding	**51,292,493**	**46,411,661**	**4,880,832**	**10.5**
Total funding	**87,512,481**	**81,970,202**	**5,542,279**	**6.8**

Despite the difficult situation featuring a general contraction in total funding, assets under management, which is the aggregate of total funds administered on behalf of customers, came to €87,512 million increasing by €5,542 million (up by + 6.8%) over the previous year.

Direct funding came to €36,220 million, increasing by €661 million (up by +1.9%) over the previous year, thus substantiating the Group's ability to attract funding from customers even in a social and economic context impacted by continuing recession.

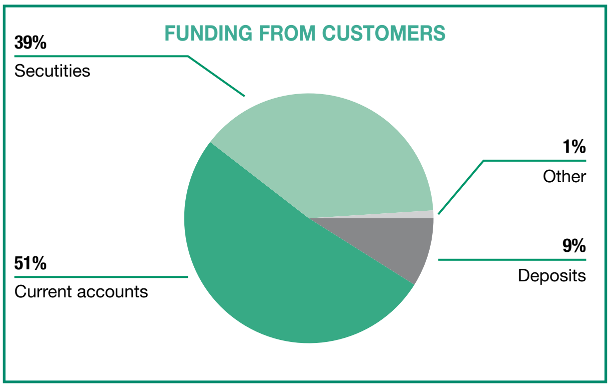
The performance of these aggregates was based on a reorganization towards medium-/long-term forms aiming at higher stability of funding; bonds issued increased by €1,286 million (up by +10.1%) and deposits increased by €1,754 million.

Cash on current accounts came to €18,665 million vs. €21,200 million of 2011, being significantly impacted by the contraction in households' savings and by the above reorganization towards medium-/long-term forms.

With regard to the performance of the medium-/long-term component, which accounts for 39% of direct funding, its positive development was supported by significant placing of over €4 billion worth of bonds. Deposits increased significantly and, at the end of 2012, accounted for over 9% of total direct funding compared with 4% of the previous year.

Current accounts, even though decreasing, accounted for 52% of direct funding.

These trends, combined with an effective lending policy, allowed the Cariparma Crédit Agricole Group to further improve its liquidity level.



Indirect funding

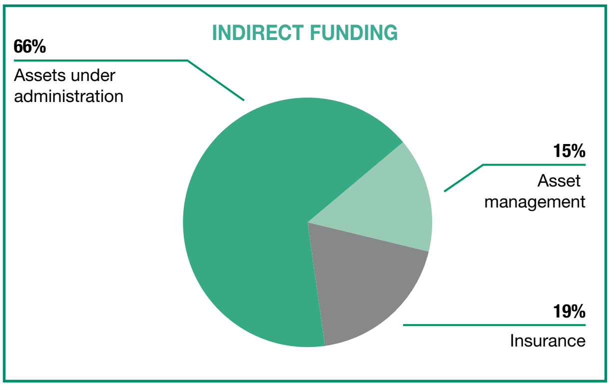
Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- Asset management products	7,634,954	7,879,539	-244,585	-3.1
- Insurance products	9,749,639	9,781,990	-32,351	-0.3
Total assets under management	**17,384,593**	**17,661,529**	**-276,936**	**-1.6**
Assets under administration	**33,907,900**	**28,750,132**	**5,157,768**	**17.9**
Indirect funding	**51,292,493**	**46,411,661**	**4,880,832**	**10.5**

Indirect funding accounted for 59% of total funding and came to €51,292 million at market value, up by €4,881 million (+10.5%) vs. €46,412 million of the previous year.

Assets under administration increased by €5,158 million (up by +17.9%) coming to €33,908 million vs. €28,750 million of the previous year. Assets under management decreased by €277 million (down by -1.6%), due to the negative performance of the sector, but especially to customers' lower risk appetite.

This decrease mainly concerned wealth management, down by €245 million (-3.1%). Insurance products were essentially in line with the previous year.

In 2012, the three Group Banks placed approximately €27 million worth of structured debentures issued by the vehicle company DNA Amundi, a company 100% held by Amundi Finance (a company in the Crédit Agricole S.A. Group). These are capital-guaranteed financial instruments and were placed in order to diversify supply and to better meet market requirements.



Other investments

Net interbank position

The net interbank position of the Cariparma Crédit Agricole Group showed a total net debt of €1,151 million, decreasing by €1,259 million from the €2,411 million of the previous year.

This was mainly due to the improvement of the fixed-term net interbank debt position, where requirements of lending from banks decreased. This performance is the result of the policy for the development of direct funding from customers.

Financial assets available for sale

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- Bonds and other debt securities	3,899,658	3,558,228	341,430	9.6
- Equity securities and units of collective investment undertakings.	3,095	5,606	-2,511	-44.8
Securities available for sale	**3,902,753**	**3,563,834**	**338,919**	**9.5**
- Equity investments	127,328	122,872	4,456	3.6
- Private equity investments	-	-	-	
Shareholdings available for sale	**127,328**	**122,872**	**4,456**	**3.6**
Financial assets available for sale	**4,030,081**	**3,686,706**	**343,375**	**9.3**

Financial assets available for sale amounted to €4,030 million, increasing by €343 million, i.e. up by 9.3% over the previous year and mainly consisted of bonds and other debt securities, which account for 97% of total value.

This item essentially included government securities: this aggregate came to €3,900 million, increasing by €341 million over the previous year, mainly due to the performances of market prices.

Equity securities referred to capital shares acquired in loan restructuring transactions with customers experiencing temporary financial difficulties. Finally, equity investments amounted to €127 million, increasing by €4 million over the previous year.

Government securities

	31.12.2012		
	Nominal Value	Book value	Valution reserves
FVTPL			
Italian government bond	4	4	X
Argentina government bond	21	6	X
AFS			
Italian government bond	2,987,354	3,107,534	-160,259
Argentina government bond	24	19	-2
French government bond	587,500	742,930	17,689
Total	**3,574,903**	**3,850,493**	**-142,572**

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets came to €2,389 million, modestly decreasing by €35 million from €2,424 million of the previous year.

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

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

This item included the Group’s technical investments, that is, but not limited to, owned real estate, technological systems and furnishings.

Specific-purpose provisions

Items	31.12.2012	31.12.2011(*)	Changes Amount	%
Employee severance benefits	171,108	164,246	6,862	4.2
Provisions for liabilities and contingencies	234,271	151,359	82,912	54.8
- retirement and similar liabilities	23,375	24,048	-673	-2.8
- other provisions	210,896	127,311	83,585	65.7
Total specific-purpose provisions	**405,379**	**315,605**	**89,774**	**28.4**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

Specific-purpose provisions totalled €405 million, increasing by €89.8 million (up by +28.4%) over the previous year.

This increase mainly concerned provisions for liabilities and contingencies, which came to €234.3 million vs.€151.4 million of the previous year. These provisions referred to disputes, staff expenses and operational risks. Specifically, the increase in this aggregate was mainly due to the allocation of approximately €120 million to the Solidarity Fund for the Bank's employees, based on the agreements reached with the trade unions in the year.

The provisions for legal actions with the Group as defendant and for financial products-related disputes increased by approximately €6.7 million.

The provisions for employees' severance benefits came to €171 million, also increasing from €164 million of 2011, and were impacted by discount (for more information, reference is made to the Note to the Financial Statements Part B- Liabilities, Section 12- Defined-benefit pension plans).

Equity and Regulatory Capital

Equity

Items	31.12.2012	31.12.2011	Changes Amount	%
Share capital	876,762	876,762	-	-
Share premium reserve	2,735,462	2,735,462	-	-
Reserves	772,241	706,109	66,132	9.4
Valuation reserves of financial assets available for sale	-135,675	-390,856	-255,181	-65.3
Valuation reserves of Actuarial gains (losses) pertaining to defined-benefit pension plans	-25,716	-9,916	15,800	-
Valuation reserves: Other	-	-22,601	-22,601	-
Net profit (loss) for the period	160,026	200,243	-40,217	-20.1
Total equity	**4,383,100**	**4,095,203**	**287,897**	**7.0**

As at 31 December 2012, the book value of equity, including the net Profit for the year, came to €4,383 million, increasing by €287.9 million (up by +7.0%) from €4,095 million of the previous year.

The change in equity was mainly due to the decrease in the negative balance of valuation reserves for available-for-sale financial assets (which decreased from -€390.9 million of 2011 to -€135.7 million of 2012); this decrease was mainly due to writeback of government securities held following the changes in the economic-financial situation.

As at 31 December 2012, the Bank portfolio did not include treasury shares or shares in the controlling company.

Regulatory Capital

Supervisory capital and capital ratios	31.12.2012	31.12.2011
Tier 1 Capital	2,811,752	2,614,335
Tier 2 Capital	857,333	877,803
Deductible elements	-	58,917
Supervisory capital	**3,669,085**	**3,433,221**
Credit Risk	2,166,171	2,185,886
Market risk	3,457	7,161
Operational risk	215,021	218,793
Capital requirements	**2,384,649**	**2,411,840**
Excess capital with respect to minimum requirements	**1,284,436**	**1,021,381**
Risk-weighted assets	**29,808,112**	**30,147,996**
Capital ratios %		
Core Tier 1 / Risk-weighted assets (Core Tier 1 ratio)	9.0%	8.3%
Tier 1 Capital / Total risk-weighted assets	9.4%	8.7%
Total capital / Total risk-weighted assets	12.3%	11.4%

Regulatory Capital consists of Tier 1 capital and Tier 2 capital.

Tier 1 capital amounted to €2,812 million and included the profit allocation as proposed by Board of Directors to the Shareholders' General Meeting.

Total Regulatory Capital amounted to €3,669 million, increasing by €236 million over 2011 despite the amortization made in the year of the first tranche of the subordinated loans issued in 2009.

This increase was mainly due to:
- lower deductions from the Regulatory Capital because of the sale, made in the first half of 2012, of the total equity interest held by the Parent Company in Crédit Agricole Vita S.p.A.;
- the final allocation of the cost of the Business Combination provisionally recognized in 2011, which entailed a reduction in Goodwill and, thus, in the relevant deduction from Regulatory Capital.

Risk-weighted assets came to €29,908 million, decreasing by €339 million (down by - 1.2%) over 2011. This decrease was mainly due to the increase in exposures secured by residential property combined with a decrease in exposures secured by commercial property and unsecured exposures.

Tier 1 total capital ratio (ratio of core equity capital to total risk-weighted assets) came to 12.3%, increasing from 11.4% of 2011, substantiating the Group's effective control and focus on capital ratios.

Tier One Capital Ratio (i.e. the ratio of Tier 1 capital to total weighted assets) came to 9.4%, increasing from 8.7% of the previous year; Core Tier 1 was 9.03%.

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

Corporate development lines

Retail Channel

Also in 2012, the Cariparma Crédit Agricole Group set the objective of putting customers at the centre of its way of doing banking business, focusing on customer satisfaction through a service model more and more oriented towards customers' specific requirements.

In a situation of general slowdown in the economy, in 2012 the Retail channel of the Cariparma Crédit Agricole Group, thanks to its vocation as proximity bank, continued to support its customers, increasing both loans to households and businesses, and direct funding; this directly generated a growth in its Customer base, and the Group considers Customers the key element for solid and long-lasting development. Not only did the Group's commercial strategy focus on streamlining the product catalogue, but it also developed innovative services, provided in the perspective of providing higher level advice to its Customers, as well as for customer retention purposes.

RETAIL CUSTOMERS- Segment summary

In spite of a scenario characterized by low confidence in banks and by undifferentiated perception of the various banks, the Cariparma Crédit Agricole Group succeeded in increasing its Customer base over the previous year, acquiring, in 2012, over 86,000 new Customers.

The acquisition of new Customers as well as the increase in total funding were supported by specific commercial and marketing activities, including "Missione Sviluppo" (Mission: development), which took into consideration the customers' requirements as shown in customer satisfaction surveys, as well as the requirements and suggestions of the Sales Network.

Young People (from 18 to 28 years) The Cariparma Crédit Agricole Group's supply designed for young people includes straightforward and innovative products, allowing the use of faster and more technological channels via Internet Banking. Young People Customers can benefit from easy terms resulting from commercial agreements that the Cariparma Crédit Agricole Group entered into with external partners, which can be easily consulted on the dedicated website. Development initiatives designed to take the Group closer to Young People were activated (e.g. "VYP machine" street market initiatives; "Porta Amici VYP" a in-house initiative that involved the Network young employees in the acquisition of 18-28 years old Customers).

Teens (up to 18 years of age): in 2012, the Group's cooperation with Walt Disney was strengthened and allowed the Group to target households with children, through original and high-visibility initiatives (e.g. Disney gifts/gadgets to new Customers concomitantly with the launch of the movie "Finding NEMO 3D"). For the third consecutive year, Cariparma has joined the financial education project for primary and junior secondary schools in cooperation with Patti Chiari (Patti Chiari is a Consortium of banks, which involves 161 banks whose objective is to foster financial education and comparability of banking and financial services) and a new initiative started, "Cariparma Financial Education Day", which allowed the Group to promote awareness about savings on different primary and junior secondary school targets.

Households: also for 2012, the Group set the objective of supporting households analysing their requirements and providing adequate solutions to their needs. Target 5 is one of the innovations associated to the new service model and, on the basis of an analysis of customers' needs, gives the Manager a suggested basket of products/services to choose from in order to have at least one product that can meet each area of customers' needs. For the second year, Cariparma has joined "Mettiamo in Comune l'educazione finanziaria" (Let's share financial education), a project in cooperation with Patti Chiari and the Consumers Associations in the Consortium. This project targets adults and envisages raising consumers' awareness on and promotion of financial education topics by organizing local meetings where actual and daily topics are dealt with, such as family budget planning, the choice of the most suitable current account, over-indebtedness or financial risk.

Premium: Premium customers are more and more at the centre of the Group's strategy for the assets under management component. The advisory model was further developed towards financial planning with the issue of "Investment Solutions": asset allocation proposals designed to maximize portfolio efficiency for Customers' different profiles. The value offer, combined with the advice service focused on the entire customers' portfolio, allowed the Group to compete at the highest level, in spite of a very complex and turbulent market that was impacted by uncertainty on the soundness of European peripheral states and by very aggressive competitors. Specifically, in 2012 the Retail Channel fully extended maturities and increased its medium-/long-term funding. With regard to funding, "Crescideposito più", a 2-year deposit account, also posted an increase, supported by the launch of the 5-year version in April. An important contribution to this positive performance was provided by the commercial initiatives "Febbraio, il mese del risparmio" (February, the month of savings) and "Obbligazioni del Territorio" (Bonds for the Area). The first initiative was designed to promote, and reward with easy terms, access to savings and the increase in direct funding; the second initiative aimed at raising funds for reconstruction in the areas of the Emilia-Romagna Region which were hit by the earthquake of 20 May.

Despite the difficult market situation, in 2012 the life-insurance line bucked the trend. Assets under management were impacted by the market trend which showed a contraction in volumes, in particular in short-term bond and money market funds. Compared with 2011, however, the situation improved. Placement of asset management products was mainly supported by formula-based funds, which were particularly appreciated for their ability to protect the assets invested and for their good performances. In addition to the above, placement of distribution yield funds with buy&hold strategies performed well, further substantiating the Group's strategy to diversify supply and to enhance and innovate its product range.

Senior: "Più di Prima" (more than before) is the value proposal dedicated to the senior target designed to meet the needs of retired people with a structured supply. This offer is designed to meet the target's main needs: increase in the value of their savings, protection of their standard of living, making their daily life easier, pension advances.

E-money and loans

- *Loans*: in 2012, the Group continued and developed the important cooperation with the product companies dedicated to consumer credit of the Crédit Agricole Group in Italy. The Group has thus ascertained its strategic positioning in this sector, even though in a declining market and in a complicated economic situation, focusing on households' needs and on meeting the latter in the short term. Support to households' consumption was constantly substantiated by competitive offers made in strategic moments of the year (summer and Christmas time), with advantageous terms and promotional initiatives (free subscriptions to Mondadori magazines), all supported by a significant direct marketing action.
- *Credit cards*: in 2012, the Group engaged in intense promotion of payment cards, which are considered as a strategic driver of growth in 2012. This objective was pursued by organizing initiatives dedicated to both the Network and Customers, in cooperation with MasterCard and CartaSi. Card specialists from all branches, along with their workmates, were provided with a training course dedicated to e-money on the "Campus Web" on-line platform, which ended with a competition for the "best trainees" in the Network, which contributed to the outcome of the "Bimbi in Campo" (children on the playfield) promotion: the children of the employees of the most performing branches had the chance to accompany Champions League teams entering the playfield. Moreover, extensive mailing and call center actions were implemented on large customer targets, with excellent outcomes for the "3x2" offer - i.e. a fee of €3 a year for 2 years on the cards of the Retail target - as well as for the offers for cross-selling increase (e.g. actions dedicated to holders of lending products). In 2012, CartaConto, a rechargeable prepaid card with the Bank's IBAN, which was launched at the end of 2011, performed well. Promotional (free Mondadori subscriptions) and street-marketing actions in front of the leading Italian Universities made a wider public aware of CartaConto. Finally, in the year, the bases were laid to transform CartaConto in a true marketing platform, which, in 2013, will give the Group the chance to implement projects with national level partners.
- *Mortgage loans*: 2012 was particularly difficult for the real estate sector adding to a general situation that was far from being bright. The Group increased its market share, in nearly all the main provinces in which it operates.
  Home mortgage loan products confirmed their good performances, as drivers for the acquisition of new customers: indeed, approximately 20% of new customers took out mortgage loans. The Group's proximity to households took also the form of a number of measures designed to support borrowers that were experiencing difficulties, both by joining the "piano famiglia A.B.I." (The Italian Banking Association plan for households) and with the "Cariparma Sipuò" product, which gives the possibility to suspend payment of the principal portion of mortgage loan repayment instalments for 12 months. In May 2012, following the earthquake that severely hit the Emilia-Romagna Region, one of the Group's reference areas of operations, Cariparma gave the possibility to suspend the payment of instalments, for both principal and interests, relating to all technical forms of loans granted, also in case of overdue payments.

SMALL BUSINESS- Segment summary

For the Small Business target, the Group proposed a complete range of products, being both good value and flexible, which included current accounts, collection and payment services, loan solutions and investment proposals designed for specific customer targets, with the objective to foster aware choices by Customers. The products in the range, strategic arrangements for specific targets (e.g. Traders, Notary practices and chemist's shops) and promotional and marketing actions designed to meet the targets' specific requirements ensured the growth of the customer base, which is crucial to ensure the Group's sustainable and constant growth over time.

Specifically, in 2012, the Small Business Customer base increased (vs. 2011) (up by +20,500) and the number of current accounts also increased (up by +21,500). Since Small Business Customers are quite diversified, single needs vary significantly according to Customer type and sector of operations; this is why the Group developed the projects "Progetto Agricoltura" (Agriculture Project) and "Mondo Professionisti" (Professional freelancer world); these are value offers designed for strategic targets and envisaging straightforward and transparent products that could be the specific solution to these Customers' requirements.

In 2012, the Small Business Segment was also characterized by a balanced increase in medium- and long-term loans, as well as by a strong growth of funding with a focus on the correct relation between pricing and customers' risk rating.

NON-LIFE BANCASSURANCE: in 2012 two new products completed the range of insurance coverage supplied to customers. Specifically, "Protezione Ottimismo" (protecting optimism) was designed to meet the households' requirement to protect their standard of living and to be able to meet current expenses also in case of contingencies, while "Protezione Infortuni" (accident protection) provides extensive protection in case of accidents, from the least to the most serious, both occupational and non-occupational, in Italy and abroad.

CUSTOMER SATISFACTION: excellence in its relations with Customers is one of the Group's primary objectives and the development of its Customer base is one of its priorities and strategies for 2012. Therefore, offers and initiatives were made to acquire Customers by monitoring their behaviours. Constant control on Customer relations, thanks to systematic monitoring of Customer Satisfaction and Service Satisfaction, led to the achievement of important objectives in terms of acquisition of new Customers and of Customer retention.

DISTRIBUTION CHAIN: in order to improve commercial effectiveness, to streamline distribution chain levels and to drive down their number, as well as to ensure higher responsiveness of the channel, in 2012 the organizational structure of the Retail Central Division was subjected to some changes. The most important ones included: the creation of Territorial Divisions replacing the previous structure with Areas and Regions. These functions report to a Territory Manager, who is the reference officer for the achievement of sales, quality and risk control targets and works with Sales Managers and Retail and Small Business Specialists, who steer specific areas and give prompt and focused responses in order to provide Customers with advice in the respective competence scopes.

» AWARDS AND RECOGNITIONS

The Group's strategy, based on innovation and streamlining, has been appreciated not only by our Customers, but also by sector experts: the Group was awarded several prizes also in 2012. For example, the prize for innovation in banking services endowed by the Italian Banking Association (ABI) where Cariparma was the only bank that was awarded two prizes: the prize for "L'innovazione per il cliente Retail» (Innovation for Retail Customers) with the "Mondo Professionisti" Project and the prize "Banca Solidale» (Solidarity Bank) with the "Rimesse Collettive" (money transfers made by a group or a community) Project. In addition to these two prizes, Cariparma was awarded three special mentions for: "La banca vicino al territorio" (proximity bank), with the "City Card" Project, "Innovatione per il cliente Corporate e PA" (innovation for corporate and public administration customers), with the "Subito in campo" (immediate action) Project and "La banca della crescita" (bank for growth), with the promotion "Mutui casa 0,99" (0.99 Home loans).

With regard to the Aifin price "Banca del Territorio" (a bank strongly rooted in the community and involved in its economy), the Group obtained three important rankings: it ranked 2nd as "Banca Territoriale dell'anno", 1st in the Corporate Social Responsibility Report with its interactive report, 2nd for social initiatives for the "Earthquake in the Emilia-Romagna Region - initiatives for the people and businesses hit by it".

With regard to the Insurance Marketing Award, the Group: ranked 1st in the Bancassurance category with «Protezione Ottimismo», which was awarded the prize as the best cross selling programme and FriulAdria "Soci Premiati e Protetti» project received a honourable mention in the Loyalty and Customer Retention category.

Finally, in the first edition of the Innov@retail award, the Cariparma Crédit Agricole Group won the Special Award in the Best technology Innovation category for “VYP machine”.

The Walt Disney project won the “MF Innovazione Award 2012” - Teens/Young People accounts category - as the most innovative service/product in 2012.

For the MF Innovazione Award 2012, the Cariparma Crédit Agricole Group ranked 2nd in the insurance product section, in the category of Insurance Products for Households with «Protezione Ottimismo».

For the «Premio Cerchio d’Oro dell’Innovazione Finanziaria 2012» (award for financial innovation), the Cariparma Crédit Agricole Group was awarded the first prize in the Insurance Services and Products category with «Protezione Ottimismo».

The 2011 Annual Report and Financial Statements of the Cariparma Crédit Agricole Group were short-listed in the «Listed and Unlisted Large Banking and Financial Companies» category for the 2012 financial reporting Oscar.

Moreover, the Group ranked 3rd for the Special Award «Intermediario innovativo dell’anno» (innovative intermediary of the year) again for the «Premio Cerchio d’Oro dell’Innovazione Finanziaria 2012».

» 2013 STRATEGY GUIDELINES

The Retail strategy for 2013 focuses on sustainable growth, protecting present and future profitability and, by means of a number of projects, moving towards a service model for the future. All this constantly focussing on reducing the cost of credit, as well as on all qualitative/legislation and compliance issues. The new placing of the Retail segment is based on commercial strategies that are differentiated by sub-segments:
- **INDIVIDUALS:** differentiation of the commercial strategy into development, penetration and relation strategies;
- **SMALL BUSINESS:** Support to the Small Business segment, also with new value proposals for specific targets (foreign relations, tourism), dedicated products and signing new agreements with national-level partners.

Private Banking Channel

The significant volatility in stock and bond markets at a global level was caused first by the sovereign debt crisis in Europe and by the subsequent widening of the spreads between government bonds issued by EU peripheral countries and government bonds issued by EU core countries; later, it was worsened by combined growth of both share and bond assets. This volatility led Customers to opt more and more for low-risk, capital-guaranteed products (e.g. insurance products) and/or with short-term maturities.

In such a difficult market situation, in 2012 the Private Banking segment of the Cariparma Crédit Agricole Group posted an increase over 2011 in terms of:

- **Increase in Customers** (+3%) and in the Number of C/As (+2%): the objectives set were achieved, thanks also to a stronger and stronger focus on Customer retention and acquisition. Specifically:
  - **Synergies:** development of new Customers in cooperation with the Enterprise/Corporate channels; exploiting inter-channel synergies, this cooperation (already tested in 2011) allowed the acquisition as Private Banking Customers for their personal accounts of entrepreneurs who were consolidated customers of the Enterprise and Corporate Channels and/or vice-versa. In addition to the acquisition of new Customers, the Channels could consolidate and strengthen the existing relations and business with Customers.
  - **Customer portfolio review:** transfer to the Private Banking Channel of Retail Customers having a Private Banking profile; this was made in cooperation with the Retail Channels of all Group Banks to improve the quality of Customer/Bank relations (ensuring the appropriate service level to high value-added Customers) and to mitigate possible risks of losing Customers with significant wealth.
  - **Core Customers:** contact actions on Private Banking Customers (Cariparma only); retention actions on Private Banking Customers designed to further develop business with Private Banking Customers and to control/prevent possible critical situations (with possible loss of Customers/funding).
- **Total funding increase** (+3%): this increase was due to both the increase in number of Customers/Accounts and to the positive performance of the markets in the second half of the year, especially for Assets under Management (+10% vs. 2011).
- **Increase in Revenues** (+5%), with a significant increase in **Service Income** (+20%): this positive performance was due to the effective placement of core insurance products (Multi Selection) and to the intensification of advisory services provided by the Advisory structure to Private Banking Centres to share investment ideas and portfolio analyses (depending on market trends and Customers’ risk profiles).

Upon activation of the New Private Banking and Institutional Customers Department, a new Group organizational model was also activated, in order to improve the service level to Customers, the Network's commercial effectiveness and control on compliance issues and with the objective of a more and more efficient and professional-standard management of the different segments of target Customers by means of: **Private Banking Markets** controlling the relevant areas; **Executive Customers Market** for Private Banking Customers with significant wealth or potential; **Institutional Customers Market** to specifically meet the needs and requirements of Customers such as Bodies, Associations and Foundations.

All these activities were backed by more and more specialized service model and product range. Specifically:
- constant **monitoring of operational risks** was arranged and performed by the team of the Manager in charge of operational risks for the Private Banking Channel, in order to effectively control risks to which the Group is exposes in ordinary operations and consistently with the directives of the Controlling Company Crédit Agricole;
- specialized and exclusive **training courses** were provided to Private Banking Managers on tax topics, in addition to the regular mandatory refresher courses;
- cooperation was started with **CA Fiduciara** with the objective to widen the Group's product range.
  CA Fiduciaria is a trust administration company incorporated under the Italian law, 10% of which is held by the Parent Company Cariparma and 90% by Crédit Agricole Luxembourg (a company in the Crédit Agricole Group) and incorporated to provide the following services:
  - Administration of financial instruments and fiduciary holding of assets under management;
  - Withholding agent.
- the asset protection service was activated in cooperation with Orrick Law Firm, for advice on inheritance and financial matters.
  A cooperation agreement was signed by and between the Group and Orrick, Herrington & Sutcliffe Law Firm, a leading international law firm, to whom Private Banking Customers can be referred for qualified advice on legal and tax matters, inheritance, generational turnover, asset protection.

Enterprise and Corporate channels

In 2012, despite the deterioration of the macroeconomic situation and tensions in the financial markets, the Enterprise and Corporate banking channel of the Cariparma Crédit Agricole Group continued supporting the economy creating value through effective control of the Group's area of operations and strong focus to the specificity of local markets, consistently with the Group's strategy for:
- optimizing capital allocation;
- leveraging the synergies with the Crédit Agricole Group and the specialized product companies;
- promoting balanced and sustainable growth of the areas of operations and of their productive fabric;
- consolidating its business with customers and increasing cross-selling of products and services.

The Enterprise and Corporate Banking channel of the Crédit Agricole Group is dedicated to SMEs (with turnover between Euro 5 and 70 million) e Corporate Customers (with turnover exceeding € 70 million). The divisional service model adopted separates coverage and area distribution functions from those entailing centralized specialization on dedicated products and services, such as Collection and Payment Services, Leases, Factoring, Structured Finance and International Business.

As at 31 December 2012, the Network consisted of 30 Enterprise Centres and 7 Corporate Areas, and operated in 10 Regions and 43 Provinces of Italy, while, at an international level, it operates in close synergy with the international network of the Controlling Company Crédit Agricole, which covers over 70 countries worldwide.

Main ratios for 2012: the performance for the year showed a significant y/y increase in income (+29%), both in terms of interest income (+36%) and service income (+12%). Despite the negative economic situation, in 2012 lending continued growing, especially in the short-term component (+5%), which posted a 10% increase in the Corporate segment. As at 31 December 2012, loans to customers came to approximately €10 billion.

Direct funding came close to €3.9 billion. The strong development action, which was implemented across all Customer segments offering products at particularly competitive conditions and with no time limits, led to a 6% increase over 31 December 2011, mainly driven by the short-term component. Total funding performed well coming to over €18.3 billion.

With regard to synergies with product companies, in 2012 operations with Crédit Agricole Commercial Finance, a factoring company in the Crédit Agricole Group, generated a turnover amounting to approximately €1.5 billion, increasing by 15% over 2011.

Summary of the main commercial initiatives: in 2012 a new commercial approach was started and implemented, which is designed to define specific development actions differentiated by Customer, to improve commercial control and to support managers' activities, thus making them more efficient and effective. The significant structure of relations and agreements with local institutions has been further extended in order to ensure the highest possible number of advisory tools and financial products designed for the relaunch and growth of SMEs, also through exploitation of the specificities of the area. In 2012, the agreement with the Sace Group became fully operational in commercial terms, for the purpose of supporting projects for the internationalization of companies, and, specifically, the construction of new production plants, marketing activities in the areas of operations in order to start and increase commercial operations, search for commercial partnerships, support for research and development and attendance at trade fairs. With regard to companies with a strong vocation for internationalization, which is supported by the international standing of the Crédit Agricole Group, activities have intensified to assist Customers in entering target markets in Europe, Asia, the Americas, Africa and Middle East. In order to foster internationalization of Italian companies to an even greater extent, the Cariparma Crédit Agricole Group signed a cooperation agreement with Simest (a financial institution for the development and promotion of Italian enterprises abroad), aimed at setting up joint financial backing for identifying and supporting investment projects and initiatives for the promotion of Italian companies' operations in foreign markets.

As usual, the financial requirements of companies operating in the agri-food sector were particularly focused on. In this perspective, an agreement with the Italian Online Commodities Exchange was signed in order to increase supply for the sector players through dedicated financing products and services that the Group has made available.

Finally, it is to be reported the strong action implemented for the development of the Group's customer base by exploiting the typical synergies with the Private Banking segment.

Products and services for corporate customers: the Cariparma Crédit Agricole Group's Corporate Bank is constantly focused on proposing specific and innovative solutions to support growth and development of companies, both in Italy and abroad. To foster combination and competitiveness of Italian small and medium enterprises, in 2012 the «Net Impresa» (Business network) project was finalized, which provides a full range of financial services and specialist advice for the start-up of business networks. This project received a number of awards including the first prize at the «AIFIN 2012 - Cerchio d'Oro dell'Innovazione Finanziaria» in the "Credit Products and Services" category.

In 2012, the Parent Company also signed an agreement for granting loans provided by the European Investment Bank (EIB) to support SMEs industrial projects.

Communication: in the year, in cooperation with industrial associations, a number of meetings and workshops were held in the area of operations, which dealt with highly topical matters, such as Business Networks, internationalization opportunities and the management of collection and payment flows after the implementation of the Single Euro Payment Area (SEPA), in order to listen to the requirements of the Italian entrepreneurial fabric and to proactively contribute to growth and development projects. Sponsorships, partnerships and cooperation agreements followed a logic strictly consistent with the Corporate Bank strategic line and positioning, such as business specialization, internationalization, proximity to customers and to the areas of operations, innovative products and services. Attendance at sector fairs and events was also significant, including Cibus in Parma, Vinitaly in Verona and Enersolar in Milan.

Direct channels

Not only did Direct Channels confirm their significant function as a new interactive communication mode with Customers, but they also represent a new business and sale opportunity for the Cariparma Crédit Agricole Group supporting the branches physical network. Direct Channels provide a convenient mode to manage one's bank accounts remotely, with no limitations as to hour, place or instrument, through a range of dedicated services and technologies: internet banking, mobile banking, Telephone Banking, Information Text Message and Self-Areas. They are very user-friendly and ensure maximum security in transactions, therefore they enhance customer retention and a positive development of relations with customers.

The strategic guidelines for Direct Channels in 2012 especially aimed at consolidating penetration of these services with Customers, promoting and incentivizing the use of Direct Channels and activating new modes to interact with Customers by developing the Contact Center with a new commercial role.

In 2012, the Group improved its multichannel supply, in particular with the release of new specific functions, such as EuroTLX market, stop orders and display of the securities portfolio on mobiles. Moreover, the circulation of Direct Channel culture was focussed on and promoted also via dedicated meetings that directly involved Customers and via boosting the Contact Center role.

In 2012, important initiatives were implemented on three key action scopes:
- stimulating SME Nowbanking through an initiative targeting branch employees and a prize contest dedicated to Customers;
- providing incentives to use Nowbanking and promoting a Direct Channels culture with dedicated meetings;
- stimulating use of Self Areas and awareness of the services supplied, especially cash deposits.

“Tutti pazzi per Nowbanking Piccole Imprese” (we’re crazy about Nowbanking for Small Enterprises) and “Il tuo internet banking aiuta la tua impresa” (Internet Banking helps your business) contributed to sales of «Nowbanking Piccole Imprese» products, as well as to penetration and use of multichannel services onto the SME and freelancer customer target. Moreover, the initiative “Il tuo internet banking aiuta la tua impresa” played an important role in Customer-Bank relations, conveying the Bank’s solidarity with and proximity to enterprises. There were cash prizes to be won to support an innovation and development project for the businesses of winning Customers.

“Pensa Self” (think self) and “Chi fa da self fa per tre” (self-done work amounts to the work of three) are initiatives implemented to incentivize the use of the services offered at the Group’s Self-Areas. They raised branch staff’s awareness on multichannel topics and “trained” Customers on how to use Totem (an automated kiosk where Customers can autonomously make counter transactions) and Multifunction ATM advanced functions (for example: deposits, slip payments).

In 2012, there was a focus on reducing paper communications. Digitization of documents, including account statements, summaries of fees and conditions, collection orders, and the resulting elimination of their paper versions generated significant savings on annual expenses for the Group, as well as for Customers who receive these documents directly on the Internet Banking platform at zero cost.

In 2012, these initiatives contributed to significantly increase the number of Customers that use Direct Channels, 111,785 existing Internet users in the Enterprise segment in December 2012 and 392,177 Internet users in the Retail segment, with over 40% penetration for Retail Customer targets of Cariparma and FriulAdria and over 51% for the Small Business Customer target of the Cariparma Crédit Agricole Group.

In 2012, the Group also focused on consolidating the use of Direct Channels and achieved significant results: over 3.500.000 transactions migrated onto Direct Channels in 2012.

In 2012, the Advanced Branch model continued being consolidated and is today applied to 149 Cariparma Branches, 29 FriulAdria Branches and 6 Carispezia Branches. In these branches, in addition to traditional services, there is a self-service area that is open 24 hours a day 7 days a week and equipped with state-of-the-art machines (multifunction ATM and a payment booth), which allows customers to carry out all the main branch transactions on their own, without queuing and without opening and closing hours.

Organization and IT

While in 2011 the focus was mainly on the integration into the Group of Cassa di Risparmio di La Spezia and of the 96 branches acquired from Intesa SanPaolo, in 2012 the focus was on growth strategic initiatives as set by the Business Plan.

The projects dedicated to distribution channels were especially focused on: the Sale and After-Sale Module of the New Branch Platform was released to the network of the entire Group (July 2012). Available functions already cover 85% of total sales and with further developments, which are scheduled for March 2013, coverage will be 92%. At the same time, the second design phase started which includes the development of the new Teller (New Teller Application), and offers the distribution network access to a single integrated branch platform (the pilot stage is due to start in June 2013 and the roll-out in October 2013).

In response to the ever more frequent need to optimize cover across the territory, the IT Department has created an automatic report migration system to reduce execution times and minimize load on the network. The migration of closures and reports and the relevant amalgamation of branches and business centres included in the 2012 perimeter, was carried out successfully over three week-ends in June and July.

Moreover, in order to continue innovating the products supplied to Group customers, the functions available on the Nowbanking platform were extended to offer a service in line with other banks, asking customers to choose the channels on line rather than traditional ones. Work was also carried out on the creation of the new online account (Conto Adesso), available to distribution staff.

A back office is being set up for the Enterprises and Corporate Channel to free managers from certain operating activities and increase the amount of time available for commercial activities (45 FTE).

Also in 2012, as every year, a significant portion of investments was made in adjusting IT processes and procedures to the new provisions issued by the relevant regulatory bodies.

Particular attention was also paid to strengthening the security systems, introducing a highly technical solution called Guardia Interattiva (interactive guide) which replaces classical physical supervision thereby increasing the level of protection for high-risk branches and, at the same time, reducing management costs.

Again within the realm of technical developments, a project for migration to Windows7 was implemented aimed at updating the operating system from Windows XP to Windows 7: the operating plan, due to be completed in July 2013, is expected to replace around 5,300 working positions, of which 1,600 have already been replaced.

The Operational Processes Department was involved in a project for outsourcing back office activities which, in 2012, covered the activities of the Cariparma Centralized Back Office in relation to Cheques, Portfolio, Control of Interbank Business, Bank Transfers and Various Services. Outsourcing operations are expected to be completed in 2013 with the outsourcing of Foreign, Finance and Treasury activities of the FriulAdria and Carispezia Centralized Back Office.

The Properties Technical Service has been working, as usual, on the new opening of the three banks, on the annual properties restructuring plan and also on the transfer or down-sizing of spaces in branches, aimed at reducing rental expenses (15 measures). The restructuring of the Auditorium of the Piacenza Campus has also been completed; the study for the new restructuring phase of the Milan Headquarters, to upgrade the systems to new statutory requirements already started in January 2013.

The workforce

As at 31 December 2012, the workforce recorded in the Group's Register consisted of 8,775 employees, divided among the different entities as follows: Cariparma 6,453, FriulAdria 1,708, Carispezia 560 and CALIT 54. During 2012, at Group level and net of transfer of contracts, 99 recruitments and 278 termination of contracts were made. Transfers of contract between Group banks involved 42 people in total.

Recruitments (68.7% of whom were expert staff), were for strengthening Central Management structures as well as the partial replacement of staff who had left. Of the 278 terminations, 158 could be referred to the Solidarity Fund activated during 2012.

Intragroup mobility involved 70 employees, equal to 0.8% of staff as at the end of the year.

99.5% of staff are on permanent employment contracts while 47.7% of staff are female.

The Group operates in 10 Italian Regions while maintaining strong roots for Cariparma in Emilia Romagna, for FriulAdria in Friuli Venezia Giulia and for Carispezia in Liguria, the regions in which 51.09% of staff are placed.

Employees' average age is 45 years (of which, in years/months - Senior managers 51.11 years, Junior managers 48.02 years, Professionals 42.07 years), while the average seniority was 19 years (Senior managers 15.11 years, Junior managers 21.04 years, Professionals 17.04 years).

33.9% of staff is a university graduate or holds a postgraduate title.

With regard to training, at Group level, approximately 43 thousand person/day were supplied involving 91% of staff, confirming training as one of the key factors in the Group's development.

Specifically, investments had the objective of quality improvement of the staff's effectiveness and assumption of responsibilities; to supply training suitable to produce sustainable actions and results.

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

In particular, the Group distinguished itself for its excellence in the spheres of Culture, Respect of Diversity and Social Sustainability.

Voluntary Redundancy Plan

The Cariparma Crédit Agricole Groups 2011-2014 Strategic Plan identified, among its objectives, a structural reduction of its work and staff costs to reflect the evolution of banking activities (growing automation and development of direct channels).

In order to pursue the above objectives, the Group has started extensive and complex talks with the Trade Unions, which have led to the definition of a Voluntary Redundancy Plan. This Plan provides for the possibility for those who are already eligible for pension or will become eligible in the next few years to terminate their employment voluntarily with incentives.

Between 30 September 2012 and 31 December 2014, the total number of voluntary redundancies at Group level could amount to 722, for a total expenditure of € 120 million.

In this context, in order to respond to a requirement for generational change, it has been planned to recruit a pool of around 100 to 150 people between 2014 and 2015 who will work at the Parent Company.

Remuneration Policies

The Group Remuneration Policies for 2012 effectively confirm those set for 2011 and were approved by the Parent Company's Board of Directors on 27th March 2012 and the Shareholders' Meeting on 23rd April 2012.

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

The Cariparma Crédit Agricole Group's remuneration policies are differentiated in terms of reference population target for both corporate governance processes and for systems and tools adopted, and are based on the following principles:
- alignment of the business strategies of the Banks and of the Group;
- attraction, motivation and retention of professionally qualified resources;
- rewarding merit in order to suitably appreciate the resources' personal contributions;
- effective value creation and orientation of the performances of all staff towards short-, medium- and long-term targets, within a framework of reference regulations aimed at an appropriate control of corporate risks, both current and future and the maintenance of adequate liquidity and capitalization levels;
- internal remuneration fairness, ensuring a fair rewarding of the contributions supplied and the responsibilities assigned;
- external remuneration competitiveness through constant reference to the market, also with the support of tools for the analysis and measurement of work positions prepared by specialised companies which supply the reference benchmarks for each type of position, company sizes and market;
- affordability of the remuneration systems by controlling the effects of labour cost on the income statements of the single Banks and of the Group, in the short-, medium- and long-term;
- compliance with the law and regulatory provisions relevant for the single Banks and for the Group in its entirety.

Finance

The Cariparma Crédit Agricole Group focussed on three main guidelines with regard to the balance of its financial statement items:
- Management of interest rate risk and owned securities portfolio;
- Management of liquidity risk;
- Capital Management.

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

As to liquidity, the tensions that characterized recent years partially abated, in particular in the last part of the year, even though cost of liquidity remained high, especially in the domestic market. Close cooperation with the distribution staff continued pursuing the double objective of preserving the cost of funding without penalizing a virtuous growth of total funding.

Capital management focused its operations on optimization of risk-weighted assets and of the estimated of "second pillar" risks, as well as on implementation of regulatory provisions relating to Basel 3 requirements, as for counterparty risks (Credit Valuation Adjustment).

Lending policies and strategies

The Lending Governance Central Department is responsible for the lending operations of the Cariparma Crédit Agricole Group. It has the task of setting, in compliance with the corporate strategies and objectives, the lending policies directions and the guidelines on lending and credit risk management coordinating their implementation by the relevant units of the Parent Company and of the Group. This Central Department has also the task of controlling the quality of the Group's loan portfolio, as well as of managing restructured loan positions, coordinating recovery of positions classified as substandard loans; it is also responsible for special loans, with specific reference to standard and subsidized mortgage loans. Lending operations are performed by the different dedicated structures of the Parent Company and of the Group Banks and investee Companies.

Cariparma has a Loan Department and a Non-performing loan Department (the latter was set up in the first part of 2012 in order to manage promptly and effectively impaired loans showing serious non-performing features):
- The former is responsible for loans' performance and quality within the scope of lending processes and policies approved by the Lending Governance Central Department; Cariparma Loan Department consists of Loan Granting Offices, each of which specializes in the assessment of loan applications segmented by Customer type (Retail and Enterprise Corporate) and relating to specific "production chains" representing economic activity sectors that are deemed particularly significant for the Group's strategy;
- The Non-performing loan Department is responsible to provide centralized control of monitoring processes for non-performing loans and management of substandard loans, ensuring close contact with the Network for a prompt and effective action to prevent loan impairment.

Lending policies and strategies

Lending policies are effective planning tools since they govern the procedures through which the Group assumes the credit risk relating to its customers; they also aim at favouring - in line with the business plan targets - a balanced growth in loans to the most creditworthy counterparties and at upgrading and managing exposures with the most risky customers. Lending policies steer the Bank's strategy, since:
- they are based on the Probabilities of Default (PD) calculated based on rating models;
- they provide for general requirements for granting mortgage loans, also to achieve an 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 to process loan applications.

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

In 2012 the Group's lending policies were reviewed and will be further updated in 2013, also in order to consider the medium-/long-term forecasts for the main economic sectors.

Lending policies also provide for specific strategic lines with regard to credit risk towards counterparties operating in the real estate promotion sector and property-secured exposures based on the following standards:
- independence of the property value from the borrower's creditworthiness;
- independence of the loan service from the property income;
- independence of the expert value estimate;
- ceilings to granting based on the value of the property used as security;
- enforcement and effectiveness of the mortgage-backed security;
- surveillance and intangibility of intangible assets.

Moreover:
- loans backed by first mortgages are given preference;
- mortgage loans granted shall not exceed the ceilings provided for by the regulations on standard mortgage loans;

- transactions aimed at supporting home projects to be spread over Retail customers also by taking over debts through specific agreements;
- the projects that may be financed shall be accompanied by a detailed measurement of the market risk, both present and future, and shall be subjected to periodic assessment by in-house Experts on works progress.

Lending processes

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

The granting process is managed by the Corporate IT System within the dedicated specific procedures ("PEF - Electronic Loan Application Process").

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

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

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

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

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

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

Cost of credit

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

The Group has further strengthened the internal processes and corporate structures dedicated to monitoring and management of non-performing loans, specifically:
- The Non-performing loan Department was set up, which coordinates, also through decentralized units in the areas of operations, maximum focus on prompt and effective management of Past Due/Substandard and/or high risk loans, as detected by the performance monitoring indicator;
- Performance monitoring tools of the organizational units engaged in credit risk management were strengthened and upgrade to an industrial standard; credit risk management is mainly focused on curbing overlimit/past due positions and prudential reduction of high-risk exposures, as detected by the performance monitoring indicator.
- Roles dedicated to the management of overlimit positions have been set up at all Retail Territorial Departments, reporting to the Loan Manager, with the task of assisting branches in managing loans already upon the first early warnings (especially positions overlimit from the very first day);
- Loans-related powers have been centralized to a greater extent (both with regard to granting and to authorization of positions overlimit) at Central Departments, with the objective of higher effectiveness in risk-taking;
- The Network has been assigned an incentive system on loan quality and on the stock of loans past due/overlimit positions.

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

Risk management

Objectives and policies on risk taking, management and hedging

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

The principles on which risk management and control are based are the following:
- clear identification of the responsibilities of risk taking;
- measurement and control systems in line with the international in line with the best solutions adopted at an international level;
- organization segregation between management functions and control functions.

The perimeter including the risks detected, monitored and integrated, considering diversification benefits, in the economic capital, is as follows:

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

As a rule, the Cariparma Crédit Agricole Group reviews annually the Group Risk Strategy, which sets the risk levels (credit, financial, market and operational risks) which the Group deems adequate to its development strategy. This Strategy, submitted for approval to the Risk Committee of Crédit Agricole S.A., provides for global ceilings (or alert thresholds) to be defined, suitably integrated with operational ceilings set for each single Group entity.

This system, consisting of ceilings and/or alert thresholds, is submitted for approval to the Boards of Directors of the Parent Company Cariparma and of the single Group entities; with regard to CALIT, the Risk Strategy is reviewed within the scope of the ligne métier leasing.

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

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

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

2. Risk management and hedging

Credit Risk

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

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

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

Also in 2012, 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 achieve a preventive management of default risk. Problem and impaired loans are subject to specific management processes, which entail accurate monitoring via a preset control system based on early-warning indicators. These indicators allow prompt management of positions as soon as any irregularities arise, and they interact with the processes and procedures for loans management and control.

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

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

The following are some of the most significant measures designed to enhance loans management and monitoring, which the Cariparma Crédit Agricole Group implemented in 2012:
- review of the lending policies that govern the procedures through which the Bank intends to take and manage credit risk, with the objective of increasing selectivity of the granting procedure, fostering a balanced growth of loans to worthy customers and of controlling and re-qualifying exposures to risky customers. Lending policies are based on risk aversion logics (sector, technical form risks), defined at Group level and adjusted to the individual entities;
- review of the system of decision-making powers based on the different sector risks (e.g. real estate vs. agri-food sector players) and on the different customer segment risks, always focusing on portfolio diversification and limiting exposure concentration;
- effective management of the loan portfolio, also by improving the effectiveness of the relating processes, including recovery of sensitive or impaired exposures;
- strengthening of monitoring activities on “non-performing loans”, by setting up a dedicated structure within the Lending Governance Central Department, in order to optimize the relevant process;
- review of the policies for accruals on impaired loans, by reviewing its approaches, such as the approach referring to IAS discount.

The Group uses a large number of tools for measurement and management of credit risks, which can ensure detailed control of the quality of its loan portfolio.

To measure credit risk, the Group uses internal rating models that differ according to the operation segment and type of counterparty: Retail, Small Business, Enterprises and Corporate. These models yield a score which summarizes the counterparty’s creditworthiness in a rating, which reflects the probability of default over one-year time horizon.

After the loan has been granted and disbursed, the position is reviewed on a time basis (at regular intervals or some other set schedule) or in response to an alert from/initiative of dedicated structures (for example, loan monitoring structures). Review of credit lines is performed by assessing:
- that the counterparty and the counterparty’s sureties remain solvent;
- continuing compliance of the guarantees (legal certainty, ease of liquidation and the consistency of their value with the size of the exposure);
- compliance with concentration ceilings and control of the updating of the information stores in the databases and of the causes that led to any change in the counterparty’s risk profile.

In 2012, particular care was taken to widen the monitoring tools system, in order to better set the Group’s risk appetite and to provide a periodical representation of risk performance. Specifically, the development of Key Risk Indicators continued, which are designed to monitor also:
- performance of the single distribution channels, in terms of investment grade exposures, non-investment grade exposures, with sensitive ratings or serious early-warning indicators, as well as in terms of impaired exposures;
- the quality of the Retail portfolio in terms of average PD, both on new credit lines and on renewed ones, as well as on stocks, differentiated by product sector or Territorial Department;
- positioning of Territorial Departments in terms of the average PD of their portfolios and of the cost of credit already recognized (SRI: Synthetic Risk Indicator)
- home loans production with regard to contract duration, LTV (Loan To Value), ratio of instalment to income and age of the borrower.

Interest Rate risk and Price risk of the Banking Book

Asset Liability Management refers to the positions in the banking book and focuses mainly on fixed-rate positions and liquidity. The banking book includes typical positions of banking business operations, which are lending and funding without trading objectives. 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 delegated the management of interest rate risk to the Financial Management Department of Cariparma, which is responsible for centralized risk management for the entire Italian banking group, on the basis of the guidelines set out by the Controlling Company Crédit Agricole S.A. The 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 ceilings on banking book price risks are defined on the basis of the type of instrument that can be held (Italian, German, and French Government Bonds) and are expressed with reference to the maximum nominal value that can be held. Within the portfolio, sub-ceilings of concentration on the three issuing countries are also set.

The Group has adopted a stress testing method to be used on the prices of the segment assets, establishing a system of warning thresholds.

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

Liquidity risk

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

In 2012, the Cariparma Crédit Agricole Group continuously upgraded and updated its system for the monitoring of liquidity risk, by fine-tuning its management system, measurement system, ceiling structure, early-warning system, contingency funding plan procedures and control system. Moreover, in order to comply with the regulatory guidelines, specifically with Title V Chapter 2 of the supervisory provisions issued by the Bank of Italy (Circular No. 263), a project was started, which is designed to develop the internal transfer rate (ITR) model currently used to a Multiple ITR system that considers also the cost of liquidity.

The governance model adopted by the Cariparma Crédit Agricole Group delegates the management of liquidity risk to the Financial Management Department (DGF) of Cariparma, which is responsible for risk management for the entire Italian banking group and follows the guidelines set down by the Crédit Agricole S.A. Group. The Risks and Permanent Controls Department (DRCP) is responsible for liquidity risk monitoring, again in compliance with the guidelines issued by the Crédit Agricole S.A. Group.

The management of short-term liquidity, which concerns the management of events impacting on the Cariparma Crédit Agricole Group's liquidity position over a time horizon of between over-night and 12 months, has the primary purpose to sustain the Group's ability to meet ordinary and extraordinary payment obligations and minimize the associated costs.

The ceiling system is based on stress scenarios, with the purpose of ensuring a liquidity surplus on different time horizons and in increasingly serious scenarios. The stress assumption used cover idiosyncratic crises, systemic crises and global crises. The ceiling structure is completed by a set of management and early warning indicators which allow detection of, for instance, the availability performance of reserves that can be immediately liquidated, any recourse to auctions made by the Central Bank.

In the year, the second internal securitization transaction was finalized on the mortgage loans of the Cariparma perimeter, which obtained double rating (Moodys and DBRS) and the "ECB eligible assets" status, as required by the regulatory legislation. Moreover, the Abaco project was finalized, by which a loan portfolio with specific features has been given as collateral to the Bank of Italy in order to receive liquidity. Both transactions were designed to increase the available liquidity reserves.

Market risk of the Trading Book

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

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

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

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

Operational risks

The Group uses the definition of operational risk envisaged in the 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 is not limited to, exposure to fines, sanctions or penalties resulting from actions taken by the Supervisory Body, as well as private settlements.

To consolidate and enhance control of operational risks, the Group has set clear objectives:
- full ongoing compliance with the regulatory requirements for the use of the Traditional Standardized Approach (TSA) for the calculation of the Regulatory Capital provided for by Basel 2, except for CALIT which uses the base approach;
- such a monitoring of risks and losses so as to allow a more management-oriented approach, especially in terms of risk mitigation and prevention initiatives;
- fine-tuning of the permanent controls systems and extension of the coverage of the same controls within the company perimeter;
- compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of the Regulatory Capital.

The Risks and Permanent Controls Department is the reference department in the management of operational risks and has the task to guarantee the existence, completeness and pertinence of the permanent controls in being in the Group through the implementation of a control plan and its traceability. The relevant mission is therefore to provide the General departments and the Board of Directors with the guarantee that all risks are controlled and monitored.

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

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

With regard to outsourced activities, these are generally governed by a service contract. In addition to governing the service provision, the Contract envisages a controls system aiming at controlling the quality and quantity levels agreed. Based on the subject-matter areas, reference internal roles are identified in the Group's various structures and given the task of reporting the Parent Company's relevant departments on the contract general reliability. Finally, special controls are activated in case the outsourced activities can be defined as "essential" pursuant to the Bankitalia-CONSOB joint regulation.

3. Internal Control System

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

In compliance with the corporate law and with the supervisory provisions issued by the Bank of Italy, implementing the guidelines issued by Crédit Agricole S.A. and the resolutions of the Board of Directors, the Bank uses an internal controls system, which has been structured and consolidated for five years now, aiming at a constant control of operational risks and at the adequacy of the control activities to the organization; in this regard, at Group level, one of the most significant measure is the mapping of corporate processes and relating harmonization, at different levels, both of the same processes and the relevant controls.

The Internal Control System involves the Collective Bodies, the Control departments, the Supervisory Body, the Independent Auditors and Senior Management, as well as - last but not least - all staff.

The analysis and monitoring of operational risk are carried out based on Group taxonomic indications, envisaging verification of compliance with the terms provided for by the legislation, reliability of processes and of their performance, security, conformity, as well as application of best practices for controls.

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

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

Constant adjustment for continuous compliance with new developments in legislation, as well as with existing regulations has always been focused on and has entailed enhancement of coverage through specific policies that are valid for the entire Group.

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

The Basel 2 Project

The "Basel 2" Project is in an advanced phase; it is designed for the adoption of internal systems for risk measurement, to be used for both management purposes and to determine regulatory capital requirements. In the credit sector, the rating system has long been playing an essential role in loan analysis and granting, in risk management, in internal capital allocation and in the Group governance.

With regard to operational risk, the available tools have already been fully integrated in operational processes, in the definition of new products and in the governance of the different Group operations, in order to ensure effective prevention and monitoring.

In 2012, a pre-validation phase was carried out with the Bank of Italy, for validation of internal systems for the measurement of both credit risk for the Retail segment and operational risk. The Group is about to submit an official application for the authorization of use of the advanced systems to determine the capital requirement relating to credit risk of Retail loan portfolio ("retail exposure classes") for the Parent Company and for FriulAdria S.p.A.

Audit

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

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

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

The audit perimeter is covered with an internal subdivision on the following structures:
- Central Structures Audit Service which covers all central departments of the 3 commercial Banks, the Information Technology (IT) department and CALIT;
- Cariparma Network Audit Service which covers all operating units of the Cariparma and Carispezia distribution networks;
- FriulAdria Audit Service which covers all the units in the distribution network of Banca Popolare FriulAdria.

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

Audit missions are organized to ensure full coverage of the reference perimeter within a maximum of 3 years for the distribution network units and of 5 years for units of central processes and departments. Any weaknesses detected are systematically reported to the relevant corporate departments by making specific recommendations: their actual implementation and the improvements actually achieved are then verified in the subsequent follow-up audit missions.

The Audit department periodically verifies also the implementation status of the recommendations issued during control actions performed by the Supervisory Bodies and by the Parent Company Crédit Agricole.

Activities of the Validation Unit

The Validation Unit is provided for by the New regulations for the prudential supervision of Banks issued by the Bank of Italy with Circular No. 263 of 27 December 2006 and has also the task of assessing the process for the development of risk measurement systems, their proper operation over time and verification that the defined systems are actually used in the different management areas.

For Banks intending to use internal methods for risk measurement, the final objective of the Validation Unit is to provide the Corporate Bodies with specific references for the formal resolution certifying compliance with the requirements set for the use of such methods, also for regulatory purposes; these references shall be provided at least annually.

In the Cariparma Crédit Agricole Group, the Validation Unit, which has been operating since 2010, is part of the Risks and Permanent Controls Department, but its independent assessment is ensured also by the verification actions carried out by the third-level control function. The Validation Unit activities are regulated by a Policy approved in 2012 with specific resolutions of the Boards of Directors. This Policy defines/sets forth the principles on which the validation activity is based on, the relevant players and process phases, the minimum documentation set to be periodically produced and, where possible, the reference quantitative parameters for verification.

Validation analyses are periodically submitted to the impacted corporate functions for their remarks and for the definition, where appropriate, of corrective measures for the implementation of new approaches.

Strategic plan and corporate development

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

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

In 2012, two new priority projects were included in the Plan, which are instrumental to the achievement of the Group's objectives: the Pricing Project, designed to review processes, models and tools for price management, and the MUST Project, designed to increase the efficiency of purchasing processes and of the management of the IT system and owned properties.

Since the present market conditions are different from those existing when the Plan was prepared and based on the new projects, the "Project Management" dedicated to the implementation and control of the Plan was strengthened and the strategic priorities were concomitantly confirmed.

In the light of the Customers' behaviours and the market conditions, the program for the development of the new Retail Service Model continued being defined, which provides for the creation of Groups of Branches, subdivided into Town and out-of Town/rural, with a Manager in charge of the objectives and coordination of the Branches in the Group: this model will make branches more user-friendly for Customers and more advisory-service oriented, as well as optimize risk control.

In order to ensure better control also on the Enterprise segment, two important Projects are currently being implemented:
- the Corporate Bank Project, focussing on the intensification of business with Customers having more potential for development and on the creation of support structures to increase the service level;
- the Agri-food Project, setting up a specialist Department dedicated to this sector and oriented towards the provision of innovative products and services, designed to meet the requirements of each production chain, in line with the Group's strong bonds with its areas of operations.

In order to ensure efficiency and risk control in loan management, in 2012 the organization was developed by releasing the New Branch Platform, which, by creating a single operating environment for the distribution network, ensures simplification, streamlining and steering of processes, as well as higher control on risks and legislation.

As to lending process, measures were implemented which will allow the Group to significantly streamline loan application processes, ensuring a strong reduction in the time for response to Customers.

Finally, in order to provide tangible assistance and support to the areas of operations, measures dedicated to the single Group Banks were implemented, such as the creation of a representation office in Padua for FriulAdria, and the upgrading of Carispezia distribution network, adopting the Group's Advanced Branch Model.

The Strategic Plan is certainly complex, with a work plan covering several years, defined based on the single Projects and characterized by strong interrelations between the different measures, with significant cross impacts on IT Systems and Human Resources.

Overall, more than 100 resources from all the Group Banks are involved in these activities with the support of specialists from the Banque de Proximité à l'International, the Crédit Agricole structure dedicated to the Banks based outside France.

Other information

Tax-related disputes

A dispute relating to registration taxes is presently under way with the Italian Inland Revenue Service. The latter requalified - as sale of a company - the transactions carried out in 2007 for the transfer of branches from Intesa SanPaolo to Cariparma and FriulAdria and the subsequent transfer of the acquired shares to the institutional shareholders of the two Banks. The Group, together with the other subjects involved, paid the registration tax, whose total was jointly due, for approximately €43 million, concomitantly starting a dispute with the Inland Revenue Service. A similar problem and a similar solution emerged for a transaction carried out by CALIT with the Intesa SanPaolo Group for €2.2 million. In the year, on these disputes, 1st instance Court decisions were issued, which were appealed against by the Italian Inland Revenue Service. Also in the light of specific opinions from leading Legal Firms, as well as of the favourable Court decisions, no accrual has been made for the above disputes.

As already stated in past years, an Official Record of Findings was also served to Cariparma regarding a possible charge for a non-recourse factoring transaction performed in 2005, which could give rise to a payment request for taxes amounting to approximately €5.5 million, plus penalties and interest. In the light of specific opinions from important legal counsels, no accrual has been made for this dispute.

For Carispezia, a dispute has been started for registration taxes amounting to approximately €0.6 million concerning the rate to be applied to a company purchase made in 2006 by CariFirenze, which was at the time Carispezia' s controlling company; the Inland Revenue Service has filed an appeal against the first instance court's decision which was for the most part favourable to Carispezia.

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

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

Internal Customer Satisfaction

Complying with a strict management of processes and logics of good corporate operations, among others, a tool was designed and has been operating for four years now, to measure the quality of the service supplied by the Central Departments of the various entities in the Group, the Internal Customer Satisfaction (ICS).

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

The process key targets are:
- contributing to the creation of a corporate culture increasingly focused on the requirements of internal Customers;
- identifying an ICS Index linked to the assessment of managerial capabilities and to the variable remuneration system.

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

Performance of consolidated companies

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

Banca Popolare FriulAdria is subject to the control and coordination of Cariparma, which has a 80.17% shareholding. The remaining stake in FriulAdria consists of diffuse shareholding.

Also in 2012, the Bank continued to enhance its significant interregional feature, consolidating the business of the 15 branches acquired in 2011 from Intesa SanPaolo. The optimization of the Bank's organization structure continued and the control and monitoring of the cost of credit were further strengthened.

The combination of these elements produced a net profit as at the end of 2012 amounting to €18.9 million, decreasing by €25.1 million y/y (down by -57.0%): a positive performance considering the extraordinary expenses for the activation of the Solidarity Fund and the difficult economic situation in which the Bank operated.

The operating profit came to €87.5 million, decreasing by €21.4 million (down by -19.6%) y/y; income grew with an increase in both ordinary and extraordinary expenses, the latter due to the activation of the Solidarity Fund as mentioned above. Net of these extraordinary expenses, the operating profit would post an increase compared with the previous year (up by +3.7%).

Operating income came to €306 million, increasing over 2011 by +2.3%; this was due to an increase in net commission income from €102.6 million in 2011 to €116.6 million in 2012 (up by +13.7%), thanks to the positive performance of income from management/intermediation and of net commission income, which offset the decrease in net interest income from €191.5 million in 2011 to €186.8 million in 2012 (down by -2.5%) and the negative performance of income from trading decreasing from €6.3 million in 2011 to €3.8 million in 2012 (down by -40.1%).

Staff expenses increased from €110.7 million in 2011 to €137.5 million in 2012, and administrative expenses increased from €72.4 million in 2011 to €73.5 in 2012, up by 24.3% and by 1.5% vs. the previous year, respectively. Staff expenses increased due to the extraordinary expenses relating to the activation of the Solidarity Fund (€25.4 million), while administrative expenses were higher than in 2011 due to the different perimeters of the years because of the 15 branches transferred in 2011. These 15 branches impacted on expenses for 12 months in 2012 and for 7.5 months in 2011. Net of the accrual for the Solidarity Fund, expenses would post a modest increase: up by €3.0 million (+1.6%).

Profit before tax on continuing operations decreased, coming to €24.6 million (down by -65.1%).

The Bank's constant commitment was rewarded by the capital ratios that were essentially in line with the previous year: Tier 1 capital ratio and Tier Total Capital ratio came to 9.4%; these ratios did not consider the 25% reduction in total capital requirements, from which banks belonging to a group may benefit at an individual level, granted that the consolidated total capital requirement is met.

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

Cassa di Risparmio della Spezia is subject to the management and coordination of Cariparma that holds 80.00% of Carispezia's share capital; the remaining stake in Carispezia is held by the Cassa di Risparmio della Spezia Foundation.

On 3 January 2011, Carispezia became part of the Cariparma Crédit Agricole Group, and, in 2012, it consolidated and developed its operations thanks also to the reorganization of its area of operations, which entailed the transfer of some business units between Cariparma and Carispezia, in order to allow the single Banks to increase their leading role in some of their historical areas of operations and to achieve management excellence. Specifically, Cariparma transferred two branches located in the municipalities of La Spezia and Pontremoli to Carispezia, while Carispezia transferred 3 branches and two Enterprise Centres located in the Provinces of Parma and Reggio Emilia to the Parent Company.

As to performance, in 2012 Carispezia made a profit. Net gain came to €11.7 million, increasing by €3.5 million over the previous year. Net operating revenues performed well increasing by €103.1 million in 2011 to €103.7 million in 2012, up by 0.6% vs. the previous year, thanks to a particularly positive performance of net commission income that increased from €33.0 million in 2011 to €37.8 million in 2012 (up by +14.4%) and of income from financial operations increasing from €6.4 million of 2011 to €12.2 million of 2012 (up by +91.4%), thus offsetting the decrease in net interest income from €63.1 million in 2011 to €53.5 million in 2012 (down by -15.3%); the latter was impacted by both the contraction in the spread applied to Customers, which was negatively affected by the performance of market interest rates, and higher direct funding. Operating expenses decreased from €72.8 million in 2011 to €72.3 million in 2012, down by -0.7% vs. the previous year, even though they included €4.0 million worth of expenses for the Solidarity Fund, fully recognized in 2012; net of these extraordinary expenses, the change vs. the previous year would come to -€4.5 million (down by -6.2%).

Net accruals to provisions for liabilities and contingencies came to €0.6 million, slightly increasing from €0.5 million of the previous year (up by +25.7%), while net adjustments of loans came to -€12.1 million, slightly increasing vs. the previous year (-€11.6 million, with a 4.8% change), total coverage ratio increased from 3.2% to 3.6%.

Thanks to the good performance of operating profit combined with effective management of the cost of risk, profit before tax on continuing operations came to €18.6 million increasing by €0.4 million (up by +2.1%) vs. 2011.

In 2012, Carispezia confirmed its capital soundness, with Tier 1 capital ratio coming to 11.4 % and Tier Total Capital ratio to 13.4 %, both increasing vs. the previous year; these ratios did not consider the 25% reduction in total capital requirements, from which banks belonging to a group may benefit at an individual level, granted that the consolidated total capital requirement is met.

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

The Italian Leasing market closed 2012 with a €16.2 billion worth of signed contracts, decreasing by 35% vs. the previous year.

The sector was impacted by the six consecutive quarters of economic recession, which caused a strong reduction in consumption and a progressive contraction in industrial production and a subsequent estimated decrease of approximately 8.2% in gross fixed investments with negative performances in all segments of leasable assets. The situation was made even more difficult by the crisis in the real estate sector and by the end of many tax incentives for renewable energy sources.

Supply of new leases was also strongly limited by the increasingly high cost of funding subsequent to the continuation of the financial crisis and of the sovereign debt crisis, as well as by the worsening in credit quality, which required more caution and selection in granting new leases.

The decreasing trend started in 2011 became worse and spread to all leasing segments that had not earlier been affected by the recession, such as the car and energy segments, while operating leases achieved higher volumes than property ones, which were outstripped, for the first time, also by car leases.

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

New production total volumes decreased to an extent in line with the market one coming to € 281.4 million and recovering in the second half of the year.

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

The breakdown of 2012 commercial performance by product is given in the Table below:

	No. of contracts	Contract value(€/1000)	"Difference 2012/2011"	"Weight of value 2012"	"Weight of value 2011"
Motor vehicles	831	31,305	-50.5%	11.1%	13.9%
Equipment	890	139,534	-25.9%	49.6%	41.4%
Real estate	53	41,657	-64.6%	14.8%	25.8%
Renewable energies	41	68,900	-19.9%	24.5%	18.9%
Total	**1,815**	**281,396**	**-38.2%**	**100.0%**	**100.0%**

The continuing economic crisis also affected the Company's risks and performance, which closed 2012 with a net loss of -€20.9 million vs. a -€4.7 loss in 2011.

Net operating revenues came to €22.3 million, decreasing by 9.8% vs. the previous year, mainly due to a decrease in net interest income (which accounted for over 90% of net operating revenues) caused by the unfavourable changes in market interest rates and by the increase in the cost of funding.

Net of the extraordinary expenses for the Solidarity Fund, operating expenses decreased by 4.6%, thanks to an effective expense control policy.

As at 31 December 2012, the exact number of staff, including staff seconded to the Company, decreased from 58 resources in 2011 to 57 in 2012.

Thanks to effective control on expenses, the normalized Cost/Income ratio was excellent, being below 40%, despite the decrease in net operating revenues, thus substantiating the structure effectiveness over the Group's volume of operations.

Risk hedging policies, implemented also with a prudential approach and in order to upgrade safety of the portfolio, generated a strong increase in the cost of risk, which came to €39.4 million. The Cost of Risk accounted for 2% of average loans, vs. 1% in 2011.

Net loans to Customers, which accounted for 96% of total assets, were generated almost exclusively by lease transactions and amounted to €1,917 million, down by 2.5% y/y.

The recession phase generated a progressive impairment of the loan portfolio, especially the historical one, even though at lower rates than the leasing market ones (over 6 percentage points in September 2012).

Net impaired loans totalled €215 million (including €78.6 million worth of past-due/overlimit loans) and accounted for 11% of total net loans to Customers. The relating writedowns came to a total of €60 million (up by + 85%) and accounted for 21.8% of the book value of loans. The coverage policies implemented allowed the coverage ratio of impaired loans to increase from 17.1% in 2010 to 21.8% at the end of 2012.

Specifically, bad debts had a coverage ratio of 34.7%, while substandard loans a coverage ratio of 14.8% (in both cases the realizable value of the relating assets was not considered). The ratio of net bad debts to net loans to customers came to 5%.

Collective writedowns made on uniform categories of performing loans came to a total of €9.9 million and ensured a coverage ratio for said loans of 0.58%.

Therefore, the overall coverage ratio of the portfolio came to 3.5%, thus enabling the Company to stand comparison to its competitors in its reference market.

Debt came to €1,857 million and consisted mainly of net amounts due to Banks for loans totalling €1,849 million (of which 76% for loans received from the Parent Company Cariparma).

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

	31.12.2012	
	Equity	"of which: Net profit (loss) for the period"
Balances in Parent Company accounts	4,306,600	58,862
Effect of consolidation of subsidiaries	76,500	70,318
Effect of equity method accounting of significant equity investements	-3,814	-3,814
Dividends receveid in the period	-	-36,588
Others changes	3,814	71,248 (*)
Balances in consolidated accounts	**4,383,100**	**160,026**

(*) Difference between the sale price of the equity investment in Crédit Agricole Vita S.p.A. and the book value of the same equity investment as recognized in the Group's Consolidated Financial Statements.

Outlook

Overview

Considering the macroeconomic scenario expected for 2013, as summarized in the initial part of this report, a great restructuring of the sector and relating services will be required to make up for the productivity spread vs. more developed countries and, thus, achieve production recovery that is forecast for 2014.

Forecasts for the Italian Banking System for 2013 are as follows:
- a modest increase in loans (+1.1%) and in funding (+1.6%), affected by the weak financial situation of households, by the budgetary correction measures and by an unemployment rate that is expected to remain high;
- high cost of funding, which remains the critical factor for the sector profitability: banks will have to be up to high competition, which will not allow, even with all-time low money market rates, the average cost of funding to be significantly reduced. Interest rates on loans are expected to remain high, reflecting the need to to cover the cost of funding and increase in risk. As from 2013 the above will allow a only modest widening in the spread (+2.0%). Therefore, net interest income is expected to decrease further, even though to a very limited extent (down by -0.3%);
- an increase in other net revenues (up by +1.4%), mainly due to the positive contribution of net commission income, which will be generated by the Banking channel's increased focus on the placement of indirect funding instruments and insurance products;
- adjustments of loans, which are expected to remain high and to slightly decrease only starting from 2014.

In this situation, a key driver for profitability recovery will consist in actions for the control and rationalization of operating expenses, by making changes to the existing business models, reviewing and optimizing operations in the reference areas and increasing the use of technology.

Significant events occurred after the reporting period

From the end of 2012 to the approval of this report, no event that could significantly change the structures of the Group companies occurred.

The outcomes of the inspection started by the Bank of Italy on 7 January 2013 on the Group banks were included in the respective Annual Reports and Financial Statements and in these Annual Report and Consolidated Financial Statements.

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 Banking Group companies are exposed and, at the same time, reports the mitigation techniques implemented for such risks and uncertainties; this substantiates that the Group and its Management are fully aware of the importance of a thorough analysis of risks and uncertainties to which the Group 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.

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

Internal Control System

Consistently with the provisions of corporate law and with the Bank of Italy's supervisory regulations, the Group, implementing the guidelines issued by Crédit Agricole S.A. adopted an internal control system designed for constant monitoring of the main risks associated to the Group's core business, in order to ensure that corporate management is effective and consistent with the set objectives and in line with the reference models and with the best practices existing at national and international level.

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

It is reported that, since 2007, the Cariparma Crédit Agricole Group has progressively conformed its Internal Control System to Crédit Agricole S.A.'s model, in compliance with the applicable laws.

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

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

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

Collective Bodies

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

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

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

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

The Audit Committee for Internal Control, consisting of Independent Directors has the function to provide the Board of Directors with advice and proposals on matters relating to risk management, financial reporting system and internal controls system, in order to ensure an efficient and effective control system; it periodically reports to the BoD on these matters, providing its opinions and assessments, promptly setting, where necessary, appropriate correction measures in case of deficiencies or warnings. The Chief Executive Officer, together with the Manager in Charge, certifies with a specific report on the Financial Statements for the year, on the Interim Condensed Financial Statements and on the Consolidated Financial Statements, the adequacy and actual application of the administrative and accounting procedures for the preparation of the Separate Financial Statements and of the Consolidated Financial Statements.

Control departments

The COSO framework[3], adopted by the Cariparma Crédit Agricole Group as reference model for the measurement of the Internal Controls System, provides for verifying the existence of a corporate context that is functional to lower the risks relating to accounting and financial reporting; this Framework provides for analysis relating to Financial Reporting.

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

Risks and Permanent Controls

The Risks and Permanent Controls Department has the task to guarantee proper application of the guidelines issued by Crédit Agricole S.A. relating to the implementation of the Group's Permanent Controls System, by implementing a control plan intended for all Organization Units.

This Department monitors the existence, completeness and proper execution of the permanent controls defined in the control plan, and is also responsible for the performance of 2nd degree 2nd level controls, as well as for reporting the required indicators to Crédit Agricole S.A. Therefore, the relevant mission is to ensure proper monitoring of the risks to which the Group is exposed.

The Department's control activities concern both the processes for the preparation of the Company and Group financial reporting, and on the relevant feeding processes. The analysis of the risks underlying such activities is carried out based on Group taxonomic standards, which provide for verification of compliance with deadlines, as well as Financial Reporting reliability, accuracy and conformity.

The Risks and Permanent Controls Department also uses the audits of the accounts carried out by the Finance Central Department.

Compliance

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

Manager in charge

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

[3] This Framework was issued by COSO (Committee of Sponsoring Organizations of the Treadway Commission), a US body having the purpose of improving the quality of corporate financial reporting.

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

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

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

Internal Audit

Third-degree controls are performed by the Internal Audit Department; these controls entails periodical analyses of organization structures, processes and conducts; these activities are carried out consistently with the Company's own audit model with remote and on-site inspections.

Statutory audit of the accounts

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

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

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

Corporate social responsibility

The Cariparma Crédit Agricole Group is aware of the importance of relations with all its stakeholders, both internal and external, as a necessary and strategic lever, especially in the present difficult and competitive situation.

Increasingly more, the Group is and is perceived as an organization open to the ecosystem in which it operates: Cariparma, Carispezia and FriulAdria have always worked in close contact with the respective reference social-economic fabric, generating value for their areas of operations; support to the local economy, focus on people and categories experiencing difficulties, support to different art, cultural and sport expressions are the principles informing the many projects started and supported.

The Opera Strategic Plan also sets as one of its guidelines the consolidation of the Group's identity by enhancing the values of proximity, professional ethics and skills, and sustainability, including, in its 2014 objectives, the objective of becoming one of the leading banks in Italy in terms of Corporate Social Responsibility (CSR).

In 2012, the Group increased its commitment in terms of Social Responsibility understanding the associated opportunities for corporate development, first of all with the creation of a specific Department, which reports directly to the Chief Executive Officer.

The new Department started to analyze and map all CSR-significant activities in the three Banks, mapping what exists and detecting areas to be developed. This led to the preparation of a Social Responsibility Action Plan, which represents the Group's commitment for the next few years.

In this situation, the FReD Project continued being implemented; it was promoted by Crédit Agricole S.A. in order to provide the different Group entities with a common reference framework for CSR policies, making available appropriate tools for the measurement of progress made and results obtained.

FReD is structured in a total of 15 actions, 5 for each of the three sustainability pillars: respect for customers, staff confidence, protection of the environment; the process continuity is ensured by the fact that, for each action carried out, another must be immediately identified and started relating to the same pillar. In 2012, the Cariparma Crédit Agricole Group completed 6 actions, which were promptly replaced by new projects for the years to come.

Finally, the Group 2012 Corporate Social Responsibility Report, which was prepared in accordance with the international guidelines of the Global Reporting Initiative (G3.1) and with the guidelines issued by the Italian Banking Association (ABI) for sustainability reporting in the banking sector, was significantly worked on and became more reader-friendly and closer to the information requirements of the Group's stakeholders, with an interactive version with many video contributions.

The 2012 Social Responsibility Report has been further improved, in terms of both reporting and communication. The Bank listens to external stakeholders and gives voice to them, including their testimony in the document.

"Open to your world" means, for the Cariparma Crédit Agricole Group, to have constant relations with its stakeholders, listening to them and providing them with adequate responses.

Therefore, reference is made to the 2012 Corporate Social Responsibility Report, to discover and learn more about all the Group's activities and commitment for sustainable development.

A commitment that is complete, structured and integrated in the Group's mission and designed to transform the Cariparma Crédit Agricole Group in one of the Italian banks able to take part in, and to lead, discussion on sustainability.

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

The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Débourdeaux, Senior Manager in charge of the preparation of the company accounting statements of Cassa di Risparmio di Parma & Placenza 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 2012 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 2012:

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, 26 March 2013

Giampiero Maioli
Chief Executive Officer

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

Report of the Board of Auditors on the Separate Annual Report and Financial Statements and on the Consolidated Annual Report and Financial Statements as at 31 December 2012

Dear Shareholders,

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

Supervisory activity

In 2012, this Board of Auditors performed its supervisory activity pursuant to the above-mentioned decrees and provisions, also considering the standards of conduct recommended by the Italian National Association of Chartered Accountants. The Board supervised:
- compliance with the law, regulations and Articles of Association, correct management, adequacy of organization and accounting structures (within the scope of its duties);
- effectiveness and function of the overall internal control system;
- adequacy of the risk management and control system;
- proper performance of strategic control and management activities by Cariparma in its capacity as Parent Company.

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

The Board of Auditors hereby states that, on 2 April 2013, the same Board received the Independent Auditors' reports on the statutory audit of the Separate Financial Statements and of the Consolidated Financial Statements as at 31 December 2012, which do not set forth any shortcomings or requests for additional reporting. On 2 April 2013, the Board also received the report pursuant to Article 19, paragraph 3, of Legislative Decree No. 39/2010, which does not show any significant shortcomings in the internal control system relating to the financial reporting process.

The Board verified that the Independent Auditors published on their website the annual transparency report, pursuant to Article 18 of the above Legislative Decree No. 39 of 27 January 2010 in compliance with the terms set by law. The Independent Auditors sent to this Board the annual confirmation of independence, pursuant to Article 17, paragraph 9, letter a of the above Legislative Decree No. 39/2010.

In 2012, (specifically from 30 March 2012, date of its report on the 2011 Annual Report and Financial Statements, to today's date), 41 meetings of the Board of Auditors were held (as substantiated by the minutes held in the Register of the Board of Auditors' meetings). Moreover, in order to perform all activities summarized above, the Board of Auditors:
- supervised the effectiveness and operation of the overall internal control system, specifically through periodical and constant meetings with the Risk Management and Permanent Controls Department, the Audit Department, the Compliance Department and with the Senior Manager in charge of the preparation of the accounting documents, obtaining copy of the reports prepared by the various

Corporate Bodies and Committees in charge of governance and control;

- supervised compliance of the Internal Capital Adequacy Assessment Process (ICAAP) with the requirements provided for by the regulations. In this specific regard, after obtaining this Board's opinion issued on 15 March, the Document "ICAAP Report as at 31 December 2012" was submitted to the Board of Directors on 26 March 2013, which acknowledged that no provision needed being accrued for the risks considered. Moreover, the Board acquired significant information from the relevant Departments – including the Risk Management and Permanent Controls Department, at periodical meetings;
- it monitored, specifically at its meetings with the Corporate Bodies held on 27 April 2012, 19 October 2012, 18 July 2012, 31 January 2013 and 15 March 2013, the progress made on internal control and compliance projects, also relating to the Integrated Controls System, money-laundering prevention and Mifid;
- it worked in coordination with the Company appointed for the statutory audit of the accounts, Reconta Ernst & Young S.p.A (to whom the statutory audit of the accounts was assigned for the period 2012-2020 with resolution of the Shareholders' General Meeting passed on 23 April 2012) : to this end, periodical meetings were held for the examination of quarter accounting data, and other meetings were held to exchange data and information relevant for the performance of the respective duties and for the analysis of the outcomes of the work made by the Independent Auditors. In this regard, it is reported that the latter has never communicated to the Board, neither on said occasions nor with other means, any detection of faults or problems and/or inadequacy;
- the Board also worked in closed coordination with the Board of Auditors of the Subsidiary Companies, also through meetings held with the respective control bodies. At these meetings no matters to be submitted to the attention of the Controlling Company's shareholders emerged ;
- the members of the Board of Auditors attended all General Meetings, all meetings of the Board of Directors and of the Executive Committee. It is stated that these meetings were held in compliance with the Articles of Association and with the law, and it can reasonably be assured that the resolutions were in compliance with the law and with the Company's Articles of Association and that are not blatantly imprudent, hazardous, in conflict of interests or such as to jeopardize the corporate equity;
- thanks both to the above-mentioned attendance at the meetings of the Board of Directors and of the Committees and at meetings with the senior management (Chief Executive Officer, Co-General Manager, Deputy General Manager), the Board obtained information on the company general performance and outlook, as well as on the transactions carried out by the Company, which were most significant due to their size or features;
- it operated in coordination, also through specific meetings and contacts, with the Supervisory Body appointed pursuant to Legislative Decree No. 231/01
- it took part, represented by the Board Chairperson, in the Related-Parties Committee (set up with BoD resolution of 24 November 2010);
- in addition to the Board Chairperson' direct participation in the specific Committee, as reported above, it supervised, also at the meetings of the BoD and Executive Committees, intra-group transactions and transactions with related parties. In this regard, as reported in "Part H" of the Note to the Separate Financial Statements and to the Consolidated Financial Statements, this Board states that, on 11 December 2012, it approved, implementing the specific Regulation issued by the Bank of Italy, the document "Regulation for Risk Assets and Conflicts of Interest towards related parties for the Cariparma Crédit Agricole Group", in order to give the Group a specific internal regulation that amounts to the new body of law on these issues. The Board of Auditors acknowledges that in paragraph 2 of the above "Parts H", the Board of Directors reports that "During the year, no atypical or unusual transactions were carried out whose size or features might have jeopardized the protection of corporate equity and the interests of minority shareholders"; it ensured its presence, through the attendance of its Chairperson and of a Standing Auditor, at the meetings of both Cariparma and Group Credit Committees;
- it participated, represented by its Chairperson, in the meetings of the Audit Committee for Internal Control and, as stated above, in the meetings of the Related Parties Committee.

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

- with minutes dated 18 April 2012, pursuant to Article 2389, paragraph 3 of the Italian Civil Code, also considering the Bank of Italy's measure of 30 March 2011, it gave its opinion on the proposal for the remuneration to be paid to the Chief Executive Officer;
- with minutes dated 6 June 2012, pursuant to Article 2 paragraph 2.2, 2nd chapter of Title V of the "New regulations for the prudential supervision of banks", it gave its opinion on the adoption of the text of "Decision-making procedures" concerning risk assets and conflicts of interest towards related parties;
- with minutes dated 25 October 2012, it gave its opinion on the approval by the Board of Directors, on 30 October 2012, of the project for increasing back office efficiency;
- with minutes dated 9 January 2013, the Board of Auditors expressed its remarks on the "Assessment of adequacy of Cariparma Compliance Department;
- with minutes dated 13 March 2013, pursuant to Title II, Chapter 1, Part Two of the "New regulations for the prudential supervision of banks", dealt with in the Bank of Italy Circular No. 263, it gave its favourable opinion on the submittal to the Bank of Italy of a Request for Authorization for the implementation by the Cariparma Crédit Agricole Group of AIRB (Advanced Internal Rating Based) internal methods for the calculation of capital requirements for the credit risk of the Retail portfolio;
- with minutes dated 15 March 2013, it gave its opinion on the approval of the document "Report on non-compliance risks for 2012 by the Compliance Central Department."

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

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

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

The Annual Report and Financial Statements as at 31 December 2012 are governed by the provisions set forth in Legislative Decree No. 38 of 28 February 2005 and in the Bank of Italy's Circular No. 262 of 22 December 2005, as updated on 18 November 2009, and they were prepared in compliance with IASs/IFRSs applicable as at 31 December 2012, endorsed by the European Union, as provided for in Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002. In the Note to the financial statements, the Management Body states that no departures were made in the application of IASs/IFRSs.

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

With specific regard to the Consolidated Financial Statements as at 31 December 2012, this Board states that they are governed by the provisions of Legislative Decree No. 38 of 28 February 2005 and of the Bank of Italy's Circular No. 262 of 22 December 2005, as updated on 18 November 2009, and they were prepared in compliance with IASs and relating interpretations by IFRIC endorsed by the European Commission, as provided for in Community Regulation No. 1606 of 19 July 2002.

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

With regard to the Consolidated Financial Statements as at 31 December 2012, being given all the above, we hereby inform you that we supervised on the general layout of the same, on their general compliance with the law as to their preparation and layout and, on this topic, no particular remarks are to be made. Moreover, this Board also verified compliance with the rules on the preparation of the Management Report.

Conclusions

Dear Shareholders,

given all the above, having considered that the information received to date from the Company Reconta Ernst & Young S.p.a. in charge of the statutory audit of the accounts of Cariparma S.p.a. as at 31 December 2012 has conveyed no remarks and no additional reporting requirement; having also considered that the information received to date from the Senior Manager in Charge does not report significant shortcomings or problems, this Board of Auditors expresses favourable opinion on the approval of the Financial Statements and the relevant Management Report, as well as on the proposal for the allocation of profit for the year, which have been submitted by the Board of Directors for your approval.

We also point out that our term of office, granted to us by the General Meeting held on 28 April 2010, has expired. Thanking for the confidence granted us, we would like to express our deep appreciation for the professionalism, propriety and helpfulness displayed by all the stakeholders with whom, in the various scopes of your Bank, we shared three years of hard and stimulating work.

Parma, Italy, 2 April 2013

The Board of Auditors

(Marco Ziliotti)

(Paolo Alinovi)

(Angelo Gilardi)

(Giovanni Ossola)

(Umberto Tosi)

Independent Auditors' Report

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

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

1. We have audited the consolidated financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. and its subsidiaries ("Cariparma Crédit Agricole Group") as of and for the year ended December 31, 2012, 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.

   The consolidated financial statements present the comparative data of the preceding year. As described in the explanatory notes, the management restated the comparative data related to the consolidated financial statements of the preceding year, on which we issued our auditors' report on March 30, 2012. We have examined the methods adopted to restate the comparative financial data for the preceding year and the information presented in the explanatory notes in this respect for the purpose of our opinion on the consolidated financial statements as of and for the year ended December 31, 2012.

3. In our opinion, the consolidated financial statements of the Cariparma Crédit Agricole Group at December 31, 2012 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

Reconta Ernst & Young S.p.A.
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Capitale Sociale € 1.402.500,00 i.v.

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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, 2012.

Milan, March 29, 2013

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

Consolidated Financial Statements

» CONSOLIDATED BALANCE SHEET

Assets		31.12.2012	31.12.2011 (*)
10.	Cash and cash equivalents	285,966	930,780
20.	Financial assets held for trading	311,930	320,635
30.	Financial assets carried at fair value	-	-
40.	Financial assets available for sale	4,030,081	3,686,706
50.	Financial assets held to maturity	-	-
60.	Loans to banks	4,123,908	4,490,814
70.	Loans to Customers	35,128,149	34,781,783
80.	Hedging derivatives	1,151,735	707,001
90.	Value adjustment of financial assets subject to macro hedging (+/-)	6,363	4,203
100.	Equity investments	20,433	123,222
110.	Reinsurers' share of technical reserves	-	-
120.	Property, plant and equipment	442,792	452,397
130.	Intangible Assets	1,946,124	1,971,512
	of which: goodwill	1,575,536	1,575,546
140.	Tax assets	1,045,212	996,178
	(a) current	313,747	284,848
	(b) deferred	731,465	711,330
	b1) of which: Law 214/2011	564,004	449,296
150.	Non-current assets or groups of assets being divested	-	-
160.	Other assets	829,321	840,202
Total assets		**49,322,014**	**49,305,433**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

Liabilities and shareholders' equity	31.12.2012	31.12.2011 (*)
10. Due to banks	5,275,445	6,901,499
20. Due to customers	22,264,469	22,888,810
30. Securities issued	13,955,519	12,669,731
40. Financial liabilities held for trading	312,148	307,465
50. Financial liabilities carried at fair value	-	-
60. Hedging derivatives	319,350	176,602
70. Value Adjustment of financial liabilities subject to macro Hedging (+/-)	658,142	344,469
80. Tax liabilities	327,861	344,345
(a) current	231,167	226,127
(b) deferred	96,694	118,218
90. Liabilities in respect of assets being divested	-	-
100. Other liabilities	1,225,659	1,069,800
110. Employee severance benefits	171,108	164,246
120. Provisions for liabilities and contingencies	234,271	151,359
a) retirement and similar liabilities	23,375	24,048
b) other provisions	210,896	127,311
130. Technical reserves	-	-
140. Valuation reserves	-161,391	- 423,373
150. Redeemable shares	-	-
160. Equity instruments	-	-
170. Reserves	772,241	706,109
180. Share premium reserve	2,735,462	2,735,462
190. Share capital	876,762	876,762
200. Treasury shares (-)	-	-
210. Minority interests (+/-)	194,942	191,904
220. Net profit (loss) for the period (+/-)	160,026	200,243
Total liabilities and shareholders' equity	**49,322,014**	**49,305,433**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

» CONSOLIDATED INCOME STATEMENT

Items		31.12.2012	31.12.2011
10.	Interest income and similar revenues	1,543,627	1,581,463
20.	Interest expense and similar charges	(577,684)	(533,164)
30.	**Net interest income**	**965,943**	**1,048,299**
40.	Commission income	622,212	589,499
50.	Commission expense	(26,147)	(22,745)
60.	**Net commission income**	**596,065**	**566,754**
70.	Dividends and similar revenues	2,259	1,642
80.	Net gain (loss) on financial activities	18,731	21,633
90.	Net gain (loss) on hedging activities	12,417	(1,309)
100.	Gain (loss) on disposal or repurchase of:	14,145	9,395
	a) loans	(1,030)	(4,169)
	b) financial assets available for sale	14,018	13,096
	c) financial assets held to maturity	-	-
	d) financial liabilities	1,157	468
110.	Net gain (loss) on financial assets and liabilities carried at fair value	-	-
120.	**Gross income**	**1,609,560**	**1,646,414**
130.	Net impairment adjustments of:	(377,020)	(234,221)
	a) loans	(373,313)	(232,036)
	b) financial assets available for sale	(2,275)	(2,598)
	c) financial assets held to maturity	-	-
	d) other financial transactions	(1,432)	413
140.	**Profit (loss) from financial operations**	**1,232,540**	**1,412,193**
150.	Net premiums	-	-
160.	Other net revenues (expenses) from insurance undertakings	-	-
170.	**Profit (loss) from financial operations and insurance undertakings**	**1,232,540**	**1,412,193**
180.	Administrative expenses:	(1,265,599)	(1,159,855)
	a) staff expenses	(733,096)	(615,152)
	b) other administrative expenses	(532,503)	(544,703)
190.	Net provisions for liabilities and contingencies	(35,986)	(44,177)
200.	Net adjustments of property, plant and equipment	(30,807)	(30,158)
210.	Net adjustments of intangible assets	(67,713)	(59,542)
220.	Other operating revenues (expenses)	273,548	205,413
230.	**Operating expenses**	**(1,126,557)**	**(1,088,319)**
240.	Gain (loss) from equity investments	56,897	(44,834)
250.	Gains (losses) from property, plant and equipment and intangible assets measured at fair value	-	-
260.	Value adjustments of goodwill	(10)	(6,000)
270.	Gain (loss) on disposal of investments	372	298
280.	**Gain (loss) before tax on continuing operations**	**163,242**	**273,338**
290.	Income tax for the period on continuing operations	(1,563)	(65,302)
300.	**Profit (loss) after tax on continuing operations**	**161,679**	**208,036**
310.	Profit (loss) after tax of groups of assets/liabilities under disposal	-	-
320.	**Net profit (loss) for the period**	**161,679**	**208,036**
330.	Net profit (loss) pertaining to minority interests	(1,653)	(7,793)
340.	**Profit (loss) for the period pertaining to the Parent Company**	**160,026**	**200,243**

» STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Items		31.12.2012	31.12.2011
10.	**Net profit (loss) for the period**	**161,679**	**208,036**
	Other income after tax		
20.	Financial assets available for sale	264,379	(295,623)
30.	Property, plant and equipment	-	-
40.	Intangible assets	-	-
50.	Hedging of foreign investments	-	-
60.	Cash flow hedges	-	(234)
70.	Exchange rate differences	-	-
80.	Disposal groups	-	-
90.	Actuarial gains (losses) on defined-benefit plans	(16,410)	(9,931)
100.	Share of valuation reserves on equity investments accounted for using the equity method	22,601	(13,548)
110.	**Total other income components after tax**	**270,570**	**(319,336)**
120.	**Comprehensive income (Item 10+110)**	**432,249**	**(111,300)**
130.	Consolidated comprehensive income pertaining to minority interests	10,241	(3,017)
140.	**Consolidated comprehensive income pertaining to the Parent Company**	**422,008**	**(108,283)**

» STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 31 DECEMBER 2012

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity
Group equity at 31.12.2011 (*)	**876,762**	**2,735,462**	**704,588**	**1,521**	**-423,373**	**200,243**	**4,095,203**
Minority Interests at 31.12.2011 (*)	**53,994**	**101,905**	**39,300**	**12**	**-11,100**	**7,793**	**191,904**
Allocation of net profit for previous period							
Reserves	-	-	86,626	-	-	-86,626	**-**
Dividends and other allocations	-	-	-	-	-	-121,410	**-121,410**
Changes in the period							
Changes in reserves	-	-	-	-	-	-	**-**
Equity transactions	-	-	-	-	-	-	**-**
Charity	-	-	1,250	-	-	-	**1,250**
Other variations	-	-	-	-	-	-	**-**
Consolidation adjustments	-	-	-	-22,007	-	-	**-22,007**
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	853	-	-	**853**
Comprehensive income	-	-	-	-	270,570	161,679	**432,249**
Group equity at 31.12.2012	**876,762**	**2,735,462**	**793,737**	**-21,496**	**-161,391**	**160,026**	**4,383,100**
Minority interests at 31.12.2012	**53,994**	**101,905**	**38,027**	**1,875**	**-2,512**	**1,653**	**194,942**

(*) Re-stated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62).

» STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 31 DECEMBER 2011

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity
Group equity at 31.12.2010	**785,066**	**2,094,474**	**608,790**	**261,982**	**-109,661**	**240,077**	**3,880,728**
Minority Interests at 31.12.2011	**34,367**	**85,628**	**28,553**	**4**	**-409**	**8,790**	**156,933**
Allocation of net profit for previous period							
Reserves	-	-	99,866	-	-	-99,866	**-**
Dividends and other allocations	-	-	-	-	-	-149,001	**-149,001**
Changes in the period							
Changes in reserves	-	-	-	-	-	-	**-**
Equity transactions	91,696	641,234	-	-262,500			**470,430**
Charity	-	-	1,200	-	-	-	**1,200**
Other variations	-	-	-	-	-	-	**-**
Consolidation adjustments	19,627	16,031	5,479	1,867	-5,067		**37,937**
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	180	-	-	**180**
Comprehensive income	-	-	-	-	-319,336	208,036	**-111,300**
Group equity at 31.12.2011 (*)	**876,762**	**2,735,462**	**704,588**	**1,521**	**-423,373**	**200,243**	**4,095,203**
Minority Interests at 31.12.2011 (*)	**53,994**	**101,905**	**39,300**	**12**	**-11,100**	**7,793**	**191,904**

(*) Re-stated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62).

» STATEMENT OF CONSOLIDATED CASH FLOWS

Voci		31.12.2012	31.12.2011 (*)
A.	**Operating Activities**		
1.	**Operations**	**990,187**	**933,507**
-	net profit (loss) for the period (+/-)	160,026	200,243
-	gains (losses) on financial assets held for trading and financial assets/liabilities carried at fair value (-/+)	-18,562	-31,718
-	gains (losses) on hedging activities (-/+)	-9,234	8,390
-	net impairment adjustments (+/-)	316,059	278,380
-	net adjustments of property, plant and equipment and intangible assets (+/-)	98,520	89,700
-	net provisions for liabilities and contingencies and other costs/revenues (+/-)	35,986	44,177
-	unpaid taxes and duties (+)	1,563	65,302
-	net adjustments/writebacks of discontinuing operations net of tax effects (-/+)	-	-
-	other adjustments (+/-)	405,829	278,380
2.	**Liquidity generated/absorbed by financial assets**	**-514,124**	**2,460,485**
-	financial assets held for trading	27,267	11,405
-	attività finanziarie valutate al fair value	-	-
-	financial assets available for sale	37,294	3,491,176
-	loans to banks: on demand	79,967	-192,477
-	loans to banks: other loans	286,939	1,129,840
-	loans to customers	-779,394	-1,712,470
-	other assets	-166,197	-266,989
3.	**Liquidity generated/absorbed by financial liabilities**	**-1,122,208**	**-3,134,832**
-	due to banks: On demand	349,005	379,096
-	due to banks: other payables	-1,975,059	-4,652,603
-	due to customers	-624,341	652,769
-	securities issued	1,204,291	1,143,445
-	financial liabilities held for trading	4,683	22,455
-	financial liabilities carried at fair value	-	-
-	other liabilities	-80,787	-679,994
Net liquidity generated/absorbed by operating activities		**-646,145**	**259,160**
B.	**Investing Activities**		
1.	**Liquidity generated by**	**185,466**	**2,072**
-	sale of equity investments	182,287	-
-	dividends from equity investments	2,259	1,642
-	sale of financial assets held to maturity	-	-
-	sales of property, plant and equipment	920	430
-	sale of intangible assets	-	-
-	disposal of business units	-	-
2.	**Liquidity absorbed by**	**-63,975**	**773,676**
-	purchase of equity investments	-	-54,600
-	purchases of financial assets held to maturity	-	-
-	purchases of property, plant and equipment	-21,640	-21,480
-	purchases of intangible assets	-42,335	-51,203
-	purchases of business units	-	900,959
Net liquidity generated/absorbed by investing activities		**121,491**	**775,748**
C.	**Funding**		
-	issues/purchases of treasury shares	-	-171,227
-	issues/purchases of capital instruments	-	-
-	dividend distribution and other	-120,160	-147,801
Net liquidity generated/absorbed by funding		**-120,160**	**-319,028**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD		**-644,814**	**715,880**

RECONCILIATION

Items	31.12.2012	31.12.2011 (*)
Cash and cash equivalents at beginning of period	930,780	214,900
Total net liquidity generated/absorbed during the period	-644,814	715,880
Cash and cash equivalents: effect of exchange rates changes	-	-
Cash and cash equivalents at end of period	**285,966**	**930,780**

Key: (+) generated (-) absorbed

(*) Re-stated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

Notes to the consolidated financial statements

Part A Accounting policies

» A.1 GENERAL INFORMATION

Section 1 - Declaration of conformity with international accounting standards

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

Therefore, the IAS/IFRS in force at 31 December 2012 (including the SIC and IFRIC interpretations) have been applied as endorsed by the European Commission and detailed in the specific schedule attached to this Financial Report.

The Financial Statements and tables in the Explanatory Note have been prepared in accordance with the format and rules set out in Circular No. 262 “Bank Financial Statements: format and rules for the preparation” of 22 December 2005, issued by the Bank of Italy exercising the powers provided for in Article 9 of Legislative Decree No. 38/2005 as updated and specified.

International Accounting Standards endorsed by the European Union and in force as from 2012

Standards, amendments or interpretations	Endorsement date	Date of first application
Modification to IFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets	22 November 2011 (UE No. 1205/2011)	1° January 2012

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

International Accounting Standards endorsed by the European Union and in force after 31 December 2012

Standards, amendments or interpretations	Endorsement date	Date of first application
Modification to IAS 19 Employee Benefits	6 June 2012 (UE No. 475/2012)	1° January 2013
Adoption of FRS 13 Fair Value Measurement	29 December 2012 (UE No. 1254/2012)	1° January 2013
Modification to IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	29 December 2012 (UE No. 1256/2012)	1° January 2013
Modification to IFRS 1 First-time Adoption - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	29 December 2012 (UE No. 1255/2012)	1° January 2013
Adoption of IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	29 December 2012 (UE No. 1255/2012)	1° January 2013
Modification to IAS 12 Income Taxes - Deferred Tax: Recovery of Underlying Assets	29 December 2012 (UE No. 1255/2012)	1° January 2013
Modification to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	29 December 2012 (UE No. 1256/2012)	1° January 2013
Adoption of IFRS 10 Consolidated Financial Statements	29 December 2012 (UE No. 1254/2012)	1° January 2014
Adoption of IFRS 11 Joint Arrangements	29 December 2012 (UE No. 1254/2012)	1° January 2014
Adoption of IFRS 12 Disclosure of Interests in Other Entities	29 December 2012 (UE No. 1254/2012)	1° January 2014
Adoption of IAS 27 Separate Financial Statements	29 December 2012 (UE No. 1254/2012)	1° January 2014
Adoption of IAS 28 Investment in Associates and Joint Ventures	29 December 2012 (UE No. 1254/2012)	1° January 2014

Any impacts on the 2013 Financial Statements generated by the application of the new international accounting standards are currently being assessed.

Section 2 - General Preparation Principles

The Consolidated Financial Statements consist of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement and the Explanatory Note to the Financial Statements and also includes a Directors' Report on operations, on the financial results achieved, as well as on the performance of the Cariparma Crédit Agricole Group, and the Corporate Governance Report.

In accordance with Article 5 of Legislative Decree No. 38/2005, the Euro has been used as the reporting currency in the preparation of the financial statements. The figures in the financial statements and in the note to the financial statements, as well as those in the Management Report, if not otherwise specified, are expressed in thousands of Euro.

These financial statements have been prepared in accordance with IAS 1 and the specific accounting standards endorsed by the European Commission and described in Part A.2 of these notes, as well as with the general assumptions contained in the "Framework for the Preparation and Presentation of Financial Statements" by the IASB.

No exceptions were made in applying the IASs/IFRSs.

As to continuity of operations at the basis of these Financial Statements, it is believed that the Group will continue to operate in the foreseeable future (at least 12 months). Accordingly, the Consolidated Financial Statements as at 31 December 2012 were prepared on a going-concern basis.

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

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

The financial statements and the Note also contain comparative figures for the year ended as at 31 December 2011, as well as the figures for the year being reported.

Specifically, as reported in Section 5 - Other aspects, the data as at 31 December 2011 were restated subsequent to the final allocation of the cost of the business combination provisionally recognized in 2011 pursuant to IFRS 3.

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

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

By their very nature, the estimates and assumptions used may vary from year to year. The present amounts recognized in the financial statements may therefore differ, perhaps significantly, in future periods due to changes in the subjective assessments used.

The main areas in which subjective assessments by management are required are as follows:
- quantifying impairment losses for loans and receivables and, in general, other financial assets;
- determining the fair value of the financial instruments to be used for financial reporting purposes;
- using measurement models to determine the fair value of financial instruments that are not listed on active markets;
- impairment testing of goodwill and other intangible assets;
- quantifying staff expenses and provisions for liabilities and contingencies;
- making estimates and assumptions concerning the recoverability of deferred tax assets.

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

Contents of the financial statements

BALANCE SHEET AND INCOME STATEMENT

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

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

STATEMENT OF COMPREHENSIVE INCOME

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

As for the Balance Sheet and the Income Statement, the items with no amounts for the reporting year, nor for the previous one, have been stated also.

Negative amounts are set forth in parenthesis.

STATEMENT OF CHANGES IN EQUITY

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. The value of treasury shares is deducted from equity.

No equity instruments other than ordinary shares have been issued.

STATEMENT OF CASH FLOWS

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

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

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

Contents of the Note to the Financial Statements

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

As for the Balance Sheet and the Income Statement, 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., hereinafter referred to as Cariparma, the perimeter of consolidation includes the subsidiaries and associates specified below.

Also the special-purpose entities/special-purpose vehicles (SPE/SPV) have been included, when the requirements are met, also independently of the existence of a majority shareholding (SIC 12 - Consolidation - Special Purpose Entities).

Subsidiaries are companies in which the Parent Company, directly or indirectly, holds more than 50% of the voting rights in the shareholders' general meeting or in which, despite holding less than 50% of the voting rights, it has the power to appoint the majority of the directors of the subsidiary or to determine the financial and operating policies of the same (controlling influence).

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

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

Compared to the situation as at 31 December 2011, no significant changes occurred in the perimeter of consolidation.

In the year, some intra-group business combinations were carried out, having, for their intra-group nature, no effect on the consolidated financial statements; these transactions consisted in the transfer of business branches between companies in the Cariparma Crédit Agricole Group (common control transactions). Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized in the financial statements of the companies involved on the basis of continuity of proprietary interest, without recognizing any effects.

In 2012, in a perspective of rationalization and development of the Group's core business, the entire equity investment held by the Parent Company in Crédit Agricole Vita S.p.A. was transferred to the majority shareholder Crédit Agricole Assurances.

Methods of consolidation

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

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

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

Acquisitions of businesses are recognized using the purchase method provided for under IFRS 3 applied starting from the date of acquisition, or from the moment in which control of the company is effectively achieved.

Profit or losses of a subsidiary acquired during the period are included in the Consolidated Financial Statements starting from the date of acquisition. 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 Financial Statements of the Parent Company and of the other consolidated companies refer to 31 December 2012.

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

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

The following table shows the equity investments included within the scope of consolidation, indicating:
- the type of control/connection;
- the shareholder/investor;
- percentage of voting rights held by the shareholder/investor.

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

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

Other information

In the Consolidated Financial Statements as at 31 December 2012 also the Company Mondo Mutui Cariparma S.r.l. was consolidated, since it is a special-purpose entity (SPE) whose activities are practically carried out exclusively in the interest of the Parent Company with reference to its specific corporate requirements so that the same Parent Company benefits from the SPE's operations (SIC 12).

Section 4 - Events subsequent to the reporting date

From the end of 2012 to the approval of this report, no event that could significantly change the structures of the Group companies occurred.

On 7 January 2013, the Bank of Italy started an inspection of the three Group Banks concerning the coverage ratio of impaired loans; consistently with similar measures that concerned the entire Italian banking sector, this inspection aimed at verifying the health of the loan portfolio of the leading Italian banks.

The outcomes of this inspection have been reported in the Annual Report and Financial Statements of the three Banks and in these Annual Report and Consolidated Financial Statements.

Section 5 - Other aspects

Definition of the process for the allocation of the cost of the business combination provisionally recognized in 2011

In 2012, the price of the business combinations made in 2011 was defined (these business combinations were the acquisition of the equity investment in Carispezia and the transfer of 96 branches by the Intesa SanPaolo Group to the Cariparma Crédit Agricole Group).

The provisional allocation of the acquisition price, made in 2011, was also changed due to the recognition of some contingent liabilities.

The relevant accounting standard indeed allows contingent liabilities taken subsequent to the business combination to be identified upon acquisition, granted that such liabilities result from current obligations deriving from past events and the relevant fair value can be reliably measured.

In accordance with the above, pursuant to IFRS 3, the comparative figures were recalculated as if the effects of the final allocation of the acquisition cost were effective since the date of finalization of the business combinations.

As at 31 December 2011, the effects on equity were the following:

Group equity for the period (as form financial statements 31.12.2011)	4,095,203
CHANGES OF ASSETS:	**14,644**
Loans to banks (Item 60 Asset)	5,600
Loans to customers (Item 70 Asset)	-1,345
Intangible assets - Goodwill (Item 130 Asset)	-81,782
Tax assets - deferred (Item 140)	7,679
Other Assets (Item160)	84,492
CHANGES OF LIABILITIES:	**-14,644**
Other liabilities (Item 100)	8,405
Provisions for liabilities and contingencies - other provisions	-23,049
Group shareholders Equity (at 31.12.2011 restated)	**4,095,203**

It is also reported that the restatement of comparative data produced no effect on the profit for the year as at 31 December 2011.

Business combinations and other corporate transactions

In the year, some intra-group business combinations were carried out, having, for their intra-group nature, no effect on the consolidated financial statements; these transactions consisted in the transfer of business branches between companies in the Cariparma Crédit Agricole Group (common control transactions). Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the financial statements of the companies involved on the basis of continuity of proprietary interest, without recognizing any effects.

In 2012, in a perspective of rationalization and development of the Group's core business, the entire equity investment held by the Parent Company in Crédit Agricole Vita S.p.A. was transferred to the majority shareholder Crédit Agricole Assurances.

The deconsolidation of the equity investment generated capital gains recognized in the Income Statement for €72 million, resulting mainly from the difference between the sale price of the equity investment, as determined by an independent expert based on the adjusted value of the company's equity as at 31 December 2011, and the present value of future production over a ten-years time horizon, and the book value of the same company in the Cariparma Crédit Agricole Group's consolidated financial statements as at the transfer date.

Testing of the present value of future production did not generate any impacts in 2012.

Securitization

In 2012, the Parent Company carried out a "self- securitization" transaction for the purpose of creating additional "eligible" assets available at the European Central Bank, in order to have liquidity reserves .

The structure of the transaction envisaged that Cariparma would transfer to MondoMutui Cariparma S.r.l. ("special-purpose vehicle" incorporated for the purpose pursuant to Law 130/1999) receivables deriving from performing home mortgage loans for which the LTV ratio does not exceed 80%, which are secured by first mortgage, granted and already disbursed by Cariparma.

[4] The operation is essentially in line with a similar operation carried out during 2009.

The Parent Company, in turn, fully subscribed the securities issued by the “special-purpose vehicle”; the “senior” tranche, accepted for trading at the Luxembourg stock exchange, is considered a reserve of liquidity as it can be used, when needed, for open market transaction with the ECB or used as collateral with the same bank.

This transaction did not entail derecognition of the above receivables, as it was an internal securitization transaction (risks and rewards of the transferred assets remain with the transferor).

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

Auditing

The consolidated financial statements were audited by Reconta Ernst & Young S.p.A, in accordance with the resolution passed by the General Shareholder Meeting on 23 April 2012, whereby this firm was appointed for the period 2012-2020.

» A2 SECTION RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS

1. Financial assets held for trading

Classification

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

Recognition

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

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

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

Measurement

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

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

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

Derecognition

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

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

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

2. Financial assets available for sale

Classification

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

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

Recognition

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

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

Measurement

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

Fair value is determined using the criteria already reported for “Financial Assets held for trading”.

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

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

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

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

Where the reasons for impairment should cease to exist subsequent to 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 in the category of financial assets available for sale

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

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

Derecognition

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

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

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

3. Financial assets held to maturity

Classification

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

Recognition

Financial assets are initially recognized at the settlement date.

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

Measurement

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

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

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

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

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

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

Derecognition

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

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

Finally, financial assets sold are derecognized 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 initial amount and the maturity amount (usually relating to costs and revenues directly attributable to the individual position). The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the loan in respect of principal and interest to the amount disbursed including costs and revenues attributable to the loan. This accounting treatment, using a financial logic, allows the cost/revenue economic impact to be distributed over the expected remaining life of the loan.

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

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

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

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

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

The writedown is recognized in the Income Statement.

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

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

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

Collective impairment losses are taken to the income statement.

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

Derecognition

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

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

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

5. Financial assets measured at fair value

The Group has not exercised the fair value option. In other words, the Group has not opted to measure financial assets at fair value, taking the result of such measurement to the income statement, with the exception of financial assets for which IAS 39 provides for fair value measurement owing to their specific functional purpose. Therefore, only financial assets classified in the trading book, subject to fair value hedging and fair value hedging derivatives are measured at fair value and the results of this measurement are recognized in the income statement.

6. Hedging

Types of hedges

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

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

Measurement

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

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

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

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

Effectiveness is assessed at the end of each financial year, or interim period, using:
- prospective tests, which justify the application of hedge accounting, since they demonstrate the expected effectiveness of the hedge;
- retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how actual results deviate from the perfect hedge;

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

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

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

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

7. Equity investments

Recognition, classification and measurement

This item includes shares held in associates and joint ventures.

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

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

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

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

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

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

8. Property, plant and equipment

Classification

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

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

Recognition

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

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

Measurement

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

Property, plant and equipment 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 systems and vehicles	From 4 to 10 years
Computers and electronic equipment	From 3 to 10 years
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.

Property items are depreciated at a rate based on a useful life considered to appropriately represent the deterioration of the assets over time due to use, taking into account any extraordinary maintenance expenses, which increase the value of the assets, and ordinary maintenance expenses, 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 is has an indefinite useful life. Where its value is incorporated in the value of the building, under the components approach, the land is considered separable from the building. The division between the value of the land and the value of the building is based on appraisals by independent experts, for buildings entirely owned by, and, therefore, fully available to the company, including the land;
- prestige property;
- works of art, since their useful life cannot be estimated and their value normally increases over time.

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

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

Derecognition

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

9. Intangible Assets

Classification

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

Recognition and measurement

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

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

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

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

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

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

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

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

Derecognition

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

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

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

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

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

11. Current and Deferred Taxes

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

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

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

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

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

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

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

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

12. Provisions for liabilities and contingencies

Retirement and similar liabilities

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

The liability in respect of these plans and relative current service cost are determined on an actuarial basis by applying the projected unit credit method. Under this method, future outlays are projected based on analyses of time series and the demographic curve and the discounting of these cash flows using a market interest rate, as set forth in the relevant tables in the 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 trading liabilities are measured at fair value, and the result of such measurement is taken to the Income Statement.

15. Financial Liabilities carried at fair value

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

16. Foreign currency transactions

Initial recognition

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

Subsequent measurement

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

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

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

17. Other information

Leases

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

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

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

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

Classification of leases

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

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

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

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

Insurance Assets and Liabilities

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

Treasury shares

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

Leasehold improvements

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

Employee severance benefits

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

Therefore, with reference to the defined benefit scheme component the benefit cost is calculated separately for each scheme using the actuarial unitary credit projection method. Under this method, future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

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

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

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

Provisions for guarantees and commitments

Financial guarantee liabilities issued by the Group are the contracts requiring a payment to refund the holder of a loss following the default of a specific debtor in making the payment due at the set maturity date based on the contract clauses debt instrument. Financial guarantee contracts are initially recognised as liabilities at fair value, increased by the transaction expenses that can be directly attributed to the guarantee issue.

Later, liabilities are measured as the higher between the best estimate of the cost required to meet the actual obligation as at the financial statement date and the amount initially recognised after deducting the accrued amortization. These guarantees are recognized under “Other Liabilities”, pursuant to the above-mentioned Bank of Italy Circular letter No. 262/2005.

Share-based payments

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

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

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

Revenue recognition

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

- interest revenues are recognized on an accrual basis, using the contractual interest rate or the effective interest rate where the amortized cost method is applied;
- default interest, if any, is recognized in the income statement only upon collection;
- dividends are recognized in the income statement when their distribution is authorized;
- commissions for revenues from services are recognized, in accordance with the terms of the contract, in the period in which the service is rendered;
- revenues from intermediation of financial instruments held for trading, calculated as the difference between the transaction price and the instrument fair value, are recognized in the Income Statement when the transaction is recognized, if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded.

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

Method for determining fair value

Fair value is the amount for which an asset (or a liability) could be transferred in a transaction between unrelated parties having a reasonable knowledge of the market conditions and of important facts concerning the asset or liability being traded. Underlying the definition of fair value is the assumption that an entity is a going concern without any need to liquidate or significantly downscale its operations, or to undertake a transaction on adverse terms. The fair value reflects the instrument’s credit quality as it incorporates counterparty risk.

Financial Instruments

Fair value is determined using prices from financial markets in the case of financial instruments listed in active markets, or using internal measurement 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, 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 internal deemed appropriate, are all considered as listed in an active market meeting the above requirements.

Finally, hedge funds are also treated as quoted in an active market if they provide for a monthly liquidation of units or, where this is not envisaged, if they can be liquidated in a period of no more than four months. Otherwise, all securities, derivatives and hedge funds that do not belong to the above categories are not considered as quoted in 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, to the time value of money and to risk-free rates.

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

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

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

For available-for-sale loan assets and for loan assets and liabilities recognized at cost or at amortized cost, the fair value for recognition purposes or reported in the Note to the Financial Statements is determined using the following method:

- medium - and long-term assets and liabilities are primarily measured by discounting future cash flows. Future cash flow discount has been defined based on a risk-neutral approach, i.e. using a risk-free interest rate and adjusting contractual future cash flows to take into account the counterparty's credit risk, represented by Probability of Default (PD) and Loss Given Default (LGD);
- a good approximation of the fair value of demand, short-term or floating-rate assets and liabilities is represented by the initial book value, net of collective or individual writedowns;
- the initial book value of floating-rate and short-term fixed-rate securities is deemed a reasonable approximation of the fair value, due to the fact that it reflects both the change in rates and the measurement of the credit risk associated with the issuer. An analogous approach is applied for the fair value measurement of medium-/long-term fixed-rate securities and structured securities that are hedged for interest rate risk, for which the book value determined for hedge accounting purposes already takes into account interest rate risk measurement. For the latter, in determining the fair value reported in the note to the financial statements, changes in their credit spread were not taken into account, given that they are immaterial.

Non-financial assets

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

Method for calculating amortized cost

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

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability.

To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

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

Amortized cost is calculated for loans and receivables, financial assets held to maturity financial assets available for sale, debt and securities issued.

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

Transaction costs are incremental internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument that cannot be charged to the customer. These commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for retrocession, failure to use a credit line, early repayment, underwriting, facility and arrangement.

In addition, not considered in the amortized cost calculation are the costs that the Group would sustain independently of the transaction (for example, administrative costs, recording and communication expenses), nor those that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as commissions for services collected for the completion of Structured Finance operations, which would however have been collected independently of the subsequent financing of the transaction (such as, for example, arrangement commissions).

With specific reference to loans, costs attributable to the financial instrument include commission paid to distribution channels, fees paid for advice/assistance to the organization and/or participation in syndicated loans, expenses borne for loans acquired by subrogation and, finally, up-front commissions relating to loans granted at a higher-than-market rates; while the revenues considered in the calculation of amortized cost are up-front commissions relating to loans granted at lower-than-market rates, commissions for participation in syndicated transactions and brokerage fees linked to commissions paid by intermediation companies.

As to securities not classified as held for trading, transaction costs include commissions on contracts with stockbrokers operating in Italian markets, commissions paid to intermediaries operating in foreign stock and bond markets based on a prepared schedule of commissions. The amortized cost does not include stamp duties, as these are deemed immaterial.

With regard to securities issued, amortized cost is calculated taking into account commission for placing debenture loans paid to third parties, legal expenses, fees paid to stock exchanges and fees paid to auditors for work done on each individual issue, while the amortized cost excludes commissions paid to rating agencies, legal and advice/revision expenses for the annual update of prospectuses, expenses for the use of indexes and commissions that arise during the life of the debenture loan issued.

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

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

Methods for determining impairment losses

Financial assets

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

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

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

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

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

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

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. To this end performing loans are subdivided into categories with uniform credit risk profile, referred to as "rating classes", and the scope of application is defined by identifying "sensitive" loans, considered as loans that implicitly include the possibility of incurred losses.

The collective impairment value of sensitive loans is, therefore, calculated applying the percentage expressing the probability of default assigned to the rating class, considering also the residual life of the loan (maturity) and the loss given default rate, defined in a perspective of Basel 2 prudential supervision. The loss given default rate is, moreover, further corrected by a sector coefficient, established based on the run-off rates published by the Bank of Italy. The impairment loss measurement also takes into account the risk associated with the counterparty's country of residence.

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

Please, see the relevant section of the Note for information on measurement methods used to calculate fair value.

Other non-financial assets

Property, plant and equipment and intangible assets with definite useful life undergo impairment testing if there is evidence that the book value of the asset can no longer be recovered.

The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent from those generated by other assets or groups of assets.

If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently written down to the recoverable value.

The recoverable value is determined with reference to the fair value of the property, plant and equipment asset or intangible asset net of divestment expenses or to the use value, if it can be determined and is higher than the fair value.

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

For other Property, plant and equipment items and intangible assets (other than goodwill), the Group determines the value in use as the present value of the estimated future cash flows using a discount rate before-taxes reflecting market data (the current cost of money and asset-specific risks).

Method for preparing segment reporting

IFRS 8 requires the Group to present segment reporting.

The sectors of economic activity included in segment reporting are defined based on the Parent Company's organisational and management structure.

The Group's business segments are:
- Retail/Private Banking;
- Corporate/Enterprises
- Crédit Agricole Leasing S.r.l. (CALIT)
- Other/different ones.

For segment reporting purposes, management figures, suitably reconciled with Financial Statement figures, have been used.

The methods used for the impairment testing of goodwill are reported in point 13.3 - Assets.

» A3 FAIR VALUE REPORTING

A.3.1 Inter-portfolio transfers

In 2012 no inter-portfolio transfers were made.

Classification of financial instruments

Asset securities

Level 1

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

Level 2

All securities measured using prices listed on non active markets or active markets for similar (but not identical) instruments, as well as securities measures using Cariparma Crédit Agricole Group standard internal pricing models whose parameters can be observed directly on the market.

Level 3

All securities measured on non-observable market bases. In this case, the securities are measured on the basis of estimates and assumptions based on historical knowledge or on the basis of measurement communicated by qualified market operators.

Liability securities

Level 1

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

Level 2

All securities measured using Cariparma Crédit Agricole Group standard internal pricing models, whose parameters can be observed directly on the market.

Level 3

All securities measured on non-observable market bases.

Listed derivatives

Level 1

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

OTC derivatives

Level 2

All securities measured using Cariparma Crédit Agricole Group standard internal pricing models, whose parameters can be observed directly on the market.

Level 3

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

A.3.2.1 Accounting portfolios: breakdown by fair value level

Financial assets/liabilities carried at fair value	31.12.2012			31.12.2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets held for trading	143	249,476	62,311	265	243,737	76,633
2. Financial assets carried at fair value	-	-	-	-	-	-
3. Financial assets available for sale	3,851,787	-	178,294	3,507,219	-	179,487
4. Hedging derivatives	-	1,151,735	-	-	699,360	7,641
Total	**3,851,930**	**1,401,211**	**240,605**	**3,507,484**	**943,097**	**263,761**
1. Financial liabilities held for trading	12	251,149	60,987	17	230,623	76,825
2. Financial Liabilities carried at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	319,350	-	-	176,602	-
Total	**12**	**570,499**	**60,987**	**17**	**407,225**	**76,825**

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

	Financial assets			
	Held for trading	Carried at fair value	Available for sale	Hedging
1. Opening balance	**76,633**	**-**	**179,487**	**7,641**
2. Increases	**5,265**	**-**	**8,233**	**-**
2.1 Purchases	144	-	6,332	-
2.2 Profits recognized in:	-	-	-	-
2.2.1 Income Statement	5,115	-	360	-
- of which: Capital gains	5,115	-	-	-
2.2.2 Shareholders' equity	X	X	406	-
2.3 Transfers from other categories	-	-	-	-
2.4 Other increases	6	-	1,135	-
3. Decreases	**19,587**	**-**	**9,426**	**7,641**
3.1 Sales	206	-	7,438	-
3.2 Redemptions	9,699	-	-	-
3.3 Losses recognized in:	-	-	-	-
3.3.1 Income Statement	8,288	-	1,985	-
- of which Capital losses	8,288	-	1,818	-
3.3.2 Shareholders' equity	X	X	3	-
3.4 Transfers to other categories	1,383	-	-	7,641
3.5 Other decreases	11	-	-	-
4. Final inventories	**62,311**	**-**	**178,294**	**-**

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

	Financial liabilities		
	Held for trading	Carried at fair value	Hedging
1. Opening balance	**76,825**	**-**	**-**
2. Increases	**3,154**	**-**	**-**
2.1 Issues	-	-	-
2.2 Losses recognized in:			
2.2.1 Income Statement	3,154	-	-
- of which Capital losses	3,154	-	-
2.2.2 Shareholders' equity	X	X	-
2.3 Transfers from other categories	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**18,992**	**-**	**-**
3.1 Redemptions	9,680	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognized in:			
3.3.1 Income Statement	7,893	-	-
- of which capital gains	7,893	-	-
3.3.2 Shareholders' equity	X	X	-
3.4 Transfers to other categories	1,419	-	-
3.5 Other decreases	-	-	-
4. Final inventories	**60,987**	**-**	**-**

A.3.3 Information on “day one profit/loss”

Not applicable to Group.

Part B Notes to the Consolidated Balance Sheet

ASSETS

Section 1 - Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: composition

	31.12.2012	31.12.2011
a) Cash	285,966	250,780
b) Demand deposits with Central Banks	-	680,000
Total	**285,966**	**930,780**

Section 2 - Financial assets held for trading - Item 20

2.1 Financial assets held for trading: Composition by type

	31.12.2012			31.12.2011		
Items	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A On-Balance-Sheet Assets						
1. Debt securities	54	2,173	1,352	248	8,867	1,363
1.1 Structured Securities	1	-	582	5	289	589
1.2 Other debt securities	53	2,173	770	243	8,578	774
2. Equity securities	-	9	-	1	9	17
3. Units in collective investment undertakings	-	-	54	-	9,311	149
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	**54**	**2,182**	**1,406**	**249**	**18,187**	**1,529**
B Derivatives						
1. Financial Derivatives	89	247,294	60,905	16	225,550	75,104
1.1 trading	89	247,294	60,905	16	225,550	75,104
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	**89**	**247,294**	**60,905**	**16**	**225,550**	**75,104**
Total (A+B)	**143**	**249,476**	**62,311**	**265**	**243,737**	**76,633**

It is reported that financial assets held for trading «Other debt securities» include securities issued by the Icelandic bank Glitnir Banki Hf for a total of €725 thousand. These securities matured on 4 November 2010 and have been classified as bad debts.

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

Items	31.12.2012	31.12.2011
A. On-balance-sheet assets		
1. Debt securities	**3,579**	**10,478**
a) Governments and central banks	11	16
b) Other public entities	-	-
c) Banks	3,521	10,443
d) Other issuers	47	19
2. Equity securities	**9**	**27**
a) Banks	9	26
b) Other issuers:	-	1
- insurance companies	-	1
- financial companies	-	-
- non-financial companies	-	-
- other	-	-
3. Units in collective investment undertakings	**54**	**9,460**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total A	**3,642**	**19,965**
B. Derivatives		
a) Banks		
- fair value	104,985	125,376
b) Customers		
- fair value	203,303	175,294
Total B	**308,288**	**300,670**
Total (A+B)	**311,930**	**320,635**

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

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**10,478**	**27**	**9,460**	**-**	**19,965**
B. Increases	**1,389,889**	**10,902**	**573**	**-**	**1,401,364**
B1. Purchases	1,383,731	10,899	495	-	1,395,125
B2. Fair Value gains	24	-	-	-	24
B3. Other changes	6,134	3	78	-	6,215
C. Decreases	**1,396,788**	**10,920**	**9,979**	**-**	**1,417,687**
C1 Sales	1,393,728	10,894	9,955	-	1,414,577
C2. Redemptions	-	-	-	-	-
C3. Fair Value losses	152	26	24	-	202
C4 Transfers to other portfolios	-	-	-	-	-
C5. Other changes	2,908	-	-	-	2,908
D. Closing balance	**3,579**	**9**	**54**	**-**	**3,642**

Rows B3. and C5. include profits and losses from trading, accrued income on the differences between issue prices and nominal values and on coupon interests, effects resulting from exchange rate fluctuations.

Section 4 - Financial assets available for sale - Item 40

4.1 Financial assets available for sale: composition by type

	31.12.2012			31.12.2011		
Items	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Debt securities	**3,850,483**	**-**	**49,175**	**3,506,656**	**-**	**51,572**
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	3,850,483	-	49,175	3,506,656	-	51,572
2. Equity securities	**1,304**	**-**	**129,119**	**563**	**-**	**125,398**
2.1 Carried at Fair Value	1,304	-	58,722	563	-	57,728
2.2 Carried at cost	-	-	70,397	-	-	67,670
3. Units in collective investment undertakings	**-**	**-**	**-**	**-**	**-**	**2,517**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**3,851,787**	**-**	**178,294**	**3,507,219**	**-**	**179,487**

The main equity securities carried at cost are:

- Bank of Italy (book value €67,026 thousand, whose fair value is equal to the cost, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed);
- Cattleya S.r.l. (book value €2,400 thousand, whose fair value is equal to the cost, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed);
- CA Fiduciaria S.p.A. (book value €300 thousand, whose fair value is equal to the cost, since it is a newly-incorporated company);
- Consorzio Agrario Provinciale di Parma (book value €453.26, whose fair value is equal to the historic cost because there is no distribution of profits, due to their co-operative company status, and in case of settlement only the share capital is refunded).
- Consorzio Agrario Provinciale Piacenza S.c.r.l. (book value €453.26, whose fair value is equal to the historic cost because there is no distribution of profits, due to their co-operative company status, and in case of settlement only the share capital is refunded).
- Scuola di vela S. Teresa S.r.l. (book value €12 thousand);
- Distretto ligure e delle tecnologie marine (book value € 60 thousand);
- Mediocom Liguria (book value €26 thousand);
- Cariparma OBG S.r.l (book value €400, whose fair value is the historical cost, since, as at 31 December 2012 the company was dormant).

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 Financial assets available for sale: composition by debtor/issuer

Items	31.12.2012	31.12.2011
1. Debt securities	**3,899,658**	**3,558,228**
a) Governments and central banks	3,850,483	3,506,658
b) Other public entities	350	3,150
c) Banks	-	-
d) Other issuers:	48,825	48,420
2. Equity securities	**130,423**	**125,961**
a) Banks	76,504	76,501
b) Other issuers	53,919	49,460
- insurance companies	-	-
- financial companies	23,909	23,649
- non-financial companies	30,010	25,811
- other	-	-
3. Units in collective investment undertakings	**-**	**2,517**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total	**4,030,081**	**3,686,706**

4.3 Available-for-sale Financial Assets covered by specific hedge (micro-hedged)

	31.12.2012	31.12.2011
With specific fair value hedges:	**2,995,790**	**1,717,673**
1. Interest rate risk	2,628,351	1,500,952
2. Price risk	367,439	216,721
3. Exchange risk	-	-
4. Credit Risk	-	-
5. Multiple risks	-	-
With specific cash flow hedges:	**-**	**-**
1. Interest rate risk	-	-
2. Exchange risk	-	-
3. Other	-	-
Total	**2,995,790**	**1,717,673**

4.4 Financial assets available for sale: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**3,558,228**	**125,961**	**2,517**	**-**	**3,686,706**
B. Increases	**809,287**	**7,285**	**2,876**	**-**	**819,448**
B1. Purchases	160,613	6,365	1,220	-	168,198
B2. Fair value gains	542,871	4	-	-	542,875
B3. Writebacks	-	620	1,656	-	2,276
- recognized through income statement	-	X	-		-
- recognized through equity	-	620	1,656	-	2,276
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	105,803	296	-	-	106,099
C. Decreases	**467,857**	**2,823**	**5,393**	**-**	**476,073**
C1 Sales	351,765	1,523	3,049	-	356,337
C2. Redemptions	-	-	-	-	-
C3. Fair Value losses	-	680	683	-	1,363
C4. Writedowns for impairment	-	620	1,656	-	2,276
- recognized through income statement	-	620	1,656	-	2,276
- recognized through equity	-	-	-	-	-
C5 Transfers to other portfolios	-	-	-	-	-
C6. Other changes	116,092	-	5	-	116,097
D. Closing balance	**3,899,658**	**130,423**	**-**	**-**	**4,030,081**

Rows B5. and C6. include profits and losses from realization, accrued income on the differences between issue prices and nominal values and on coupon interests, effects resulting from exchange rate fluctuations.

Section 6 - Loans to Banks - Item 60

6.1 Loans to banks: composition by type

Type of transaction/values	31.12.2012	31.12.2011 (*)
A. Claims on central banks	**691,848**	**151,169**
1. Fixed-term deposits	-	-
2. Reserve requirement	691,848	151,169
3. Repurchase agreements	-	-
4. Other	-	-
B. Loans to banks	**3,432,060**	**4,339,645**
1. Current accounts and demand deposits	256,073	336,040
2. Fixed-term deposits	1,826,763	2,268,466
3. Other financing:	38,918	16,973
3.1 Repurchase agreements	-	-
3.2 Finance lease	-	-
3.3 Other	38,918	16,973
4. Debt securities	1,310,306	1,718,166
4.1 Structured Securities	-	-
4.2 Other debt securities	1,310,306	1,718,166
Total (book value)	**4,123,908**	**4,490,814**
Total (fair value)	**4,123,666**	**4,491,179**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

(°) It is specified that the balance of the Statutory Reserve amounted to €228,759 thousand. As at 31 December 2012, other additional liquidity reserves amounting to € 463,089 thousand were held at the Central Bank, as eligible assets for refinancing.

At the end of 2012 there were no impaired loans to banks.

6.2 Loans to banks covered by specific hedge (micro-hedged)

At the end of 2012 there were no loans to banks covered by specific hedge.

6.3 Finance leases

At the end of 2012 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	31.12.2012			31.12.2011 (*)		
		Impaired			Impaired	
	Performing	Purchases	Other	Performing	Purchases	Other
1. Current accounts	4,317,175	-	345,551	4,857,668	-	268,187
2. Repurchase agreements	-	-	-	-	-	-
3. Mortgage loans	21,217,718	-	984,637	20,721,967	-	955,601
4. Credit cards, personal loans and loans repaid by automatic deductions from wages	722,676	-	30,318	819,306	-	26,925
5. Finance leases	1,644,215	-	214,109	1,687,011	-	154,047
6. Factoring	-	-	-	-	-	-
7. Other transactions	5,433,215	-	213,496	5,125,700	-	160,309
8. Debt securities	5,039	-	-	5,062	-	-
8.1 Structured Securities	-	-	-	-	-	-
8.2 Other debt securities	5,039	-	-	5,062	-	-
Total (book value)	**33,340,038**	**-**	**1,788,111**	**33,216,714**	**-**	**1,565,069**
Total (fair value)	**33,935,507**	**-**	**1,788,111**	**33,681,509**	**-**	**1,565,069**

(*) Restated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

7.2 Loans to customers: composition by debtor/issuer

Type of transactions/Amounts	31.12.2012			31.12.2011 (*)		
		Impaired			Impaired	
	Performing	Purchases	Other	Performing	Purchases	Other
1. Debt securities:	**5,039**	**-**	**-**	**5,062**	**-**	**-**
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other issuers	5,039	-	-	5,062	-	-
- non-financial companies	5,039	-	-	5,062	-	-
- financial companies	-	-	-	-	-	-
- insurance undertakings	-	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans to:	**33,334,999**	**-**	**1,788,111**	**33,211,652**	**-**	**1,565,069**
a) Governments	5,092	-	7	291	-	73
b) Other public entities	254,265	-	1	256,650	-	3
c) Other	33,075,642	-	1,788,103	32,954,711	-	1,564,993
- non-financial companies	18,150,633	-	1,327,552	19,635,540	-	1,048,630
- financial companies	1,451,716	-	35,063	638,014	-	34,773
- insurance undertakings	21,738	-	1	7,421	-	1
- other	13,451,555	-	425,487	12,673,736	-	481,589
Total	**33,340,038**	**-**	**1,788,111**	**33,216,714**	**-**	**1,565,069**

(*) Restated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

7.3 Loans to customers covered by specific hedge (micro-hedged)

Type of transactions/Amounts	31.12.2012	31.12.2011
1. Loans with specific fair value hedges	75,289	77,021
a) interest rate risk	75,289	77,021
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	**75,289**	**77,021**

7.4 Finance leases

	2012								2011							
				Minimum payments			Gross investment					Minimum payments			Gross investment	
				Capital share								Capital share				
	Gross Impaired Exposures	Specific Writedowns	Net Impaired Exposure		of which residual value guaranteed	Interest share		of which residual value guaranteed	Gross Impaired Exposures	Specific Writedowns	Net Impaired Exposure		of which residual value guaranteed	Interest share		of which residual value guaranteed
- demand	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
- up to 3 months	62,407	(11,013)	51,394	55,472	-	16,809	72,281	1,852	26,900	(2,778)	24,122	59,236		17,050	103,186	604
- over 3 months up to 1 year	22,351	(4,728)	17,623	165,711	-	47,070	212,781	10,565	15,840	(2,815)	13,025	172,017		48,101	235,958	6,026
- over 1 year up to 5 year	46,568	(13,642)	32,926	619,895	-	180,197	800,092	44,088	21,721	(2,296)	19,425	644,656	-	182,257	848,634	48,044
- more than 5 years	87,740	(16,212)	71,528	812,701	-	182,621	995,322	199,335	65,792	(14,374)	51,418	810,588	-	195,189	1,071,569	206,792
- indefinite	54,800	(14,162)	40,638	221	-	-	9,149		55,969	(9,912)	46,057	7,344	-	-	63,313	-
Total	**273,866**	**(59,757)**	**214,109**	**1,654,000**	**-**	**426,697**	**2,089,625**	**255,840**	**186,222**	**(32,175)**	**154,047**	**1,693,841**	**-**	**442,597**	**2,322,660**	**261,466**
Writedowns																
- specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- collective	-	-	-	(9,785)	-	-	-	-	-	-	-	(6,830)	-	-	-	-
Net Total	**273,866**	**(59,757)**	**214,109**	**1,644,215**	**-**	**426,697**	**2,089,625**	**255,840**	**186,222**	**(32,175)**	**154,047**	**1,687,011**	**-**	**442,597**	**2,322,660**	**261,466**

Leasing (or financial lease) is a contract by which a subject (user) asks the leasing company (grantor) to purchase (or have made) an item by a manufacturer or Seller (Supplier) to enjoy its use, against the payment of a set period fee.

Crédit Agricole Leasing Italia Srl finance lease contracts envisage that the user, provided that the same has fulfilled all obligations assumed, at the close of the set contract duration, may choose:

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

The contract duration, over the economic useful life of the assets, and The financed assets vary according to the applicant and/or the nature of the pre-set surrender value of the assets are such to generally induce the activity.

The financed assets vary according to the applicant and/or the nature of the activity performed. In general the financed assets fall into 4 categories: motor vehicles (cars, commercial vehicles and industrial vehicles), air rail naval (airplanes, boats, railway cars), equipment and property (commercial and industrial buildings both completed and to be built).

Sale and lease-back

Sale and lease-back is a transaction by which the same asset is sold and leased back.

Loans resulting from leaseback contracts, which for Crédit Agricole Leasing Italia S.r.l. have no particular features in contractual clauses, except possibly in the ones relating to the regulation of the Supplier role (identifiable with the user) amounted to €244.6 million.

Section 8 - Hedging derivatives - Item 80

8.1 Hedging derivatives: composition by type of hedge and levels

Type of transactions / Amounts	Fair Value 31.12.2012			Notional value 31.12.2012	Fair Value 31.12.2011			Notional value 31.12.2011
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial Derivatives	**-**	**1,151,735**	**-**	**15,325,646**	**-**	**699,360**	**7,641**	**12,579,130**
1) Fair value	-	1,151,735	-	15,325,646	-	699,360	7,641	12,579,130
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**1,151,735**	**-**	**15,325,646**	**-**	**699,360**	**7,641**	**12,579,130**

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

Transactions / Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific								
	Interest rate risk	Exchange rate risk	Credit risk	Price risk	Multiple risks	Generic	Specific	Generic	
1. Financial assets available for sale	1,742	-	-	-	-	X	-	X	X
2. Loans and receivables	5,320	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other transactions	X	X	X	X	X	X	X	X	-
Total assets	**7,062**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	1,144,673	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	X	-	-	X
Total liabilities	**1,144,673**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

The “Hedging Derivatives” item referring to financial liabilities consisted of € 434,856 thousand for hedging own bonds issued and € 716,814 thousand generic hedging/macrohedging of fixed-rate demand deposits.

Section 9 - Adjustment of financial liabilities hedged generically - Item 90

9.1 Adjustment of hedged assets: composition by hedged portfolio

Value adjustments of hedged assets	31.12.2012	31.12.2011
1. Positive adjustment	**6,363**	**4,203**
1.1 of specific portfolios:	6,363	4,203
a) loans	6,363	4,203
b) financial assets available for sale	-	-
1.2 total	-	-
2. Negative adjustment	**-**	**-**
2.1 of specific portfolios:	-	-
a) loans	-	-
b) financial assets available for sale	-	-
2.2 total	-	-
Total	**6,363**	**4,203**

9.2 Assets covered by generic hedge (macro-hedged) for interest rate risk

Type of transactions/Amounts	31.12.2012	31.12.2011
Loans	138,293	150,177
Financial assets available for sale	-	-
Portfolio	-	-
Total	**138,293**	**150,177**

Section 10 - Equity Investments - Item 100

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

			Equity investment		
Name	Registered office	Type of relationship	Investor	% holding	% of votes
A. Companies subject to significant influence					
2. CA - Agroalimentare S.p.A.	Parma	associate	Cariparma FriulAdria	26.32 10.53	x x
3. Greenway Società Agricola a r.l.	Camino al Tagliamento (UD)	associate	FriulAdria	35.00	x
4. Glassfin S.r.l.	San Vito al Tagliamento (PN)	associate	FriulAdria	31.66	x
5. Gefil S.p.A.	La Spezia	associate	Carispezia	25.83	x
6. Bauhaus S.p.A.	Milano	associate	Sliders	19.90	x

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

	Total Assets	Total Revenue	Profit (loss)	Equity	Book value	Fair value
A. Companies accounted for with equity method	**124,500**	**5,545**	**-1,492**	**104,223**	**20,433**	**-**
A.1 Joint ventures						
A.2 Companies subject to significant influence						
2. CA - Agroalimentare S.p.A.	92,937	375	-920	92,529	17,500	-
3. Greenway Società Agricola a R.L	6,096	733	1	992	350	-
4. Glassfin S.r.l.	3,746	146	-900	92	-	-
5. Gefil S.p.A.	21,721	4,291	327	10,610	2,583	-
6. Bauhaus S.p.A.	9,116	3	-6,010	9,108	0	-

The results shown are derived from the last approved financial statements (31 December 2011) for each company.

The fair value of equity investments in companies subject to significant influence has not been set forth since none of these companies is listed.

10.3 Equity investments: changes for the period

	31.12.2012	31.12.2011
A. Opening balance	**123,222**	**119,975**
B. Increases	**15,006**	**66,927**
B.1 Purchases	15,006	59,050
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4. Other changes	-	7,877
C. Decreases	**117,795**	**63,680**
C.1 Sales (*)	102,449	81
C.2 Writedowns	15,346	-
C.3. Other changes	-	63,599
D. Closing balance	**20,433**	**123,222**
E. Total Revaluation	**-**	**-**
F. Total writedowns	**-**	**-**

(*) This amount refers to the transfer of the equity investment in Crédit Agricole Vita S.p.A. . In the first half of 2012, this equity investment was transferred to the majority shareholder Crédit Agricole Assurance. The deconsolidation of the equity investment generated capital gains recognized in the Income Statement for €72 million, equal to the difference between the sale price of the equity investment, as determined by an independent expert based on the adjusted value of the company's equity as at 31 December 2011, and the present value of future production over a ten-years time horizon, and the book value of the same company in the Cariparma Crédit Agricole Group's consolidated financial statements as at the transfer date.

10.5 Commitments in respect of companies subject to significant influence

At the end of 2012, the remaining commitment to the company CA Agro-Alimentare amounted to €17.5 million.

Section 12 - Property, plant and equipment - Item 120

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

Assets/Amounts	31.12.2012	31.12.2011
A. Operating assets		
1.1 owned	**431,248**	**440,259**
a) land	117,312	117,312
b) buildings	262,737	268,160
c) furnishing	14,160	16,494
d) electronic equipment	6,170	4,764
e) other	30,869	33,529
1.2 acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furnishing	-	-
d) electronic equipment	-	-
e) other	-	-
Total A	**431,248**	**440,259**
B. Investment property		
2.1 owned	**11,544**	**12,138**
a) land	4,645	4,663
b) buildings	6,899	7,475
2.2 acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
Total B	**11,544**	**12,138**
Total (A+B)	**442,792**	**452,397**

12.3 Operating property, plant and equipment: changes for the period

	Land	Buildings	Furnishing	Electronic equipment	Other	Total
A. Opening gross balance						
A.1 Total net writedowns	-	221,353	80,780	48,034	148,949	499,116
A.2 Opening net balance	**117,312**	**268,160**	**16,494**	**4,764**	**33,529**	**440,259**
B. Increases:	**-**	**5,704**	**3,148**	**4,910**	**9,472**	**23,234**
B.1 Purchases	-	39	3,148	4,910	9,472	17,569
B.2 Capitalized improvement costs	-	5,665	-	-	-	5,665
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:	**-**	**11,127**	**5,482**	**3,504**	**12,132**	**32,245**
C.1 Sales	-	28	1,015	153	354	1,550
C.2 Depreciation	-	10,969	4,344	3,309	11,595	30,217
C.3 Writedowns for impairment recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Fair Value losses recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) investment property	-	-	-	-	-	-
b) discontinuing operations	-	-	-	-	-	-
C.7. Other changes	-	130	123	42	183	478
D. Closing net balance	**117,312**	**262,737**	**14,160**	**6,170**	**30,869**	**431,248**
D.1 Total net writedowns	-	226,812	85,123	51,342	160,544	523,821
D.2 Closing gross balance	**117,312**	**489,549**	**99,283**	**57,512**	**191,413**	**955,069**
E. Carried at cost	-	-	-	-	-	-

12.4 Investment property, plant and equipment: changes for the period

	31.12.2012	
	Land	Buildings
A. Opening balance	**4,663**	**7,475**
B. Increases	**-**	**115**
B.1 Purchases	-	-
B.2 Capitalized improvement costs	-	115
B.3 Fair Value gains recognized in	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from operating assets	-	-
B.7. Other changes	-	-
C. Decreases	**18**	**691**
C.1 Sales	18	656
C.2 Depreciation	-	35
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	**4,645**	**6,899**
E. Carried at fair value	**12,648**	**13,951**

Section 13 - Intangible assets - Item 130

13.1 Intangible Assets: composition by type of asset

	31.12.2012		31.12.2011 (*)	
Assets/Amounts	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**1,575,536**	**X**	**1,575,546**
A.1.1pertaining to parent company shareholders	X	1,575,536	X	1,575,546
A.1.2 minority interests	X	-	X	-
A.2 Other intangible assets	**370,588**	**-**	**395,966**	**-**
A.2.1 Assets carried at cost:	370,588	-	395,966	-
a) Intangible assets developed in-house	2,478	-	-	-
b) Other assets	368,110	-	395,966	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
Total	**370,588**	**1,575,536**	**395,966**	**1,575,546**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62).

The cost of intangible assets with finite life is amortized at on a straight-line basis over the useful life of the asset, which, for all software is set at five years. The useful life of some types of software, specifically identified, is estimated as being 10 years, reflecting the contributions of these assets to the achievement of the company's future profits.

In-house generated intangible assets were recognized for € 2.5 million. These assets resulted from staff expenses borne for in-house development of software and are amortized over a 5-year period.

The useful life of intangible assets representing business with customers has been set at 15 years, based on the time series available on the rate of customer turnover in the retail segment.

13.2 Intangible Assets: changes for the period

	Goodwill (*)	Other intangible assets: internally generated		Other intangible assets: Other		Total
		with finite life	with indefinite life	with finite life	with indefinite life	
A. Opening balance	**1,581,546**	**-**	**-**	**565,051**	**-**	**2,146,597**
A.1 Total net writedowns	6,000	-	-	169,085	-	175,085
A.2 Opening net balance	**1,575,546**	**-**	**-**	**395,966**	**-**	**1,971,512**
B. Increases	-	2,911	-	44,755	-	47,666
B.1 Purchases	-	-	-	44,755	-	44,755
B.2 Increases in internal intangible assets	X	2,911	-	-	-	2,911
B.3 Writebacks	X	-	-	-	-	-
B.4. Fair Value gains:		-	-	-	-	-
- equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6. Other changes	-	-	-	-	-	-
C. Decreases	**10**	**433**	**-**	**72,611**	**-**	**73,054**
C.1 Sales	-	-	-	-	-	-
C.2 Writedowns	10	433	-	72,508	-	72,951
- Depreciation and amortization	X	433	-	72,508	-	72,941
- Writedowns:	10	-	-	-	-	10
+ equity	X	-	-	-	-	-
+ income statement	10	-	-	-	-	10
C.3 Fair Value losses recognized in:	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
C.4 Transfers to discontinuing operations	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6. Other changes	-	-	-	103	-	103
D. Closing net balance	**1,575,536**	**2,478**	**-**	**368,110**	**-**	**1,946,124**
D.1 Total net writedowns	6,010	433	-	271,518	-	277,961
E. Closing gross balance	**1,581,546**	**2,911**	**-**	**639,628**	**-**	**2,224,085**
F. Carried at cost	-	-	-	-	-	-

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62).

13.3 Other Information

Impairment test on intangible assets with finite life

At the end of 2012 it was verified that the value of each of the elements making up intangible assets, which were recognized within the scope of transactions made in 2007 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the component relating to loans to customers, the calculation of the present value took into account the trend in early loan redemption, the cost of credit and the level of taxing actually recorded in the last two years;
- for the component relating to demand deposits a progressive increase in volumes (and therefore of their stable components) was observed from the time of purchase;
- for the component relating to net commissions the current value of the commissions was recalculated taking into account the expected level of commissions from “banking services”; the result of the analysis was positive.

Therefore, the overall value of these intangible assets was found to be higher than the recognized value as at 31 December 2010 equal to:

- Banca Popolare FriulAdria; €56,105 thousand;
- 180 Cariparma branches purchased in 2007: €101,800 thousand;
- 29 Banca Popolare FriulAdria branches purchased in 2007: €10,067 thousand;

For a total of €167,972 thousand.

At the end of 2012 it was verified that the value of each of the elements making up intangible assets, which were recognized within the scope of transactions made in 2011 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:
- for the component relating to demand deposits, volumes were essentially in line with the date of purchase and their measurement took into account the introduction of Multiple ITR System;
- with regard to Net Commission Income, the changes in Wealth Management commissions for Assets under Administration and Assets under Management for 2011, 2012, 2013 and the relevant 15-year perspective forecasts were analyzed.

Therefore, the overall value of these intangible assets, which was recognized within the scope of transactions made in 2011, was found to be higher than the recognized value as at 31 December 2010 equal to:
- Carispezia: €26,664 thousand;
- 81 Cariparma branches purchased in 2011: €75,458 thousand;
- 15 Banca Popolare FriulAdria branches purchased in 2007: €15,010 thousand;

For a total of €117,132 thousand.

Impairment test on goodwill

As required by the IASs/IFRSs, the goodwill resulting from the purchases of Banca Popolare FriulAdria, of the 180 Cariparma branches and the 29 Banca Popolare FriulAdria branches (made in 2007), of the 81 Cariparma branches and of the 15 Banca Popolare FriulAdria branches (made in 2011), of CALIT (made in 2009) and of Carispezia (made in 2011) was tested for impairment. The goodwill paid in relation to the transactions described above was allocated as follows:

CGU	Goodwill (€/thousand)
Retail+Private Channel	1,493,705
Enterprises+Corporate Channel	54,592
CALIT Channel	17,239

These CGUs, identified in line with the level at which goodwill is monitored for the purpose of the internal management audit, are not broader than the operating sectors identified for Segment reporting purposes. The use value of each CGU has been determined in accordance with the method adopted by the Crédit Agricole S.A. Group, i.e. using the Discounted Cash Flows method (discount of future profits and losses), and compared with the relevant carrying amount, calculated as the sum of goodwill, intangible assets and equity absorbed.

The model adopted for calculating future financial flows, starting with 2012, consists of three stages:
- for the first stage (2013-2015) the following forecasts were used: the 2013 Budget and, for 2014 e 2015, the medium-term forecasts updated based on the 2013 Budget ("MTF"); both forecasts were approved by the Executive Committee of the Parent Company Cariparma on 29 January 2013;
- for the second stage (2016-2017) we considered the "steadystate" growth rates i.e. growth rates that are consistent with, on the one hand, the trend of performance/financial data considered in the period of analytical forecast and, on the other hand, with a slowly-recovering macroeconomic context (with a return to the midpoint of the economic cycle around 2016);
- the last stage considers the Terminal Value: the cash flow after tax for the last year was, therefore, projected into perpetuity using a long-term growth rate "g" (2.00%). This rate is consistent with long-term macroeconomic growth forecasts for the Italian economy and in line with the measurement methods adopted in the sector.

Specifically, the following assumptions on plan development are pointed out:
- Increase in the average lending and funding volumes: 2-3% per year. This assumption is in line with the forecasts provided by the Italian Banking Association (ABI) and by the company Prometeia;
- Market rates scenario: rates returning to more physiological levels, in line with a gradual exit from the crisis;
- Stable administrative expenses: in the reference time horizon, as the combined effect of expense control strategies that the Group is pursuing and of the new investments aiming at the development and automation of the distribution network;
- Cost of Risk: the Group has forecast a gradual exit from the present economic crisis reaching a cost of risk at a physiological level in 2017;

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 9.8% (vs. 10.0% used for the impairment test for the 2011 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 2011 are reported below:

Remuneration of capital (ke)	9.81%	10.04%
- of which risk-free rate	4.77%	5%
- of which Beta	1.2	1.2
- of which risk premium	4.20%	4.20%

With Beta yields and risk premium being equal, the risk-free rate, calculated as the long-term average yield of the ten-year Italian Treasury Bonds (Italian acronym; BTP), decreased subsequent to the gradual decrease in the average yield of government securities.

For all CGUs (Retail/Private Banking, Enterprises/Corporate and CALIT) this calculation showed a CGU value higher than the carrying amount of the CGU (with a positive delta higher than €476 million for the Retail/Private Banking CGU, higher than €84 million for the Enterprises/Corporate CGU and equal to €4 million for the CALIT CGU).

It was also observed that this result was obtained even with changes (within a reasonable range of oscillation) of the elements making up the discount rate. More specifically, the sensitivity analysis was calculated varying the parameters as follows:
- risk-free rate: variation range between 1.36% (average rate of 10-year Bunds in December 2012) and 4.77%;
- beta: variation range between 0.98 (average Beta of a sample of medium-size listed Italian banks, calculated over a three-year time horizon) and 1.20;
- risk premium: variation range between 3.50% (1900-2011 geometric mean, source “Equity Risk Premiums (ERP): Determinants, Estimation and Implications - The 2012 Edition”, Aswath Damodaran, March 2012) and 4.20%;
- increase in the ratio of allocated equity and RWA of +100 bps.

Also in these cases, the result of the sensitivity analysis was positive.

Lastly we determined the discounting rate or long-term growth rate “g” at which the use value becomes equal to the book value. This analysis showed that the book value is equal to the use value only with a marked increase in the discount rate ke (11.3% for the Retail/Private Banking CGU, 10.8% for the Enterprises/Corporate CGU and 10.2% for CALIT), while, even with a long-term growth rate equal to zero, for the Retail/Private Banking CGU and for the Enterprises/Corporate CGU, the use value would continue to be higher than the book value (for the CALIT CGU, on the other hand, with a “g” rate equal to 0, the result of the impairment test on the CGU goodwill would be negative by approximately €1 million).

Section 14 - Tax Assets and Tax Liabilities - Assets Item 140 and Liabilities Item 80

14.1 Deferred tax assets: composition

	31.12.2012	31.12.2011 (*)
A. Deferred tax assets:	**731,465**	**711,330**
A1. Receivables (including securitization)	132,570	91,188
A2. Other financial instruments	84,786	207,373
A3. Goodwill	434,252	368,444
A4. Long-term costs	-	285
A5. Property, plant and equipment	-	7,574
A6. Provisions for liabilities and contingencies	59,813	23,198
A7. Representation expenses	-	-
A8. Staff expenses	-	11,549
A9. Tax losses	-	-
A10. Unused tax credits to be deducted	-	-
A11. Other	20,044	1,719
B. Offset against deferred tax liabilities	**-**	**-**
C. Net deferred tax assets	**731,465**	**711,330**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

14.2 Deferred tax liabilities: composition

	31.12.2012	31.12.2011
A. Gross deferred tax liabilities	**96,694**	**118,218**
A1. Capital gains spreading	511	616
A2. Goodwill	-	61
A3. Property, plant and equipment	18,006	36,920
A4. Financial instruments	19,513	13,843
A5. Staff expenses	-	253
A6. Other	58,664	66,525
B. COffset against deferred tax assets	**-**	**-**
C. Net deferred tax liabilities	**96,694**	**118,218**

14.3 Changes in deferred tax assets (recognized in the Income Statement)

	31.12.2012	31.12.2011 (*)
1. Opening balance	**503,258**	**318,265**
2. Increases	**196,502**	**247,518**
2.1 Deferred tax assets recognized during the period	195,019	227,106
a) in respect of previous years	-	9
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other (**)	195,019	227,097
2.2 New taxes or increases in tax rates	50	5,121
2.3 Other increases	1,433	15,291
3. Decreases	**57,702**	**62,525**
3.1 Deferred tax assets derecognized during the period	56,620	50,838
a) reversals	56,620	50,838
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other		-
3.2 Reduction in tax rates	53	-
3.3 Other reductions	1,029	11,687
a) changes in tax credits of which: Law 214/2011	559	-
b) other	470	-
4. Closing balance	**642,058**	**503,258**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

(**) The amount includes:
- *€94,046 thousand relating to future deductibility of amortization of goodwill of the branches acquired in 2011;*
- *€32,762 thousand relating to the setting up of employees' solidarity fund.*

Other increases and decreases as reported in points 2.3 and 3.3 represent increases and decreases caused by correct recognition of deferred tax assets following income tax return filing. The related balancing item is not represented by income statement items, but bycurrent tax liabilities.

14.3.1 Changes in deferred tax assets pursuant to Law 214/2011 (recognized in the Income Statement)

	31.12.2012	31.12.2011
1. Opening balance	**449,296**	**288,160**
2. Increases	**140,989**	**200,469**
3. Decreases	**29,681**	**39,333**
3.1 Reversals	28,874	27,711
3.2 Changes in tax credits	559	394
a) resulting from losses of period	559	394
b) resulting from tax losses	-	-
3.3 Other reductions	248	11,228
4. Closing balance	**560,604**	**449,296**

Deferred tax assets pursuant to Law 214/2011 were also recognized in equity for an amount of €3,400 thousand.

Therefore, total deferred tax assets transformable pursuant to Law 214/2011 came to €564,004 thousand.

14.4 Changes in deferred tax liabilities (recognized in the Income Statement)

	31.12.2012	31.12.2011
1. Opening balance	**109,671**	**60,520**
2. Increases	**1,834**	**51,132**
2.1 Deferred tax liabilities recognized during the year	1,666	706
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	1,666	706
2.2 New taxes or increases in tax rates	57	882
2.3 Other increases	111	49,544
3. Decreases	**30,809**	**1,981**
3.1 Deferred taxes derecognised in the financial year	30,794	1,896
a) reversals (*)	30,794	1,896
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	9	-
3.3 Other reductions	6	85
4. Closing balance	**80,696**	**109,671**

(*) The decrease in taxes for 2012 includes an amount of €24,094 thousand resulting from the partial tax relief on the business combination made in 2011.

The other increases and decreases include the increases or decreases resulting from the more accurate recognition of deferred taxes after the Group filed its income tax return. The related balancing item is not represented by income statement items, but by current tax liabilities.

14.5 Changes in deferred tax assets (recognized in equity)

	31.12.2012	31.12.2011
1. Opening balance	**208,072**	**62,133**
2. Increases	**4,103**	**160,472**
2.1 Deferred tax assets recognized during the period	4,044	158,876
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	4,044	158,876
2.2 New taxes or increases in tax rates	59	1,500
2.3 Other increases	-	96
3. Decreases	**122,768**	**14,533**
3.1 Deferred tax assets derecognized during the period	122,748	14,533
a) reversals	122,748	14,533
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	20	-
3.3 Other reductions	-	-
4. Closing balance	**89,407**	**208,072**

(*) Cancelled 2012 taxes mainly referred to the measurement of AFS securities.

14.6 Changes in deferred tax liabilities (recognized in equity)

	31.12.2012	31.12.2011
1. Opening balance	**8,547**	**9,744**
2. Increases	**13,041**	**11,887**
2.1 Deferred tax liabilities recognized during the year	13,041	11,646
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other (*)	13,041	11,646
2.2 New taxes or increases in tax rates	-	238
2.3 Other increases	-	3
3. Decreases	**5,590**	**13,084**
3.1 Deferred taxes derecognised in the financial year	5,590	12,977
a) reversals	5,590	12,977
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	-	107
4. Closing balance	**15,998**	**8,547**

(*) 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

	31.12.2012	31.12.2011 (*)
Sundry debits in process	91,723	193,829
Stamp duty and other assets	5	8
Items being processing	262,289	243,616
Accrued income not allocated to other items	14,574	13,268
Prepaid expenses not allocated to other items	50,821	39,644
Protested bills and checks	2,830	1,923
Leasehold improvements	9,526	11,006
Tax advances paid on behalf of third parties	95,641	35,594
Sundry items	301,912	301,314
Total	**829,321**	**840,202**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

LIABILITIES

Section 1 - Due to Banks - Item 10

1.1 Due to banks: composition by type

Type of transactions/Amounts	31.12.2012	31.12.2011
1. Due to central banks	**-**	**-**
2. Payables due to banks	**5,275,445**	**6,901,499**
2.1 Current accounts and demand deposits	814,546	465,542
2.2 Fixed-term deposits	2,198,492	4,377,113
2.3 Loans	2,260,386	2,057,118
2.3.1 Repurchase agreements	1,043,932	861,636
2.3.2 Other	1,216,454	1,195,482
2.4 Liabilities in respect of commitments to repurchase own equity instruments	-	-
2.5 Other payables	2,021	1,726
Total	**5,275,445**	**6,901,499**
Fair value	**5,275,445**	**6,901,499**

1.2 Breakdown of item 10 “Due to Banks”: subordinated liabilities/debts

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value
Subordinated deposit	17.12.2008	17.12.2018	5 equal instalments as from 17 Dec. 2014	Euribor 3 months + 334 b.p.	euro	250,000	250,343
Subordinated deposit	30.03.2011	30.03.2021	5 equal instalments as from 30 March 2017	Euribor 3 months + 220 b.p.	euro	400,000	400,000

1.3 Breakdown of item 10 «Due to Banks»: structured liabilities/debts

At the end of 2012, there were no structured liabilities/debts to banks.

1.4 Due to Banks covered by specific hedge (micro-hedged)

At the end of 2012 there were no dues to banks covered by specific hedge.

1.5 Liabilities in respect of finance leases/debts for

At the end of 2012, there were no liabilities/debts 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	31.12.2012	31.12.2011
1. Current accounts and demand deposits	21,224,462	22,363,898
2. Fixed-term deposits	673,876	316,113
3. Loans	250,673	95,180
3.1 Repurchase agreements	245,692	95,180
3.2 Other	4,981	-
4. Liabilities in respect of commitments to repurchase own equity	-	-
5. Other payables	115,458	113,619
Total	**22,264,469**	**22,888,810**
Fair Value	**22,264,469**	**22,888,810**

2.2 Breakdown of item 20 “Due to Customers”: subordinated debts

At the end of 2012, there were no subordinated liabilities/debts to Customers.

2.3 Breakdown of item 20 “Due to Customers”: structured debts

At the end of 2012, there were no structured liabilities/debts to Customers.

2.4 Due to customers covered by specific hedge (micro-hedged)

At the end of 2012 there were no dues to Customers covered by specific hedge.

2.5 Liabilities in respect of finance leases

At the end of 2012 there were no dues to Customers resulting from finance lease transactions.

Section 3 - Securities Issued - Item 30

3.1 Securities issued: composition by type

Type of securities/values	31.12.2012				31.12.2011			
	Financial statement value	Fair value			Financial statement value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	11,938,782	-	11,885,006	120,000	10,955,695	-	10,888,351	120,029
1.1 Structured	206,475	-	211,703	-	108,243	-	110,411	-
1.2 other	11,732,307	-	11,673,303	120,000	10,847,452	-	10,777,940	120,029
2. Other securities	2,016,737	-	25,945	1,990,794	1,714,036	-	-	1,714,036
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	2,016,737	-	25,945	1,990,794	1,714,036	-	-	1,714,036
Total	**13,955,519**	**-**	**11,910,951**	**2,110,794**	**12,669,731**	**-**	**10,888,351**	**1,834,065**

The sub-item of other securities “2.2 other” includes certificates of deposit and banker’s drafts issued by the Group Banks.

3.2 Breakdown of item 30 “Securities issued”: 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 28.06.2016	Euribor 3 months + 729 b.p.	euro	120,000	115,190
Subordinated loan	14.12.2007	14.12.2017	5 equal instalments as from 14 Dec. 2013	Euribor 3 months + 10 b.p.	euro	30,000	29,720
Subordinated loan	30.06.2009	30.06.2016	50% by 30 June 2015 50% by 30 June 2016	up to 30 June 2012 5%; after Euribor 6 months+ 100 b.p.	euro	77,250	77,033
Subordinated loan	30.06.2009	30.06.2016	50% by 30 June 2015 50% by 30 June 2016	5% fixed	euro	222,750	229,052

3.3 Breakdown of item 30 “Securities issued”: securities covered by specific hedge

At the end of 2012, there were €9,917 million worth of securities covered by specific interest rate risk hedge.

Section 4 - Financial liabilities held for trading - Item 40

4.1 Financial liabilities held for trading: composition by type

	31.12.2012					31.12.2011				
		Fair Value					Fair Value			
Type of transactions/Amounts	VN	Level 1	Level 2	Level 3	FV *	VN	Level 1	Level 2	Level 3	FV *
A. On-balance-sheet liabilities										
1. Payables due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-		-	-	-	-	-
3.1 Bonds	-	-	-	-		-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other	-	-	-	-		-	-	-	-	
3.2.1 structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial Derivatives		12	251,150	60,986			16	230,624	76,825	
1.1 Trading	X	12	239,502	57,880	X	X	16	215,750	76,825	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	11,648	3,106	X	X	-	14,874	-	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		**12**	**251,150**	**60,986**			**16**	**230,624**	**76,825**	
Total (A+B)	**X**	**12**	**251,150**	**60,986**	**X**	**X**	**16**	**230,624**	**76,825**	**X**

Key:

FV = fair value

FV = fair value calculated excluding changes in value resulting from changes in the issuer’s credit rating after the issue date*

NV = nominal value or notional value.

4.2 Breakdown of Item 40 “Financial liabilities held for trading”: subordinated liabilities

At the end of 2012, there were no subordinated liabilities held for trading.

4.3 Breakdown of Item 40 “Financial liabilities held for trading”: structured liabilities/debts

At the end of 2012, there were no structured liabilities held for trading.

Section 6 - Hedging derivatives - Item 60

6.1 Hedging derivatives: composition by type of hedge and levels

	Fair value 31.12.2012			Notional amount 31.12.2012	Fair value 31.12.2011			Notional amount 31.12.2011
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A) Financial Derivatives	**-**	**319,350**	**-**	**3,168,879**	**-**	**176,602**	**-**	**2,630,056**
1) Fair value	-	319,350	-	3,168,879	-	176,602	-	2,630,056
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**319,350**	**-**	**3,168,879**	**-**	**176,602**	**-**	**2,630,056**

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					Generic	Specific	Generic	
	Interest rate risk	Exchange rate risk	Credit risk	Price risk	Multiple risks				
1. Financial assets available for sale	297,665	-	-	4,058	-	X	-	X	X
2. Loans and receivables	13,912	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio									X
5. Other transactions	X	X	X	X	X	X	X	X	
Total assets	**311,577**	**-**	**-**	**4,058**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	3,715	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	-	-	-	X
Total liabilities	**3,715**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	X	-	-

The “Hedging Derivatives” item referring to financial liabilities consisted of € 1,717 thousand for hedging own bonds issued and € 1,998 thousand referring to generic hedging (macrohedging) of fixed-rate demand deposits.

Section 7 - Adjustment of financial liabilities covered by generic hedging - Item 70

7.1 Adjustment of hedged financial liabilities

Adjustment of hedged liabilities/Amounts	31.12.2012	31.12.2011
1. Positive adjustment of financial liabilities	-	-
2. Negative adjustment of financial liabilities	658,142	344,469
Total	**658,142**	**344,469**

The part of fixed-rate demand deposits that is considered stable by the internal model adopted by the Group is covered by generic hedge.

The adjustment of these liabilities increased from €344.5 million as at 31 December 2011 to €658.1 million as at 31 December 2012; this increase was mainly due to the decrease in market rates.

7.2 Liabilities hedged generically against interest rate risk: composition

Type of transaction/Values	31.12.2012	31.12.2011
Financial liabilities	6,398,700	5,469,700

Section 8 - Tax liabilities - item 80

See Section 14 - Assets.

Section 10 - Other liabilities - Item 100

10.1 Other liabilities: composition

	31.12.2012	31.12.2011 (*)
Payables to suppliers	132,665	102,615
Amounts due to third parties	333,417	315,168
Credit transfers ordered and being processed	176,334	221,890
Amounts payable to tax authorities on behalf of third parties	91,627	73,940
Advances on loans	1,801	1,580
Adjustments for illiquid items	199,825	20,612
Credits and items being processed	-	143
Staff costs	70,606	62,316
Guarantees and commitments	7,784	7,247
Sundry items and deferred income not allocated to other items	211,600	264,289
Total	**1,225,659**	**1,069,800**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

Section 11 - Employee severance benefits: changes for the period - Item 110

11.1 Employee severance benefits: changes for the period

	31.12.2012	31.12.2011
A. Opening balance	**164,246**	**133,418**
B. Increases	**25,028**	**41,720**
B.1 Provisions for the period	2,676	3,378
B.2. Other changes	22,352	38,342
C. Decreases	**18,166**	**10,892**
C.1 Severance payments	18,166	10,892
C.2. Other changes	-	-
D. Closing balance	**171,108**	**164,246**
Total	**171,108**	**164,246**

11.2 Other Information

Description of the main actuarial assumptions

The following technical demographic bases were assumed:
- annual probabilities of exclusion due to death of staff were calculated based on RGS48 life tables (tables issued by the Italian State General Accounting Department);
- annual probabilities of exclusion for reasons other than death of staff, average annual turnover rate equal to 3.25%, were calculated by appropriately smoothing historical data of the Cariparma Crédit Agricole Group;
- the percentage of annual promotions (for age and seniority) was calculated based on historical data of the Cariparma Crédit Agricole Group;
- annual probabilities of requests for advances on employee severance benefits were calculated based on the experience of the Cariparma Crédit Agricole Group and were set at an average annual rate of 3.00%;
- retirement is assumed upon meeting the first requirement for retirement.

The following technical economic bases were assumed:
- for the calculation of the present value, in accordance with the instructions of the Controlling Company Crédit Agricole, the rate adopted was Iboxx Euro Corporate AA as at 31 May 2012 (duration 7-10 years). The calculation was appropriately updated based on sensitivity analyses made on the basis of Iboxx Euro Corporate AA rates as at 31 December 2012;
- the cost of living index for white-collar and blue-collar households used for revaluation of the employee severance benefits accrued was 2.00%;
- the remuneration trend, proportional to seniority, increasing only due to pay increments, was calculated, on average, with reference to the Group employees, based on the interpolation and smoothing of seniority pays distribution and on the national bargaining agreements and company employment agreements;
- for the average annual rate of increase in remuneration for changes in the work load distribution, which is to be linked to the fluctuation of value of currency, a 2.00% rate has been used;
- percentage of accrued employee severance benefits asked as advances: 60%. This percentage was inferred based on the historical data of the Cariparma Crédit Agricole Group.

As at 31 December 2012, the amount of the provisions for employee severance benefits accrued was €160,573 thousand.

Section 12 - Provisions for liabilities and contingencies - Item 120

12.1 Provisions for liabilities and contingencies: composition

Items	31.12.2012	31.12.2011 (*)
1. Company pension plans	23,375	24,048
2. Other provisions for liabilities and contingencies	210,896	127,311
2.1 legal disputes	57,828	51,738
2.2 staff expenses	122,623	24,794
2.3 Other	30,445	50,779
Total	**234,271**	**151,359**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

12.2 Provisions for liabilities and contingencies: changes for the period

	31.12.2012	
Items	Pension plans	Other provisions
A. Opening balance	**24,048**	**127,311**
B. Increases	**2,344**	**176,824**
B.1 Provisions for the period	-	172,822
B.2 Changes due to passage of time	383	819
B.3 Changes due to changes in the discount rate	-	69
B.4. Other changes	1,961	3,114
C. Decreases	**3,017**	**93,239**
C.1 Use during the year	3,017	53,658
C.2 Changes due to changes in the discount rate	-	3
C.3. Other changes	-	39,578
D. Closing balance	**23,375**	**210,896**

12.3 Company defined-benefit pension plans

1. DESCRIPTION OF THE PLANS

The section of defined-benefit company pension plans concerns exclusively staff of the Parent Company already retired.

The plan is funded by a provision accrued by the Cariparma Crédit Agricole Group, determined based on the mathematical reserve, certified annually by an independent actuary.

2. CHANGES FOR THE PERIOD

Increases or decreases in the provision are shown in table 12.2 in the pension plan column.

3. CHANGES FOR THE PERIOD IN PLAN ASSETS

There are no specific assets and liabilities serving the plan; the Parent Company and the subsidiary Carispezia cover the debt towards the beneficiaries with their entire equity.

4. RECONCILIATION BETWEEN THE PRESENT VALUE OF THE PROVISION, THE PRESENT VALUE OF PLAN ASSETS AND ASSETS AND LIABILITIES RECOGNIZED

The difference between present value of the defined-benefit obligation and the fair value of the plan assets is € 23,375 thousand; therefore, a liability of € 23,375 thousand was recognized.

5. DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS

The following essential assumptions have been made with reference to the company defined benefits pension plan:
- Relating to the demographic base, the measurement was developed by adopting the assumptions of survival of SIM2006 mortality tables;
- Differentiated technical bases have been used based on the age and gender of the member for allocation of the surviving family nucleus in the event of the pensioner's death;
- the cost of living index for white-collar and blue-collar households used for revaluation of the employee severance benefits accrued was 2.00%;
- The annual increase in benefits is governed by the relative regulations.

For the calculation of the present value, the rate adopted was Iboxx Euro Corporate AA as at 31 May 2012. The calculation was appropriately updated based on sensitivity analyses made with reference to Iboxx Euro Corporate AA rates as at 31 December 2012.

12.4 Provisions for liabilities and contingencies - other provisions

Sub-item 2.2 "Other provisions - staff expenses" of Table 12.1 also includes
- amounts accrued in previous years by the Cariparma Crédit Agricole Group for liabilities relating to the trade union agreement of 11 January 2007 allowing employees concerned to volunteer for early retirement or join the Solidarity Fund for employees of the banking sector: this procedure was closed on 31 December 2007;
- the accruals made 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 retirement plan (Solidarity Fund) and gives the possibility of voluntarily terminate their employment relation 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 included accruals for risks made to protect, despite the lack of a legal obligation, customers who engaged in transactions involving derivatives and insurance policies that have suffered from the impact of the world financial crisis.

Sub-item 2.3 also included provisions for Credit Protection policies pursuant to ISVAP (Italian Private Insurance Supervisory Institute) regulation No. 35 obliging insurance companies to reimburse customers the advance single premium not used following early repayment of the loan linked to the policy itself. The provision is an estimate of the possible future payment to which the Cariparma Crédit Agricole Group may be liable to reimburse the insurance company for the portion of commissions received on premiums paid by customers.

The dispute is still pending against the Inland Revenue Service in relation to two notices of registration tax payment with which the Financial Administration has requalified the transactions, as sale of a company, the transfer of Bank branches in 2007 by Intesa SanPaolo followed by sale of shareholdings to institutional shareholders. The amount of the dispute, involving all parties concerned for different reasons, amounts to a total of approximately €43 million. In the year, on these disputes, 1st instance Court decisions were issued, which were appealed against by the Italian Inland Revenue Service. Considering the above Court decisions and in the light of specific opinions from important legal counsels, no accrual has been made for the above dispute. A similar problem, with a similar solution, concerns a transaction made by CALIT with the Intesa Group for €2.2 million.

In 2010, the Cariparma Crédit Agricole Group was served formal notice of assessment which would regard a possible charge for a non-recourse factoring transaction carried out in 2005, which could give rise to a payment request for taxes amounting to approximately €5.5 million, plus penalties and interest. There have been no significant developments in this matter. For this matter also, in the light of specific opinions from important legal counsels, no accrual has been made.

Section 15 - Equity pertaining 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-up, consists of 876,761,620 ordinary shares.

There were no treasury shares.

15.2 Share capital - Number of shares of the Parent Company: changes for the period

Items	Ordinary	Other
A. Shares at start of the year	**876,761,620**	**-**
- fully paid	876,761,620	-
- partially paid	-	-
A.1 Treasury shares (-)	-	-
A.2 Shares in circulation: opening balance	876,761,620	-
B. Increases	**-**	**-**
B.1 New issues	-	-
- for consideration:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- bonus issues:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3. Other changes	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Disposal of companies	-	-
C.4. Other changes	-	-
D. Shares in circulation: final inventories	**876,761,620**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares at the end of the year	876,761,620	-
- fully paid	876,761,620	-
- partially paid	-	-

15.3 Share Capital: other information

The share capital of the Parent Company, fully paid-in, is comprised of 876,761,620 ordinary shares with a par value of €1 each.

15.4 Income Reserves - Other information

Items	Amounts
Legal reserve	122,893
Statutory reserves	656,590
Reserve under Art. 13 of Legislative Decree 124/93 (*)	314
Other reserve	13,940
Total	**793,737**
Reserve from share-based payments (**)	2,329
Other reserve	-23,825
Total reserves	**772,241**

(*) Reserve accrued pursuant to Article 13 of Legislative Decree No. 124/93 to take advantage of tax relief on the portions of the severance benefits designated for supplementary pension plans.

(**) Reserve recognizing the increase in equity resulting from payments based on shares of the controlling company Crédit Agricole SA. made to employees and directors

Section 16 - Minority interests - Item 210

16.1 Share capital: composition and changes for the period

Items	31.12.2012	31.12.2011 (*)
1. Share capital	53,994	53,994
2. Share premium reserve	101,905	101,905
3. Reserves	39,902	39,312
4. (Treasury Shares)	-	-
5. Valuation reserves	-2,512	-11,100
6. Equity instruments	-	-
7. Profit (loss) for the period of minority interest	1,653	7,793
Total	**194,942**	**191,904**

(*) Re-stated following the final allocation of the cost of the business combination provisionally recognized in 2011 [IFRS 3 par. 62).

OTHER INFORMATION

1. Guarantees issued and commitments

Operations	31.12.2012	31.12.2011
1) Financial guarantees issued	**952,830**	**1,099,199**
a) Banks	276,699	256,398
b) Customers	676,131	842,801
2) Commercial guarantees issued	**981,532**	**983,150**
a) Banks	44,010	39,848
b) Customers	937,522	943,302
3) Irrevocable commitments to disburse funds	**471,063**	**560,529**
a) Banks	**130,583**	**124,266**
i) certain use	130,583	124,266
ii) uncertain use	-	-
b) Customers	**340,480**	**436,263**
i) certain use	25,607	29,975
ii) uncertain use	314,873	406,288
4) Commitments underlying credit derivatives: Protection sales	**-**	**-**
5) Assets pledged as guarantee for third-party debts	**-**	**-**
6) Other commitments	**113,110**	**100,759**
Total	**2,518,535**	**2,743,637**

2. Assets pledged as collateral for own liabilities and commitments

Portfolios	31.12.2012	31.12.2011
1. Financial assets held for trading	-	-
2. Financial assets carried at fair value	-	-
3. Financial assets available for sale	1,335,006	2,035,927
4. Financial assets held to maturity	-	-
5. Loans to banks	390,381	113,199
6. Loans to customers	89,564	-
7. Property, plant and equipment	-	-

3. Information on operating leases

OPERATING LEASES - LESSEE - IAS 17 ART. 35 - LETTER A/B

Future minimum payments due under non - cancellable leases	< 1 year	1<> 5 years	> 5 years	Unspecified maturity	Total
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant - Hardware	-	-	-	-	-
Electronic plant - other	-	-	-	-	-
Other - vehicles (including automobiles)	3,260	3,692	-	-	6,952
Other - office machinery	432	81	-	-	513
Other - telephones (fixed and mobile)	-	-	-	-	-
Other - other	-	-	-	-	-
Software	-	-	-	-	-
Total	**3,692**	**3,773**	**-**	**-**	**7,465**

OPERATING LEASES - LESSEE - IAS 17 ART. 35 - LETTER C

Expenses for 2012	Minimum payments	Potential lease installments	Subletting payments	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant - Hardware	-	-	-	-
Electronic plant - other	-	-	-	-
Other - vehicles (including automobiles)	3,647	-	-	3,647
Other - office machinery	432	-	-	432
Other - telephones (fixed and mobile)	-	-	-	-
Other - other	-	-	-	-
Software	-	-	-	-
Total	**4,079**	**-**	**-**	**4,079**

OPERATING LEASES - LESSEE - IAS 17 ART. 35 - LETTER D

Description of contracts	Description of contracts installments	Renewal or purchase option	Indexing clause
Other - vehicles (including automobiles)	Installment determined on basis of brand, model, engine size and accessories of each vehicle and including additional service	Customer may request contract extension at prefixed installment	
Other - office machinery	Photocopiers: fixed monthly rate for each machine Machine Franking machine: fixed monthly payment	Photocopiers: purchase option at end of each year Franking machine: tacit renewal every year unless terminated	

4. Management and intermediation services

Typology 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	**918,196**
a) individual	918,196
b) collective	-
3. Custody and administration of securities	
a) third-party securities on deposit: held as part of depository bank services (excluding asset management)	-
1. securities issued by consolidated companies	-
2. other securities	-
b) other third-party securities on deposit (excluding asset management): other	51,601,645
1. securities issued by consolidated companies	12,562,594
2. other securities	39,039,051
c) third-party securities deposited with third parties	49,936,760
d) securities owned by bank deposited with third parties	6,373,799
4. Other transactions	**-**

Part C Information on the Consolidated Income Statement

Section 1 - Interests - Items 10 and 20

1.1 Interest income and similar revenues: composition

Items	Debt securities	Loans	Other transactions	31.12.2012	31.12.2011
1. Financial assets held for trading	240	-	-	240	407
2. Financial assets carried at fair value	-	-	-	-	-
3. Financial assets available for sale	143,451	-	-	143,451	214,258
4. Financial assets held to maturity	-	-	-	-	-
5. Loans to banks	29,218	35,847	-	65,065	99,051
6. Loans to customers	140	1,165,939	2,588	1,168,667	1,174,205
7. Hedging derivatives	X	X	165,216	165,216	92,319
8. Other Assets	X	X	988	988	1,223
Total	**173,049**	**1,201,786**	**168,792**	**1,543,627**	**1,581,463**

1.2 Interest income and similar revenues: differences on hedging transactions

Items	31.12.2012	31.12.2011
A. Positive differences on hedging transactions	444,553	371,624
B. Negative differences on hedging transactions	(279,337)	(279,305)
C. Balance (A-B)	**165,216**	**92,319**

1.3 Interest income and similar revenues: other information

1.3.1 Interest income on foreign-currency financial assets

At the end 2012, interest income on foreign-currency financial assets was €7,032 thousand.

1.3.2 Interest income on finance lease transactions

At the end 2012, interest income on finance lease transactions was €52,766 thousand.

1.4 Interest expenses and similar charges: composition

Items/Technical forms	Debts	Securities	Other transactions	31.12.2012	31.12.2011
1. Due to central banks	-	X	-	-	-
2. Due to banks	(58,351)	X	-	(58,351)	(153,114)
3. Due to customers	(142,037)	X	(2)	(142,039)	(99,549)
4. Securities issued	X	(371,832)	-	(371,832)	(280,231)
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities carried at fair value	-	-	-	-	-
7. Other liabilities and provisions	X	X	(5,462)	(5,462)	(270)
8. Hedging derivatives	X	X	-	-	-
Total	**(200,388)**	**(371,832)**	**(5,464)**	**(577,684)**	**(533,164)**

1.6 Interest expenses and similar charges: other information

1.6.1 Interest expense on foreign-currency liabilities

At the end 2012, interest expense on foreign-currency financial assets was €2,758 thousand.

1.6.2 Interest expenses resulting from finance lease transactions

In 2012, no interest expenses were recognized resulting from finance lease transactions.

Section 2 - Commissions - Items 40 and 50

2.1 Commissions income: composition

Type of services/Amounts	31.12.2012	31.12.2011
a) guarantees issued	14,485	13,916
b) credit derivatives	-	-
c) management, intermediation and advisory services:	263,642	254,047
1. trading in financial instruments	-	-
2. foreign exchange	4,553	5,226
3. portfolio management	7,861	9,409
3.1. individual	7,861	9,409
3.2. collective	-	-
4. security custody and administration	6,440	6,751
5. depository services	-	-
6. securities placement	105,057	89,547
7. order collection	15,646	13,331
8. advisory services	157	277
8.1 in respect of investments	-	-
8.2 in respect of financial structure	157	277
9. distribution of third-party services	123,928	129,506
9.1. asset management	-	-
9.1.1. individual	-	-
9.1.2. collective	-	-
9.2 insurance products	123,110	128,371
9.3 other	818	1,135
d) collection and payment services	49,977	46,631
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	217,097	197,598
j) other services	77,011	77,307
Total	**622,212**	**589,499**

Sub-item "j) other services" includes commission on debit and credit cards and e-money services amounting to €38,916 thousand, commissions for loans granted amounting to €14,459 thousand, and other residual items.

2.2 Commissions expenses: composition

Services/Amounts	31.12.2012	31.12.2011
a) guarantees received	(3,180)	(1,796)
b) credit derivatives	-	-
c) management and intermediation services:	(7,266)	(4,313)
1. trading in financial instruments	(2,225)	(974)
2. foreign exchange	-	-
3. portfolio management	(1,156)	(1,236)
3.1 own portfolio	-	-
3.2 third-party portfolio	(1,156)	(1,236)
4. securities custody and administration	(1,088)	(1,024)
5. placement of financial instruments	(2,797)	(1,079)
6. off-premises distribution of securities, products and services	-	-
d) collection and payment services	(4,426)	(4,129)
e) other services	(11,275)	(12,507)
Total	**(26,147)**	**(22,745)**

Sub-item “e) other services” includes commission on debit and credit cards and e-money services amounting to €5,685 thousand and other residual items.

Section 3 - Dividends and similar income - Item 70

3.1 Dividends and similar income: composition

Items	31.12.2012		31.12.2011	
	Dividends	Income from units in collective investment undertakings	Dividends	Income from units in collective investment undertakings
A Financial assets held for trading	2	-	1	-
B. Financial assets available for sale	2,257	-	1,636	-
C. Financial assets carried at fair value	-	-	-	-
D. Equity investments	-	X	5	X
Total	**2,259**	**-**	**1,642**	**-**

Section 4 - Net gain (loss) on trading activities - Item 80

4.1 Net gain (loss) on trading activities: composition

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gain [(A+B) - (C+D)]
1. Financial assets held for trading	**24**	**4,414**	**(202)**	**(458)**	**3,778**
1.1 Debt securities	24	3,435	(152)	(148)	3,159
1.2 Equity securities	-	1	(26)	-	(25)
1.3 Units in collective investment	-	78	(24)	(4)	50
1.4 Loans	-	-	-	-	-
1.5 Other	-	900	-	(306)	594
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial Assets and Liabilities: exchange rate differences	**X**	**X**	**X**	**X**	**1,832**
4. Derivatives	**96,348**	**185,968**	**(89,098)**	**(180,031)**	**13,121**
4.1 Financial Derivatives:	96,348	185,968	(89,098)	(180,031)	13,121
- on debt securities and interest rates	95,992	184,877	(88,737)	(178,957)	13,175
- on equity securities and equity indices	-	-	-	-	-
- on foreign currencies and gold	X	X	X	X	(66)
- other	356	1,091	(361)	(1,074)	12
4.2 Credit derivatives	-	-	-	-	-
Total	**96,372**	**190,382**	**(89,300)**	**(180,489)**	**18,731**

Section 5 - Net gain (loss) on hedging activities - Item 90

5.1 Net gain (loss) on hedging activities: composition

Income components/Values	31.12.2012	31.12.2011
A Gain on:		
A.1 Fair value hedges	421,103	430,744
A.2 Hedged financial assets (fair value)	147,175	269,082
A.3 Hedged financial liabilities (fair value)	8,173	74,025
A.4 Cash flow hedges	-	-
A.5 Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)	**576,451**	**773,851**
B. Loss on:		
B.1 Fair value hedges	(160,283)	(360,586)
B.2 Hedged financial assets (fair value)	(1,873)	(14,318)
B.3 Hedged financial liabilities (fair value)	(401,878)	(400,256)
B.4 Cash flow hedges	-	-
B.5 Assets and liabilities in foreign currencies	-	-
Total expense on hedging activities (B)	**(564,034)**	**(775,160)**
C. Net gain (loss) on hedging activities (A-B)	**12,417**	**(1,309)**

Section 6 - Gain (loss) on disposal or repurchase - Item 100

6.1 Gain (Loss) on disposal or repurchase: composition

Items/Income components	31.12.2012 Gains	31.12.2012 Losses	31.12.2012 Net gain	31.12.2011 Gains	31.12.2011 Losses	31.12.2011 Net gain
Financial assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to customers	1,584	(2,614)	(1,030)	1,073	(5,242)	(4,169)
3. Financial assets available for sale	14,018	-	14,018	54,329	(41,233)	13,096
3.1 Debt securities	13,645	-	13,645	53,782	(41,233)	12,549
3.2 Equity securities	373	-	373	547	-	547
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets	**15,602**	**(2,614)**	**12,988**	**55,402**	**(46,475)**	**8,927**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	5,560	(4,403)	1,157	3,038	(2,570)	468
Total liabilities	**5,560**	**(4,403)**	**1,157**	**3,038**	**(2,570)**	**468**

Section 8 - Net impairment adjustments - Item 130

8.1 Net impairment adjustments of loans: composition

Transactions/ Income components	Writedowns			Writebacks				31.12.2012	31.12.2011
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Loans to banks	-	-	-	-	-	-	-	-	-
- loans	-	-	-	-	-	-	-	-	
- debt securities	-	-	-	-	-	-	-	-	
B. Loans to customers	**(4,074)**	**(427,687)**	**(42,822)**	**27,904**	**40,000**	**-**	**33,366**	**(373,313)**	**(232,036)**
Impaired loans purchased	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- loans	-	-	X	-	-	X	X	-	
- debt securities	-	-	X	-	-	X	X	-	
Other loans	**(4,074)**	**(427,687)**	**(42,822)**	**27,904**	**40,000**	**-**	**33,366**	**(373,313)**	**(232,036)**
- loans	(4,074)	(427,687)	(42,822)	27,904	40,000	-	33,366	(373,313)	(232,036)
- debt securities	-	-	-	-	-	-	-	-	
C. Total	**(4,074)**	**(427,687)**	**(42,822)**	**27,904**	**40,000**	**-**	**33,366**	**(373,313)**	**(232,036)**

Key:
A= from interest
B= other writebacks

8.2 Net impairment adjustments of financial assets available for sale: composition

Transactions/ Income components	Writedowns		Writebacks		31.12.2012	31.12.2011
	Specifiche		Specifiche			
	Writeoffs	Other	A	B		
A Debt securities	-	-	-	-	-	520
B. Equity securities	-	(620)	X	X	(620)	(3,118)
C Units in collective investment undertakings	-	(1,655)	X	-	(1,655)	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**-**	**(2,275)**	**-**	**-**	**(2,275)**	**(2,598)**

Key:
A= from interest
B= other writebacks

8.4 Net impairment adjustments of other financial instruments:composition

Transactions/ Income components	Writedowns			Writebacks				31.12.2012	31.12.2011
	Specific			Specific		Portfolio			
	Writeoffs	Other	Portfolio	A	B	A	B		
A. Guarantees issued	-	(1,329)	(500)	-	75	-	322	(1,432)	413
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	**-**	**(1,329)**	**(500)**	**-**	**75**	**-**	**322**	**(1,432)**	**413**

Key:
A= from interest
B= other writebacks

Section 11 - Administrative expenses - Item 150

11.1 Staff expenses: composition

Items	31.12.2012	31.12.2011
1) Employees	(728,446)	(608,580)
a) wages and salaries	(437,478)	(429,958)
b) social security contributions	(116,824)	(114,130)
c) severance benefits	(297)	(212)
d) pensions	-	-
e) allocation to employee severance benefit provision	(2,676)	(3,378)
f) allocation to provision for retirement and similar liabilities:	(383)	(1,065)
- defined contribution	-	-
- defined benefit	(383)	(1,065)
g) payments to external pension funds:	(37,524)	(41,959)
- defined contribution	(37,524)	(41,959)
- defined benefit	-	-
h) costs in respect of agreements to make payments	-	-
i) other employee benefits	(133,264)	(17,878)
2) Other personnel	(2,057)	(3,704)
3) Directors and auditors	(2,593)	(2,868)
4) Retired personnel	-	-
Total	**(733,096)**	**(615,152)**

Redundancy plan with incentives - Master Agreement of 2 June 2012

The Strategic Plan for 2011- 2014 of the Cariparma Crédit Agricole Group has set, as one of its objectives, a structural reduction of labour cost and of staff.

In order to pursue the above objectives, whose achievement was at risk due to the pension system reform implemented in Italy at the end of 2011, the Group has started extensive and complex talks with the Trade Unions, which have led to the definition of a Voluntary Redundancy Plan. This Plan provides for the possibility for those who are already eligible for pension or will become eligible in the next few years to terminate their employment voluntarily and with incentives.

Between 30 September 2012 and 31 December 2014, the total number of voluntary terminations at Group level could amount to 722, for a total expenditure of approximately € 120 million.

In this context, in order to respond to a requirement for generational change, it has been planned to recruit a pool of between 100 and 150 people in 2014 and 2015 who will work at the Parent Company.

11.2 Average number of employees by category

	31.12.2012
Employees:	8,420
a) senior management	105
b) Junior management	3,518
c) other employees	4,797
Other personnel	66

The figures relating to employees take into account active and passive secondments; the figure relating to Other Staff refers exclusively to non-employees.

11.3 Defined-benefit company pension plans: total expenses

Items	31.12.2012	31.12.2011
Changes due to passage of time	(383)	(1,065)

11.4 Other employee benefits

Items	31.12.2012	31.12.2011
Other employee benefits	(133,264)	(17,878)

These consisted of expenses for the Voluntary Redundancy Plan offering incentives (Solidarity Fund), of non-occupational policies, of the accrual for loyalty bonuses, of the special premium for the assignment of free shares and of other fringe benefits, as well as of the amount given to the Bank Employees' Cultural and Recreational Club.

11.5 Other administrative expenses: composition

Items	31.12.2012	31.12.2011
Direct and indirect taxes	(87,337)	(86,540)
Data processing	(37,214)	(36,531)
Facility rental and management	(64,068)	(59,812)
Professional consulting services	(21,834)	(28,491)
Telephone, postal charges and couriers	(15,926)	(16,919)
Telephone and data transmission	(10,916)	(11,556)
Legal expenses	(5,233)	(4,408)
Property maintenance	(5,175)	(3,579)
Furnishing and plant maintenance	(14,600)	(13,777)
Marketing, development and entertainment	(11,785)	(18,415)
Transportation	(21,046)	(22,648)
Lighting, heating and air conditioning	(17,527)	(13,443)
Office supplies, printed material, print subscriptions, photocopying, etc	(5,845)	(8,769)
Staff training expenses and reimbursements	(12,460)	(11,534)
Security	(4,402)	(5,025)
Information and title searches	(6,040)	(6,407)
Insurance	(130,028)	(135,200)
Cleaning	(7,267)	(6,755)
Leasing of other property, plant and equipment	(7,257)	(6,560)
Management of archives and document handling	(1,140)	(1,062)
Reimbursement of costs to Group companies	(35,565)	(36,386)
Sundry expenses	(9,838)	(10,886)
Total	**(532,503)**	**(544,703)**

Section 12 - Net provisions for liabilities and contingencies - Item 190

12.1 Net provisions for liabilities and contingencies: composition

The provision of €35,986 thousand is composed of €1,375 thousand for damage compensation and bankruptcy revocatory actions, of €17,668 thousand for non-lending-related litigation, of €9,615 thousand for provisions accrued to protect Customers' investments and of €7,328 thousand for other provisions.

Section 13 - Net adjustments/writebacks of property, plant and equipment: Item 200

13.1 Net adjustments of property, plant and equipment: composition

Assets/Income components	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Property, plant and equipment:				
A.1 Owned	(30,807)	-	-	(30,807)
- Operating assets	(30,478)	-	-	(30,478)
- Investment property	(329)	-	-	(329)
A.2 Acquired under finance leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
Total	**(30,807)**	**-**	**-**	**(30,807)**

Section 14 - Net adjustments/writebacks of intangible assets - Item 210

14.1 Net adjustments of intangible assets: composition

Assets/Income components	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Intangible assets				
A.1 Owned	(67,713)	-	-	(67,713)
- Generated internally by the Bank	(433)	-	-	(433)
- Other	(67,280)	-	-	(67,280)
A.2 Acquired under finance leases	-	-	-	-
Total	**(67,713)**	**-**	**-**	**(67,713)**

Section 15 - Other operating income and expenses - Item 190

15.1 Other operating expenses: composition

Items	31.12.2012	31.12.2011
Expenses for financial lease transactions	(3,952)	(3,377)
Currency adjustments	-	-
Integration and reorganizing charges	-	-
Amortization of expenditure for leasehold improvements	(7,411)	(8,025)
Other charges	(13,295)	(8,560)
Consolidation adjustments	-	-
Total	**(24,658)**	**(19,962)**

15.2 Other operating income: composition

Items	31.12.2012	31.12.2011
Rental income and recovery of expenses on real estate	930	1,020
Income related to finance leases	767	756
Recovery rental expenses	-	-
Recovery of taxes and duties	75,940	77,466
Recovery of insurance costs	128,635	135,097
Recovery of other expenses	7,228	6,240
Recovery service	-	-
Other income	84,706	4,796
Consolidation adjustments	-	-
Total	**298,206**	**225,375**

Section 16 - Gain (loss) on equity investments - Item 240

16.1 Gain (loss) on equity investments: composition

Income components/ Sectors	31.12.2012	31.12.2011
1) Joint ventures		
A. Gains	-	-
1. Revaluations	-	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other income	-	-
B. Losses	-	-
1. Writedowns	-	-
2. Impairments	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net profit	**-**	**-**
2) Companies under significant influence		
A. Gains	72,243	-
1. Revaluations	-	-
2. Gains on disposal (*)	72,243	-
3. Writebacks	-	-
4. Other income	-	-
B. Losses	(15,346)	(44,834)
1. Writedowns	(15,346)	(44,834)
2. Impairments	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net profit	**56,897**	**(44,834)**
Total	**56,897**	**(44,834)**

(*) This amount refers to the transfer of the equity investment in Crédit Agricole Vita S.p.A. In the first half of 2012, this equity investment was transferred to the majority shareholder Crédit Agricole Assurance. The deconsolidation of the equity investment generated capital gains recognized in the Income Statement equal to the difference between the sale price of the equity investment, as determined by an independent expert based on the adjusted value of the company's equity as at 31 December 2011, and the present value of future production over a ten-years time horizon, and the book value of the same company in the Cariparma Crédit Agricole Group's consolidated financial statements as at the transfer date.

Section 18 - Value adjustments of goodwill - Item 260

18.1 Value adjustments of goodwill: composition

	31.12.2012	31.12.2011
Value adjustments of goodwill: composition	(10)	(6,000)

In 2012, goodwill arising from various business combinations made by the Group since 2007 was tested for impairment.

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

The amount of € 10 thousand, recognized in the Income Statement in 2012, referred to the adjustment of goodwill recognized on the subsidiary Sliders S.r.l.

Section 19.1 - Gain (loss) on disposal of investments: - Item 270

19.1 Gain (loss) on disposal of investments: composition

Income components/Sectors	31.12.2012	31.12.2011
A. Land and buildings	531	297
- Gains on disposal	531	297
- Losses on disposal	-	-
B. Other assets	(159)	1
- Gains on disposal	5	1
- Losses on disposal	(164)	-
Net gain	**372**	**298**

Section 20 - Income taxes for the period on continuing operations - Item 290

20.1 Income tax for the period on continuing operations: composition

Income components/Sectors		31.12.2012	31.12.2011
1.	Current taxes (-) (*)	(193,895)	(241,737)
2.	Changes in current taxes from previous periods(+/-)	107	39
3.	Reduction of current taxes for the period (+) (**)	26,188	2,514
3.bis	Reduction of current taxes for the period for tax receivables pursuant to Law No. 214/2011 (+)	559	-
4.	Change in deferred tax assets (+/-) (***)	138,722	173,574
5.	Change in deferred tax liabilities (+/-) (****)	26,756	308
6.	Income taxes for the period (-) (-1+/-2+3+3bis+/-4+/-5)	(1,563)	(65,302)

(*) This amount includes the substitute tax amounting to €45,559 thousand paid for the discharge of the tax liability in respect of goodwill of the branches acquired in 2011, as well as the substitute tax amounting to €8,820 thousand due for the discharge of the tax liability in respect of intangible assets with finite life recognized upon allocation of the purchase price of the same acquisition transactions.

(**) This figure includes tax reduction of €26,108 thousand resulting from the application of Law Decree 201 of 2011, which governs refund of corporate income tax (IRES) for non-deduction of regional business tax (IRAP) relating to expenses for employees net of the deductions provided for by Article 11 of the decree of regional business tax (Legislative Decree 446/1997).

(***) This amount includes taxes for €94,046 thousand relating to future deductibility of the discharge of tax liability in respect of goodwill of the branches acquired in 2011.

(****) This amount includes the release of taxes amounting to € 21,812 thousand referring to the tax relief on finite-life intangible assets recognized upon allocation of the purchase price of the transactions for the acquisition of branches made in 2011.

20.2 Reconciliation of theoretical tax liability and actual tax liability recognized

	31.12.2012
Net profit before tax from continuing operations	163,242
Profit after tax of groups of assets/liabilities under disposal (before tax)	-
Theoretical taxable income	**163,242**

	31.12.2012
Income tax - Theoretical tax liability	(44,892)
- effect of revenues that do not form taxable income	-
- effect of income already subject to taxation	-
- effect of fully or partially non-deductible expenses	(11,706)
Income tax - actual tax expenses	**(56,598)**
- effect of requested IRES refund for IRAP deduction pursuant to Law Decree 201/2011	**26,110**
- taxes for acceptance of assessment on foreign P/T	**-**
-tax on realignment gain under Decree Law D.L. 185/1008 and L. 244/2007	**(54,378)**
-tax on realignment of suspended values for neutral transfers	
- effect of relignment-associated future taxes recovery pursuant to L.D. 185/2008 and Law 244/2007	**115,461**
- effect of deduction and tax receivables	**66**
Effects of equity investments	**27,421**
Other costs	**(111)**
IRAP - Theoretical tax expenses	(8,799)
- effect of revenues/expenses that do not form taxable income	(86,847)
- effect of other changes	30,769
- effect of tax rate increase	(6)
IRAP - Actual tax expenses	**(64,883)**
Other taxes	
Effects of equity investments	**5,374**
Other costs	**(25)**
Actual tax expenses for the period	**(1,563)**

Section 22 - Net Profit (Loss) pertaining to minority interests - Item 330

22.1 Breakdown of item 330 «net profit (loss) pertaining to minority interests»

The net profit pertaining to minority interests amounted to €1,653 thousand; this amount referred to Banca Popolare FriulAdria S.p.A., Cassa di Risparmio della Spezia and Crédit Agricole Leasing Italia S.r.l.

Section 24 - Earnings per Share

24.1 Average number of ordinary shares of diluted capital

The Parent Company’s capital consists of 876,761,620 shares with a nominal value of €1 each.

Part D Consolidated comprehensive income

Statement of consolidated comprehensive income

Items		Gross amount	Income tax	Net amount
10.	Net profit (loss) for the period	X	X	161,679
	Other income components			
20.	Financial assets available for sale:	394,388	(130,009)	264,379
	a) changes in fair value	409,363	(135,027)	274,336
	b) reversal to income statement	(14,975)	5,018	(9,957)
	- writedowns for impairment	1,982	(556)	1,426
	- profit/loss for realization	(16,957)	5,574	(11,383)
	c) other changes	-	-	-
30.	Property, plant and equipment	-	-	-
40.	Intangible assets	-	-	-
50.	Hedging of foreign investments:	-		-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
60.	Cash flow hedges:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
70.	Exchange rate differences:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
80.	Discontinuing operations:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
90.	Actuarial gains (losses) on defined-benefit plans	(22,634)	6,224	(16,410)
100.	Share of valuation reserve on equity investments accounted for by equity method:	22,601	-	22,601
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	- writedowns for impairment	-	-	-
	- profit/loss for realization	-	-	-
	c) other changes	22,601	-	22,601
110.	**Total for other income components**	**394,355**	**(123,785)**	**270,570**
120.	**Comprehensive income (Item 10+110)**			**432,249**
130.	Consolidated comprehensive income pertaining to minority interests			10,241
140.	**Consolidated comprehensive income pertaining to the Parent Company**			**422,008**

Part E Risks and related Hedging Policies

Section 1: Banking Group Risks

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.

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.

The guidelines on exposure to risks are set by the risk strategy approved by the Parent Company Crédit Agricole, which specifically provides for and steers credit risk, operational risk, market and financial risks. This Strategy provides for global ceilings (or alert thresholds) to be defined, suitably integrated with operational ceilings set for each single Group entity. As a rule, the Cariparma Crédit Agricole Group reviews annually the Group Risk Strategy, which sets the risk levels, which the Group deems adequate to its development strategy.

Organizational structures engaged in risk measurement and integration in the Group's governance and operations are regularly supported by specific Committees, on which the reference roles of all concerned departments sit; these Committees include the Internal Control Committee and the Risk Committees. Risk Committees, within their different scopes (Credit Risk, Operational Risk, Financial Risks and Compliance Risk), are responsible for designing and formalizing risk management policies, for structuring and assigning tasks and responsibilities to the 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.

The Basel 2 Project

The "Basel 2" Project is in an advanced phase; it is designed for the adoption of internal systems for risk measurement, to be used for both management purposes and to determine regulatory capital requirements. In the credit sector, the rating system has long been playing an essential role in loan analysis and granting, in risk management, in internal capital allocation and in the Group governance.

With regard to operational risk, the available tools have already been fully integrated in operational processes, in the definition of new products and in the governance of the different Group operations, in order to ensure effective prevention and monitoring.

In 2012, a pre-validation phase was carried out with the Bank of Italy, for validation of internal systems for the measurement of both credit risk for the Retail segment and operational risk. The Group is about to submit an official application for the authorization of use of the advanced systems to determine the capital requirement relating to credit risk of Retail loan portfolio ("retail exposure classes") for the Parent Company and for FriulAdria S.p.A.

Internal Control System

In accordance with the relevant regulations in force and with the guidelines issued by the Parent Company Credit Agricole SA, the internal control system of the Cariparma Crédit Agricole Group is so structured as to ensure, when fully operating, detection, measurement and assessment over time of the risks associated to the performance of the corporate operations.
In general, the internal control system is based on two methods of control: permanent control and periodic control.
Permanent Control is ensured:

- at first degree, by the operators themselves, or the hierarchy within the unit, or the automatic transaction processing systems which start the transaction or the control process itself;
- at second degree - first level, by agents other than those that have started the transaction, but authorized to operate;
- at second degree - second level, by agents exclusively engaged in specialized top-level permanent controls without operating tasks involving risk-taking.

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;
- performance of permanent controls at the different degrees and level envisaged, monitoring a correct application of the procedures and the detection of any early warnings;
- the performance of periodic control by the Internal Audit Unit;
- the implementation of an appropriate reporting to corporate bodies and senior management engaged in governance and control functions.

The configuration of the internal control system is shared and formalized in all the Group through a system of internal regulation which, referring back to the Governance, goes through to the definition and update of operational rules that govern processes, activities and controls.

The Cariparma Crédit Agricole Group has three independent control structures that, within their control perimeter and based on the relevant tasks, ensure constant control on all corporate operations and the risks generated by the same:
- the Risk Management and Permanent Controls Department;
- the Compliance Department;

which are responsible for second-degree - second level control;
- the Internal Audit Unit,

which is responsible for third-degree control.

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

Risk Management and Permanent Controls Department

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

The Risk Management and Permanent Controls Department of the Cariparma FriulAdria Group ensures full monitoring of risks and permanent controls through specialized units within the department, dedicated to monitoring and control of:
- credit risk;
- concentration risk;
- Counterparty risk;
- market and financial risks;
- operational risks.

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

Compliance Unit

The Compliance Unit has been established pursuant to statutory provisions, with the main aim of overseeing and controlling compliance of the various activities with the relevant legislation and regulations, including self-regulation, and compliance with the guidelines issued by the Controlling Company Crédit Agricole S.A.

The aim of this unit 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 unit 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 for the Parent Company Cariparma is carried out by the Central Compliance Department, which reports directly to Cariparma Chief Executive Officer and on a dotted line to the Direction de la Conformité (Compliance Central Department) of Crédit Agricole S.A.

Each Company has a Compliance Unit which reports to senior 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.

Audit Department

The Audit Department is independent of any management and decision-making function entailing risk-taking: this independence is ensured by the organizational placement that provides for direct dotted line (function) reporting to the Chief Executive Officer of the Cariparma Crédit Agricole Group and by solid line (hierarchically) reporting to the Group Risk Management Department of the Controlling Company Crédit Agricole S.A.

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

Manager in Charge

Pursuant to above-mentioned Article 154-bis, the Manager in Charge shall state, jointly with the Chief Executive Officer, through the appropriate statement attached to the Annual Report and Separate Financial Statements, the Annual Report and Consolidated Financial Statements and the Interim Condensed Financial Report:
- the adequacy and actual application of the administrative and accounting procedures;
- consistency of the corporate financial statements and reports with the accounting books' and records;
- the suitability of such financial reports for giving a true and correct representation of the financial, income and cash flow position of the Parent Company and of the Group.

Moreover, he/she shall state that the Management Report includes a reliable analysis of the performance and profit (loss), as well as of the Bank's and the Group's situation, together with a description of the main risks and uncertainties to which they are exposed.

1.1 Credit risk

QUALITATIVE DISCLOSURES

General aspects

Lending is a strategic business for the Group, which aims at constant growth in lending volumes in its area of operations, within the scope of strategy focussing on the most attractive geographical areas, customer segments and sectors of economic activity. This strategy, which has been defined and agreed on with the Controlling Company Crédit Agricole, identifies lending ceilings with regard to risks (risk of concentration by economic sector, counterparty, etc.) consistently with the objectives set by the Group's business plan.

In the year, under the supervision and coordination of the Parent Company Cariparma, the Group Banks reviewed and updated the lending policies issued in previous years identifying attractive economic sectors and risky ones, based on the respective present situations and outlooks. Then, Customers were subdivided into uniform groups that were defined by associating the risk level of the single counterparties, measured by the assigned rating, to the risk level of the relevant economic sector; for each group, orientation rules were defined aiming at growth, stabilization or reduction of the credit risk taken by the Group Banks,; such rules were designed also based on technical forms and loan duration.

Credit quality monitoring is performed through constant control on the loan portfolio, with a specific focus on exposures to large customers and to counterparties operating in the riskiest economic sectors.

Credit risk management policies

Organisational aspects

The assumption of credit risk is governed by a framework resolution that was adopted by the Boards of Directors of the Group Banks and Companies and matches the levels of operating and decision-making powers to the levels of exposure to borrowing counterparties (both direct and indirect), their belonging to economic groups, types of technical forms and ratings assigned to the counterparties using the rating models adopted by the Banking Group.

The lending process is regulated within a system of internal controls that identify the criteria for managing risk profiles, determine the activities to be carried out to ensure the criteria are properly applied, identify the units responsible for these activities and develop the procedures to support them. The division into phases and the assignment of the activities to different organizational structures are intended to maximize the set targets (effectiveness) and the capacity to achieve them at appropriate costs (efficiency).

Customers' creditworthiness is assessed within loan application processing with the objective of setting precise and acceptable consistency between risk and return, both present and future. The principles on which the loan application processing is based and governed are the following:
- measurement of present and future solvency of customers and of any guarantees provided;
- consistency of loan applied for with the nature, amount and duration of the technical forms requested;
- consistency of customer risk and lending transactions with their expected return;
- standardized rules of conduct and measurement criteria.

The indications given by the rating models are a key element of the loan application processing and customer risk measurement, as well as the characteristics of the organization, production processes, competitive placement and outlook, for counterparties to which the highest exposures have been taken.

Loans are granted based on a decision-making power system approved by the Boards of Directors of the Group Banks and Companies, while operation and availability of the credit lines granted are regulated by a control system that ensures previous compliance with the conditions provided for by the resolution tool and with legal and formal conformity of the requested guarantees.

After the loan has been granted and disbursed, the loan positions are measured, on a set time schedule, usually once a year, or upon occurrence of specific events, as defined in detail by the loan monitoring process, which require early review.

Review of loan positions is performed by assessing that the customer and any sureties of the customer remain creditworthy, by controlling the requirements of the guarantees (legal certainty, ease of liquidation and consistency of their value with the size of the exposure), by verifying compliance with concentration ceilings, by updating the information and by examining the causes that led to any changes in the counterparty's credit profile.

The review of loan positions leads to confirmation of the credit lines granted, to their change or, in high risk cases, to their revocation in compliance with the contract conditions agreed on with customers. This review may be performed also automatically for loan positions entailing modest amounts and, once the IT system has verified compliance with very prudential parameters and indicators.

In the year, considering the particularly difficult economic situation, the Group Banks strengthened the monitoring on loan positions and guarantees in order to promptly detect any early warnings and thus to ensure that a high quality level of the loan portfolio is maintained.

Management of problem loans is performed by specific organization structures, which were also further strengthened in the year with the support of specific and advanced monitoring tools for the monitoring of performing loans, as well as in accordance with loan management rules calibrated with reference to the classification envisaged under supervisory regulations (past-due, substandard loan, restructured loan e bad debts). These rules govern the transfer of exposures to the appropriate departments.

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

Management, measurement and control systems

The Cariparma Crédit Agricole Group has a set of tools available to ensure analytical control of the quality of the loans to customer portfolio.

To measure credit risk, the Cariparma Crédit Agricole Group uses internal rating models that differ according to the segment (economic sector and size) to which the counterparty belongs. These models yield a score which summarizes the counterparty's creditworthiness in a rating, which reflects the probability of default over one-year time horizon.

Consistently with the guidelines issued by Crédit Agricole S.A., the Parent Company Cariparma S.p.A. developed in-house the rating models to be applied to the Retail loan portfolio, while for the Corporate loan portfolio, the models developed in-house by Crédit Agricole S.A. are used.

The risk measurement system is integrated in the decision-making processes and in the management of the company's operations. In order to ensure that lending and risk measurement processes are essentially harmonized, the internal models are used by all entities in the Cariparma Crédit Agricole Group (i.e. Cariparma S.p.A., Friuladria S.p.A., Carispezia S.p.A., Crédit Agricole Leasing Italia S.r.l.).

Moreover, all internal models used by the Cariparma Crédit Agricole Group are approved by the Comité Normes et Méthodes of the Controlling Company Crédit Agricole S.A, internal validation activities by Cariparma's Validation Unit and Internal Audit, by the IGL Department (Inspection Générale Groupe) of Crédit Agricole S.A.

Within the context of the Basel II Project, in 2012 the development continued of the internal Retail models, a precondition necessary to apply for the Bank of Italy's authorization to use internal systems for determining capital requirement. In 2012, interaction with the Bank of Italy intensified, and such Central Bank has already started verification of the preconditions for the credit risk calculation method based on internal ratings to be applied to the retail exposure class. In accordance with the action plan validated by the Board of Directors, projects continues being implemented, with specific reference to fine-tuning of the PD and LGD internal models and processes so as to ensure these models' and processes' full compliance with the legislation requirements. The current road map of the Basel 2 Project has scheduled that Cariparma submits the authorization application to the Authorité de Contrôle Prudentiel in 2013.

In 2012, within the Risk Management and Permanent Controls Departments, the Capital Requirement Control Office was set up, which is responsible for the RWA (Risk Weighted Asset) calculation at Group level, for the advanced methods for credit risk and market risk measurement, based on the process agreed on with the relevant Departments.

The Group management reporting, which has its institutional presentation at the quarterly meetings of the Credit Risk Committee and of the Board of Directors, analyses the credit quality of of the single Entities in the Group and the risk exposure developments, on the basis of regulatory and management guidelines: regulatory customer segmentation, product types, sales structure and customer segments and sub-segments. Not only is credit risk, subdivided into its main components, namely default and migration risk, measured based on its impact on the Income Statement (credit risk cost) and on the Balance Sheet (absorbed regulatory capital), but it is also dealt with in terms of its possible future developments using a “stress scenario” estimating its possible impact according to assumptions of impairment-related migration to worse credit profile statuses.

Management reporting monitors loan coverage policies and also has the task of informing senior management of the performance of the risk summary indicators (performance ratings, early warning, other key risk indicators) so that the action plans necessary to minimize or prevent risk can be better and promptly arranged.

Credit risk mitigation techniques

The Bank reduces credit risk with ancillary agreements or adopting specific mitigation tools and techniques. In this regard, collection and management of guarantees is focused on within a control process and system, which ensures verification of compliance with the legal requirements and the update of the underlying values.

Impaired financial assets

The procedures for the management and control of impaired loans are organized on the basis of 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;
- diversification of processes depending on the customer’s level of risk.

Monitoring procedures and systems were further strengthened in order to allow early identification of limit-exceeding positions so that the relevant corporate departments can define and implement the required management corrections, where possible.

In addition to periodic specific measurement of recovery value, the management process for impaired positions also involves:
- verifying whether the counterparty is capable of recovering financial health and, consequently, restoring the business and loan relationship;
- acquisition of additional guarantees, whether security interests in property and/or unsecured securities or other credit risk mitigation tools and techniques;
- programming and monitoring of loan workout plans agreed with customers;
- enforcement and/or court-ordered acquisition of guarantees for enforced recovery of exposures.

In 2012, the Group did not acquire impaired loans.

QUANTITATIVE DISCLOSURES

A. Credit Quality

A.1 Impaired and performing positions: stocks, writedowns, changes and distribution

A.1.1 Distribution of financial assets by portfolio and credit quality (book values)

	Banking Group					Other companies		
Portfolio/quality	Bad debts	Substandard loans	Restructured positions	Past due positions	Other Assets	Impaired	Other	Total
1. Financial assets held for trading	725	8,916	456	322	301,448	-	-	311,867
2. Financial assets available for sale	48,825	-	-	-	3,850,833	-	-	3,899,658
3. Financial assets held to maturity	-	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	4,123,897	-	11	4,123,908
5. Loans to customers	693,293	621,385	145,938	327,495	33,340,038	-	-	35,128,149
6. Financial assets carried at fair value	-	-	-	-	-	-	-	-
7. Financial assets being divested	-	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	1,151,735	-	-	1,151,735
Total (31.12.2012)	**742,843**	**630,301**	**146,394**	**327,817**	**42,767,951**	**-**	**11**	**44,615,317**
Total (31.12.2011) (*)	**607,105**	**513,110**	**113,126**	**393,418**	**42,222,199**	**-**	**16**	**43,848,974**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

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 financial assets available for sale classified as non-performing both refer to securities maturing on 4 November 2010 and issued by Glitnir Banki hf, put into liquidation by order of the District Court of Reykjavik on 22 November 2010.

A.1.2 Distribution of exposures by portfolio and credit quality (gross and net values)

Portfolio/quality	Impaired assets			Performing			Total (net exposure)
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	
A.1 Banking Group							
1. Financial assets held for trading	12,989	2,570	10,419	X	X	301,448	311,867
2. Financial assets available for sale	48,825	-	48,825	3,850,833	-	3,850,833	3,899,658
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	4,123,897	-	4,123,897	4,123,897
5. Loans to customers	2,996,165	1,208,054	1,788,111	33,475,162	135,124	33,340,038	35,128,149
6. Financial assets carried at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	1,151,735	1,151,735
Total A	**3,057,979**	**1,210,624**	**1,847,355**	**41,449,892**	**135,124**	**42,767,951**	**44,615,306**
B. Other consolidated companies							
1. Financial assets held for trading	-	-	-	X	X	-	-
2. Financial assets available for sale	-	-	-	-	-	-	-
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	11	-	11	11
5. Loans to customers	-	-	-	-	-	-	-
6. Financial assets carried at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	-	-
Total B	**-**	**-**	**-**	**11**	**-**	**11**	**11**
Total 31.12.2012	**3,057,979**	**1,210,624**	**1,847,355**	**41,449,903**	**135,124**	**42,767,962**	**44,615,317**
Total 31.12.2011 (*)	**2,597,096**	**970,337**	**1,626,759**	**41,354,021**	**136,685**	**42,222,215**	**43,848,974**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

Performing loans to customers: analysis of age of past-due loans

Performing loans to customers:analysis of age of past-due loa	Exposures subject to collective agreement renegotiation			Other performing exposures		
	Gross exposure	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure
1. Non past-due exposures	814,150	3,820	810,330	30,588,625	117,920	30,470,705
2. Up to 90 days	99,827	710	99,117	1,807,099	11,561	1,795,538
3. From 91 to 180 days	22,302	84	22,218	61,343	379	60,964
4. From 181 to 1 year	1,605	6	1,599	73,599	272	73,327
5. More than 1 year	100	-	100	6,512	372	6,140
Total 31.12.2012	**937,984**	**4,620**	**933,364**	**32,537,178**	**130,504**	**32,406,674**

Detailed disclosure, as required by the Bank of Italy with the letter of 17 February 2011, states the age of performing loans, calculated considering the entire exposure of counterparties that, at the reference date had at least one loan past-due but did not meet the requirements of 272 of the Bank of Italy for consideration as impaired loans. Where there are several loans past due for the same debtor counterparty, the longest delay is considered.

A.1.3 Banking Group - On-balance-sheet and off-balance-sheet exposures to Banks: gross and net values

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. On-balance-sheet exposures				
a) Bad debts	2,180	1,455	X	725
b) Substandard loans	-	-	X	-
c) Restructured positions	-	-	X	-
d) Past due positions	-	-	X	-
e) Other assets	4,126,691	X	-	4,126,691
Total A	**4,128,871**	**1,455**	**-**	**4,127,416**
B. Off-balance-sheet exposures				
a) impaired	-	-	X	-
b) other	2,728,500	X	-	2,728,500
Total B	**2,728,500**	**-**	**-**	**2,728,500**
Total A+B	**6,857,371**	**1,455**	**-**	**6,855,916**

For exposure to bad debts, please refer to the notes to Table A.1.1. above.

On-balance-sheet exposures summarize all financial assets with banks from items 20 “Financial assets held for trading”, 40 “Financial assets available for sale” and 60 “Loans to banks”, with the exception of derivative contracts, which, in this section, are considered off-balance-sheet.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives, including hedging derivatives) entailing credit risk assumption.

A.1.4 Banking Group - On-balance-sheet exposures to Banks: changes in gross impaired positions

Reasons / categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening gross exposure	**2,180**	**-**	**-**	**-**
- of which: exposures assigned but 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 to performing loans	-	-	-	-
C.2 writeoffs	-	-	-	-
C.3 collections	-	-	-	-
C.4 assignments	-	-	-	-
C.5 transfers to other categories of impaired positions	-	-	-	-
C.6 other decreases	-	-	-	-
D. Closing gross exposure	**2,180**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.5 Banking Group - On-balance-sheet exposures to Banks: changes in total adjustments of loans

Reasons / categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Initial overall adjustments	**1,451**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**4**	**-**	**-**	**-**
B.1 writedowns	4	-	-	-
B.1 bis loss on the disposal	-	-	-	-
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 gain on the disposal				
C.3 writeoffs	-	-	-	-
C.4 transfers to other categories of impaired positions	-	-	-	-
C.5 other decreases	-	-	-	-
D. Total closing adjustments	**1,455**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.6 Banking Group - On-balance-sheet and off-balance-sheet exposures to customers: gross and net values

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. On-balance-sheet exposures				
A.1 Banking Group				
a) Bad debts	1,640,197	898,079	X	742,118
b) Substandard loans	902,333	280,948	X	621,385
c) Restructured positions	166,636	20,698	X	145,938
d) Past due positions	335,824	8,329	X	327,495
f) Other assets	37,326,053	X	135,124	37,190,929
Total A	**40,371,043**	**1,208,054**	**135,124**	**39,027,865**
B. Off-balance-sheet exposures				
B.1 Banking Group				
a) Impaired	31,923	7,017	X	24,906
b) Other	2,497,747	X	1,281	2,496,466
Total B	**2,529,670**	**7,017**	**1,281**	**2,521,372**

Specifically, on-balance-sheet exposures summarize all financial assets with customers from items 20 “Financial assets held for trading”, 40 “Financial assets available for sale” and 70 “Loans to customers”, with the exception of derivative contracts, which, in this section, are considered off-balance-sheet.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives, including hedging derivatives) entailing credit risk assumption.

A.1.7 Banking Group - On-balance-sheet exposures to customers: changes in gross impaired positions

Reasons / categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening gross exposure	**1,345,123**	**705,672**	**132,876**	**397,711**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**518,994**	**760,016**	**100,089**	**955,855**
B.1 from performing loans	36,974	356,193	86,508	907,161
B.2 transfers from other categories of impaired positions	459,437	320,248	7,692	4,134
B.3 other increases	22,583	83,575	5,889	44,560
C. Decreases	**223,920**	**563,355**	**66,329**	**1,017,742**
C.1 to performing loans	12,264	59,065	-	637,661
C.2 writeoffs	130,891	3,848	-	73
C.3 collections	67,860	63,858	23,541	59,664
C.4 assignments	3,560	-	-	-
C.5 transfers to other categories of impaired positions	3,679	430,852	42,788	314,192
C.6 other decreases	5,666	5,732	-	6,152
D. Closing gross exposure	**1,640,197**	**902,333**	**166,636**	**335,824**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.8 Banking Group - On-balance-sheet exposures to customers: changes in total adjustments of loans

Reasons / categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Initial overall adjustments	**738,765**	**204,863**	**19,848**	**4,415**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**320,089**	**186,063**	**15,829**	**9,679**
B.1 writedowns	233,460	174,946	13,746	5,704
B.1 bis loss on the disposal	2,614	-	-	-
B.2 transfers from other categories of impaired positions	83,800	7,674	1,699	1,806
B.3 other increases	215	3,443	384	2,169
C. Decreases	**160,775**	**109,978**	**14,979**	**5,765**
C.1 writebacks from valuations	25,497	24,404	206	1,277
C.2 writebacks from collections	7,821	6,371	51	207
C. 2 bis gain on the disposal	1,584	-	-	-
C.3 writeoffs	124,532	3,491	-	65
C.4 transfers to other categories of impaired positions	1,040	74,159	14,682	3,400
C.5 other decreases	301	1,553	40	816
D. Total closing adjustments	**898,079**	**280,948**	**20,698**	**8,329**
- of which: exposures assigned but not derecognized	-	-	-	-

A.2 Classification of exposures on the basis of external and internal ratings

A.2.1 Banking Group - Distribution of on-balance-sheet and off-balance-sheet exposures by external rating grades

	External rating grades							
Exposures	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Not rated	Total
A. On-balance-sheet exposures	**-**	**2,905,409**	**711,278**	**2,777,972**	**548,307**	**666,354**	**35,545,974**	**43,155,294**
B. Derivatives	**-**	**49,293**	**12,441**	**28,086**	**5,599**	**2,323**	**1,362,282**	**1,460,023**
B.1 Financial Derivatives	-	49,293	12,441	28,086	5,599	2,323	1,362,281	1,460,023
B.2 Credit derivatives	-	-	-	-	-	-	-	-
C. Guarantees issued	**-**	**726,393**	**125,042**	**243,675**	**35,060**	**35,538**	**768,654**	**1,934,362**
D. Commitments to disburse funds	**-**	**378**	**202**	**319**	**-**	**-**	**470,164**	**471,063**
Total	**-**	**3,681,473**	**848,963**	**3,050,052**	**588,966**	**704,215**	**38,147,074**	**47,020,742**

The above distribution by rating grades refers to assessments made by Cerved Group S.p.A. (Ecai - External Credit Assessment Institution - recognized by the Bank of Italy).

The “not rated” column includes exposures with parties for which a Cerved rating is not available.

A.2.2 Distribution of on-balance-sheet exposures and off-balance-sheet exposures by internal rating grades (book values)

	Internal rating grades					
Exposures	from AAA to BBB+	from BBB to BBB-	from BB+ to B	da B- a D	Not rated	Total
A. On-balance-sheet exposures	**12,666,770**	**6,932,012**	**7,891,710**	**3,161,999**	**12,502,803**	**43,155,294**
B. Derivatives	**26,257**	**75,607**	**46,350**	**24,521**	**1,287,288**	**1,460,023**
B.1 Financial Derivatives	26,257	75,607	46,350	24,521	1,287,288	1,460,023
B.2 Credit derivatives	-	-	-	-	-	-
C. Guarantees issued	**310,180**	**722,168**	**401,719**	**59,280**	**441,015**	**1,934,362**
D. Commitments to disburse funds	**445**	**394**	**520**	**41,179**	**428,525**	**471,063**
Total	**13,003,652**	**7,730,181**	**8,340,299**	**3,286,979**	**14,659,631**	**47,020,742**

Distribution by rating class given below refers to Cariparma Crédit Agricole Group internal models. The column “Without rating” mainly shows exposures to banks, public bodies and sovereign states for which internal rating models are not available.

Excluding counterparties without rating, there is a concentration in the Investment Grade classes (from AAA to BBB-), equal to 64% of the total number, while 26% falls within the BB+/B class and 10% in the B-/D class.

A.3 Distribution of secured exposures by type of guarantee

A.3.2 Banking group - Secured exposures to customers:

	Net value of exposure	Collateral (1)				Unsecured guarantees (2)									Total (1)+(2)
						Credit					Other guarantees				
							Other derivative								
		Real Estate Mortgages	Real Estate Finance leases	Securities	Other assets	CLN	Governments and central banks	Other public entities	Banks	Other	Governments and central banks	Other public entities	Banks	Other	
1. Secured on-balance-sheet exposures:	**28,438,019**	**93,077,343**	**1,127,196**	**607,110**	**1,556,355**	**-**					**1,661**	**149,010**	**1,089,194**	**22,560,925**	**120,168,794**
1.1 fully secured	25,412,275	92,562,381	445,919	532,759	1,113,275	-					260	141,857	877,071	22,025,666	117,699,188
- of which impaired	1,243,736	4,660,602	59,060	35,262	118,595	-	-	-	-	-	-	1,030	18	2,455,692	7,330,259
1.2 partially secured	3,025,744	514,962	681,277	74,351	443,080	-	-	-	-	-	1,401	7,153	212,123	535,259	2,469,606
- of which impaired	265,928	85,947	44,270	4,899	15,730	-	-	-	-	-	-	119	238	71,668	222,871
2. Secured off-balance-sheet exposures:	**729,368**	**369,606**	**-**	**72,887**	**52,937**	**-**	**-**	**-**	**-**	**-**	**-**	**319**	**6,760**	**385,098**	**887,607**
2.1 fully secured	611,502	367,481	-	59,745	39,822	-	-	-	-	-	-	319	5,358	369,245	841,970
- of which impaired	3,766	-	-	1,088	633	-	-	-	-	-	-	-	60	5,801	7,582
2.2 partially secured	117,866	2,125	-	13,142	13,115	-	-	-	-	-	-	-	1,402	15,853	45,637
- of which impaired	8,853	-	-	7	26	-	-	-	-	-	-	-	-	793	826

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.

Real and personal guarantees are expressed at the fair value estimated as at the financial statements reference date.

B. Distribution and concentration of exposures

B.1 Banking group - On-balance-sheet and off-balance-sheet exposures to customers by sector (book value)

Exposures/ counterparts	Governments			Other public entities			Financial companies			Insurance undertakings			Non-financial companies			Other		
	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments
A. On-balance-sheet exposures																		
A.1 Bad debts	-	-	X	-	-	X	2,271	5,437	X	48,825	22	X	505,203	813,569	X	185,819	79,051	X
A.2 Substandard loans	8	7	X	1	1	X	1,692	3,262	X	-	-	X	476,844	211,078	X	142,840	66,600	X
A.3 Restructured loans	-	-	X	-	-	X	30,779	2,493	X	-	-	X	115,159	18,205	X	-	-	X
A.4 Past due positions	-	-	X	-	-	X	426	21	X	-	-	X	230,241	6,692	X	96,828	1,616	X
A.5 Other	3,855,585	X	-	254,615	X	1,096	1,442,785	X	1,878	21,738	X	-	18,155,711	X	93,106	13,460,495	X	39,044
Total A	**3,855,593**	**7**	**-**	**254,616**	**1**	**1,096**	**1,477,953**	**11,213**	**1,878**	**70,563**	**22**	**-**	**19,483,158**	**1,049,544**	**93,106**	**13,885,982**	**147,267**	**39,044**
B. Off-balance-sheet exposures																		
B.1 Bad debts	-	-	X	-	-	X	26	65	X	-	-	X	7,218	1,732	X	11	23	X
B.2 Substandard loans	-	-	X	-	-	X	8	8	X	-	-	X	11,365	4,165	X	334	345	X
B.3 Impaired Assets	-	-	X	-	-	X	4	-	X	-	-	X	5,455	670	X	485	9	X
B.4 Other	38,804	X	-	16,755	X	-	55,837	X	7	27,252	X	18	2,025,310	X	1,214	88,253	X	42
Total B	**38,804**	**-**	**-**	**16,755**	**-**	**-**	**55,875**	**73**	**7**	**27,252**	**-**	**18**	**2,049,348**	**6,567**	**1,214**	**89,083**	**377**	**42**
Total (A+B) (31.12.2012)	**3,894,397**	**7**	**-**	**271,371**	**1**	**1,096**	**1,533,828**	**11,286**	**1,885**	**97,815**	**22**	**18**	**21,532,506**	**1,056,111**	**94,320**	**13,975,065**	**147,644**	**39,086**
Total (A+B) (31.12.2011) (*)	**3,628,268**	**12**	**-**	**278,567**	**1**	**991**	**702,453**	**6,958**	**8,799**	**83,164**	**22**	**5**	**22,998,014**	**855,885**	**93,827**	**13,259,038**	**112,803**	**34,070**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62).

On-balance-sheet exposures include loans as well as financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Off-balance-sheet exposures include all financial transactions.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.

B.2 Banking group - geographical distribution of on-balance-sheet and off-balance-sheet exposures to customers (book value)

Exposures/Geographical areas	North-Western Italy		North-Eastern Italy		Central Italy		Southern Italy and Isles	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures								
A.1 Bad debts	289,852	342,990	346,274	391,568	62,667	87,081	42,450	69,341
A.2 Substandard loans	227,789	101,617	253,667	109,104	83,734	32,394	53,753	33,277
A.3 Restructured loans	28,669	8,478	94,929	8,965	7,640	755	14,700	2,500
A.4 Past due positions	130,262	3,498	116,563	2,942	43,914	1,021	36,730	867
A.5 Other	13,137,526	47,594	14,327,381	66,336	6,990,042	14,294	1,780,823	5,988
Total A	**13,814,098**	**504,177**	**15,138,814**	**578,915**	**7,187,997**	**135,545**	**1,928,526**	**111,973**
B. Off-balance-sheet exposures								
B.1 Bad debts	1,575	156	2,852	987	2,828	677	-	-
B.2 Substandard loans	1,696	2,950	8,578	1,209	1,241	172	192	187
B.3 Impaired Assets	500	16	5,369	662	40	1	35	-
B.4 Other	713,519	538	1,241,537	521	337,252	178	55,489	41
Total B	**717,290**	**3,660**	**1,258,336**	**3,379**	**341,361**	**1,028**	**55,716**	**228**
Total (A+B) (31.12.2012)	**14,531,388**	**507,837**	**16,397,150**	**582,294**	**7,529,358**	**136,573**	**1,984,242**	**112,201**
Total (A+B) (31.12.2011)	**13,790,896**	**443,285**	**16,876,295**	**476,234**	**7,159,151**	**107,196**	**2,068,027**	**76,325**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62).

B.3 Banking group - geographical distribution of on-balance-sheet and off-balance-sheet exposures to banks (book value)

Exposures/Geographical areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	725	1,455	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other	829,667	-	3,264,779	-	13,975	-	3,883	-	14,387	-
Total A	**829,667**	**-**	**3,265,504**	**1,455**	**13,975**	**-**	**3,883**	**-**	**14,387**	**-**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Impaired Assets	-	-	-	-	-	-	-	-	-	-
B.4 Other	372,818	-	1,284,825	-	3,136	-	8,298	-	5,242	-
Total B	**372,818**	**-**	**1,284,825**	**-**	**3,136**	**-**	**8,298**	**-**	**5,242**	**-**
Total (A+B) (31.12.2012)	**1,202,485**	**-**	**4,550,329**	**1,455**	**17,111**	**-**	**12,181**	**-**	**19,629**	**-**
Total (A+B) (31.12.2011) (*)	**761,484**	**-**	**4,818,868**	**1,451**	**33,602**	**-**	**20,914**	**-**	**8,302**	**-**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62)

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.

B.4 Large risks

As at 31 December 2012, positions showing large risk characteristics as described in Circular 263 of 27 December 2006 (13th revision of 29 May 2012) were:

- of a total nominal amount of €12,766,049 thousand;
- of a total weighted amount of €781,986 thousand;
- a total number of 6.

C. Securitization and asset disposals

C.1.7 Banking Group - Servicer - Collection from securitized loans and repayment of securities issued by the special-purpose vehicle

Servicer	Specialpurpose vehicle	Securitized assets (end of period figure)		Credit collections in the financial year		% Share of refunded securities (end of period figure)					
						senior		mezzanine		junior	
		Impaired	Performing	Impaired	Performing	Impaired Assets	Performing Assets	Impaired Assets	Performing Assets	Impaired Assets	Performing Assets
Cariparma	MondoMutui Cariparma S.r.l. - securitization 1	48,564	2,991,988	1,767	408,408	-	-	-	-	-	-
Cariparma	MondoMutui Cariparma S.r.l. - securitization 2	8,853	2,624,659	179	227,854	-	-	-	-	-	-

C.1.8 Banking Group - Subsidiary Special-Purpose Vehicles

As at 31 December 2012, the Parent Company Cariparma was carrying out two so-called “internal” securitization transactions transferring receivables deriving from home mortgage loans contracts secured by first mortgage.

As at 31 December 2012 the residual debt of securitized loans amounted to €5,674 million.

Following the loans securitization, the Parent company has subscribed all of the securities issued by the special-purpose entity.

The “senior” tranche securities have been accepted for trading at the Luxembourg Stock Exchange (nominal value of €4,967 million).

The “junior” tranche was unrated and amounted to a nominal value of €843 million.

C.2 Asset disposals

C.2.1 Financial assets assigned but not derecognized

Technical forms/ Portfolio	Financial assets held for trading			Financial assets carried at fair value			Financial assets available for sale			Financial assets held to maturity			Loans to banks			Loans to customers			Total	
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	31.12.2012	31.12.2011
A. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**993,637**	**-**	**-**	**-**	**-**	**-**	**157,010**	**-**	**-**	**-**	**-**	**-**	**1,150,647**	**722,522**
1. Debt securities	-	-	-	-	-	-	993,637	-	-	-	-	-	157,010	-	-	-	-	-	1,150,647	722,522
2. Equity securities	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
3. Units in collective investment	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**-**	**-**
Total (31.12.2012)	**-**	**-**	**-**	**-**	**-**	**-**	**993,637**	**-**	**-**	**-**	**-**	**-**	**157,010**	**-**	**-**	**-**	**-**	**-**	**1,150,647**	**-**
of which impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (31.12.2011)	**-**	**-**	**-**	**-**	**-**	**-**	**645,896**	**-**	**-**	**-**	**-**	**-**	**76,626**	**-**	**-**	**-**	**-**	**-**	**-**	**722,522**
of which impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Key:

A = assigned financial assets fully recognized (book value)

B = assigned financial assets partially recognized (book value)

C = assigned financial assets partially recognized (full value)

Financial assets disposed of and not derecognized mainly consisted of securities relating to repurchase agreements.

C.2.2 Financial liabilities in respect of financial assets assigned but not derecognized

Liabilities /Assets Portfolio	Financial assets held for trading	Financial assets carried at fair value	Financial assets available for sale	Financial assets held to maturity	Loans to banks	Loans to customers	Total
1. Due to customers							
a) in respect of assets fully recognized	-	-	-	-	156,789	-	156,789
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	**-**	**-**	**1,017,136**	**-**	**-**	**-**	**1,017,136**
a) in respect of assets fully recognized	-	-	1,017,136	-	-	-	1,017,136
b) in respect of assets partially recognized	-	-	-	-	-	-	-
3. Securities issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) in respect of assets fully recognized	-	-	-	-	-	-	-
b) in respect of assets partially recognized	-	-	-	-	-	-	-
Total (31.12.2012)	**-**	**-**	**1,017,136**	**-**	**156,789**	**-**	**1,173,925**
Total (31.12.2011)	**-**	**-**	**643,855**	**-**	**78,299**	**-**	**722,154**

Financial liabilities in respect of financial assets assigned but not derecognized (reported in the Loans to Banks column) referred to repurchase agreements for funding purposes with securities recognized in assets.

D. Banking Group - Credit risk measurement models

Section 2 - market risks

2.1 Interest rate risk and price risk - Supervisory Trading Book

QUALITATIVE DISCLOSURES

General aspects

The Cariparma Crédit Agricole Group (consistently with the 2011-2014 Strategic Plan and in line with past operations) does not engage in significant proprietary trading in financial and capital markets.

Therefore, trading is essentially instrumental and made on behalf of Customers based on the concept of intermediation, which allows the Cariparma Group to take only residual financial risk positions.

The Cariparma Crédit Agricole Group trading book is historically composed of securities (mainly bonds issued by Banks) and of over-the-counter derivatives (matched trading); these positions derive from placing and trading activities carried out to satisfy Customers' requirements.

Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk profiles of the Group's trading book, centrally managing financial operations as well as risk measurement and control activities.

In 2012, the control system for market risks associated to the trading book was strengthened, by setting specific organizational control in order to continuously verify that a risk level consistent with the Group's objectives is maintained.

Management and measurement of market risks

Organisational aspects

The market risk in the Group's trading book is managed as part of each bank's risk policies.

This document defines the internal regulatory system for the management of market risk with reference to operations in financial instruments, currencies and commodities, in terms of:
- The principles, objectives, methodologies and tools used for the assessment, control and management of market risk;
- guidelines and rules on which the market risk management processes are based.

The Market Risk Policy is one of the components of the overall risk governance model adopted by the Group in line with Crédit Agricole guidelines.

Management mechanism

In the context of the market risk management process, primary responsibility is assigned to, according to their respective areas of competence, corporate bodies/departments, who shall be completely aware of the Bank's level of exposure:
- the Board of Directors is given strategic supervisory functions 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 directs the Group's mechanism for the management of market risk, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee;
- the Risks and Permanent Control Department is responsible for control and, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee, verifies the corporate risk management process and supervises compliance of the treatment of market risk with the legislation in force.

The ceiling structure

The ceiling structure reflects the level of risk deemed acceptable with reference to the individual business areas and constitutes a mechanism for checking that operational practices, at the various organisational levels, are performed in compliance with management guidelines and strategies as defined by senior management.

In line with Crédit Agricole Group guidelines, the ceiling system is composed of global ceilings and operational ceilings.

The global ceilings system must be able to ensure a control development of the activities. Ceilings are set so as to contain any losses within a level deemed acceptable Crédit Agricole Group as a whole.

Global ceilings 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.

Operational ceilings are authorised by the Boards of Directors of the Group's Banks and must not exceed the global ceilings set by the Cariparma Crédit Agricole Group.

Operational ceilings are defined on the basis of the nominal value of the open position (that is after compensation of identical purchase and sale positions).

Therefore, operational ceilings are, consistent with global ceilings, a declension of the latter by type of activity, 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-ceilings (for example, by individual entity in the Group and/or portfolio).

Risk monitoring activities are the responsibility of the Risks and Permanent Controls Department, which is responsible for checking:
- compliance with the operating ceilings on the trading books of the individual banks;
- adequacy and functionality of the finance process;
- compliance with approved risk management rules and criteria;
- proper functioning of activities and controls to protect against risks;
- the presence of any critical issues to be resolved swiftly.

QUANTITATIVE DISCLOSURES

1. Supervisory Trading Book: distribution by residual maturity (repricing date) of on-balance-sheet financial assets and liabilities and financial derivatives

Currency	US DOLLAR							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 years to 10 years**	**more than 10 years**	**unspecified maturity**
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**160,921**	**43,282**	**6,240**	**3,046**	**-**	**78**	**-**
3.1 With underlying security	-	157	-	-	76	-	78	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	157	-	-	76	-	78	-
+ long positions	-	79	-	-	38	-	39	-
+ short positions	-	78	-	-	38	-	39	-
3.2 Without underlying security	-	160,764	43,282	6,240	2,970	-	-	-
- Options	-	34	24	26	-	-	-	-
+ long positions	-	17	12	13	-	-	-	-
+ short positions	-	17	12	13	-	-	-	-
- Other derivatives	-	160,730	43,258	6,214	2,970	-	-	-
+ long positions	-	80,602	21,629	3,107	1,485	-	-	-
+ short positions	-	80,128	21,629	3,107	1,485	-	-	-

Currency	POUND STERLING							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	1	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	1	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**15,610**	**22,118**	**7,352**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	15,610	22,118	7,352	-	-	-	-
- Options	-	-	18	-	-	-	-	-
+ long positions	-	-	9	-	-	-	-	-
+ short positions	-	-	9	-	-	-	-	-
- Other derivatives	-	15,610	22,100	7,352	-	-	-	-
+ long positions	-	7,569	11,050	3,676	-	-	-	-
+ short positions	-	8,041	11,050	3,676	-	-	-	-

Currency	SWISS FRANK							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**33,394**	**9,970**	**596**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	33,394	9,970	596	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	33,394	9,970	596	-	-	-	-
+ long positions	-	16,583	4,985	298	-	-	-	-
+ short positions	-	16,811	4,985	298	-	-	-	-

Currency **CANADIAN DOLLAR**

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**38,076**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	38,076	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	38,076	-	-	-	-	-	-
+ long positions	-	19,038	-	-	-	-	-	-
+ short positions	-	19,038	-	-	-	-	-	-

Currency **JAPAN YEN**

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**3,371**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	3,371	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	3,371	-	-	-	-	-	-
+ long positions	-	1,667	-	-	-	-	-	-
+ short positions	-	1,704	-	-	-	-	-	-

Currency **EURO**

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**1,110**	**758**	**1,642**	**2,699**	**29**	**9**	**-**
1.1 Debt securities	-	1,110	758	1,642	2,699	29	9	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	1,110	758	1,642	2,699	29	9	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**324,677**	**5,648,879**	**1,408,131**	**781,826**	**3,193,576**	**1,047,212**	**294,504**	**-**
3.1 With underlying security	-	89,658	78,854	724	4,182	54	163	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	89,658	78,854	724	4,182	54	163	-
+ long positions	-	43,717	39,465	408	3,133	38	86	-
+ short positions	-	45,941	39,389	316	1,049	16	77	-
3.2 Without underlying security	324,677	5,559,221	1,329,277	781,102	3,189,394	1,047,158	294,341	-
- Options	417	3,861	9,150	12,791	143,579	122,914	27,533	-
+ long positions	385	763	3,071	6,338	72,538	61,841	15,187	-
+ short positions	32	3,098	6,079	6,453	71,041	61,073	12,346	-
- Other derivatives	324,260	5,555,360	1,320,127	768,311	3,045,815	924,244	266,808	-
+ long positions	162,130	2,802,052	636,073	384,381	1,522,558	462,122	133,404	-
+ short positions	162,130	2,753,308	684,054	383,930	1,523,257	462,122	133,404	-

Currency **OTHER CURRENCIES**

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**4,428**	**14,510**	**340**	**2**	**-**	**-**	**-**
3.1 With underlying security	-	2	-	-	2	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	2	-	-	2	-	-	-
+ long positions	-	1	-	-	1	-	-	-
+ short positions	-	1	-	-	1	-	-	-
3.2 Without underlying security	-	4,426	14,510	340	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	4,426	14,510	340	-	-	-	-
+ long positions	-	2,117	7,255	170	-	-	-	-
+ short positions	-	2,309	7,255	170	-	-	-	-

2. Supervisory Trading Book: distribution of exposure in equity securities and equity indices in the main national markets

Type of transaction/ index listing	Listed						Unlisted
	Italy	Germany	France	Switzerland	Great Britain	Rest of the word	
A. Equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**9**
- long positions	-	-	-	-	-	-	9
- short positions	-	-	-	-	-	-	-
B. Unsettled transactions in equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**82**
- long positions	-	-	-	-	-	-	41
- short positions	-	-	-	-	-	-	41
C. Other derivatives on equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
D. Derivatives on equity indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-

2.2 Interest rate risk and price risk - Banking book

QUALITATIVE DISCLOSURES

General aspects

Asset Liability Management typically refers to the positions in the banking book and focuses mainly on fixed-rate positions. Fluctuations in interest rates impact the profits of the Group by reducing both net interest income and gross income, and also affect capital by causing changes in the net present value of future cash flows.

Interest rate risk, therefore, refers to all on-balance-sheet and off-balance-sheet transactions, excluding the supervisory trading book.

The Banking Book price risk is generated by financial-type assets held for various trading objectives.

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

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 risk assessment and control activities.

Organisational aspects

The governance model adopted by the Group delegated the management of interest rate risk to the Financial Management Department of Cariparma, which is responsible for risk management for the entire Italian banking group, in compliance with the guidelines issued by the Controlling Company Crédit Agricole S.A.

The Financial Risks and ALM Committee, which includes the Banks' top management and representatives of the main departments of the Cariparma Group and Crédit Agricole S.A. involved, validated the methods to measure exposures to interest rate risk, analyses the reporting supplied by the Financial Management Department and Risk Management and Permanent Controls Department and resolves on any interventions to be carried out by the Financial Management Department in accordance with the Risk Strategy set with the Comité Risque du Groupe of CA.S.A..

Risk policy and management

Interest rate risk management policy is designed to implement short- and long-term strategies to identify and quantify interest rate risk by defining a cumulative gap by maturity, and to manage that position with a view to maximizing profitability while complying with the ceilings and guidelines set by Crédit Agricole S.A.

The risk management policy for Banking Book price risk has, as its objective, the monitoring of the impact on the book value and regulatory capital of the variations in value of financial instruments held in the bank's portfolio, in line with the acceptable level of risk set by the Board of Directors.

Risk control

Cariparma's Department of Risks and Permanent Controls independently oversees the interest-rate-risk control system used by the individual banks and the Group, ensuring that it remains compatible with the risk measurement model developed in compliance with operational and regulatory requirements. Specifically, as part of the tasks assigned to it, the Department:
- checks the risk measurement and stress testing models consistently with the guidelines issued by the Supervisory Body and with the method set by Crédit Agricole S.A.;
- upon validation and update of risk measurement models, assesses the results of quantitative and qualitative analysis of the models, expressing its opinion in this regard;
- informs Crédit Agricole S.A. Board of Directors (as part of its control activities) where the set risk ceilings have been breached since the last communication and recommends corrective actions after consultation with the Financial Management Department.

Risk measurement: methodological aspects

For measuring and managing interest rate risk, the Group has adopted an interest-gap-based model, according to which, at each future maturity date, the gap resulting from fixed-rate assets and liabilities existing as at that date. To calculate the fixed-rate cumulative gap, sources of exposure to interest rate risk must be previously identified by a full analysis of the financial statements, as well as the stable component of demand items, the estimate of the effects of the "optionality" that is implicit in some banking book positions (early repayment of loans or cap mortgage loans), the estimated maturities of some balance sheet items that do not have certain contractual maturity, in line with the proprietary models of the Group and of Crèdit Agricole S.A.

In line with the instructions of Crédit Agricole S.A., a set of ceilings for the gaps was defined, which represents the maximum acceptable level of risk for the Group. These ceilings are calculated with reference to a series of risk indicators that measure the impact of a change in interest rates on equity, gross income and gross operating margin. The Market Risk and ALM Committee approve the proposed ceilings which are then submitted to Group Risk Management Committee of Crédit Agricole S.A., and to the Board of Directors of the banks

To measure exposure to interest rate risk, the Group perimeter considered includes the data relating to the three Banks, Cariparma, FriulAdria and Carispezia, as well as those relating to CALIT (Crédit Agricole Leasing Italia S.r.l.).

The Risks Strategy, approved in the second half of 2012, confirmed the ceiling structure for the management of interest rate risk:
- Global ceiling in terms of Current Net Value (CNV);
- Global gap ceilings divided into different time bands.

Consistently with Crédit Agricole Group guidelines, the ceilings system is composed of global ceilings, operational ceilings and warning thresholds. Global ceilings on banking book price risks are defined on the basis of the type of instrument that can be held (Italian, German, and French Government Bonds) and are expressed with reference to the maximum nominal value that can be held. Within the portfolio, sub-ceilings of concentration on the three issuing countries are also set.

Operational ceilings have the same structure and are set for each single Bank. Operational ceilings are authorised by the Boards of Directors of the Group's Banks and must not exceed the global ceilings set by the Cariparma Crédit Agricole Group.

In 2001, the Group updated the stress testing approach to segment asset prices. On this basis, the portfolio is adjusted by applying a market shock weighted on the worst scenario which occurred during a ten-year time period.

Based on such weighting, the Group has implemented a system of warning thresholds.

Fair value hedging

Interest rate risk hedging operations are aimed at protecting the Banking Book against variations in the fair value of deposits and loans caused by movements in the interest rate curve, that is, reducing the variability of cash flows linked to specific assets/liabilities. In particular, fixed-rate bonds were micro-hedged (specific hedges) and the fixed-rate gaps shown in the internal model were macro-hedged (generic hedges).

Contrary to 2011, in 2012 natural hedging, which is a merely management tool, was gradually dismantled.

Pursuant to IASs, the effectiveness of the hedges was assessed by the Financial Management Department, which carries out periodic effectiveness tests and maintains formal documentation for every hedging transaction.

Cash flow hedging

There is no current cash flow hedging.

QUANTITATIVE DISCLOSURES

1. Banking Book: distribution of financial assets and liabilities by residual maturity (repricing date)

Currency Dollaro Stati Uniti

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**25,145**	**192,428**	**3,560**	**42,724**	**2,784**	**18**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	15,228	54,486	2,566	2,118	-	-	-	-
1.3 Loans to customers	9,917	137,942	994	40,606	2,784	18	-	-
- current accounts	1,501	3	1	2	7	4	-	-
- other loans	8,416	137,939	993	40,604	2,777	14	-	-
- with early redemption option	1,679	27,180	19	1,330	-	-	-	-
- other	6,737	110,759	974	39,274	2,777	14	-	-
2. On-balance-sheet liabilities	**156,084**	**92,812**	**2,141**	**13,703**	**3,172**	**-**	**-**	**-**
2.1 Due to customers	154,870	10,271	-	2,721	41	-	-	-
- current accounts	153,492	10,271	-	2,721	41	-	-	-
- other loans	1,378	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1,378	-	-	-	-	-	-	-
2.2 Due to banks	1,214	82,541	2,141	10,982	3,131	-	-	-
- current accounts	1	-	-	-	-	-	-	-
- other payables	1,213	82,541	2,141	10,982	3,131	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**1,008**	**257,072**	**112**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	128,984	112	-	-	-	-	-
+ short positions	1,008	128,088	-	-	-	-	-	-

Currency	Sterlina Regno Unito							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**5,520**	**17,868**	**148**	**44**	**2**	**1**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	4,382	12,498	-	-	-	-	-	-
1.3 Loans to customers	1,138	5,370	148	44	2	1	-	-
- current accounts	248	-	-	-	2	1	-	-
- other loans	890	5,370	148	44	-	-	-	-
- with early redemption option	250	2,168	148	25	-	-	-	-
- other	640	3,202	-	19	-	-	-	-
2. On-balance-sheet liabilities	**15,472**	**7,160**	**66**	**61**	**189**	**-**	**-**	**-**
2.1 Due to customers	15,472	539	66	61	189	-	-	-
- current accounts	15,419	539	66	61	189	-	-	-
- other loans	53	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	53	-	-	-	-	-	-	-
2.2 Due to banks	-	6,621	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	-	6,621	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**25,854**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	12,927	-	-	-	-	-	-
+ short positions	-	12,927	-	-	-	-	-	-

Currency: Franco Svizzera

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**4,537**	**27,298**	**12,495**	**6,575**	**678**	**10**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	2,381	-	-	-	-	-	-	-
1.3 Loans to customers	2,156	27,298	12,495	6,575	678	10	-	-
- current accounts	401	-	-	-	-	-	-	-
- other loans	1,755	27,298	12,495	6,575	678	10	-	-
- with early redemption option	-	290	-	-	-	-	-	-
- other	1,755	27,008	12,495	6,575	678	10	-	-
2. On-balance-sheet liabilities	**11,525**	**38,651**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	11,524	337	-	-	-	-	-	-
- current accounts	10,622	-	-	-	-	-	-	-
- other loans	902	337	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	902	337	-	-	-	-	-	-
2.2 Due to banks	1	38,314	-	-	-	-	-	-
- current accounts	1	-	-	-	-	-	-	-
- other payables	-	38,314	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**449**	**35,571**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	18,010	-	-	-	-	-	-
+ short positions	449	17,561	-	-	-	-	-	-

Currency	Dollaro Canada							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**1,502**	**2,172**	**-**	**-**	**-**	**1**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	965	2,093	-	-	-	-	-	-
1.3 Loans to customers	537	79	-	-	-	1	-	-
- current accounts	504	-	-	-	-	1	-	-
- other loans	33	79	-	-	-	-	-	-
- with early redemption option	33	79	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**3,631**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	3,631	-	-	-	-	-	-	-
- current accounts	3,631	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**3,806**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	1,903	-	-	-	-	-	-
+ short positions	-	1,903	-	-	-	-	-	-

Currency	Yen Giappone							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**1,485**	**4,454**	**-**	**1,237**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,021	-	-	-	-	-	-	-
1.3 Loans to customers	464	4,454	-	1,237	-	-	-	-
- current accounts	148	-	-	-	-	-	-	-
- other loans	316	4,454	-	1,237	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	316	4,454	-	1,237	-	-	-	-
2. On-balance-sheet liabilities	**835**	**6,383**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	762	-	-	-	-	-	-	-
- current accounts	762	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	73	6,383	-	-	-	-	-	-
- current accounts	73	-	-	-	-	-	-	-
- other payables	-	6,383	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**260**	**6,350**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	3,305	-	-	-	-	-	-
+ short positions	260	3,045	-	-	-	-	-	-

Currency	Euro							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 years to 10 years**	**more than 10 years**	**unspecified maturity**
1. On-balance-sheet assets	**6,593,902**	**20,721,918**	**3,025,501**	**3,556,131**	**3,041,192**	**2,450,058**	**3,354,807**	**-**
1.1 Debt securities	35,461	899,652	391,030	30,700	924,349	1,374,240	1,559,600	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	35,461	899,652	391,030	30,700	924,349	1,374,240	1,559,600	-
1.2 Loans to banks	229,166	2,452,167	21,120	2,638	1	-	-	-
1.3 Loans to customers	6,329,275	17,370,099	2,613,351	3,522,793	2,116,842	1,075,818	1,795,207	-
- current accounts	4,339,675	33,753	28,461	99,810	114,980	33,711	-	-
- other loans	1,989,600	17,336,346	2,584,890	3,422,983	2,001,862	1,042,107	1,795,207	-
- with early redemption option	33,697	391,688	58,406	127,125	220,300	17,660	1,661	-
- other	1,955,903	16,944,658	2,526,484	3,295,858	1,781,562	1,024,447	1,793,546	-
2. On-balance-sheet liabilities	**21,959,574**	**7,379,061**	**1,725,283**	**1,553,615**	**7,884,430**	**347,942**	**5,202**	**-**
2.1 Due to customers	21,111,980	901,415	3,629	2,284	3,327	14	5,202	-
- current accounts	17,808,712	650,000	-	-	-	-	-	-
- other loans	3,303,268	251,415	3,629	2,284	3,327	14	5,202	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	3,303,268	251,415	3,629	2,284	3,327	14	5,202	-
2.2 Due to banks	816,451	3,295,078	932,604	65,538	5,002	3,751	-	-
- current accounts	18,409	-	-	-	-	-	-	-
- other payables	798,042	3,295,078	932,604	65,538	5,002	3,751	-	-
2.3 Debt securities	31,143	3,182,568	789,050	1,485,793	7,876,101	344,177	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	31,143	3,182,568	789,050	1,485,793	7,876,101	344,177	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**644,740**	**18,321,381**	**500,442**	**1,216,594**	**9,456,443**	**3,674,202**	**3,430,170**	**-**
3.1 With underlying security	-	140,909	80,849	135,523	-	166,361	195,099	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	140,909	80,849	135,523	-	166,361	195,099	-
+ long positions	-	140,909	80,849	135,523	-	-	-	-
+ short positions	-	-	-	-	-	166,361	195,099	-
3.2 Without underlying security	644,740	18,180,472	419,593	1,081,071	9,456,443	3,507,841	3,235,071	-
- Options	8	42,928	3,479	41,510	228,100	45,162	166,142	-
+ long positions	7	7,356	1,739	3,459	85,638	22,557	142,910	-
+ short positions	1	35,572	1,740	38,051	142,462	22,605	23,232	-
- Other derivatives	644,732	18,137,544	416,114	1,039,561	9,228,343	3,462,679	3,068,929	-
+ long positions	1,552	3,388,770	351,814	1,036,583	8,349,482	2,559,550	2,311,200	-
+ short positions	643,180	14,748,774	64,300	2,978	878,861	903,129	757,729	-
4. Other off-balance-sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

Currency	Altre valute							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**7,251**	**6,419**	**-**	**58**	**-**	**1**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	5,157	5,442	-	-	-	-	-	-
1.3 Loans to customers	2,094	977	-	58	-	1	-	-
- current accounts	2,094	-	-	-	-	1	-	-
- other loans	-	977	-	58	-	-	-	-
- with early redemption option	-	977	-	-	-	-	-	-
- other	-	-	-	58	-	-	-	-
2. On-balance-sheet liabilities	**8,454**	**5,288**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	8,454	-	-	-	-	-	-	-
- current accounts	8,146	-	-	-	-	-	-	-
- other loans	308	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	308	-	-	-	-	-	-	-
2.2 Due to banks	-	5,288	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other payables	-	5,288	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**-**	**19,474**	**-**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	9,737	-	-	-	-	-	-
+ short positions	-	9,737	-	-	-	-	-	-

2.3 Exchange rate risk

The Group is not engaged in proprietary trading on the exchange rates market and does not hold assets or liabilities which are not hedged against this risk. Consequently, there are no exposures apart from residual positions in respect of activities carried out to meet customer requirements in both the spot and forward markets.

These residual positions are nonetheless monitored daily.

The Risk Strategy approved for 2013 redefined the operational ceilings system on exchange rate risk, adopting sub-ceilings for each Group Bank.

QUANTITATIVE DISCLOSURES

1. Distribution by currency of assets and liabilities and derivatives

	Value					
Items	**Us Dollar**	**Uk Pound Sterling**	**Japan Yen**	**Canadian Dollar**	**Swiss Frank**	**Other Currencies**
A. Financial Assets	**266,662**	**23,585**	**7,176**	**3,676**	**51,595**	**16,647**
A.1 Debt securities	-	1	-	-	-	-
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	74,400	16,881	1,021	3,058	2,381	13,517
A.4 Loans to customers	192,262	6,703	6,155	618	49,214	3,130
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**4,090**	**1,306**	**93**	**736**	**933**	**620**
C. Financial Liabilities	**267,910**	**22,947**	**7,218**	**3,631**	**50,176**	**13,742**
C.1 Due to banks	100,008	6,621	6,456	-	38,652	5,288
C.2 Due to customers:	167,902	16,326	762	3,631	11,524	8,454
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**3,888**	**465**	**10**	**355**	**719**	**44**
E. Financial derivatives	**215,769**	**45,079**	**3,371**	**38,076**	**43,961**	**19,276**
- Options	86	18	-	-	-	-
+ long positions	43	9	-	-	-	-
+ short positions	43	9	-	-	-	-
- Other derivatives	215,683	45,061	3,371	38,076	43,961	19,276
+ long positions	108,078	22,295	1,667	19,038	21,867	9,542
+ short positions	107,605	22,766	1,704	19,038	22,094	9,734
Total assets	**378,873**	**47,195**	**8,936**	**23,450**	**74,395**	**26,809**
Total liabilities	**379,446**	**46,187**	**8,932**	**23,024**	**72,989**	**23,520**
Difference (+/-)	**573**	**1,008**	**4**	**426**	**1,406**	**3,289**

2.4 Derivatives

QUALITATIVE DISCLOSURES

A. Financial Derivatives

A.1. Supervisory trading book: end-of-period and average notional amounts

Underlying assets/Type of derivative	31.12.2012		31.12.2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**11,658,966**	**-**	**12,990,795**	**-**
a) Options	5,740,382	-	6,099,391	-
b) Swaps	5,918,584	-	6,891,404	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**19**	**-**
a) Options	-	-	19	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**367,491**	**-**	**786,736**	**-**
a) Options	26,836	-	112,318	-
b) Swaps	-	-	-	-
c) Forward contracts	340,655	-	674,418	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**7,362**	**-**	**12,987**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**12,033,819**	**-**	**13,790,537**	**-**
Average amounts	**12,523,958**	**-**	**13,372,345**	**-**

A.2 Banking book: end-of-period and average notional amounts

A.2.1 Hedging

Underlying assets/Type of derivative	31.12.2012		31.12.2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**18,494,523**	**-**	**15,209,185**	**-**
a) Options	138,293	-	152,677	-
b) Swaps	17,998,950	-	14,831,411	-
c) Forward contracts	357,280	-	225,097	-
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	**18,494,523**	**-**	**15,209,185**	**-**
Average amounts	**16,506,276**	**-**	**15,504,276**	**-**

A.2.2 Other derivatives

Underlying assets/Type of derivative	31.12.2012		31.12.2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	**386,342**	**-**	**426,450**	**-**
a) Options	386,342	-	426,450	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying assets	**-**	**-**	**-**	**-**
Total	**386,342**	**-**	**426,450**	**-**
Average amounts	**424,337**	**-**	**285,540**	**-**

A.3 Financial derivatives: positive gross fair value - breakdown by product

Underlying assets/Type of derivative	Positive fair value			
	31.12.2012		31.12.2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	**308,184**	**-**	**300,639**	**-**
a) Options	26,883	-	48,863	-
b) Interest rate swaps	277,515	-	238,648	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	3,691	-	12,861	-
f) Futures	-	-	-	-
g) Other	95	-	267	-
B. Banking book - hedging	**1,151,735**	**-**	**707,001**	**-**
a) Options	5,320	-	7,942	-
b) Interest rate swaps	1,146,415	-	689,384	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	9,675	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - Other derivatives	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**1,459,919**	**-**	**1,007,640**	**-**

A.4 Financial derivatives: gross negative fair value - breakdown by product

Underlying assets/Type of derivative	Negative fair value			
	31.12.2012		31.12.2011	
	Over the counter	Controparti centrali	Over the counter	Controparti centrali
A. Supervisory trading book	**297,379**	**-**	**297,483**	**-**
a) Options	11,286	-	38,036	-
b) Interest rate swaps	282,362	-	246,488	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	3,637	-	12,699	-
f) Futures	-	-	-	-
g) Other	94	-	260	-
B. Banking book - hedging	**319,350**	**-**	**176,603**	**-**
a) Options	-	-	-	-
b) Interest rate swaps	315,292	-	176,603	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	4,058	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - Other derivatives	**14,753**	**-**	**9,962**	**-**
a) Options	14,753	-	9,962	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**631,482**	**-**	**484,048**	**-**

A.5 OTC financial derivatives - supervisory trading book: notional value, positive and negative gross fair values by counterparty - contract not included in compensation agreements

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional amount	-	9,385	5,914,476	770,859	-	4,383,421	580,825
- positive fair value	-	213	102,670	19,574	-	180,213	1,550
- negative fair value	-	7	282,376	2,694	-	5,738	2,655
- future exposure	-	37	45,286	2,794	-	13,776	123
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rates and gold							
- notional amount	-	-	194,884	200	-	161,814	10,593
- positive fair value	-	-	2,325	-	-	1,486	58
- negative fair value	-	-	1,751	-	-	2,044	20
- future exposure	-	-	1,918	2	-	1,588	106
4) Other assets							
- notional amount	-	-	3,680	-	-	3,682	-
- positive fair value	-	-	-	-	-	95	-
- negative fair value	-	-	94	-	-	-	-
- future exposure	-	-	368	-	-	368	-

A.7 Over-the-counter financial derivatives - banking book: notional values, positive and negative gross fair value by counterparty - contracts not included in compensation agreements

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional amount	-	-	18,486,335	11,013	-	-	383,517
- positive fair value	-	-	1,151,573	162	-	-	-
- negative fair value	-	-	318,213	1,137	-	-	14,753
- future exposure	-	-	145,887	89	-	-	865
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rates and gold							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
4) Other assets							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

A.9 Residual maturity of otc financial derivatives: notional values

A. Supervisory trading book	up to 1 year	More than 1 year to 5 years	More than 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	**2,591,567**	**5,656,497**	**3,785,755**	**12,033,819**
A.2 Financial derivatives on equity securities and equity indices	2,219,685	5,653,526	3,785,755	11,658,966
A.3. Financial derivatives on exchange rates and gold	-	-	-	-
A.4 Financial derivatives on other values	364,520	2,971	-	367,491
B. Banking book	7,362	-	-	7,362
B.1 Financial derivatives on debt securities and interest rates	**2,644,893**	**9,566,072**	**6,669,900**	**18,880,865**
B.2 Financial derivatives on equity securities and equity indices	2,644,893	9,566,072	6,669,900	18,880,865
B.3. Financial derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
Total (31.12.2012)	-	-	-	-
Total (31.13.2011)	**5,236,460**	**15,222,569**	**10,455,655**	**30,914,684**
Totale 31.12.2011	**6,434,357**	**13,789,525**	**9,202,290**	**29,426,172**

Section 3 - Liquidity risk

QUALITATIVE DISCLOSURES

General aspects, management and measurement of liquidity risk

General and organisation aspects

The Group has adopted a system of classifying liquidity risk (the “Liquidity System”), which includes methods for measuring and aggregating risks and stress testing methods, in line with the mechanism adopted by the Controlling Company Crédit Agricole S.A., at the same time ensuring compliance with Italian legislation and regulatory provisions.

The governance model adopted by the Group delegates the management of liquidity risk to the Financial Management Department of Cariparma, which is responsible for risk management for the entire Italian banking group and follows the guidelines issued by the Crédit Agricole S.A. Group.

To determine exposure to liquidity risk, the Group perimeter includes data for the three Banks as well as for CALIT (Credit Agricole Leasing Italia S.r.l.).

Cariparma, in its capacity as Parent Company, coordinates the liquidity risk profiles for the Group, centrally managing financial operations as well as the risk assessment and control activities. Specifically, the Parent Company:
- is responsible for the liquidity policy;
- manages funding for all the Group’s legal entities;
- manages liquidity risk for the Group’s Banks;
- contributes to defining the guidelines to be followed by CALIT in the liquidity management process.

The governance model set up for liquidity risk management processes is defined by the Board of Directors by assigning powers and the relating tasks to the relevant Departments.

The Financial Management Department is responsible for the measurement, management and monitoring of liquidity, while the Department of Risk Management and Permanent Controls is responsible for controlling the relating risk.

This system consists of the following:
- a governance process that assigns the roles defining the strategies, the management of the process of the assumption of risks and control process;
- a structure of global ceilings, operational ceilings and warning thresholds based on stress scenarios;
- a permanent control installation;
- a process that defines the conditions for the start, and methods for the execution, of the contingency funding plan.

Risk management and control: methodological aspects

The main objective of the short-term liquidity management process is to ensure that the Group is able to satisfy on-balance-sheet payment commitments, expected and unexpected, in such a way as not to prejudice normal business.

A basic condition for achieving this objective is to permanently maintain a sufficient balance between incoming and outgoing liquidity flow.

The model adopted for liquidity management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.

To measure short-term exposure to liquidity risk, the maturity mismatch approach has been used, in accordance with the guidelines and instructions issued by supervisory body.
The Group system takes into account 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 commercial activity along planned time scales (monitoring the performance of liquidity from loans to customers/ customer sources).

A material aspect of operating liquidity management is defining a short-term refinancing limit (LCT - Limite Court Terme) that aims at ensuring a liquidity surplus over a time horizon of one year in a stressed market.

The system determines restrictions to the structure of the short term refinancing which impose a "non-concentration" on shorter maturities, with the effect of incentivizing the lengthening of the short-term inter-bank funding.

Stress scenarios on which the ceiling structure is based are defined on realistic assumptions but, at the same time, are appropriately conservative in relation to the severity and duration of the simulated shock.

Short-term liquidity risk management and supervision policies are aimed at ensuring the surmounting of any crisis that leads to serious reduction in the Group's normal financing sources; in this regard, three stress scenarios have been identified:
- global crisis with a time horizon of two weeks;
  - the Group must have sufficient liquidity reserves for two weeks to meet, at the same time, an outflow of retail deposits of 10%, a total suspension of market resources (among which operations with Crédit Agricole) and a reduction in liquidity reserves, while maintaining its own business operability unaltered; This scenario represents a grave global crisis originating from an idiosyncratic crisis situation, determined by problems relating to the reputation of the Group and systemic, characterised by market tension;
- idiosyncratic crisis with time horizon of one month;
  - the Group must be able, for a period of one month, to maintain its own business operability unaltered, in a critical situation determined by a reputational risk that has diminished the ability to contract loans on the market (reduced to 25% of normal) and that its clients have withdrawn a significant part of their deposits (around 10% of retail clients). This scenario represents an idiosyncratic crisis situation, as the crisis is determined solely by the Group's reputational problems;
- systemic crisis with time horizon of one year.
  - In the event a systemic crisis striking the markets, the Group must be able to continue its operations for one year, without adopting structural remedies, even if the crisis has seriously hindered its ability to re-finance on the market (among which, inter-bank operations and financing from Crédit Agricole) with a financing renewal rate of around 35% short term and 31.25% long term and with a reduction of the liquidity reserves.

In marketing the Bank's products, liquidity risk is taken into account through the internal transfer rate system. Based on the products' financial features and on the prevailing market conditions, the system allows the internal return rate to be determined, which, in turn, is the basis for lending and direct funding products.

Risk control

The Risk and Permanent Controls Department monitors liquidity ratios on a daily basis and periodically verifies consistency of the back-up liquidity estimates reported in the Contingency Funding Plan.

A process is in place for notifying and formalizing a corrective plan to Senior Management and the Controlling Company Crédit Agricole in the event of any global or operational ceilings being exceeded, warning thresholds being reached, significant changes in risk ratios, potentially negative and unexpected changes in financial markets, insufficiencies or malfunctions of any systems for the risk management or measurement, or any other event or situation deemed relevant in monitoring liquidity risks.

In order to ensure full understanding and governability of liquidity risk and its impact on the Group, in compliance with the legislation, the Board of Directors receives specific detailed information on the management of this risk.

The appointed operational units prepare and circulate a liquidity report so that the Group's senior bodies can regularly follow the main ratios, with their commentary on the main changes, and, in particular, forward it to the Chief Financial Officer (CFO), the Risks and Permanent Controls Department, the ALM and Financial Risks Committee and to the Board of Auditors.

The Risks and Permanent Controls Department is responsible for controlling compliance with the set ceilings and prepares and circulates its own Financial Risks Report, reporting the outcomes of controls and any exceeding of ceilings or warning thresholds. Moreover, it presents a quarterly summary of said report to the ALM and Financial Risks Committee, the Internal Control Committee and the Board of Directors of Cariparma.

QUANTITATIVE DISCLOSURES

1. Time distribution of financial assets and liabilities by residual contract maturity

Currency **US DOLLAR**

Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**70,616**	**50,590**	**8,031**	**75,461**	**59,387**	**3,310**	**2,220**	**206**	**14**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	70,616	50,590	8,031	75,461	59,387	3,310	2,220	206	14	-
- banks	15,512	41,989	-	-	12,519	2,300	2,157	-	-	-
- customers	55,104	8,601	8,031	75,461	46,868	1,010	63	206	14	-
On-balance-sheet liabilities	**167,943**	**14,787**	**8,427**	**16,462**	**53,194**	**2,156**	**4,894**	**122**	**-**	**-**
B.1 Deposits and current accounts	153,523	13,050	8,345	15,167	52,064	1,539	4,773	41	-	-
- banks	1	13,050	8,345	15,167	41,782	1,539	2,070	-	-	-
- customers	153,522	-	-	-	10,282	-	2,703	41	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	14,420	1,737	82	1,295	1,130	617	121	81	-	-
Off-balance-sheet transactions	**1,128**	**221,404**	**23,133**	**80,088**	**93,367**	**43,396**	**6,240**	**2,970**	**-**	**-**
C.1 Financial Derivatives withexchange of principal	-	21,314	23,133	27,791	88,682	43,284	6,240	2,970	-	-
- long positions	-	10,903	11,566	14,722	43,506	21,642	3,120	1,485	-	-
- short positions	-	10,411	11,567	13,069	45,176	21,642	3,120	1,485	-	-
C.2 Financial derivatives without exchange of principal	120	-	-	-	-	-	-	-	-	-
- long positions	60	-	-	-	-	-	-	-	-	-
- short positions	60	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	56,086	-	52,297	3,790	-	-	-	-	-
- long positions	-	56,086	-	-	-	-	-	-	-	-
- short positions	-	-	-	52,297	3,790	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	1,008	144,004	-	-	895	112	-	-	-	-
- long positions	-	72,002	-	-	895	112	-	-	-	-
- short positions	1,008	72,002	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	POUND STERLING									
Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**5,570**	**13,666**	**455**	**3,610**	**169**	**150**	**-**	**1**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	1	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	5,570	13,666	455	3,610	169	150	-	-	-	-
- banks	4,382	12,498	-	-	-	-	-	-	-	-
- customers	1,188	1,168	455	3,610	169	150	-	-	-	-
On-balance-sheet liabilities	**15,472**	**3,556**	**-**	**3,066**	**541**	**66**	**61**	**189**	**-**	**-**
B.1 Deposits and current accounts	15,419	3,556	-	3,066	541	66	61	189	-	-
- banks	-	3,556	-	3,066	-	-	-	-	-	-
- customers	15,419	-	-	-	541	66	61	189	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	53	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**29,291**	**2,450**	**4,166**	**5,556**	**22,118**	**7,352**	**-**	**-**	**-**
C.1 Financial Derivatives withexchange of principal	-	3,437	2,450	4,166	5,556	22,118	7,352	-	-	-
- long positions	-	1,483	1,225	2,083	2,778	11,059	3,676	-	-	-
- short positions	-	1,954	1,225	2,083	2,778	11,059	3,676	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	2,450	-	-	-	-	-	-	-	-
- long positions	-	1,225	-	-	-	-	-	-	-	-
- short positions	-	1,225	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	23,404	-	-	-	-	-	-	-	-
- long positions	-	11,702	-	-	-	-	-	-	-	-
- short positions	-	11,702	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	SWISS FRANK									
Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**10,983**	**443**	**8,573**	**3,682**	**9,717**	**531**	**1,877**	**6,804**	**9,329**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	10,983	443	8,573	3,682	9,717	531	1,877	6,804	9,329	-
- banks	2,381	-	-	-	-	-	-	-	-	-
- customers	8,602	443	8,573	3,682	9,717	531	1,877	6,804	9,329	-
On-balance-sheet liabilities	**11,525**	**17,603**	**9,941**	**337**	**10,773**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	10,623	17,603	9,941	337	10,773	-	-	-	-	-
- banks	1	17,603	9,941	337	10,773	-	-	-	-	-
- customers	10,622	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	902	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**449**	**36,269**	**1,754**	**20,275**	**10,666**	**9,970**	**596**	**-**	**-**	**-**
C.1 Financial Derivatives withexchange of principal	-	1,147	1,754	20,275	10,217	9,970	596	-	-	-
- long positions	-	461	877	10,137	5,108	4,985	298	-	-	-
- short positions	-	686	877	10,138	5,109	4,985	298	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	35,122	-	-	-	-	-	-	-	-
- long positions	-	17,561	-	-	-	-	-	-	-	-
- short positions	-	17,561	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	449	-	-	-	449	-	-	-	-	-
- long positions	-	-	-	-	449	-	-	-	-	-
- short positions	449	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	CANADIAN DOLLAR									
Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**1,506**	**2,127**	**-**	**7**	**40**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	1,506	2,127	-	7	40	-	-	-	-	-
- banks	965	2,093	-	-	-	-	-	-	-	-
- customers	541	34	-	7	40	-	-	-	-	-
On-balance-sheet liabilities	**3,631**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	3,631	-	-	-	-	-	-	-	-	-
- banks	-	-	-	-	-	-	-	-	-	-
- customers	3,631	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**3,806**	**-**	**38,076**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives withexchange of principal	-	-	-	38,076	-	-	-	-	-	-
- long positions	-	-	-	19,038	-	-	-	-	-	-
- short positions	-	-	-	19,038	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	3,806	-	-	-	-	-	-	-	-
- long positions	-	1,903	-	-	-	-	-	-	-	-
- short positions	-	1,903	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	JAPAN YEN									
Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**2,725**	**13**	**-**	**3,250**	**1,212**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	2,725	13	-	3,250	1,212	-	-	-	-	-
- banks	1,021	-	-	-	-	-	-	-	-	-
- customers	1,704	13	-	3,250	1,212	-	-	-	-	-
On-balance-sheet liabilities	**835**	**3,125**	**-**	**3,259**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	835	3,125	-	3,259	-	-	-	-	-	-
- banks	73	3,125	-	3,259	-	-	-	-	-	-
- customers	762	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**260**	**6,146**	**82**	**1,754**	**1,742**	**-**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives withexchange of principal	-	54	82	1,754	1,482	-	-	-	-	-
- long positions	-	10	39	877	741	-	-	-	-	-
- short positions	-	44	43	877	741	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	6,092	-	-	-	-	-	-	-	-
- long positions	-	3,046	-	-	-	-	-	-	-	-
- short positions	-	3,046	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	260	-	-	-	260	-	-	-	-	-
- long positions	-	-	-	-	260	-	-	-	-	-
- short positions	260	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency **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	**4,551,894**	**195,032**	**221,067**	**599,758**	**1,481,683**	**1,306,809**	**2,743,089**	**13,277,142**	**18,312,949**	**785,876**
A.1 Government securities	86	-	-	-	64,769	12,331	115,986	822,505	2,716,227	-
A.2 Other debt securities	30,192	70,000	113	2	73,659	32,968	209,050	914,342	32	49,900
A.3 Units in collective investment undertakings	54	-	-	-	-	-	-	-	-	-
A.4 Loans	4,521,562	125,032	220,954	599,756	1,343,255	1,261,510	2,418,053	11,540,295	15,596,690	735,976
- banks	243,648	265	-	1,598	6,436	3,727	2,689	1,381,918	370,000	691,776
- customers	4,277,914	124,767	220,954	598,158	1,336,819	1,257,783	2,415,364	10,158,377	15,226,690	44,200
On-balance-sheet liabilities	**22,055,876**	**1,449,934**	**519,469**	**1,101,179**	**2,295,107**	**1,433,809**	**1,981,980**	**9,300,733**	**989,678**	**-**
B.1 Deposits and current accounts	21,844,495	650,062	150,060	240,862	883,821	821,287	36,642	297,282	109,539	-
- banks	814,473	-	150,060	239,921	875,960	820,723	33,568	297,270	109,525	-
- customers	21,030,022	650,062	-	941	7,861	564	3,074	12	14	-
B.2 Debt securities	127,617	423,059	126,473	433,317	1,257,354	571,898	1,862,085	8,673,178	484,764	-
B.3 Other liabilities	83,764	376,813	242,936	427,000	153,932	40,624	83,253	330,273	395,375	-
Off-balance-sheet transactions	**604,097**	**183,537**	**88,425**	**154,610**	**266,751**	**328,330**	**462,552**	**3,509**	**297,500**	**-**
C.1 Financial Derivatives withexchange of principal	-	170,560	81,729	128,186	131,591	233,478	150,209	3,509	297,500	-
- long positions	-	112,474	67,671	78,217	67,286	158,206	142,867	1,754	-	-
- short positions	-	58,086	14,058	49,969	64,305	75,272	7,342	1,755	297,500	-
C.2 Financial derivatives without exchange of principal	604,097	12,977	6,696	26,424	135,160	94,852	312,343	-	-	-
- long positions	308,325	11,735	4,103	24,391	85,532	58,453	223,148	-	-	-
- short positions	295,772	1,242	2,593	2,033	49,628	36,399	89,195	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Securitization:

As at 31 December 2012, the Parent Company Cariparma was carrying out two so-called “internal” securitization transactions transferring receivables deriving from home mortgage loans contracts secured by first mortgage.

As at 31 December 2012, the residual debt of securitized loans amounted to €5,674 million.

Following the loans securitization, the Parent Company fully subscribed the securities (Senior and Junior), having the following characteristics:
Securitization 1:
- Senior with a nominal value of €2,744 million, maturity 31 Jan. 2058, indexed EUR 6M+0.35;
- Junior with a nominal value of €390 million, maturity 31 Jan. 2058 indexed EUR 6M+0.60+variable rate.

Securitization 2:
- Senior with a nominal value of €2,223 million, maturity 30 April 2060, indexed EUR 6M+0.75;
- Junior with nominal value of €453 million, maturity 30 April 2060 indexed EUR 6M+0.90+variable rate.

To ensure liquidity for the Special Purpose Vehicle for coupon payment, two Interest Rate Swap transactions were agreed with the SPV for a notional value of Euro 2,744 million, maturity 31 Jan. 2058 and with a nominal value of € 2,223, maturity 30 April 2060, respectively; amortization of the derivative reflects the amortization of the Senior security.

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	**7,319**	**5,442**	**-**	**503**	**481**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	7,319	5,442	-	503	481	-	-	-	-	-
- banks	5,157	5,442	-	-	-	-	-	-	-	-
- customers	2,162	-	-	503	481	-	-	-	-	-
On-balance-sheet liabilities	**8,454**	**4,221**	**215**	**342**	**509**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	8,146	4,221	215	342	509	-	-	-	-	-
- banks	-	4,221	215	342	509	-	-	-	-	-
- customers	8,146	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	308	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**19,728**	**-**	**4,138**	**36**	**14,510**	**340**	**-**	**-**	**-**
C.1 Financial Derivatives withexchange of principal	-	254	-	4,138	36	14,510	340	-	-	-
- long positions	-	31	-	2,069	18	7,255	170	-	-	-
- short positions	-	223	-	2,069	18	7,255	170	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	8,392	-	-	-	-	-	-	-	-
- long positions	-	4,196	-	-	-	-	-	-	-	-
- short positions	-	4,196	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	11,082	-	-	-	-	-	-	-	-
- long positions	-	5,541	-	-	-	-	-	-	-	-
- short positions	-	5,541	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Section 4: Operational Risks

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of operational risks

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

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

To consolidate and enhance control of operational risks, the Group has set clear objectives:
- constant full compliance with the regulatory requirements for the use of the Traditional Standardised Approach (TSA) for the calculation of the Regulatory Capital as provided for by Basel 2, except Calit which uses the base approach;
- constant improvement in the monitoring of risks and losses, in order to allow a management-oriented approach, especially in terms of risk mitigation and prevention initiatives;
- fine-tuning of the permanent controls systems and extension of the coverage of the same controls within the company perimeter;
- compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of the Regulatory Capital.

Organisational aspects

Governance of Group operational risks is the responsibility of Cariparma's Risk Management and Permanent Controls Department that implements the guidelines issued by the Risk Management Department of the Controlling Company Crédit Agricole S.A., and reports on a solid line to the latter.

Therefore, the risk management units of the other banks in the Italian Group report on a solid line to Cariparma Risk Management and Permanent Control Department, while they report on a dotted line to the respective Senior Management.

In complying with supervisory regulations, the Group formalized the roles and responsibilities of the corporate bodies and functions involved in the management of operational risks.

The governance model provides for
- a centralized strategy for control of operational risks;
- close connections with the activities for permanent controls;
- synergies with the Compliance Central Department and with the Audit Department.

Risk policy and 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);
- Security Control, Continuity of Operations Plan (Italian acronym PCO) and Provisions of Outsourced Essential Services (Italian acronym: PSEE);
- Person in Charge of IT System Security (Italian acronym: RSSI);
- BCM (Business Continuity Manager, in charge of the Continuity of Operations Plan);
- Area Operating Units;
- Fraud Prevention Unit (Italian acronym: NAF)
- mechanisms and tools, functional to the proper control of risks and to the management of mitigation/improvement measures, including:
- Interfunctional Unit for the Provision of Outsourced Essential Services (Italian acronym: PSEE);
- the remote controls system for the Distribution Network, with the summary early warning indicators;
- Improvement Units

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) for the determination of the capital requirements for Operational Risks.

Risk mitigation

The Group has implemented a policy of operational risk mitigation, by means of:
- an annual Action Plan, approved by the Board of Directors, which contains all the initiatives, aimed at minimizing the main existing operational risks, which the persons in charge of the various corporate processes have deemed necessary through specific self-assessment (so-called " Self Risk Assessment");
- risk transfer by means of insurance policies to offset the impact of unexpected losses: to this end, a special structure was set up and tasked with, among other things, assessing and managing insurance policies;
- 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 and increasing coverage of surveillance on outsourcing of essential services;
- implementation and increasing coverage of the surveillance action on:
- security, both physical and IT;
- continuity of operations.

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

Finally, in 2012 devices focusing on certain risk types were implemented; these types of risk concern, especially crosswise, certain scopes of corporate operations, such as the so-called privacy risk (and the relevant protection of data and information) and the so-called authorization risk, which concerns the entire framework of roles, decision-making powers and technical resources used for corporate operations.

Risk management

The process of operational risk management is divided into the following macro-phases:
- detection, identification and classification of risks and losses and their recognition in the accounts where necessary;
- assessment and measurement of risk rating;
- identification of mitigation actions and preparation of the action plan;
- upgrading of the permanent controls plan;
- verification of the correct performance 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);
- self-measurement of exposure to operational risks (scenario analysis);
- detection and qualitative assessment of the operating environment in relation to risk factors;
- direct involvement of corporate departments in collective assessment units (PSEE, improvements).

Each of these processes entails processing information using predefined methods and specific support tools.

Risk management coordination and shared solutions

The role of the Operational Risks Committee, composed of the main Corporate Functions, is well-established and is responsible for:
- approving guidelines and action plans on operational risks (other than Compliance);
- Reporting on LDC (Loss Data Collection) data.
- Monitoring control activities and outcomes, as well as:
- periodically validating operational risk mapping;

- periodically validating the identification of risk scenarios being measured during the Scenario Analysis Process.
- governing continuity of operations for the Cariparma Crédit Agricole Group. The relevant responsibilities include:
- validating the scope of critical processes to be submitted to business continuity measures and relating particularly significant changes;
- validating the strategies for continuity of operations, in compliance with the applicable supervisory regulations.

IT systems security

In 2012, the Group continued to implement the activities provided for in the “Three-year Action Plan”, which was defined in accordance with the measurements made by the Head of IT Systems Security, who reports on a dotted-line basis to the Risks and Permanent Controls Department.

The actions implemented in 2012 have significantly increased security both for Customers as well as within the Bank. The plan implements updates and developments in the security policies of the Parent Company Crédit Agricole and instructions issued by the Supervisory Authority.

The “Authorization” project is designed to increase security of the system for access to corporate technical resources and to always keep it adequate to the reference organization.

A review of permanent controls was also started, both in terms of IT and physical security.

Continuity of Operations Plan (Italian acronym: PCO)

In 2012, 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:
- specific projects (completion of “PCO for New Scenarios”);
- management of the fully operational campaign to update the “business impact analysis” (BIA);
- carrying out a number of testing and certification sessions, all with favourable results;
- the implementation of the “Disaster Recovery” solution for the premises of the Group IT System department;
- implementation of the back-up of the “Security Control Room” (control room to implement physical security).

Practising the PCO in a real situation, the organizational model for crisis management was activated subsequent to the earthquake in the Emilia-Romagna Region.

Purchasing cycle - essential services

In 2012, organizational and regulatory controls on the most important parts of the purchasing cycle were strengthened; specifically, the management of outsourcing of services defined as “essential”, pursuant to the Bank of Italy-CONSOB joint regulation, was specifically reviewed focusing on any potential aspect subject to control increase.

In term of legislation references, the BoD, with specific resolution, approved the “Group Policy for the outsourcing of essential services (Italian acronym: PSEE)”.

Loss data

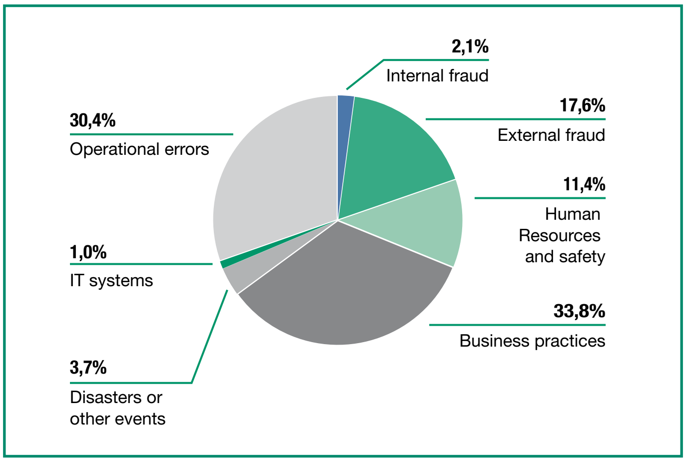
Operational losses, which the model considers as quantitative data, are collected, managed and analyzed, to different levels of granularity and detail, using an event classification scheme complying with the one set by Basel II Framework, by the Supervisory Authority and by Crédit Agricole S.A.. The basic structure is as follows:
- **Internal fraud:** losses due to deliberate acts committed by at least one party internal to the Bank and causing economic loss to the Bank;
- **External fraud:** losses due to deliberate acts committed exclusively by parties external to the Bank, generally for the purpose of personal gain.
- **Employment practices and workplace safety:** losses relating to the relations between the company and its staff or to the failure of the workplace to meet health and safety standards. These include liabilities arising from accidents to employees in company offices or vehicles;
- **Business practices:** events linked to the supply of services and products to clients carried out in an improper or negligent manner (fiduciary requirements and adequate information on investments), as well as defects in the nature or characteristics of products/models/contracts.

These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector;
- **Disasters or other events:** events due to natural causes or human acts, which lead to damage to company resources (material or immaterial property, persons, etc.) and/or service interruptions or other events (including improper conduct/illegal acts by third-party companies that damage the company). The category also includes liabilities arising from political changes and retroactive changes in legislation and tax.
- **Technological systems and services:** losses arising from the malfunctions, logical or structural defects in technological and other support systems;
- **Execution, delivery and process management:** losses arising from unintentional errors in the management of operational and support assets or caused by counterparties other than customers and suppliers.

For Loss Data Collection and for the management of consolidated loss data reporting, the Cariparma Crédit Agricole Group has adopted an IT application that has been specifically designed and fine-tuned for the adoption of advanced approaches, as well as specific tools and models developed directly by Crédit Agricole S.A.

QUANTITATIVE DISCLOSURES

With reference to sources of operational risk, the distribution of **net losses** (gross losses net of other recoveries excluding insurance-related ones) by event type **recognized** in 2012 is given below based on the above classification scheme. So-called boundary losses are excluded.



Activities of the Validation Unit

In 2012, the Validation Unit continued its assessment of the entire operating and organizational system as released over time by the Basel 2 Project and aimed at obtaining an IRB validation for Retail Customers, as well as AMA validation for Operational Risks.

Among the main activities performed, the final approval by the Boards of Directors of a Validation Policy, which defined scopes, methods and quantitative references of the various validation activities, was particularly significant. This Policy adopts both the provisions of the supervisory regulations and the methodological guidelines issued by the French Parent Company.

Credit Risk

With regard to the rating system components, both the entire framework and its single components with the relevant updates were reviewed. In this matter, the Validation Unit focused on rating models applied to the various types of exposures, verifying, through analyses of the statistical approaches used and appropriate statistical tests, consistency of the tools with the quality and quantity standards required. In quantitative terms, the rating system of the Cariparma Crédit Agricole Group is line with the requirements and able to provide the end users with adequate perception of risks. Also in 2013, the Validation Unit will continue to issue, where required, suggestions for improvement and for possible integration areas, which shall be assessed with the departments in charge of development and application.

The Validation Unit also focused its analyses on organizational aspects and on verifications of full use of the rating system in risk governance and management processes. These verifications showed that the development implemented by the Group has been effective, since, as at today's date, the IT infrastructure and control systems are essentially compliant with the requirements set by the supervisory regulations. Although fully aware that the integration between the rating systems and lending processes must be constantly under development, in 2012 measures were implemented whose rewards will be available at the very beginning of 2013:

- the rating systems are used in the main corporate processes, including the assignment of decision-making powers;
- the internal regulation was subjected to measures for its systematization and consolidation;
- within governance activities, new units were set up with the purpose of both controlling proper risk measurement and management, and assessing the quality of the data regarding Basel II systems.

In 2013, the Validation Unit will still be engaged in the validation of the retail mechanisms with the objective of continuously verifying and consolidating the measures implemented. Concomitantly, a process for the measurement and verification of the organizational mechanisms and tools available for the Corporate segment, where the Group already has and is using specific tools designed directly based on the same tools used by the Controlling Company Crédit Agricole S.A.

Operational risk

In 2012, the validation of the organizational and quantitative aspects of the operational risk management system continued and was completed.

With regard to organizational aspects, the activities of the Validation Unit showed essential compliance with the set requirements. The main processes for scenario analysis and operating loss recording were proved to be sufficiently controlled and able to provide effective perception of the risks.

In quantitative terms, in 2013, the integration with the methods used by the French Parent Company will continue, also in the light of any updates concerning the methods to determine the risk economic metrics, which might become available.

DISCLOSURE TO THE PUBLIC

Disclosure provided for by the supervisory regulations, at title IV, chapter 1 of Circular No. 263 of 27 December 2006 issued by the Bank of Italy, is published on the Parent Company's website at www.cariparma.it.

These disclosures consist only of tables 3 and 4 relating to the composition of the Regulatory Capital and Capital Adequacy, as the Cariparma Crédit Agricole Group is controlled by a banking parent company with headquarters in the EU and the conditions pursuant to Section II, point 1 of the above chapter of the regulations are therefore met.

Part F Information on consolidated shareholders' 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

As at the end of 2012, the consolidated shareholders' equity breaks down as follows:

Items	Banking group	Insurance undertakings	Other companies	Elisions and adjustments from consolidation	Total
Share capital	**1,165,076**	**-**	**112**	**(234,432)**	**930,756**
Share premium reserve	3,249,540	-	-	(412,173)	2,837,367
Reserves	880,050	-	(15)	(67,892)	812,143
Advances on dividends	-	-	-	-	-
Equity instruments	-	-	-	-	-
(Treasury Shares)	-	-	-	-	-
Valuation reserves:	(152,813)	-	-	(11,090)	(163,903)
- Financial assets available for sale	(126,058)	-	-	(11,090)	(137,148)
- 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	(26,755)	-	-	-	(26,755)
- Shares of valuation reserves pertaining to subsidiaries accounted for with equity method	-	-	-	-	-
- special revaluation laws	-	-	-	-	-
Profit (loss) for the period (+/-) of group and minority interest	68,540	-	(52)	93,191	161,679
Equity	**5,210,393**	**-**	**45**	**(632,396)**	**4,578,042**

B.2 Valuation reserves for financial assets available for sale: composition

	Banking group		Insurance undertakings		Other companies		Elisions and adjustments from consolidation		31.12.2012	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	32,585	-173,636	-	-	-	-	-40	-	32,545	-173,636
2. Equity securities	15,669	-676	-	-	-	-	-11,134	84	4,535	-592
3. Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2012	**48,254**	**-174,312**	**-**	**-**	**-**	**-**	**-11,174**	**84**	**37,080**	**-174,228**
Total 31.12.2011	**28,659**	**-419,095**	**-**	**-**	**-**	**-**	**-11,173**	**84**	**17,486**	**-419,011**

B.3 Valuation reserves for financial assets available for sale: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1. Opening balance	**-404,991**	**4,118**	**-652**	**-**
2. Increases	**275,198**	**383**	**1,111**	**-**
2.1. Fair value gains	275,198	69	-	-
2.2 Reversal to income statement of negative reserves:	-	314	1,111	-
- for impairment	-	314	1,111	-
- for realization	-	-	-	-
2.3. Other changes	-	-	-	-
3. Decreases	**11,298**	**558**	**459**	**-**
3.1 Fair value losses	33	440	459	-
3.2 Impairment losses	-	-	-	-
3.3 Reversal to Income Statement of positive reserves: for realization	11,265	118	-	-
3.4. Other changes	-	-	-	-
4. Final inventories	**-141,091**	**3,943**	**-**	**-**

Section 2 - Regulatory Capital and capital ratios

2.1 Scope of application of the legislation

Regulatory Capital, minimum capital requirements and the consequent capital ratios were determined on the basis of the provisions of Bank of Italy Circular No. 263 of 27 December 2006 (11th revision of 29 May 2012) “New regulations for the prudential supervision of banks” and Circular No. 155 of 18 December 1992 (14th revision of 21 December 2011) “Instructions for the preparation of reports on Regulatory Capital and capital ratios”.

As at 31 December 2012, the scope of consolidation for supervisory purposes included the Parent Company Cassa di Risparmio di Parma e Piacenza S.p.A., Banca Popolare FriulAdria, Cassa di Risparmio della Spezia S.p.A. and the lease company Crédit Agricole S.r.l.

2.2 Bank Regulatory Capital

A. QUALITATIVE DISCLOSURES

1.Tier 1 capital

As at 31 December 2012, Tier 1 capital consisted of high quality components (share capital, reserves, share premium reserve and retained earnings for the period, non-innovative equity instruments) pertaining to the shareholders of the Parent Company and minority shareholders, appropriately adjusted for intangible assets (including goodwill) and negative prudential filters.

It is reported that deduction from Tier-1 Capital was made equal to 50% of the value of equity investments in banking and financial companies: Banca d'Italia, CA Agro-alimentare S.p.A. and MondoMutui Cariparma S.r.l.

The table below provides information on the features of non-innovative equity instruments included in Tier 1 Capital:

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value	Amount eligible for inclusion in Tier 1 capital
Subordinated loan	29.06.2011	31.12.2100	perpetual, with call from 28.06.2016	Euribor 3 months + 729 b.p.	euro	120.000	115,190	120,000

Core Tier1 consists of Tier1 capital, excluding non-innovative equity instruments, in accordance with the concept set forth in EBA recommendations, Regulation 2011/1 of 8 December 2011.

2. Tier 2 Capital

Tier 2 Capital includes, among the positive elements, the Valuation Reserves, subordinate liabilities and among the negative elements, the negative prudential filters.

The remaining 50% of the elements deducted in the calculation of Tier 1 Capital referring to the equity interests in the Bank of Italy, «CA Agro-Alimentare S.p.A. and MondoMutui Cariparma S.r.l., is deducted from Tier 2 Capital.

The Group has loans and subordinate deposits that can be calculated in Tier 2 Capital for a total of €920 million.

In accordance with the supervisory provisions issued by the Bank of Italy with regulation of 18 May 2010 by the title "Tier 1 capital - prudential filters", the Cariparma Crédit Agricole Group has opted, as envisaged in the above-mentioned regulation, to entirely neutralize both capital losses and capital gains resulting from debt securities held in the "Available-for-sale financial assets" (AFS) portfolio, issued by central governments of EU Member States.

This option was chosen to prevent an unjustified volatility of the Regulatory Capital, which could be determined by sudden changes in the securities quotations that are not linked to durable changes in the issuers' creditworthiness. This also enables a partial alignment to the principles already followed by the Controlling Company, Crédit Agricole S.A.

The Bank of Italy has been informed of this choice, as well as of the commitment by all the companies in the Group to apply this approach uniformly, continuously in time and on all securities of this type, starting from 30 June 2010.

The table below provides information on the contractual features of subordinated liabilities included in Tier 2 Capital:

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value	Amount eligible for inclusion in Tier 2 capital
Subordinated loan	14.12.2007	14.12.2017	5 equal instalments as from 14 Dec. 2013	Euribor 3 months + 10 b.p.	euro	30,000	29,720	29,943
Subordinated deposit	17.12.2008	17.12.2018	5 equal instalments as from 17 Dec. 2014	Euribor 3 months + 334 b.p.	euro	250,000	250,343	250,000
Subordinated deposit	30.03.2011	30.03.2021	5 equal instalments as from 30 March 2017	Euribor 3 months + 220 b.p.	euro	400,000	400,000	400,000
Subordinated loan	30.06.2009	30.06.2016	50% by 30 June 2015 50% by 30 June 2016	up to 30 June 2012 5%; after Euribor 6 months+ 100 b.p.	euro	77,250	77,033	61,800
Subordinated loan	30.06.2009	30.06.2016	50% by 30 June 2015 50% by 30 June 2016	5% fixed	euro	222,750	229,052	178,200

3. Tier 3 Capital

To date, no Tier 3 instruments have been issued.

B. QUANTITATIVE DISCLOSURES

	31.12.2012	31.12.2011
A. Tier 1 capital prior to the application of prudential filters	**2,854,015**	**2,712,078**
B. Tier 1 prudential filters:	1	4
B1 - positive IAS/IFRS prudential filters (+)	1	4
B2 - negative IAS/IFRS prudential filters (-)	-	-
C. Tier 1 Capital including deductible elements (A+B)	2,854,016	2,712,082
D. Elements to be deducted from Tier 1 capital	42,264	97,747
E. Total Tier 1 capital (Tier 1) (C-D)	**2,811,752**	**2,614,335**
F. Tier 2 capital prior to the application of prudential filters	**906,006**	**981,573**
G. Tier 2 prudential filters:	6,409	6,023
G1- positive IAS/IFRS prudential filters (+)	-	-
G2- negative IAS/IFRS prudential filters (-)	6,409	6,023
H. Tier 2 capital including deductible elements (F+G)	**899,597**	**975,550**
I. Elements to be deducted from Tier 2 capital	42,264	97,747
L. Total Tier 2 capital (TIER 2) (H-I)	**857,333**	**877,803**
M. Elements to be deducted from Tier 1 and Tier 2 capital	-	58,917
N. Regulatory capital (E + L - M)	**3,669,085**	**3,433,221**
O. Tier 3 capital	-	-
P. Regulatory capital including Tier 3 (N + O)	**3,669,085**	**3,433,221**

2.3 Capital Adequacy

A. QUALITATIVE DISCLOSURES

Compliance with minimum mandatory capital requirements is determined by calculating the ratio of regulatory capital, as calculated above, to total risk-weighted assets calculated in accordance with the provisions of Bank of Italy Circular No. 263 of 27 December 2006 (13th update of 29 May 2012) "New regulations for the prudential supervision of banks" and Circular no. 155 of 18 December 1991 (14th update of 21 December 2011) "Instructions for the preparation of reports on supervisory capital and capital ratios".

The resulting Tier Total Ratio at 31 December 2012 was in compliance with the thresholds specified in the Supervisory Regulations.

This result was also due to a specific corporate policy that favours, where possible, distribution of earnings to shareholders, also to acknowledge the key role of minority shareholders in keeping a strong bond with the area of operations, however in full compliance with the regulatory limits and with the Bank of Italy's recommendations published on Supervisory Bulletin No. 3 of March 2013, with reference to 2012 Financial Statements.

B. QUANTITATIVE DISCLOSURES

	Non-weighted amounts		Weighted amounts/requirements	
Categories/Amounts	31.12.2012	31.12.2011	31.12.2012	31.12.2011
A. Risk assets				
A.1 Credit and counterparty risk	**50,491,325**	**49,988,573**	**27,077,144**	**27,323,569**
1. Standardized approach	50,491,325	49,988,573	27,077,144	27,323,569
2. IRB approach	-	-	-	-
2.1 Foundation	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitizations	-	-	-	-
B. Capital requirements				
B.1 Credit and counterparty risk	**-**	**-**	**2,166,171**	**2,185,886**
B.2 Market risks			**3,457**	**7,161**
1. Standardized method	-	-	3,457	7,161
2. Internal models	-	-	-	-
3. Concentration risk	-	-	-	-
B.3 Operational risk			**215,021**	**218,793**
1. Basic indicator approach	-	-	3,410	3,178
2. Standardized approach	-	-	211,611	215,615
3. Advanced measurement approach	-	-	-	-
B.4 Other prudential requirements	**-**	**-**	**-**	**-**
B.5 Other measurement elements	**-**	**-**	**-**	**-**
B.6 Total prudential requirements (*)			**2,384,649**	**2,411,840**
C. Exposures and capital adequacy ratios				
C.1 Risk-weighted assets	-	-	29,808,112	30,147,996
C.2 Tier 1 capital/risk-weighted assets (Tier 1 capital ratio)	-	-	9,4%	8,7%
C.3 Supervisory capital including TIER 3/risk-weighted assets (Total capital ratio)	-	-	12,3%	11,4%

As at 31 December 2012, the Core Tier1 Ratio (Core Tier1/risk-weighted assets) was 9.03% vs. 8.3% as at 31 December 2011.

Part G Business combinations

Section 1 - Business combinations made in the year

1.1 Business combinations

In 2012, in the Cariparma Crédit Agricole Group, some intra-group business combinations were carried out. These business combinations, excluded by IFRS 3 application scope, led to the transfer of business units between Group companies and, therefore, did not generate effects on the consolidated financial statements.

Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the separate financial statements of the companies involved, without recognizing any effects.

The intra-group transactions finalized in the year concerned:
- the transfer from the Parent Company Cariparma to the subsidiary Carispezia of 2 branches located in the Province of La Spezia;
- the transfer from the subsidiary Carispezia to the Parent Company Cariparma of 3 branches and 2 Enterprise Centres located in the Provinces of Parma and Reggio Emilia.

With the above transactions, aimed at the elimination of overlaps generated in 2011 by the acquisition of Carispezia and of the branches from the Intesa SanPaolo Group, Cassa di Risparmio di Firenze and Cassa di Risparmio del Veneto, the Group pursued the following objectives:
- enhancement of its control on areas of operations by reconstructing a single brand in each area of operations;
- rationalization of its network in all its areas of operations;
- greater efficiency to be achieved through a more effective management of each bank's facilities and of the human resources working there.

1.2 Other information on business combinations

In 2012, the Group allocated on a final basis the purchase cost of the equity investment in Cassa di Risparmio della Spezia S.p.A. (acquisition made on 3 January 2011) and the cost of the transfer of the business units consisting of 11 Cassa di Risparmio di Firenze S.p.A. branches, 70 Intesa SanPaolo branches and 15 Cassa di Risparmio del Veneto S.p.A. branches, respectively (transactions made on 28 March 2011 and 16 May 2011).

The transactions described were recognized in accordance with IFRS 3 regarding business combinations; this standard provides for the business combination price to be allocated to assets, liabilities, contingent liabilities and intangible values not recognized in the Financial Statements within their fair value limits. Any remainder after the above allocation shall be recognized as goodwill and undergo annual impairment testing.

In view of the complexity of this process, the international accounting standards permit entities to complete the allocation of the transaction cost within 12 months of its finalization.

As at 31 December 2011, this process had not yet been completed, since the transaction price was still being defined.

In 2012, the price of business combination was defined and the provisional allocation of the acquisition price, made in 2011, was changed due to the recognition of some contingent liabilities.

The relevant accounting standard indeed allows contingent liabilities taken subsequent to the business combination to be identified upon acquisition, granted that such liabilities result from current obligations deriving from past events and the relevant fair value can be reliably measured.

In accordance with the above, pursuant to IFRS 3, the comparative figures were recalculated as if the effects of the final allocation of the acquisition cost were effective since the date of finalization of the business combinations.

Specifically, the provisional allocation made as at 31 December 2011 was changed due to the recognition of contingent liabilities associated to the results of the Due Diligence analysis of the business combinations amounting to €24.6 million and of deferred tax assets amounting to €7.8 million.

The final allocation of the purchase price also generated an increase in goodwill by €16.4 million, taking it to a total of €430 million.

1.2.1 Changes in goodwill for the year

Goodwill as at 31 Dec. 2011	1.657.328
Adjustment of the business combination price	-98.180
Effect of the change in the allocation of the business combination price	16.398
Goodwill as at 31 Dec. 2011 restated	**1.575.546**
Recognition of Sliders S.r.l. goodwill in the Income Statement	-10
Goodwill as at 31 Dec. 2012	**1.575.536**

In 2012, goodwill arising from various business combinations made by the Group since 2007 was tested for impairment.

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

The amount of €10 thousand, recognized in the Income Statement in 2012, referred to the adjustment of goodwill recognized on the subsidiary Sliders S.r.l.

1.2.2 Other information

Purchase of the equity investment in Cassa di Risparmio della Spezia S.p.A.:

Final book values and fair values of Carispezia assets and liabilities that could be identified on 3 January 2011, subsequent to the final allocation of the price paid, completed in 2012:

Assets	Book values	Delta fair value	Recognized value
Cash and cash equivalents	32,248	-	32,248
Financial assets held for trading	698	-	698
Financial assets available for sale	5,184	-	5,184
Loans to banks	84,281	-	84,281
Loans to Customers	1,802,094	-	1,802,094
Hedging derivatives	5,953	-	5,953
Equity investments	7,029	-	7,029
Property, plant and equipment	47,968	20,356 (1)	68,324
Intangible Assets	-	30,767 (1)	30,767
Tax assets	20,583	688 (4)	21,271
Other assets	49,227	-	49,227
Total assets	**2,055,265**	**51,811**	**2,107,076**

Liabilities	Book values	Delta fair value	Recognized value
Due to banks	96,261	-	96,261
Due to customers	1,419,132	-	1,419,132
Securities issued	262,444	-	262,444
Financial liabilities held for trading	796	-	796
Hedging derivatives	676	-	676
Adjustment of macro-hedged financial liabilities	2,042	-	2,042
Tax liabilities	251	16,523 (2)	16,774
Other liabilities	75,493	-	75,493
Employee severance benefits	9,613	-	9,613
Provisions for liabilities and contingencies	24,092	2,500 (3)	26,592
Minority interests	32,893	6,558	39,451
Total liabilities	**1,923,693**	**25,581**	**1,949,274**
Equity	131,572	26,230	157,802
Goodwill from acquisition	-	-	120,258
Total cost	**-**	**-**	**278,060**

(1) Portion of the purchase price allocated to property, plant and equipment and to intangible assets and representing the fair value of the buildings and the value of business with customers, respectively.

(2) Recognition of deferred taxes recognized at upon allocation of the purchase price.

(3) Portion of the purchase price allocated to contingent liabilities and representing present obligations resulting from past events, whose fair value can be reliably measured.

(4) Recognition of deferred tax assets recognized upon allocation of the purchase price.

The total cost of the business combination was €278,060 thousand. This transaction led to an increase in the Parent Company's share capital made by issuing shares for a total of €43,750 thousand, plus a share premium for a total of €306,250 thousand.

Net liquidity acquired following the business combination came to €32.248 thousand.

Transfer of 15 branches from Cassa di Risparmio del Veneto S.p.A. to Banca Popolare FriulAdria:

Final book values and fair value of the assets and liabilities that can be identified in the 15 branches transferred from Cassa di Risparmio del Veneto to Banca Popolare FriulAdria on 16 May 2011 and subsequent to the final allocation of the price paid, which was completed in the first half of 2012:

Assets	Book values	Delta fair value	Recognized value
Cash and cash equivalents	3,647	-	3,647
Financial assets held for trading	159	-	159
Loans to banks	150,000	-	150,000
Loans to Customers	217,477	-94 (5)	217,383
Property, plant and equipment	1,034	16,844 (1)	17,878
Tax assets	239	462 (4)	701
Other assets	50,275	-	50,275
Total assets	**422,831**	**17,212**	**440,043**

Liabilities	Book values	Delta fair value	Recognized value
Due to banks	712	-	712
Due to customers	391,971	-	391,971
Securities issued	318	-	318
Financial liabilities held for trading	159	-	159
Tax liabilities	-	5,343 (2)	5,343
Other liabilities	27,840	-	27,840
Employee severance benefits	1,831	-	1,831
Provisions for liabilities and contingencies	-	1,388 (3)	1,388
Total liabilities	**422,831**	**6,731**	**429,562**
Equity	-	10,481	10,481
Goodwill from acquisition	-	-	50,386
Total cost	-	-	**60,867**

(1) Portion of the purchase price allocated to intangible assets and representing the value of business with customers.

(2) recognition of deferred taxes recognized at upon allocation of the purchase price.

(3) Portion of the purchase price allocated to contingent liabilities and representing present obligations resulting from past events, whose fair value can be reliably measured.

(4) Recognition of deferred tax assets recognized upon allocation of the purchase price.

(5) Portion of the purchase price allocated to reduction of net value of loans to customers.

The total cost of the business combination was €60,867 thousand. Settlement was through the issue of shares for a total value of €6,106 thousand, plus a share premium totalling €62,163 thousand.

Net liquidity acquired following the business combination came to € 3,647 thousand.

Transfer of 11 branches from Cassa di Risparmio di Firenze S.p.A. and of 70 branches from Intesa SanPaolo to Cariparma:

With regard to the transfers of 11 branches from Cassa di Risparmio di Firenze and of 70 branches from Intesa SanPaolo to Cariparma, finalized on 28 March 2011 and 16 May 2011, respectively, reference is made to Part G of the Annual Report and Separate Financial Statements of the Parent Company.

Part H Transactions with related parties

The specific regulation issued in December 2011 by the Bank of Italy concerning risk assets and conflicts of interest with related parties", which is part of the legislation framework on related parties (Article 2391-bis of the Italian Civil Code, Article 53 of the Consolidated Law on Banking and CONSOB Regulation 17221/10) and which is designed "to protect against the risk that the close relations that certain parties have with the bank's decision-makers might compromise the objectivity and impartiality of lending decisions and other transactions involving the same parties, leading to possible distortions in resource allocation, the bank's exposure to inadequately measured or managed risks and potential harm to depositors and shareholders".

This regulation came into force on 31 December 2012 and, consequently, the first supervisory reporting shall be made by 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 Related Parties for the Cariparma Crédit Agricole Group", in order to give the Group a specific internal regulation that amounts to the new body of law on these issues and in order to harmonize the various regulations in force.

In addition to identifying the related parties of the Cariparma Crédit Agricole Group, this document provides for the introduction of prudential ceilings for risk assets towards related parties, sets the procedures to process and approve transactions with related parties, defines specific rules with regard to transactions with related parties made by the Group companies and sets procedures and timeframe for the provision of the disclosure and appropriate documentation relating to the transactions to be resolved to (i) independent directors, as well as, where necessary, (ii) to the control bodies.

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

In addition to the above described legislation part, this project also included the development of the IT component.

Specifically, related parties are considered the following:
- Controlling Company;
- any other shareholders that, directly or indirectly, including through shareholders' agreements, exercise a significant influence on the Bank;
- direct and indirect subsidiaries;
- associates and joint-ventures;
- Directors and senior managers with strategic responsibilities (Directors, Auditors, General Managers and Managers who report directly to senior management);
- other related parties:
  - members of the immediate families of Directors, Auditors and General Managers, as well as companies controlled by or associated with Directors, Auditors and General Managers or by their immediate family;
  - members of the immediate families of other managers with strategic responsibilities, as well as companies controlled by or associated with such managers or their immediate family members;
- Pension Plan[5]

[5]Pension Plan of the Cariparma Crédit Agricole Group - external individual capitalization defined-benefit pension plan, set up on 2 October 2007 consistently with the Pension Reform of 1995 (so-called «Dini Law»), based on agreements made by and between the Parent Company and the Trade Unions, as reference pension form for the Banking Group's employees.

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 Bank's operations, including Directors, both executive and non-executive, and the members of control bodies.

The remuneration of Directors and Auditors is established with specific resolutions passed by the Shareholders' General Meeting.

	31.12.2012
Short-term employee benefits	17,964
Benefits subsequent to severance from employment	524
Other long-term benefits	-
Employee severance benefits	133
Share-based payments (Stock options)	-

2. Information on transactions with related parties

Transactions with related parties are the transfer of resources, services or bonds between the Company (or companies directly and/or indirectly controlled) and one or more of the related parties, independently of whether payment was agreed or not.

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

During the year, no atypical or unusual transactions were carried out whose size or features might have jeopardized the protection of corporate assets and the interests of minority shareholders.

Transactions with related parties	Financial assets held for trading	Financial assets available for sale	Loans to customers	Loans to banks	Due to customers	Due to banks	Guarantees issued
Holding company	-	-	-	3,093,594	-	2,839,174	5,781
Entity exercising significant influence on company	-	-	-	-	4,457	-	-
Associates	-	-	1,222	-	7,663	-	138
Directors and key management personnel	-	-	2,362	-	5,385	-	-
Other related parties	29,119	48,825	1,123,041	2,704	376,211	1,706,197	28,505
Total	**29,119**	**48,825**	**1,126,625**	**3,096,298**	**393,716**	**4,545,371**	**34,424**

In the year, some intra-group business combinations were carried out, having, for their intra-group nature, no effect on the consolidated financial statements; these transactions consisted in the transfer of business branches between companies in the Cariparma Crédit Agricole Group (common control transactions). Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the financial statements of the companies involved on the basis of continuity of proprietary interest, without recognizing any effects.

In 2012, in a perspective of rationalization and development of the Group's core business, the entire equity investment held by the Parent Company in Crédit Agricole Vita S.p.A. was transferred to the majority shareholder Crédit Agricole Assurances.

The deconsolidation of the equity investment generated capital gains recognized in the Income Statement for €72 million, resulting mainly from the difference between the sale price of the equity investment, as determined by an independent expert based on the adjusted value of the company's equity as at 31 December 2011, and the present value of future production over a ten-years time horizon, and the book value of the same company in the Cariparma Crédit Agricole Group's consolidated financial statements as at the transfer date.

Part I Share-based Payment Agreement

QUALITATIVE DISCLOSURES

The Bank has no agreements for payments based on its shares in place.

On 9 November 2011, the Board of Directors of the Controlling Company Crédit Agricole S.A. approved a plan for the free allocation of shares to all employees of the Crédit Agricole S.A. Group, in order to share with them both the capital and success of the Group.

Recipients are over 82,000 employees of the Group in the 58 countries where the Group operates, who will each receive 60 Crédit Agricole S.A. shares, independently of their sector of activity, their citizenship or their role in the company.

The shares will be assigned at the end of 2013 and will be tied for three years, at the end of which time each employee may freely dispose of them.

From 2011 to 2013, higher expenses equal to the fair value of the shares allocated to its employees will be recognized, calculated as at the date of approval of the plan and recognizing, as offsetting item, an identical increase in equity.

QUANTITATIVE DISCLOSURES

For 2012, higher expenses generated an impact on the Cariparma Crédit Agricole Group's Income Statement of €853 thousand referring to the shares assigned to the 8,897 employees receiving the shares, with an equal increase in equity that took the specific reserve to €996 thousand.

Part L Segment reporting

Operations and Income by business segment

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

The Cariparma Crédit Agricole Group operates through an organization structure that includes: Retail and Private Banking channel designed for individuals and households, as well as businesses falling within the Small Business segment, Enterprise and Corporate channels that are designed for larger-size companies.

Reporting includes data relating to the operations and income of Crédit Agricole Leasing S.r.l., set forth in a specific segment.

The channel "Other" is of a residual nature and does not amount to an aggregation of other sectors subject to specific recognition; specifically, it includes what has not been allocated to other channels because of the specificity of the activities reported, such as activities pertaining to central departments, such as the Banking Book, capital markets and governance.

As at 31 December 2012, income from the Retail and Private Banking Channel of the Cariparma Crédit Agricole Group came to €1,566.4 million and accounted for approximately 83.2% of the total aggregate. Income from the Corporate and Enterprise channels reached €369.1 million, accounting for 19.6% of the total aggregate.

Compared with the previous year, the contribution of the Retail and Private Banking channels to the Group's total income increased by +9.2%. The contribution of the Corporate and Enterprise Channel also increased by +28.9%.

The contribution of the Corporate and Enterprise channel increased by 4.1%.

As at 31 December 2012, expenses of the Retail and Private Banking Channel came to €1,156.1 million and accounted for 65.1% of total expenses. Expenses of the Corporate and Enterprise channels came to €268.9 million and accounted for 15.1% of total expenses.

Over the December 2011 figure, the Retail and Private Banking Channel increased y/y by +7.0%, and the Corporate and Enterprise Channel increased by +43.6% in aggregate, which was impacted by the negative trend of impairment adjustments of loans.

The capital gains relating to the sale of the equity investment in Crédit Agricole Vita S.p.A. to Crédit Agricole Assurance were recognized in the "Profit/Loss from equity investments" item.

Assets by segment mainly consisted of loans to customers, property, plant and equipment and intangible assets that can be directly allocated to the operating segments. With reference to intangible assets, data also included goodwill of the 202 branches transferred from the Intesa SanPaolo Group in 2007, of Banca Popolare FriulAdria, of Crédit Agricole Leasing, of the 96 branches transferred from the Intesa SanPaolo Group in 2011 and of Cassa di Risparmio della Spezia, which was allocated to the relevant specific segments.

Specifically, as at 31 December 2012, assets of the Retail and Private Banking channel accounted for approximately 49.7% of the Bank's assets, while the Corporate and Enterprise channel accounted for approximately 20.8% of these assets.

This aggregate also includes Crédit Agricole Leasing assets that accounted for approximately 4.0% of the Bank's assets.

Liabilities by segment consisted of direct funding from customers that can be directly allocated to the operating segments.

Specifically, as at 31 December 2012, liabilities of the Retail and Private Banking channels accounted for approximately 70,1% of the Cariparma Crédit Agricole Group's liabilities, while Corporate and Enterprise channels accounted for approximately 8,6% of these liabilities.

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

Segment information as at 31 December 2012

	Retail and Private	Corporate and Companies	Calit	Other	Total
External operating revenues					
Net interest income	803,995	274,168	22,337	(134,557)	965,943
Net commission income	516,633	88,350	(2,452)	(6,466)	596,065
Gain (loss) on financial activities	11,590	5,952	12	1,177	18,731
Dividends	-	-	-	2,259	2,259
Other net operating revenues	234,134	598	1,202	64,176	300,110
Total operating revenues	**1,566,352**	**369,068**	**21,099**	**(73,411)**	**1,883,108**
Impairment adjustments of loans	(158,165)	(187,648)	(39,390)	11,890	(373,313)
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-	(3,707)	(3,707)
Staff expenses, administrative expenses and depraction/amortization	(982,783)	(66,449)	(9,913)	(304,974)	(1,364,119)
Provisions for risks	(15,199)	(14,771)	-	(6,016)	(35,986)
Total expenses	**(1,156,147)**	**(268,868)**	**(49,303)**	**(302,807)**	**(1,777,125)**
Gain (loss) from equity investments	-	-	-	56,897	56,897
Goodwill value adjustments	-	-	-	(10)	(10)
Gain (loss) on disposal of investments	-	-	-	372	372
Result by segment	**410,205**	**100,200**	**(28,204)**	**(318,959)**	**163,242**
Unallocates operating expenses	-	-	-	-	-
Operating profit	-	-	-	-	-
Share of profit of associates pertaining to Group	-	-	-	-	-
Profit before tax	**410,205**	**100,200**	**(28,204)**	**(318,959)**	**163,242**
Taxes	(212,410)	(50,207)	6,422	254,632	(1,563)
Profit for the period	**197,795**	**49,993**	**(21,782)**	**(64,327)**	**161,679**
Assets and liabilities					
Assets by segment (customers + intangible)	24,533,987	10,279,631	1,930,718	1,602,050	38,346,386
Equity investments in associates	-	-	-	20,433	20,433
Unallocated assets	-	-	57,959	10,897,236	10,955,195
Total Assets	**24,533,987**	**10,279,631**	**1,988,677**	**12,519,719**	**49,322,014**
Liabilities by segment	31,511,445	3,873,500	5,245	829,798	36,219,988
Unallocated liabilities	-	-	1,922,541	11,179,485	13,102,026
Total Liabilities	**31,511,445**	**3,873,500**	**1,927,786**	**12,009,283**	**49,322,014**

Segment information as at 31 December 2011

	Retail and Private	Corporate and Companies	Calit	Other	Total
External operating revenues					
Net interest income	769,135	201,797	23,679	53,688	1,048,299
Net commission income	505,296	75,450	(2,754)	(11,238)	566,754
Gain (loss) on financial activities	15,245	8,016	(4)	(1,624)	21,633
Dividends	-	-	-	1,642	1,642
Other net operating revenues	145,093	1,105	1,561	65,740	213,499
Total operating revenues	**1,434,769**	**286,368**	**22,482**	**108,208**	**1,851,827**
Impairment adjustments of loans	(113,473)	(98,673)	(19,696)	(194)	(232,036)
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-	(2,185)	(2,185)
Staff expenses, administrative expenses and depraction/amortization	(956,006)	(61,941)	(9,143)	(222,465)	(1,249,555)
Provisions for risks	(11,448)	(26,636)	(100)	(5,993)	(44,177)
Total expenses	**(1,080,927)**	**(187,250)**	**(28,939)**	**(230,837)**	**(1,527,953)**
Gain (loss) from equity investments	-	-	-	(44.834)	(44.834)
Goodwill value adjustments	-	-	(6.000)	-	(6.000)
Gain (loss) on disposal of investments	-	-	-	298	298
Result by segment	**353.365**	**103.718**	**(12.457)**	**(171.288)**	**273.338**
Unallocates operating expenses	-	-	-	-	-
Operating profit	-	-	-	-	-
Share of profit of associates pertaining to Group	-	-	-	-	-
Profit before tax	**353.365**	**103.718**	**(12.457)**	**(171.288)**	**273.338**
Taxes	(157.691)	(45.583)	310	137.662	(65.302)
Profit for the period	**195.674**	**58.135**	**(12.147)**	**(33.626)**	**208.036**
Assets and liabilities					
Assets by segment (customers + intangible)	24.753.515	10.750.722	2.002.192	539.465	38.045.894
Equity investments in associates	-	-	-	123.222	123.222
Unallocated assets	-	-	49.480	11.086.837	11.136.317
Total Assets	**24.753.515**	**10.750.722**	**2.051.672**	**11.749.524**	**49.305.433**
Liabilities by segment	31.168.674	3.669.370	3.927	716.571	35.558.542
Unallocated liabilities	-	-	2.024.507	11.722.384	13.746.891
Total Liabilities	**24.203.702**	**2.797.990**	**2.028.434**	**13.402.150**	**49.305.433**

Reporting of fees paid for auditing and other services pursuant to the Italian Civil Code, Article 2427 paragraph 16-BIS)

Fees owed for the activities of:	31.12.2012
statutory audit of annual accounts	837
other auditing services	167
services other than account auditing	42
Total	**1,046**

Report and Financial Statements of Cariparma

Financial highlights and ratios 226

Management Report 228

Certification of the Financial Statements pursuant to Article 154-bis of Legislative Decree No. 58/1998 245

Report of the Independent Auditors 246

Financial Statements 248

BALANCE SHEET
INCOME STATEMENT
STATEMENT OF COMPREHENSIVE INCOME
STATEMENTS OF CHANGES IN EQUITY
STATEMENT OF CASH FLOWS

Notes to the financial statements 254

PART A - ACCOUNTING POLICIES
PART B - INFORMATION ON THE BALANCE SHEET
PART C - INFORMATION ON THE INCOME STATEMENT
PART D - COMPREHENSIVE INCOME
PART E - RISKS AND RISK MANAGEMENT POLICIES
PART F - INFORMATION ON SHAREHOLDERS' EQUITY
PART G - BUSINESS COMBINATIONS
PART H - TRANSACTIONS WITH RELATED PARTIES
PART I - SHARE-BASED PAYMENTS
PART L - SEGMENT REPORTING
FINANCIAL STATEMENTS OF THE CONTROLLING COMPANY CRÉDIT AGRICOLE S.A.

Annexes 381

Financial highlights and ratios

Income statement (°) (thousands of euro)	31.12.2012	31.12.2011	Changes Amount	%
Net interest income	730,884	787,704	-56,820	-7.2
Net commission income	458,415	433,809	24,606	5.7
Dividends	37,971	33,920	4,051	11.9
Net gain (loss) on financial activities	28,263	18,964	9,299	49.0
Other operating revenues (expenses)	46,851	-9,792	56,643	
Net operating revenues	1,302,384	1,264,605	37,779	3.0
Operating expenses	-845,184	-752,091	93,093	12.4
Net operating profit	457,200	512,514	-55,314	-10.8
Net provisions for liabilities and contingencies	-32,027	-42,683	-10,656	-25.0
Net impairment adjustments of loans	-304,601	-184,787	119,814	64.8
Net profit	58,862	204,621	-145,759	-71.2

Balance sheet (°) (thousands of euro)	31.12.2012	31.12.2011 (*)	Changes Amount	%
Loans to customers	26,494,166	26,059,976	434,190	1.7
Net financial assets/liabilities held for trading	-3,739	3,202	-6,941	
Financial assets available for sale	3,103,909	2,705,954	397,955	14.7
Equity investments	1,272,613	1,510,221	-237,608	-15.7
Property, plant and equipment and intangible assets	1,466,495	1,486,991	-20,496	-1.4
Total net assets	34,986,892	34,666,918	319,974	0.9
Funding from customers	28,116,781	27,854,701	262,080	0.9
Indirect funding from customers	43,894,968	38,978,388	4,916,580	12.6
of which: asset management	*13,451,887*	*13,710,352*	*-258,465*	*-1.9*
Net due to banks	430,169	992,038	561,869	-56.6
Shareholders' equity	4,306,602	4,153,853	152,749	3.7

Operating structure	31.12.2012	31.12.2011	Changes Amount	%
Number of employees	6,453	6,599	-146	-2.2
Average number of employees ($)	6,255	6,160	95	1.5
Number of branches	606	618	-12	-1.9

(°) Income Statement and Balance Sheet figures are drawn from the reclassified financial statements shown on pages 228 and 236.

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62).

($) 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 (°)	31.12.2012	31.12.2011 (*)
Loans to customers / Total net assets	75.7%	75.2%
Direct customer deposits / Total net assets	80.4%	80.3%
Asset management / Total indirect funding	30.6%	35.2%
Loans to customers / Direct customer deposits	94.2%	93.6%
Total assets / Shareholders' Equity (Leverage)	9.3	9.7

Profitability ratios (°)	31.12.2012	31.12.2011
Net interest income / Net operating revenues	56.1%	62.3%
Net commissions income / Net operating revenues	35.2%	34.3%
Cost / income [(c)]	58.0%	59.5%
Net income / Average equity (ROE) [(a)]	1.4%	5.1%
Net profit / Total assets (ROA)	0.1%	0.5%
Net profit / Risk-weighted assets	0.3%	0.9%

Risk ratios (°)	31.12.2012	31.12.2011 (*)
Gross bad debts / Gross loans to customers	3.8%	3.2%
Net bad debts / Net loans to customers	1.7%	1.3%
Net impairment adjustments of loans / Net loans to customers	1.1%	0.8%
Cost of risk [(b)] / Operating profit	73.6%	44.4%
Net bad debts / Total regulatory capital	11.2%	8.9%
Net impaired loans / Net loans to customers	4.5%	4.1%
Total writedowns on impaired loans / Gross impaired loans	40.2%	38.1%

Productivity ratios (°) (economic)	31.12.2012	31.12.2011
Operating expenses [(c)] / No. of employees (average)	120.8	122.1
Operating revenues / No. of employees (average)	208.2	205.3

Productivity ratios (°) (capital)	31.12.2012	31.12.2011 (*)
Loans to customers / No. of employees (average)	4,235.7	4,230.5
Direct customer deposits / No. of employees (average)	4,495.1	4,521.9

Capital ratios (§)	31.12.2012	31.12.2011
Core Tier 1 [(d)] / Risk-weighted assets (Core Tier 1 ratio)	14.2%	13.3%
Tier 1 capital / Risk-weighted assets (Tier 1 ratio)	14.7%	13.8%
Total regulatory capital / Risk-weighted assets (Total capital ratio)	18.4%	17.3%
Risk-weighted assets (thousands of euro)	22,354,188	22,746,950

(°) The ratios are based on Balance Sheet and Income Statement figures of the reclassified financial statements shown on pages 228 and 236.

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62).

(a) Ratio of net profit (including the expenses borne for the Solidarity Fund) to equity weighted average.

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

(c) Ratio calculated net of the expenses borne for the Solidarity Fund activated in 2012 as reported on page 233.

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

(§) In calculating total capital requirements, the 25% reduction provided for by supervisory regulations was not taken into account. Should this 25% reduction have been considered, the capital requirements would have been calculated on risk-weighted assets amounting to €16,765,638 thousand and, consequently, would have been 18.9%, 19.6% and 24.6%, respectively.

Management Report

» PERFORMANCE

Income Statement reclassification

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

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

The figures presented below are expressed in thousands of Euros.

Reclassified income statement

			Changes	
	31.12.2012	31.12.2011	Amount	%
Net interest income	730,884	787,704	-56,820	- 7.2
Net commission income	458,415	433,809	24,606	5.7
Dividends	37,971	33,920	4,051	11.9
Net Gain (loss) on financial activities	28,263	18,964	9,299	49.0
Other operating revenues (expenses)	46,851	-9,792	56,643	
Net operating revenues	**1,302,384**	**1,264,605**	**37,779**	**3.0**
Staff expenses	-550,381	-461,459	88,922	19.3
Administrative expenses	-216,401	-220,417	-4,016	-1.8
Depreciation and amortization	-78,402	-70,215	8,187	11.7
Operating expenses	**-845,184**	**-752,091**	**93,093**	**12.4**
Net operating profit	**457,200**	**512,514**	**-55,314**	**-10.8**
Goodwill value adjustments	-	-	-	-
Net provisions for liabilities and contingencies	-32,027	-42,683	-10,656	-25.0
Net adjustments of loans	-304,601	-184,787	119,814	64.8
Gain (loss) from financial assets held to maturity and other investments	-63,704	-49,803	13,901	27.9
Profit before tax on continuing operations	**56,868**	**235,241**	**-178,373**	**-75.8**
Income tax for the period on continuing operations	1,994	-30,620	32,614	
Profit (loss) after tax of groups of assets/liabilities under disposal	-	-	-	-
Net profit (loss) for the period	**58,862**	**204,621**	**-145,759**	**-71.2**

As at 31 December 2012, Cariparma profit for the period came to € 58.9 million vs. € 204.6 million for 2011. Extraordinary events impacted on this performance, which were associated to the accrual to the Solidarity Fund, as well partial writedowns of equity investments.

Reconciliation between the official and reclassified income statements

	31.12.2012	31.12.2011
Net interest income	**730,884**	**787,704**
30. Net interest margin	712,520	777,666
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	18,364	10,038
Net commissions income = item 60	**458,415**	**433,809**
60. Net commissions	447,701	-
190. Other operating revenues/expenses: past due commission	10,714	-
Dividends = item 70	**37,971**	**33,920**
Net gain (loss) on financial activities	**28,263**	**18,964**
80. Net gain (loss) on financial activities	13,819	14,439
90. Net gain (loss) on hedging activities	9,312	-1,133
100. Gain (loss) on the disposal or repurchase of: b) financial assets available for sale	3,844	5,252
100. Gain (loss) on the disposal or repurchase of: d) financial liabilities	1,288	406
Other operating revenues (expenses)	**46,851**	**-9,792**
190. Other operating revenues (expenses)	249,158	189,820
less: recovery of expenses	-190,189	-198,668
less: past due commission	-10,714	-
130. Net impairment adjustments of: b) financial assets available for sale	-1,404	-944
Net operating revenues	**1,302,384**	**1,264,605**
Staff expenses = 150 a)	**-550,381**	**-461,459**
Administrative expenses	**-216,401**	**-220,417**
150. Administrative expenses: b) other administrative expenses	-406,590	-419,085
190. Other operating revenues/expenses: recovery of expenses	190,189	198,668
Depreciation and amortization	**-78,402**	**-70,215**
170. Net adjustments of property, plant and equipment	-21,521	-21,028
180. Net adjustments of intangible assets	-56,881	-49,187
Operating expenses	**-845,184**	**-752,091**
Net operating profit	**457,200**	**512,514**
Goodwill value adjustments = item 230	**-**	**-**
Net provisions for liabilities and contingencies = Item 160	**-32,027**	**-42,683**
Net impairment adjustments of loans	**-304,601**	**-184,787**
100. Gain/loss on the disposal of: a) loans	-1,076	-3,883
130. Net impairment adjustments of: a) loans	-283,414	-170,422
130. Net impairment adjustments of: a) loans, of which time value on impaired loans	-18,364	-10,038
130. Net impairment adjustments of: d) other financial transactions	-1,747	-444
Gain (loss) from financial assets held to maturity and other investments	**-63,704**	**-49,803**
210. Gain (loss) from equity investments	-64,066	-50,100
240. Gain (loss) on disposal of investments	362	297
Profit before tax on continuing operations	**56,868**	**235,241**
Income tax on continuing operations = item 260	**1,994**	**-30,620**
Net profit (loss) for the period	**58,862**	**204,621**

Net operating revenues

Cariparma net operating revenues amounted to € 1,302.4 million, increasing by € 37.8 million (up by +3.0%) y/y. This positive performance was achieved thanks to the increase in net commission income and to the good performance of trading activities. These positive contributions offset the decrease in net interest income.

Net interest income

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
Business with customers	773,853	794,747	-20,894	-2.6
Business with banks	14,824	-24,237	39,061	
Securities issued	-304,913	-239,533	65,380	27.3
Differences on hedging derivatives	136,582	86,364	50,218	58.1
Financial assets held for trading	7	14	-7	-50.0
Financial assets held to maturity	-	-	-	-
Financial assets available for sale	110,218	170,081	-59,863	-35.2
Other net interest	313	268	45	16.8
Net interest income	**730,884**	**787,704**	**-56,820**	**-7.2**

Net Interest income came to € 730.8 million, down by € 56.8 million (-7.2%) vs. the previous year. This aggregate was penalized by the lesser contribution of business with customers, decreasing by Euro 20.9 million, which, even though growing in terms of volumes, was significantly impacted by the spread decrease. The decrease in lending rates was mainly due to market rates and was not offset by any decrease in the cost of funding, due to liquidity tensions in 2012.

The net balance of interest expenses from securities issued came to - € 304.9 million, with a € 65.4 worsening y/y. This was generated by both the increase in volumes of bond issues and by the increase in the relating cost, which was due to higher country risk.

Interest income from available-for-sale financial assets came to € 110.2 million in 2012 vs. € 170.1 million in the previous year; this decrease was mainly due to the sale of Government securities, made in the last part of 2011. The change in sign of the interest component of business with banks was due to the same cause, which caused also a decrease in repurchase agreements for funding purposes.

Dividends

Dividends from equity investments amounted to € 38.0 million, increasing by € 4.1 million (up by +11.9%) over the previous year figure. This increase was mainly due to the dividend distributed by Cassa di Risparmio della Spezia, which in 2012 paid dividends for € 5.6 million compared with 2011, the year of acquisition, when Cariparma received no dividend.

The remaining € 32.4 million worth of dividends consisted of € 30.1 million of dividends distributed by Banca Popolare FriulaAdria, vs. € 32.6 million in the previous year, as well as € 1.4 million worth of dividends on the equity investment in the Bank of Italy.

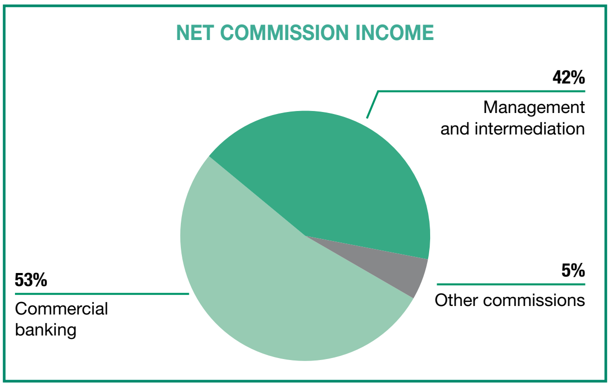
Net commission income

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- guarantees issued	8,914	8,436	478	5.7
- collection and payment services	33,445	31,415	2,030	6.5
- current accounts	175,680	150,341	25,339	16.9
- debit and credit card services	25,081	25,009	72	0.3
Commercial banking business	**243,120**	**215,201**	**27,919**	**13.0**
- securities intermediation and placement	87,038	79,654	7,384	9.3
- foreign exchange	3,320	4,093	-773	-18.9
- asset management	5,110	6,324	-1,214	-19.2
- distribution of insurance products	92,668	99,012	-6,344	-6.4
- other intermediation/management commissions	4,151	5,251	-1,100	-20.9
Management, intermediation and advisory services	**192,287**	**194,334**	**-2,047**	**-1.1**
Other net commissions	**23,008**	**24,274**	**-1,266**	**-5.2**
Total net commissions income	**458,415**	**433,809**	**24,606**	**5.7**

Net commission income came to € 458.4 million, up by € 24.6 million (+5.7%) vs. the previous year. This growth was driven by the traditional banking business, with an increase in current account commission income by € 25.3 million (+16.9%) and in commission on collection and payment services by € 2.0 million (+6.5%).

Commissions for management, intermediation and advisory services decreased by € 2.1 million (-1.1%), where the € 7.4 million increase (+9.3%) in commissions for securities intermediation and placement was more than absorbed by the € 6.3 million decrease (-6.4%) in commissions for insurance products placement and by the € 1.2 million decrease (-19.2%) in assets under management; these products were significantly affects by a different asset mix, in line with the low risk profile of the products requested by Customers.

This performance was driven by the increase in income from current accounts within the traditional banking business as well as by revenues from the distribution of insurance income within the management, intermediation e advisory activity.



Net gain (loss) on financial activities

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
Interest rates	13,833	13,471	362	2.7
Equities	35	-108	143	
Foreign exchange	1,228	1,361	-133	-9.8
Commodities	11	121	-110	-90.9
Total net gain (loss) on financial assets held for trading	**15,107**	**14,845**	**262**	**1.8**
Total gain (loss) on hedging activities	**9,312**	**-1,133**	**10,445**	
Gain (loss) on disposal of financial assets available for sale	**3,844**	**5,252**	**-1,408**	**-26.8**
Net gain (loss) on financial activities	**28,263**	**18,964**	**9,299**	**49.0**

Trading activities came to € 28.3 million, up by € 9.3 million (+49.0%) compared with the previous year. This performance was mostly due to the increase in gains on hedging activities, which came to € 9.3 million vs. 2011 when there was a net negative balance of € 1.1 million. Gains on financial assets held for trading also increased coming to € 15.1 million, up by +€ 0.3 million (+1.8%) mainly due to interest rate activities.

Gains on disposal of available-for-sale financial assets came to € 3.8 million, slightly decreasing by € 1.4 million.

Other operating revenues (expenses)

Other operating revenues/expenses showed a positive balance of € 46.9 million, posting a € 56.6 million improvement vs. the previous year.

Operating expenses

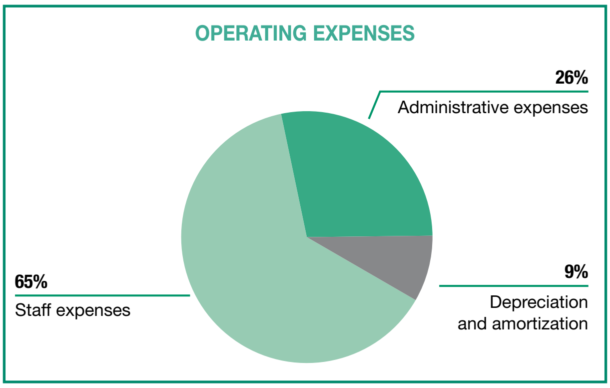
Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- wages and salaries	-329,439	-321,430	8,009	2.5
- social security contributions	-87,832	-85,472	2,360	2.8
- other staff expenses	-133,110	-54,557	78,553	
Staff expenses	**-550,381**	**-461,459**	**88,922**	**19.3**
- general operating expenses	-87,301	-86,880	421	0.5
- IT services	-50,103	-49,226	877	1.8
- direct and indirect taxes	-65,551	-64,250	1,301	2.0
- facilities management	-54,134	-49,725	4,409	8.9
- legal and other professional services	-22,206	-28,952	-6,746	-23.3
- advertising and promotion costs	-8,096	-13,367	-5,271	-39.4
- indirect staff expenses	-9,307	-8,373	934	11.2
- other expenses	-109,892	-118,312	-8,420	-7.1
- recovery of expenses and charges	190,189	198,668	-8,479	-4.3
Administrative expenses	**-216,401**	**-220,417**	**-4,016**	**-1.8**
- intangible assets	-56,881	-49,187	7,694	15.6
- property, plant and equipment	-21,521	-21,028	493	2.3
Depreciation and amortization	**-78,402**	**-70,215**	**8,187**	**11.7**
Operating expenses	**-845,184**	**-752,091**	**93,093**	**12.4**

2012 operating expenses came to € 845.2 million, of which € 89 million was the impact of accruals relating to the voluntary redundancy plan with incentives; the expenses for this plan were entirely recognized in 2012 and over 550 employees voluntarily joined the plan. Net of these accruals, the change would be a € 4.0 million increase (+0.5%).

Specifically:

- **Staff expenses** came to € 550.4 million, including € 89 million worth of accruals to the Solidarity Fund. Net of this effect, staff expenses would be in line with the previous year, thanks to effective management of variable components and to the reorganization of certain processes. Starting from 2012, the Cariparma Crédit Agricole Group has been capitalizing in-house developed software; the recognition of these intangible assets generated a decrease in staff expenses by € 2.9 million.
- **Administrative expenses** amounted to € 216.4 million, decreasing by € 4.0 million (-1.8%) y/y. This decrease specifically concerned legal expenses and expenses for professional services (down by - € 6.7 million), as well as advertisement and promotion expenses (down by - € 5.3 million), only partially absorbed by the increase in expenses for property management (+4.4 million) and in direct and indirect taxes (+€ 1.3 million); the latter aggregate includes also the new property tax (Italian acronym: IMU)**;**
- **Depreciation and amortization** came to € 78.4 million. increasing by 11.7% y/y, mainly due to the fact that depreciation and amortization on investments made in 2011 for asset acquisition became fully operational, as well as to the impact of the new investments made in 2012 amounting to approximately € 70 million.

In this situation, the cost/income ratio decreased from 64.9% to 58.0%, net of the expenses for the provision to the Solidarity Fund, i.e decreasing by 1.5 percentage points vs. December 2011.



Net operating profit

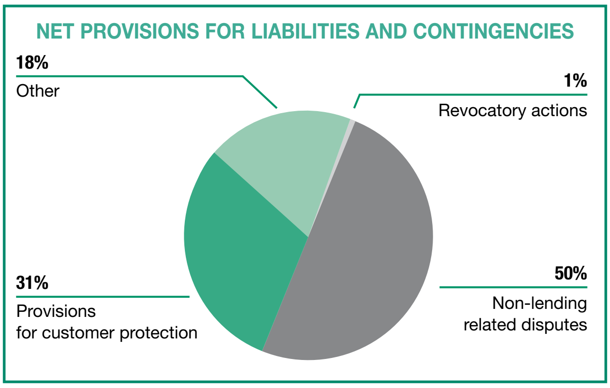
Net operating profit came to € 457.2 million and was impacted by non-recurring effects, such as the expenses amounting to € 89 million for the Solidarity Fund provision.

Provisions and other components

Net Provisions for liabilities and contingencies

Net provisions for liabilities and contingencies came to € 32 million, decreasing from € 42.7 million of 2011. Over one half of the amounts accrued, specifically € 16.2 million, referred to non-lending-related legal disputes, down by -4.1% vs. 2011.

Of the remaining € 15.8 million, € 9.8 million referred to financial products-related disputes, which markedly decreased from € 25.8 million accrued in 2011. Accruals for the «Other provisions» item were modest, amounting to € 5.8 million, and for revocatory actions, amounting to € 0.2 million.



Net impairment adjustments of loans

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- bad debts	-139,405	-85,129	54,276	63.8
- other impaired loans	-142,429	-96,013	46,416	48.3
- performing loans	-21,020	-3,201	17,819	
Net impairment adjustments of loans	**-302,854**	**-184,343**	**118,511**	**64.3**
Net adjustments of guarantees and commitments	-1,747	-444	1,303	
Net adjustments of loans	**-304,601**	**-184,787**	**119,814**	**64.8**

Net impairment adjustments of loans totalled € 304.6 million, up by € 119.8 million (+64.8%) year-on-year. This aggregate was impacted by the worsening in the real economy occurred in the first months of the year, which negatively affected the loan portfolio.

This increase mainly concerned impaired loans, with an increase in bad debts volumes and a concomitant increase in adjustments by € 54.3 million (+63.8%). Adjustments of other impaired loans increased by € 46.4 million, which allowed the coverage ratio of total impaired loan to improve, and specifically of substandard loans, which increased from 29.4% in 2011 to 33.1% in 2012.

Also the € 17.8 million increase in adjustments of performing loans allowed the coverage ratio to be consolidated.

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

The recognized values of the equity investments held by Cariparma were tested for impairment, compared with the previous years, consistently with the guidelines issued by the Parent Company Crédit Agricole.

These reviews caused, for the equity investments in CALIT and FriulAdria, a decrease in the present value of future cash flows, which in 2012 was lower than the book value of the relevant equity investments: Cariparma therefore wrote down the values of the two equity investments by the same amount (€ 14 million and € 54 million, respectively).

Finally, in the first quarter of 2012, the entire equity investment held by Cariparma in CA Vita Assicurazioni was sold, generating gains amounting to € 5 million.

Profit before tax on continuing operations

Profit before tax on continuing operation came to € 56.9 million; the decrease vs. the previous year was partly due to the provision for the Solidarity Fund, amounting to € 89 million, as well as to the € 18.7 million increase in the impact caused by the writedown of the equity investments held by Cariparma in Calit S.r.l., FriulAdria S.p.A. and Sliders S.r.l. (€ 68.8 million in 2012 vs. € 50.1 million in 2011).

Income taxes on continuing operations

Current and deferred taxes came to a positive balance of € 2 million, decreasing by € 32.6 million vs. the previous year. The value for the year was affected by both full realignment of the tax value of goodwill and by the partial realignment of the values of finite-life intangible assets resulting from transfers from the Intesa SanPaolo Group, which generated a positive effect of approximately € 53.9 million, as well as by the application of a new tax legislation, which allowed for refund of higher-than-due corporate income taxes (IRES) paid in previous years (from 2007 to 2011) based on the deductibility of regional taxes on productive activities (IRAP) relating to the taxable portion of expenses for employees and equivalent staff, net of the relevant IRAP deductions, generating a positive effect on the Income Statement for the period of approximately € 20 million.

Net of these extraordinary components, in percentage terms, the tax load increased vs. the previous year, specifically due to significant writedowns on equity investments, which are not deductible from taxes, as well as due to Italian Regional Tax on Productive Activities (IRAP). Indeed, with a gross income essentially stable, the amount due for this tax was in line with the previous year: the effect of the decrease in gross profit caused the weight of the Regional Tax on Productive Activities to increase from 19% to 80.6% of the gross profit.

Net profit (loss) and comprehensive income

Net profit

Net profit came to € 58.9 million due to non-recurring negative effects due to the provisions for the Solidarity Fund, amounting to € 89 million, and to a higher impact, amounting to € 18.7 million, caused by the writedowns of equity investments.

ROE (ratio of net profit to average shareholders' equity), if calculated net of the Solidarity Fund, came to over 3% and, however, higher than the average system score.

Comprehensive income

Items		31.12.2012	31.12.2011
10.	**Net profit (loss) for the period**	**58,862**	**204,621**
	Other income after tax	**-**	**-**
20.	Financial assets available for sale	217,909	(243,887)
30.	Property, plant and equipment	-	-
40.	Intangible assets	-	-
50.	Hedging of foreign investments	-	-
60.	Cash flow hedges	-	-
70.	Exchange rate differences	-	-
80.	Disposal groups	-	-
90.	Actuarial gains (losses) on defined-benefit plans	(13,323)	(7,267)
100.	Share of valuation reserves on equity investments accounted for using the equity method	-	-
110.	**Total other income components after tax**	**204,586**	**(251,154)**
120.	**Comprehensive income (Item 10+110)**	**263,448**	**(46,533)**

Comprehensive income consists of the profit for the period and of the changes in assets directly recognized in equity reserves. Comprehensive income for 2012 produced a profit of € 263.4 million, vs. a negative balance of € 46.5 million for the previous year.

The change in sign vs. 2011 was fully due to the positive impact of valuation reserves of the securities in the "Available-for-sale financial assets" portfolio, which mainly included Government securities.

These changes reflected the high volatility of sovereign risk of the EU peripheral countries in 2012.

» PERFORMANCE OF BALANCE-SHEET AGGREGATES

Reclassification of the Balance Sheet

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

- presentation of financial Assets/Liabilities held for trading on a net basis;
- presentation of loans to banks and amounts due to banks on a net basis;
- inclusion of the net value of Hedging Derivatives and the Adjustment of financial assets and liabilities covered by generic hedging in the «Other» items in Assets and «Other» items in Liabilities;
- grouping of Intangible Assets and Property, Plant and Equipment into a single aggregate;
- inclusion of the item "Cash and cash equivalents" in the "Other Assets" residual item;
- grouping in the "Funding from customers" item of the «Due to customers» and "Securities issued" items;
- grouping of specific-purpose provisions (i.e. employee severance benefits and provisions for liabilities and contingencies) into a single aggregate.

Reclassified Balance Sheet

			Changes	
Assets	**31.12.2012**	**31.12.2011 (*)**	**Amount**	**%**
Net financial assets/liabilities held for trading	-	3,202	-3,202	
Financial assets available for sale	3,103,909	2,705,954	397,955	14.7
Loans to customers	26,494,166	26,059,976	434,190	1.7
Equity investments	1,272,613	1,510,221	-237,608	-15.7
Property, plant and equipment and intangible assets	1,466,495	1,486,991	-20,496	-1.4
Tax assets	842,509	817,605	24,904	3.1
Other assets	1,807,200	2,082,969	-275,769	-10.3
Total net assets	**34,986,892**	**34,666,918**	**319,974**	**0.9**

			Changes	
Liabilities and Equity	**31.12.2012**	**31.12.2011 (*)**	**Amount**	**%**
Net financial assets/liabilities held for trading	3,739	-	3,739	
Net due to banks	430,169	992,038	-561,869	-56.9
Funding from customers	28,116,781	27,854,701	262,080	0.9
Tax liabilities	215,003	229,015	-14,012	-3.3
Other liabilities	1,611,353	1,198,426	412,927	34.2
Specific-purpose provisions	303,245	238,885	64,360	26.1
Share capital	876,762	876,762	-	-
Reserves (net of treasury shares)	3,511,053	3,417,132	93,921	2.7
Valuation reserves	-140,075	-344,662	-204,587	-59.4
Net profit (loss) for the period	58,862	204,621	-145,759	-63.2
Total net liabilities and equity	**34,986,892**	**34,666,918**	**319,974**	**0.9**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

Reconciliation of the official and reclassified balance sheets

Assets		31.12.2012	31.12.2011 (*)
	Net financial assets/liabilities held for trading	**-**	**3,202**
20.	Financial assets held for trading	-	271,174
40.	Financial liabilities held for trading	-	-267,972
	Financial assets available for sale	**3,103,909**	**2,705,954**
40.	Financial assets available for sale	3,103,909	2,705,954
	Loans to customers	**26,494,166**	**26,059,976**
70.	Loans to customers	26,494,166	26,059,976
	Equity investments	**1,272,613**	**1,510,221**
100.	Equity investments	1,272,613	1,510,221
	Property, plant and equipment and intangible assets	**1,466,495**	**1,486,991**
110.	Property, plant and equipment	282,229	287,872
120.	Intangible assets	1,184,266	1,199,119
	Tax assets	**842,509**	**817,605**
130.	Tax assets	842,509	817,605
	Other assets	**1,807,200**	**2,082,969**
10.	Cash and cash equivalents	194,828	847,476
150.	Other Assets	671,160	630,797
80.	Hedging derivatives (Assets)	938,120	602,457
90.	Value adjustment of financial assets subject to macro hedging (+/-)	3,092	2,239
Total net assets		**34,986,892**	**34,666,918**

Liabilities and Equity		31.12.2012	31.12.2011 (*)
	Net due to banks	**430,169**	**992,038**
10.	Due to banks	5,167,909	6,463,382
60.	Loans to banks	-4,737,740	-5,471,344
	Funding from customers	**28,116,781**	**27,854,701**
20.	Due to customers	16,915,913	17,250,810
30.	Securities issued	11,200,868	10,603,891
	Net financial assets/liabilities held for trading	**3,739**	**-**
40.	Financial liabilities held for trading	287,965	-
20.	Financial assets held for trading	-284,226	-
	Tax liabilities	**215,003**	**229,015**
80.	Tax liabilities	215,003	229,015
	Other liabilities	**1,611,353**	**1,198,426**
100.	Other liabilities	865,964	786,060
60.	Hedging derivatives (Liabilities)	241,114	130,680
70.	Adjustment of financial liabilities hedged generically	504,275	281,686
	Specific-purpose provisions	**303,245**	**238,885**
110.	Employee severance benefits	132,001	127,240
120.	Provisions for liabilities and contingencies	171,244	111,645
	Share capital	**876,762**	**876,762**
180.	Share capital	876,762	876,762
	Reserves (net of treasury shares)	**3,511,053**	**3,417,132**
160.	Reserves	775,049	681,128
170.	Share premium reserve	2,736,004	2,736,004
	Valuation reserves	**-140,075**	**-344,662**
130.	Valuation reserves	-140,075	-344,662
	Net profit (loss) for the period	**58,862**	**204,621**
200.	Net profit (loss) for the period	58,862	204,621
Total net liabilities and equity		**34,986,892**	**34,666,918**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

Operations with customers

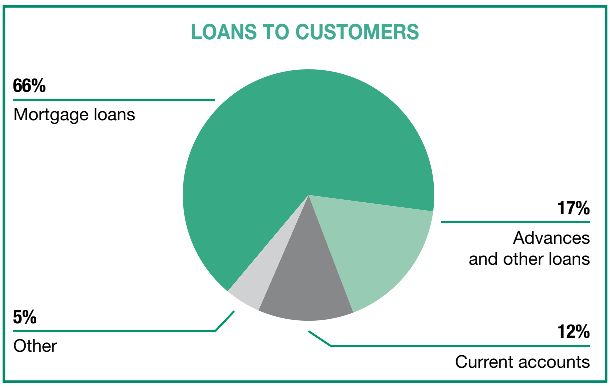
Loans to Customers

Items	31.12.2012	31.12.2011	Changes Amount	%
- Current accounts	3,265,887	3,648,581	-382,694	-10.5
- Mortgage loans	17,492,748	17,260,245	232,503	1.3
- Advances and other loans	4,538,386	4,088,246	450,140	11.0
- Impaired loans	1,192,106	1,057,842	134,264	12.7
Loans	**26,489,127**	**26,054,914**	**434,213**	**1.7**
Loans represented by securities	5,039	5,062	-23	-0.5
Loans to customers	**26,494,166**	**26,059,976**	**434,190**	**1.7**

Loans to customers came to € 26,494 million, up by 1.7% year-on-year.

This increase was mainly driven by the good performance of advances and other loans, which came to € 4.538 million posting an 11.0% increase y/y. Mortgage loans also increased, up by +1.3%, coming to € 17,493 million, with over € 2 billion of new loans.

Following the changes for the year, the composition of the loan portfolio was as follows: 66% mortgage loans, 17% advances and other loans, 12% current accounts and 5% other.



Credit quality

Items	31.12.2012 Gross exposure	31.12.2012 Total writedowns	31.12.2012 Net exposure	31.12.2011 Gross exposure	31.12.2011 Total writedowns	31.12.2011 Net exposure
- Bad debts	1,038,216	579,172	459,044	847,272	497,211	350,061
- Substandard loans	603,667	199,080	404,587	452,219	132,854	319,365
- Restructured loans	147,538	18,702	128,836	114,288	17,836	96,452
- Past-due / overlimit loans	204,717	5,078	199,639	295,192	3,228	291,964
Impaired loans	**1,994,138**	**802,032**	**1,192,106**	**1,708,971**	**651,129**	**1,057,842**
Performing loans	**25,392,034**	**89,974**	**25,302,060**	**25,091,896**	**89,762**	**25,002,134**
Total	**27,386,172**	**892,006**	**26,494,166**	**26,800,867**	**740,891**	**26,059,976**

In 2012, the continuing weakness of the economic cycle caused a worsening of credit quality, relating to both households and businesses. Net of writedowns, impaired loans came to € 1,192 million, increasing from € 1,058 million of the previous year, with a coverage ratio improving by over two percentage points (40.2% vs. 38.1% for the previous year).

The weight of problem loans on total net loans was essentially in line with the previous year: 4.1% in 2011 and 4.5% in 2012.

Net bad debts came to € 459 million, equal to 1.7% of loans to customers with a coverage ratio of 55.8%. Substandard loans came to € 404.6 million and accounted for 1.5% of total loans, with a coverage ratio of 33%, increasing from 29.4% of 2011.

Past due/overlimit loans amounted to € 199.6 million, had a coverage ratio of 2.5%, whereas restructured loans came to € 128.8 million with a coverage ratio of 12.7%. Net performing loans came to € 25,302 million, with a coverage ratio of 0.35%.

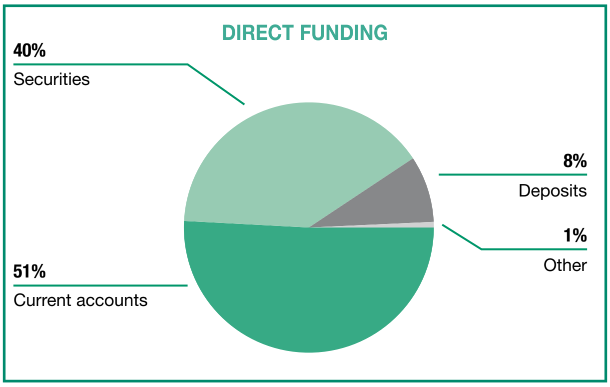
Funding from customers

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- Deposits	2,420,071	1,066,355	1,353,716	
- Current and other accounts	14,293,614	16,051,360	-1,757,746	-11.0
- Other items	67,824	68,142	-318	-0.5
- Repurchase agreements	134,404	64,953	69,451	
Due to customers	**16,915,913**	**17,250,810**	**-334,897**	**-1.9**
Securities issued	**11,200,868**	**10,603,891**	**596,977**	**5.6**
Total direct funding	**28,116,781**	**27,854,701**	**262,080**	**0.9**
Indirect funding	**43,894,968**	**38,978,388**	**4,916,580**	**12.6**
Total funding	**72,011,749**	**66,833,089**	**5,178,660**	**7.7**

Total funding, which represents the total funds intermediated on behalf of customers, came to over € 72,011 million, increasing by 7.7% vs. December 2011. This was due to the positive performance of direct funding and to the even better performance of indirect funding.

Direct funding totalled € 28,117 million, up by 0.9% vs. 2011 and accounted for 39% of total funding. This y/y increase was essentially due to deposits increasing by € 1,353 million, thanks to the placement of products in line with Customers' expectations. Bond funding also posted a significant increase of € 597 million (+5.6%), thanks to the over € 3 billion of new bonds subscribed by Customers, which exceed the repayment of debenture loans matured in the year. These increases offset the decrease in funds on current accounts, down by € 1,758 million (-11.0%) vs. 2011, which was also impacted by the contraction in households' savings.

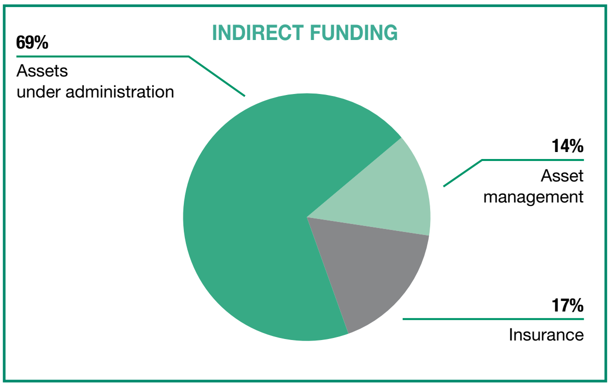
In December 2012, the balanced increase in funding and lending allowed Cariparma to consolidate its liquidity level, with a liquidity ratio (loans/funding) coming to 94%.



Indirect funding

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
- Asset management products	5,926,449	6,081,544	-155,095	-2.6
- Insurance products	7,525,438	7,628,808	-103,370	-1.4
Total assets under management	**13,451,887**	**13,710,352**	**-258,465**	**-1.9**
Assets under administration	**30,443,081**	**25,268,036**	**5,175,045**	**20.5**
Indirect funding	**43,894,968**	**38,978,388**	**4,916,580**	**12.6**

At market values, indirect funding represented 61% of total funding and amounted to € 43,895 million, up by € 4,917 million (+12.6%) vs. the previous year. This increase was fully due to Assets under Administration, which increased by € 5,175 million (+20.5%), benefiting also from the price effect, and came to € 30,443 million. Assets under management came to € 13,452 million, with a modest decrease of € 258 million vs. the previous year, mainly due to Customers' preference for investments in direct funding products that are more liquid and have lower risk profiles.



Other investments

Financial assets available for sale

Items	31.12.2012	31.12.2011 (*)	Changes	
			Amount	%
- Bonds and other debt securities	3,017,866	2,622,958	394,908	15.1
- Equity securities and units of collective investment undertakings	2,450	4,115	-1,665	-40.5
Securities available for sale	**3,020,316**	**2,627,073**	**393,243**	**15.0**
- Equity investments	83,593	78,881	4,712	6.0
- Private equity investments	**-**	**-**	**-**	
Shareholdings available for sale	**83,593**	**78,881**	**4,712**	**6.0**
Financial assets available for sale	**3,103,909**	**2,705,954**	**397,955**	**14.7**

Available-for-sale financial assets almost totally consisted of bonds and other debt securities available for sale in the short-term, as well as, for more limited amounts, of equity investments. Available-for-sale-financial assets came to a total of € 3,104 million, up by € 398 million year-on-year.

The increase in available-for-sale financial assets was mostly due to the measurement of government securities.

Government securities

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

	31.12.2012		
	Nominal Value	Book value	Valution reserves
FVTPL			
Italian government bond	4	4	X
AFS			
Italian government bond	2,448,700	2,547,101	-130,419
French government bond	342,500	421,940	8,395
Total	**2,791,204**	**2,969,045**	**-122,024**

Equity investments

			Changes	
Items	31.12.2012	31.12.2011	Amount	%
- Equity investments in controlled companies	1,260,111	1,327,836	-67,725	-5.1
- Equity investments in joint ventures	-	-	-	-
- Equity investments subject to significant influence	12,502	182,385	-169,883	-93.1
- Other equity investments	-	-	-	-
Total	**1,272,613**	**1,510,221**	**-237,608**	**-15.7**

Equity investments came to € 1,273 million, down by € 238 million compared with 2011.

Controlling equity interests, amounting to € 1,260 million, decreased by € 68 million subsequent to the following transactions:
- impairment of the equity investments held by Cariparma in CALIT and FriulAdria;
- Calit share capital increase (approximately € 11 million);
- Price Adjustment on the value of the equity investment in Carispezia (approximately € 10 million).

Equity investments in associates amounted to € 13 million: the decrease vs. 2011 was due to the sale of the equity interest in CA Vita Assicurazioni (of which Cariparma held 49.99%).

Property, plant and equipment and intangible assets

This aggregate includes goodwill and intangible assets recognized subsequent to the acquisition from the Intesa SanPaolo Group of 181 branches in 2007 and of other 81 branches in 2011.

Specific-purpose provisions

			Changes	
Items	31.12.2012	31.12.2011 (*)	Amount	%
Employee severance benefits	**132,001**	**127,240**	**4,761**	**3.7**
Provisions for liabilities and contingencies	**171,244**	**111,645**	**59,599**	**53.4**
- retirement and similar liabilities	20,304	20,739	-435	-2.1
- other provisions	150,940	90,906	60,034	66.0
Total specific-purpose provisions	**303,245**	**238,885**	**64,360**	**26.9**

(*) Re-stated following the change in the allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par. 62).

Specific-purpose provisions totalled € 303 million, increasing by € 64 million vs. the previous year, i.e. up by 26.9%. This increase mainly concerned provisions for liabilities and contingencies, which referred to legal disputes, staff expenses and operational risks and came to € 171 million, increasing by € 60 million vs. the previous year.

Provisions for Employees' severance benefits also increased, coming to € 132 million.

Equity and Supervisory Capital

Equity

Items	31.12.2012	31.12.2011	Changes	
			Amount	%
Share capital	876,762	876,762	-	-
Share premium reserve	2,736,004	2,736,004	-	-
Income reserves	773,196	679,903	93,293	13.7
Other reserves	1,853	1,225	628	51.3
Valuation reserves of financial assets available for sale	-118,596	-336,506	-217,910	-64.8
Valuation reserves of actuarial gains (losses) pertaining to defined-benefit pension plans	-21,479	-8,156	13,323	163.4
Net profit (loss) for the period	58,862	204,621	-145,759	-71.2
Total equity	**4,306,602**	**4,153,853**	**152,749**	**3.7**

As at 31 December 2012, the book value of equity, including the net profit for the year, came to € 4,307 million, up by € 152.7 million vs. the previous year.

The change in equity was mainly due to the decrease, occurred in 2012, in the negative balance of valuation reserves for available-for-sale financial assets (which decreased from -€ 336.5 million of 2011 to -€ 118.6 million of 2012); this change was mainly due to the writeback of government securities held following the changes in the economic-financial situation.

As at 31 December 2012, the Bank portfolio did not include treasury shares or shares in the Controlling Company.

Regulatory Capital

Supervisory capital and capital ratios	31.12.2012	31.12.2011
Tier 1 Capital	3,289,454	3,147,362
Tier 2 Capital	834,032	851,497
Deductible elements	-	58,917
Supervisory capital	**4,123,486**	**3,939,942**
Credit Risk	1,626,316	1,650,502
Market risk	1,284	4,927
Operational risk	160,735	164,327
Other measurement elements (*)	-447,084	-454,939
Capital requirements	**1,341,251**	**1,364,817**
Excess capital with respect to minimum requirements	**2,782,235**	**2,575,125**
Risk-weighted assets	**22,354,188**	**22,746,950**
Capital ratios %		
Core Tier 1 (a) / Risk-weighted assets (Core Tier 1 ratio)	14.2%	13.3%
Tier 1 Capital / Total risk-weighted assets	14.7%	13.8%
Total capital / Total risk-weighted assets	18.4%	17.3%

(*) Bank of Italy regulations allow banks belonging to Italian groups to reduce capital requirements by 25%. In calculating total capital ratios, the 25% reduction provided for under supervisory regulations was not taken into account. Should this 25% reduction have been considered, the capital requirements would have been calculated on risk-weighted assets amounting to €16,765,638 thousand and, consequently, would have been 18.9%, 19.6% and 24.6%, respectively.
(a) Core Tier 1 is Tier 1 capital net of innovative equity instruments.

Regulatory Capital amounted to €4,123 million, increasing by €183 million compared with 2011.

This increase was mainly due to:
- lower deductions from the Regulatory Capital because of the sale, made in the first half of 2012, of the total equity interest held in Crédit Agricole Vita S.p.A.;
- Price Adjustment on former-Intesa Sanpaolo Group Branches, which caused a reduction in Goodwill and, therefore, the relevant deduction from the Regulatory Capital.

Risk-weighted assets came to €22,354 million, decreasing by €392 million (down by -1.7%) vs. 2011. This decrease was mainly due to the increase in exposures secured by residential property combined with a decrease in exposures secured by commercial property and unsecured exposures.

The total capital ratio (ratio of total regulatory capital to total risk-weighted assets) came to 18.4%, increasing from 17.3% of 2011.

Tier 1 capital ratio (ratio of Tier-1 Capital to total risk-weighted assets), came to 14.7%, (13.84% in 2011); core Tier 1 ration was 14.2%.

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

Other information

This report includes our remarks on Cariparma performance and on its financial position aggregates only. For any other information required by Law, reference is made to the consolidated management report or to the Note to these financial statements.

Finally, with regard to protection of personal data, it is reported that the periodical update of the Security Policy Document was made, pursuant to Article 34 of Legislative Decree No. 196 of 30 June 2003 (Personal Data Protection Code), in compliance with the terms and the instructions set forth in point 19 of the Technical Specifications on minimum requirements for security measures (Annex B of the above-mentioned Code).

Research and Development

No research and development activities were performed in the year.

Risks and uncertainties

The Note to the Financial Statements includes a detailed exam of the risks and uncertainties to which the Bank is exposed and, at the same time, reports the mitigation techniques implemented for such risks and uncertainties; this substantiates that the Bank's Management is fully aware of the importance of a thorough analysis of risks and uncertainties to which the Bank's capital, financial position and performance are exposed, as well as of the importance of effective management of the same risks and uncertainties to take them to acceptable levels, in order to pursue development and sustainable growth that are essential for profitable continuity of operations.

Disclosure on transactions with relates parties

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

Proposal to the General Shareholders' Meeting

The annual report and financial statements for the year started on 1 January and ended on 31 December 2012, which is hereby submitted for Approval by the Ordinary Shareholders' Meeting, consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, the related explanatory note and annexes, as well as the accompanying management report.

The proposed allocation of net profit in the amount of Euro 58,861,731 is as follows:

5% to the legal reserve	2,943,086
to the charity fund	1,500,000
to shareholders in the amount of €0.061 to each of the 876,761,620 ordinary shares	53,482,459
to extraordinary reserve	936,186

Based on this allocation of the net profit for the year, the Company's equity, including income components allocated to the valuation reserves in accordance with the IAS/IFRSs, would be as follows:

Share capital	876,761,620
Share premium reserve	2,736,003,683
Ordinary reserve	119,467,238
Extraordinary reserve	656,921,060
Valuation Reserves	-140,075,454
Reserve pursuant to Legislative Decree 124/83	314,374
Other Reserves	2,225,485
Total Capital and reserves	4,251,618,006

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

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

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

of the administrative and accounting procedures for the formation of the Financial Statement during the course of the 2012 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 2012:

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, 26 March 2013

Giampiero Maioli
Chief Executive Officer

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

Report of the Indipendent Auditors

ERNST & YOUNG

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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, 2012, 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.

   The financial statements present the comparative data of the preceding year. As described in the explanatory notes, the management restated the comparative data related to the financial statements of the preceding year, on which we issued our auditors' report on March 30, 2012. We have examined the methods adopted to restate the comparative financial data for the preceding year and the information presented in the explanatory notes in this respect for the purpose of our opinion on the financial statements as of and for the year ended December 31, 2012.

3. In our opinion, the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. at December 31, 2012 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, 2012.

Milan, March 29, 2013

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

Financial Statements

» BALANCE SHEET

Assets		31.12.2012	31.12.2011 (*)
10.	Cash and cash equivalents	194,827,573	847,475,686
20.	Financial assets held for trading	284,226,442	271,173,989
30.	Financial assets carried at fair value	-	-
40.	Financial assets available for sale	3,103,909,472	2,705,953,636
50.	Financial assets held to maturity	-	-
60.	Loans to banks	4,737,740,340	5,471,343,669
70.	Loans to Customers	26,494,165,632	26,059,976,268
80.	Hedging derivatives	938,120,435	602,457,073
90.	Value adjustment of financial assets subject to macro hedging (+/-)	3,092,430	2,238,887
100.	Equity investments	1,272,613,280	1,510,221,348
110.	Property, plant and equipment	282,229,172	287,871,773
120.	Intangible Assets	1,184,265,804	1,199,119,284
	of which: goodwill	922,339,723	922,339,723
130.	Tax assets	842,509,575	817,605,540
	(a) current	233,099,408	223,516,798
	(b) deferred	609,410,167	594,088,742
	b1) of which: Law 214/2011	481,935,195	387,461,837
140.	Non-current assets or groups of assets being divested	-	-
150.	Other assets	671,157,328	630,795,373
TOTAL ASSETS		**40,008,857,483**	**40,406,232,526**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

Liabilities and shareholders' equity		31.12.2012	31.12.2011 (*)
10.	Due to banks	5,167,909,480	6,463,381,920
20.	Due to customers	16,915,912,571	17,250,809,783
30.	Securities issued	11,200,868,468	10,603,890,635
40.	Financial liabilities held for trading	287,965,101	267,971,607
50.	Financial liabilities carried at fair value	-	-
60.	Hedging derivatives	241,114,258	130,679,976
70.	Adjustment of financial liabilities hedged generically (+/-)	504,274,915	281,686,492
80.	Tax liabilities	215,003,627	229,015,362
	(a) current	173,365,394	174,944,886
	(b) deferred	41,638,233	54,070,476
90.	Liabilities in respect of assets being divested	-	-
100.	Other liabilities	865,963,745	786,059,696
110.	Employee severance benefits	132,000,751	127,239,678
120.	Provisions for liabilities and contingencies	171,244,102	111,644,390
	a) retirement and similar liabilities	20,304,118	20,738,627
	b) other provisions	150,939,984	90,905,763
130.	Valuation reserves	-140,075,454	-344,661,772
140.	Redeemable shares	-	-
150.	Equity instruments	-	-
160.	Reserves	775,048,885	681,128,298
170.	Share premium reserve	2,736,003,683	2,736,003,683
180.	Share capital	876,761,620	876,761,620
190.	Treasury shares (-)	-	-
200.	Net profit (loss) for the period	58,861,731	204,621,158
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**40,008,857,483**	**40,406,232,526**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

» INCOME STATEMENT

Items		31.12.2012	31.12.2011
10.	Interest income and similar revenues	1,180,711,953	1,218,614,956
20.	Interest expense and similar charges	(468,191,833)	(440,948,566)
30.	**Net interest income**	**712,520,120**	**777,666,390**
40.	Commission income	469,102,840	450,645,032
50.	Commission expense	(21,402,260)	(16,835,937)
60.	**Net commission income**	**447,700,580**	**433,809,095**
70.	Dividends and similar revenues	37,971,278	33,919,683
80.	Net gain (loss) on financial activities	13,819,275	14,439,250
90.	Net gain (loss) on hedging activities	9,311,806	(1,132,994)
100.	Gain (loss) on the disposal or repurchase of:	4,056,083	1,774,454
	a) loans	(1,076,187)	(3,883,284)
	b) financial assets available for sale	3,843,823	5,251,714
	c) financial assets held to maturity	-	-
	d) financial liabilities	1,288,447	406,024
110.	Net gain (loss) on financial assets and liabilities carried at fair value	-	-
120.	**Gross income**	**1,225,379,142**	**1,260,475,878**
130.	Net impairment adjustments of:	(286,564,548)	(171,809,921)
	a) loans	(283,413,628)	(170,422,721)
	b) financial assets available for sale	(1,403,528)	(943,578)
	c) financial assets held to maturity	-	-
	d) other financial transactions	(1,747,392)	(443,622)
140.	**Profit (loss) from financial operations**	**938,814,594**	**1,088,665,957**
150.	Administrative expenses:	(956,971,139)	(880,543,218)
	a) staff expenses	(550,380,824)	(461,458,557)
	b) other administrative expenses	(406,590,315)	(419,084,661)
160.	Net provisions for liabilities and contingencies	(32,026,746)	(42,682,668)
170.	Net adjustments of property, plant and equipment	(21,520,921)	(21,028,283)
180.	Net adjustments of intangible assets	(56,881,354)	(49,186,761)
190.	Other operating revenues (expenses)	249,157,498	189,818,353
200.	**Operating expenses**	**(818,242,662)**	**(803,622,577)**
210.	Gain (loss) from equity investments	(64,066,463)	(50,100,000)
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	362,415	297,342
250.	**Gain (loss) before tax on continuing operations**	**56,867,884**	**235,240,722**
260.	Income tax for the period on continuing operations	1,993,847	(30,619,564)
270.	**Profit (loss) after tax on continuing operations**	**58,861,731**	**204,621,158**
280.	**Profit (loss) after tax of groups of assets/liabilities under disposal**	**-**	**-**
290.	**Net profit (loss) for the period**	**58,861,731**	**204,621,158**

» STATEMENT OF COMPREHENSIVE INCOME

Items		31.12.2012	31.12.2011
10.	**Profit (loss) for the period**	**58,861,731**	**204,621,158**
	Other income after tax		
20.	Financial assets available for sale	217,909,428	(243,887,266)
30.	Property, plant and equipment	-	-
40.	Intangible assets	-	-
50.	Hedging of foreign investments	-	-
60.	Cash flow hedges	-	-
70.	Exchange rate differences	-	-
80.	Disposal groups	-	-
90.	Actuarial gains (losses) on defined-benefit plans	(13,323,110)	(7,266,478)
100.	Share of Valuation Reserves on equity investments accounted for using the equity method	-	-
110.	**Total other income components after tax**	204,586,318	(251,153,744)
120.	**COMPREHENSIVE INCOME (ITEM 10+110)**	**263,448,049**	**(46,532,586)**

» STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2012

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity
Equity at 31.12.2011	**876,761,620**	**2,736,003,683**	**679,902,777**	**1,225,521**	**-344,661,772**	**204,621,158**	**4,153,852,987**
Allocation of net profit for previous period							
Reserves	-	-	93,525,956	-	-	-93,525,956	-
Dividends and ather allocation	-	-	-	-	-	-111,095,202	-111,095,202
Changes for the period							
Change in reserves	-	-	-232,282	-	-	-	-232,282
Equity transactions							
New issues	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary distribution of dividends	-	-	-	-	-	-	-
Changes in equity instruments	-	-	-	-	-	-	-
Treasury share derivatives	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	626,913	-	-	626,913
Comprehensive income	-	-	-	-	204,586,318	58,861,731	263,448,049
Equity at 31.12.2012	**876,761,620**	**2,736,003,683**	**773,196,451**	**1,852,434**	**-140,075,454**	**58,861,731**	**4,306,600,465**

» STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2011

	Share capital: ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves	Net profit (loss) for the period	Equity
Equity at 31.12.2010	**785,065,789**	**2,094,769,655**	**578,714,808**	**263,582,351**	**-93,508,028**	**241,574,482**	**3,870,199,057**
Allocation of net profit for previous period							
Reserves	-	-	101,187,969	-	-	-101,187,969	-
Dividends and ather allocation	-	-	-	-	-	-140,386,513	-140,386,513
Changes for the period							
Change in reserves	-	-	-	-	-	-	-
Equity transactions							
New issues	91,695,831	641,234,028	-	-262,500,000	-	-	470,429,859
Purchase of treasury shares	-	-	-	-	-	-	-
Extraordinary distribution of dividends	-	-	-	-	-	-	-
Changes in equity instruments	-	-	-	-	-	-	-
Treasury share derivatives	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	143,170	-	-	143,170
Comprehensive income	-	-	-	-	-251,153,744	204,621,158	-46,532,586
Equity at 31.12.2011	**876,761,620**	**2,736,003,683**	**679,902,777**	**1,225,521**	**-344,661,772**	**204,621,158**	**4,153,852,987**

» STATEMENT OF CASH FLOWS

Items		31.12.2012	31.12.2011 (*)
A.	**Operating activities**		
1.	**Operations**	**773,842,543**	**786,382,330**
-	net profit (loss) for the period (+/-)	58,861,731	204,621,158
-	gains (losses) on financial assets held for trading and financial assets/liabilities carried at fair value (-/+)	-13,470,494	-16,714,928
-	gains (losses) on hedging activities (-/+)	-8,100,435	11,661,220
-	net impairment adjustments (+/-)	348,555,333	217,661,960
-	net adjustments of property, plant and equipment and intangible assets (+/-)	78,402,275	70,215,044
-	net provisions for liabilities and contingencies and other costs/revenues (+/-)	32,026,746	42,682,668
-	unpaid taxes and duties (+)	-1,993,847	30,619,564
-	net adjustments/writebacks of discontinuing operations net of tax effects (-/+)	-	-
-	other adjustments (+/-)	279,561,234	225,635,644
2.	**Liquidity generated/absorbed by financial assets**	**-231,056,279**	**1,285,112,082**
-	financial assets held for trading	418,041	-11,278,940
-	financial assets carried at fair value	-	-
-	financial assets available for sale	-78,137,593	3,156,167,072
-	loans to banks: demand	93,251,342	-55,011,776
-	loans to banks: other loans	640,351,987	121,937,313
-	loans to customers	-702,319,115	-1,607,998,575
-	other assets	-184,620,941	-318,703,012
3.	**Liquidity generated/absorbed by financial liabilities**	**-1,231,434,776**	**-1,832,869,218**
-	due to banks: demand	265,334,795	564,252,729
-	due to banks: other payables	-1,640,004,697	-3,353,690,169
-	due to customers	-316,909,287	656,430,301
-	securities issued	535,806,995	704,644,461
-	financial liabilities held for trading	19,993,494	29,966,074
-	financial liabilities carried at fair value	-	-
-	other liabilities	-95,656,076	-434,472,614
Net liquidity generated/absorbed by operating activities		**-688,648,512**	**238,625,194**
B.	**Investing activities**		
1.	**Liquidity generated by:**	**218,418,667**	**34,350,200**
-	sale of equity investments	174,691,605	-
-	dividends from equity investments	37,971,278	33,919,683
-	sale of financial assets held to maturity	-	-
-	sales of property, plant and equipment	888,901	430,517
-	sales of intangible assets	-	-
-	disposal of business units	4,866,883	-
2.	**Liquidity absorbed by:**	**-71,323,066**	**386,948,708**
-	purchases of equity investments	-1,150,000	-412,529,552
-	purchases of financial assets held to maturity	-	-
-	purchases of property, plant and equipment	-16,987,940	-24,321,672
-	purchases of intangible assets	-47,356,305	-41,264,254
-	purchases of business units	-5,828,821	865,064,186
Net liquidity generated/absorbed by investing activities		**147,095,601**	**421,298,908**
C.	**Funding**		
-	issues/purchases of treasury shares	-	167,700,211
-	issues/purchases of capital instruments	-	-
-	dividend distribution and other	-111,095,202	-140,386,513
Net liquidity generated/absorbed by funding		**-111,095,202**	**27,313,698**
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD		**-652,648,113**	**687,237,800**

RECONCILIATION

Items	31.12.2012	31.12.2011
Cash and cash equivalents at beginning of period	847,475,686	160,237,886
Total net liquidity generated/absorbed in the period	-652,648,113	687,237,800
Cash and cash equivalents: effect of exchange rates changes	-	-
Cash and cash equivalents at end of period	**194,827,573**	**847,475,686**

Key: (+) generated (-) absorbed

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

Notes to the financial statements

Part A Accounting policies

» A.1 GENERAL INFORMATION

Section 1 - Declaration of conformity with international accounting standards

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

Therefore, the IAS/IFRS in force at 31 December 2012 (including the SIC and IFRIC interpretations) have been applied as endorsed by the European Commission and detailed in the specific schedule attached to this Financial Report.

The Financial Statements and tables in the Explanatory Note have been prepared in accordance with the format and rules set out in Circular No. 262 “Bank Financial Statements: format and rules for the preparation” of 22 December 2005, issued by the Bank of Italy exercising the powers provided for in Article 9 of Legislative Decree No. 38/2005 as updated and specified.

International Accounting Standards endorsed by the European Union and in force as from 2012

Standards, amendments or interpretations	Endorsement date	Date of first application
Modification to IFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets	22 November 2011 (UE No. 1205/2011)	1° January 2012

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

International Accounting Standards endorsed by the European Union and in force after 31 December 2012

Standards, amendments or interpretations	Endorsement date	Date of first application
Modification to IAS 19 Employee Benefits	6 June 2012 (UE No. 475/2012)	1° January 2013
Adoption of FRS 13 Fair Value Measurement	29 December 2012 (UE No. 1254/2012)	1° January 2013
Modification to IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	29 December 2012 (UE No. 1256/2012)	1° January 2013
Modification to IFRS 1 First-time Adoption - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	29 December 2012 (UE No. 1255/2012)	1° January 2013
Adoption of IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	29 December 2012 (UE No. 1255/2012)	1° January 2013
Modification to IAS 12 Income Taxes - Deferred Tax: Recovery of Underlying Assets	29 December 2012 (UE No. 1255/2012)	1° January 2013
Modification to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	29 December 2012 (UE No. 1256/2012)	1° January 2013
Adoption of IFRS 10 Consolidated Financial Statements	29 December 2012 (UE No.1254/2012)	1° January 2014
Adoption of IFRS 11 Joint Arrangements	29 December 2012 (UE No. 1254/2012)	1° January 2014
Adoption of IFRS 12 Disclosure of Interests in Other Entities	29 December 2012 (UE No. 1254/2012)	1° January 2014
Adoption of IAS 27 Separate Financial Statements	29 December 2012 (UE No. 1254/2012)	1° January 2014
Adoption of IAS 28 Investment in Associates and Joint Ventures	29 December 2012 (UE No.1254/2012)	1° January 2014

Any impacts on the 2013 Financial Statements generated by the application of the new international accounting standards are currently being assessed.

Section 2 - General preparation principles

The financial statements consist of the Balance sheet, the Income Statement, the Statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the note to the financial statements, accompanied by the Directors' Report on operations, on the performance achieved and on the financial and cash position of the Bank.

In accordance with Article 5 of Legislative Decree No. 38/2005, the Euro has been used as the reporting currency in the preparation of the financial statements. The amounts in the Financial Statements are expresses in Euro units, whereas those in the tables in the Note and in the management report, are expresses in thousands of Euro.

These financial statements have been prepared in accordance with IAS 1 and the specific accounting standards endorsed by the European Commission and described in Part A.2 of these notes, as well as with the general assumptions contained in the "Framework for the Preparation and Presentation of Financial Statements" by the IASB.

No exceptions were made in applying the IASs/IFRSs.

It is believed that the Bank shall continue to operate in the foreseeable future. Therefore, the financial statements as at 31 December 2012 have been accordingly prepared on a going-concern basis.

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

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

The financial statements and the Note also contain comparative figures for the year ended as at 31 December 2011, as well as the figures for the year being reported.

Specifically, as reported in Section 4 - Other aspects, the data as at 31 December 2011 were restated subsequent to the final allocation of the cost of the business combination provisionally recognized in 2011 pursuant to IFRS 3.

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

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

By their very nature, the estimates and assumptions used may vary from year to year. The present amounts recognized in the financial statements may therefore differ, perhaps significantly, in future periods due to changes in the subjective assessments used.

The main areas in which subjective assessments by management are required are as follows:
- quantifying impairment losses for loans and receivables and, in general, other financial assets;
- determining the fair value of the financial instruments to be used for financial reporting purposes;
- using measurement models to determine the fair value of financial instruments that are not listed on active markets;
- assessing the adequacy of the value of goodwill and other intangible assets;
- quantifying staff expenses and provisions for liabilities and contingencies;
- making estimates and assumptions concerning the recoverability of deferred tax assets.

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

Contents of the financial statements

BALANCE SHEET AND INCOME STATEMENT

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

The value of treasury shares is deducted from equity.

No equity instruments other than ordinary shares have been issued.

STATEMENT OF CASH FLOWS

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

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

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

Contents of the Note to the Financial Statements

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

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

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

Section 3 - Events subsequent to the reporting date

From the end of 2012 to the approval of this report, no event that could significantly change Cariparma structures occurred.

On 7 January 2013, the Bank of Italy started an inspection of the three Group Banks concerning the coverage ratio of impaired loans; consistently with similar measures that have concerned the entire Italian banking sector, this inspection aimed at verifying the health of the loan portfolio of the leading Italian banks.

The outcomes of this inspection have been reported in the Annual Report and Financial Statements of the three Banks.

Section 4 - Other aspects

Definition of the process for the allocation of the cost of the business combination provisionally recognized in 2011

In 2012, the price of the business combination made in 2011 was defined (this business combination was the transfer of 81 branches by the Intesa SanPaolo Group).

The provisional allocation of the acquisition price, made in 2011, was also changed due to the recognition of some contingent liabilities.

The relevant accounting standard indeed allows contingent liabilities taken subsequent to the business combination to be identified upon acquisition, granted that such liabilities result from current obligations deriving from past events and the relevant fair value can be reliably measured.

In accordance with the above, pursuant to IFRS 3, the comparative figures were recalculated as if the effects of the final allocation of the acquisition cost were effective since the date of finalization of the business combinations.

As at 31 December 2011, the effects on equity were the following:

Equity for the period (As from financial statements 31.12.2011)	4,153,853
CHANGES OF ASSETS	**11,256**
Loans to banks [Item 60.]	5,600
Loans to customers [Item 70.]	-1,264
Intangible assets [Item 120.]	-66,910
Tax assets - deferred [Item 130. b)]	6,666
Other Assets [Item150.]	67,164
CHANGES OF LIABILITIES	**11,256**
Other liabilities [Item 100.]	-8,404
Provisions for liabilities and contingencies - other provisions [Item 120. b)]	19,660
Shareholders Equity (at 31.12.2011 restated)	**4,153,853**

It is also reported that the restatement of comparative data produced no effect on the profit for the year as at 31 December 2011.

Business combinations and other corporate transactions

In the year, some extraordinary intra-group business combinations were carried out, having, for their intra-group nature, no effect on the consolidated financial statements; these transactions consisted in the transfer of business branches between companies in the Cariparma Crédit Agricole Group (common control transactions). Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the financial statements of the companies involved on the basis of continuity of proprietary interest, without recognizing any effects.

In 2012, in a perspective of rationalization and development of the Group's core business, the entire equity investment held by the Parent Company in Crédit Agricole Vita S.p.A. was transferred to the majority shareholder Crédit Agricole Assurances.

Securitization

In 2012, the Parent Company carried out a "self- securitization" transaction for the purpose of creating additional eligible assets available at the European Central Bank, in order to have liquidity reserves .

The structure of the transaction envisaged that Cariparma would transfer to MondoMutui Cariparma S.r.l. ("vehicle company" established for this purpose under Law 130/1999)1 the receivables deriving from performing landed-property loan contracts secured by mortgage of first economic degree, originated and already granted by Cariparma.

The Parent Company, in turn, fully subscribed the securities issued by the "special-purpose entity"; the "senior" tranche, accepted for trading at the Luxembourg stock exchange, is considered a reserve of liquidity as it can be used, when needed, for open market transaction with the ECB or used as collateral with the same bank.

This transaction did not entail derecognition of the above receivables, as it was an internal securitization transaction.

Auditing

The consolidated financial statements were audited by Reconta Ernst & Young S.p.A, in accordance with the resolution passed by the General Shareholder Meeting on 23 April 2012, whereby this firm was appointed for the period 2012-2020.

[1] This transaction was essentially in line with the similar one made in 2009..

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

1. Financial assets held for trading

Classification

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

Recognition

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

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

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

Measurement

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

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

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

Derecognition

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

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

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

2. Financial assets available for sale

Classification

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

In addition to bonds that are not held for trading and are not classified as "Assets held to maturity" or as "Loans and receivables", this item includes equity investments that are not held for trading and do not amount to subsidiaries, associates or joint ventures, including private equity and private equity funds investments, as well as the share of syndicated loans subscribed that have been held for sale since inception.

Recognition

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

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

Measurement

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

Fair value is determined using the criteria already reported for "Financial Assets held for trading".

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

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

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

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

Where the reasons for impairment should cease to exist subsequent to 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 recorded in equity.

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

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

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

Derecognition

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

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

Finally, financial assets sold are derecognized 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 is reclassified under “Financial Assets available for sale”.

Recognition

Financial assets are initially recognized at the settlement date.

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

Measurement

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

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

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

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

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

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

Derecognition

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

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

Finally, financial assets sold are derecognized 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 initial amount and the maturity amount (usually relating to costs and revenues directly attributable to the individual position). The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the loan in respect of principal and interest to the amount disbursed including costs and revenues attributable to the loan. This accounting treatment, using a financial logic, allows the cost/revenue economic impact to be distributed over the expected remaining life of the loan.

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

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

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

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

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

The writedown is recognized in the Income Statement.

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

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

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. As shown in part E of the Note to the Financial Statements, this is performed by category of loans with uniform credit risk profiles, while the related loss percentages are based on the probability of default (PD) and Loss Given Default (LGD) observable at the date of measurement which allow an estimation of any latent impairment loss. This measurement also takes into account the risks associated with the counterparty's country of residence.

Collective impairment losses are taken to the income statement.

In Part E of the 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 carried at fair value

The Bank has not exercised the fair value option. In other words, it has not opted to measure financial assets at fair value, taking any change in such value to the income statement, with the exception of financial assets for which IAS 39 provides for fair value measurement owing to their specific functional purpose. Therefore, only financial assets classified in the trading book, subject to fair value hedging and fair value hedging derivatives are measured at fair value and the results of this measurement are recognized in the income statement.

6. Hedging

Types of hedges

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

The following types of hedges can be 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;
- cash flow hedged: these are used to hedge exposures to changes in future cash flows from assets and liabilities recognized in the Financial Statement, from irrevocable commitments. This type of hedge is used to stabilize interest on floating-rate funding to the extent the latter finances fixed rate lending;
- these are used to hedge risks of an investment in a foreign operation denominated in a foreign currency.

Measurement

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

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

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

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

Effectiveness is assessed at the end of each financial year, or interim period, using:
- prospective tests, which justify the application of hedge accounting, since they demonstrate the expected effectiveness of the hedge;
- retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how much the actual results have moved away from perfect hedging.

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

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

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

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

7. Equity investments

Classification

This item includes interests in subsidiaries, associates and joint ventures.

Subsidiaries are companies in which the Company, directly or indirectly, holds more than half of the voting rights or when, even with a lower percentage of voting rights, the Bank has the power to appoint the majority of directors of the investee company or to determine the financial and operating policies of the same. In determining the amount of voting rights, "potential" voting rights that can be exercised or converted into effective voting rights at any time by the Parent Company are included.

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

Associates are companies in which the Bank exercises a significant influence, holding, either directly or indirectly, at least 20% of the voting rights (including «potential» voting rights as defined above) or having the power to participate in determining its financial and operating policies, despite holding less than 20% of the voting rights , through specific legal ties such as being party to a shareholders' agreement.

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

Recognition

Equity investments are recognized at the settlement date. Equity investments are initially recognized at cost.

Measurement

Equity investments are measured at cost, adjusted for any impairment losses. Where there is evidence that the value of an equity investment may be impaired, its recoverable value is determined, taking into account the present value of future cash flows that the shareholding could generate, including its value upon disposal.

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

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

Derecognition

Equity investments are derecognized when the contractual rights to the cash flows generated by the assets expire, or when substantially all the risks and rewards connected with the ownership of the equity are transferred.

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.

This item includes leases assets provided that the lessor retains legal title on them.

Recognition

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

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

Measurement

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

Property, plant and equipment 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
Other investment property - other	
- Other	33 years
- property of artistic value	No depreciation
Furniture, fittings, alarm systems and vehicles	From 4 to 10 years
Computers and electronic equipment	From 3 to 10 years
Works of art	No depreciation

Property items are depreciated at a rate based on a useful life considered to appropriately represent the deterioration of the assets in over time due to use, taking into account any extraordinary maintenance expenses, which increase the value of the assets, and ordinary maintenance expenses, which maintain the value of the assets for longer periods of time. Tests are however periodically performed to measure the assets’ remaining useful life.
The following assets are not depreciated:

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

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

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

Derecognition

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

9. Intangible Assets

Classification

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

Recognition and measurement

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

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

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

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

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

The useful life of intangible assets representing relations with customers has been set at 15 years, based on the time series available on the rate of customer turnover in the retail segment.

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

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

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

Derecognition

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

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

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

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

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

11. Current and Deferred Taxes

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

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

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

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

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

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

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

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

12. Provisions for liabilities and contingencies

Retirement and similar liabilities

The company pension plans, created pursuant to corporate agreements, qualify as “defined-benefit plans”. The liability in respect of these plans and the relative social security costs for current service are determined on an actuarial basis by applying the projected unit credit method. Under this method, future outlays are projected based on analyses of time series and the demographic curve, as well as the discounting of such flows using a market interest rate, as set forth in the relevant tables in the notes to the financial statements.

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

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

15. Financial Liabilities carried at fair value

Cariparma has not exercised the fair value option. In other words, it has not opted to measure financial liabilities at fair value, taking the result of such measurement to the income statement, with the exception of financial liabilities for which IAS 39 provides for fair value measurement owing to their specific functional purpose. Therefore, only financial liabilities held in the trading book, those subject to fair value hedging and derivative hedging contracts are recognized at fair value with recognition of the result of measurement to the Income Statement.

16. Foreign currency transactions

Initial recognition

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

Subsequent measurement

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

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

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

17. Other information

Leases

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

Cariparma has signed operating lease contracts - as lessee - for cars and other capital goods. The payments associated with these operating lease contracts have been recognized in the income statement on a straight-line basis over the duration of the contract.

Cariparma has no finance lease contracts currently active.

Insurance Assets and Liabilities

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

Treasury shares

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

Leasehold improvements

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

Employee severance benefits

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

Therefore, with reference to the defined benefit scheme component the benefit cost is calculated separately for each scheme using the actuarial unitary credit projection method. Under this method, future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

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

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

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

Provisions for guarantees and commitments

Financial guarantee liabilities issued by Cariparma are contracts requiring a payment to refund the holder of a loss following the default of a specific debtor in making the payment due at the set maturity date based on the contract clauses of the debt instrument. Financial guarantee contracts are initially recognised as liabilities at fair value, increased by the transaction expenses that can be directly attributed to the guarantee issue. Later, liabilities are measured as the higher between the best estimate of the cost required to meet the actual obligation as at the financial statement date and the amount initially recognised after deducting the accrued amortization. These guarantees are recognized under "Other Liabilities", pursuant to the above-mentioned Bank of Italy Circular letter No. 262/2005.

Share-based payments

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

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

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

Revenue recognition

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

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

Method for determining fair value

Fair value is the amount for which an asset (or a liability) could be transferred in a transaction between unrelated parties having a reasonable knowledge of the market conditions and of important facts concerning the asset or liability being traded. Underlying the definition of fair value is the assumption that an entity is a going concern without any need to liquidate or significantly downscale its operations, or to undertake a transaction on adverse terms. The fair value reflects the instrument's credit quality as it incorporates counterparty risk.

Financial Instruments

Fair value is determined using prices from financial markets in the case of financial instruments listed in active markets, or using internal measurement 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, 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 internal deemed appropriate, are all considered as listed in an active market meeting the above requirements. Finally, hedge funds are also treated as quoted in an active market if they provide for a monthly liquidation of units or, where this is not envisaged, if they can be liquidated in a period of no more than four months. Otherwise, all securities, derivatives and hedge funds that do not belong to the above categories are not considered as quoted in 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 period of reference.

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

Where there is no active, liquid market, the fair value of financial instruments is defined mainly by using standard 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, to the time value of money and to risk-free rates.

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

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

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

For available-for-sale loan assets and for loan assets and liabilities recognized at cost or at amortized cost, the fair value for recognition purposes or reported in the Note to the Financial Statements is determined using the following method:
- medium- and long-term assets and liabilities are primarily measured by discounting future cash flows. Future cash flow discount has been defined based on a risk-neutral approach, i.e. using a risk-free interest rate and adjusting contractual future cash flows to take into account the counterparty's credit risk, represented by Probability of Default (PD) and Loss Given Default (LGD);
- a good approximation of the fair value of demand, short-term or floating-rate assets and liabilities is represented by the initial book value, net of collective or individual writedowns;
- the initial book value of floating-rate and short-term fixed-rate securities is deemed a reasonable approximation of the fair value, due to the fact that it reflects both the change in rates and the measurement of the credit risk associated with the issuer. An analogous approach is applied for the fair value measurement of medium-/long-term fixed-rate securities and structured securities that are hedged for interest rate risk, for which the book value determined for hedge accounting purposes already takes into account interest rate risk measurement. For the latter, in determining the fair value reported in the note to the financial statements, changes in their credit spread were not taken into account, given that they are immaterial.

Non-financial assets

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

Method for calculating amortized cost

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

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability.

To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

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

Amortized cost is calculated for loans and receivables, financial assets held to maturity financial assets available for sale, debt and securities issued.

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

Transaction costs are incremental internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument that cannot be charged to the customer. These commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for retrocession, failure to use a credit line, early repayment, underwriting, facility and arrangement.

In addition, not considered in the amortized cost calculation are the costs that the Bank would sustain independently of the transaction (for example, administrative costs, recording and communication expenses), nor those that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as commissions for services collected for the completion of Structured Finance operations, which would however have been collected independently of the subsequent financing of the transaction (such as, for example, arrangement commissions).

With specific reference to loans, costs attributable to the financial instrument include commission paid to distribution channels, fees paid for advice/assistance to the organization and/or participation in syndicated loans, expenses borne for loans acquired by subrogation and, finally, up-front commissions relating to loans granted at a higher-than-market rates; while the revenues considered in the calculation of amortized cost are up-front commissions relating to loans granted at lower-than-market rates, commissions for participation in syndicated transactions and brokerage fees linked to commissions paid by intermediation companies.

As to securities not classified as held for trading, transaction costs include commissions on contracts with stockbrokers operating in Italian markets, commissions paid to intermediaries operating in foreign stock and bond markets based on a prepared schedule of commissions. The amortized cost does not include stamp duties, as these are deemed immaterial.

With regard to securities issued, amortized cost is calculated taking into account commission for placing debenture loans paid to third parties, legal expenses, fees paid to stock exchanges and fees paid to auditors for work done on each individual issue, while the amortized cost excludes commissions paid to rating agencies, legal and advice/revision expenses for the annual update of prospectuses, expenses for the use of indexes and commissions that arise during the life of the debenture loan issued.

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

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

Methods for determining impairment losses

Financial assets

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

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

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

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

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

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

Loans for which no individual objective evidence of impairment has been found undergo collective impairment testing. To this end performing loans are subdivided into categories with uniform credit risk profile, referred to as “rating classes”, and the scope of application is defined by identifying “sensitive” loans, considered as loans that implicitly include the possibility of incurred losses.

The collective impairment value of sensitive loans is, therefore, calculated applying the percentage expressing the probability of default assigned to the rating class, considering also the residual life of the loan (maturity) and the loss given default rate, defined in a perspective of Basel 2 prudential supervision. The loss given default rate is, moreover, further corrected by a sector coefficient, established based on the run-off rates published by the Bank of Italy. The impairment loss measurement also takes into account the risk associated with the counterparty’s country of residence.

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

Please, see the relevant section of the Note for information on measurement methods used to calculate fair value.

Other non-financial assets

Property, plant and equipment and intangible assets with definite useful life undergo impairment testing if there is evidence that the book value of the asset can no longer be recovered.

The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent from those generated by other assets or groups of assets.

If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently written down to the recoverable value.

The recoverable value is determined with reference to the fair value of the property, plant and equipment asset or intangible asset net of divestment expenses or to the use value, if it can be determined and is higher than the fair value.

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

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

Method for preparing segment reporting

IFRS 8 requires the Bank to present segment reporting.

The sectors of economic activity included in segment reporting are determined based on the Bank's organisational and management structure.

The Bank's business segments are:
- Retail + Private Banking;
- Corporate/Enterprises
- other.

For segment reporting purposes, management figures, suitably reconciled with Financial Statement figures, have been used.

For the methods used for the impairment testing of goodwill, reference is made to paragraph 12.3.

» A3 FAIR VALUE REPORTING

A.3.1 Inter-portfolio transfers

In 2012 no inter-portfolio transfers were made.

A.3.2 Fair value hierarchy

Classification of financial instruments

Asset securities

Level 1

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

Level 2

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

Level 3

All securities measured on non-observable market bases.

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

Liability securities

Level 1

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

Level 2

All securities measured with the Bank's standard pricing models, whose parameters are observable directly on the market.

Level 3

All securities measured on non-observable market bases.

Listed derivatives

Level 1

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

OTC derivatives

Level 2

All securities measured using the Bank's standard internal pricing models, whose parameters can be observed directly on the market.

Level 3

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

A.3.2.1 Accounting portfolios: breakdown by fair value level

Financial assets/liabilities carried at fair value	31.12.2012			31.12.2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets held for trading	85	226,873	57,268	248	204,114	66,812
2. Financial assets carried at fair value	-	-	-	-	-	-
3. Financial assets available for sale	2,969,701	-	134,208	2,574,734	-	131,220
4. Hedging derivatives	-	938,120	-	-	599,074	3,383
Total	**2,969,786**	**1,164,993**	**191,476**	**2,574,982**	**803,188**	**201,415**
1. Financial liabilities held for trading	11	230,209	57,745	14	199,391	68,567
2. Financial Liabilities carried at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	241,114	-	-	130,680	-
Total	**11**	**471,323**	**57,745**	**14**	**330,071**	**68,567**

A.3.2.2 Annual changes in financial assets measured at fair value (level 3)

	Financial assets			
	Held for trading	Carried at fair value	Available for sale	Hedging
1. Opening balance	**66,812**	**-**	**131,220**	**3,383**
2. Increases	**5,237**	**-**	**7,505**	**-**
2.1 Purchases	140	-	6,001	-
2.2 Profits recognized in:	-	-	-	-
2.2.1 Income Statement	5,097	-	207	-
- of which: Capital gains	5,097	-	-	-
2.2.2 Shareholders' equity	X	X	406	-
2.3 Transfers from other categories	-	-	-	-
2.4 Other increases	-	-	891	-
3. Decreases	**14,781**	**-**	**4,517**	**3,383**
3.1 Sales	206	-	3,108	-
3.2 Redemptions	7,301	-	-	-
3.3 Losses recognized in:	-	-	-	-
3.3.1 Income Statement	7,274	-	1,406	-
- of which Capital losses	7,274	-	1,404	-
3.3.2 Shareholders' equity	X	X	3	-
3.4 Transfers to other categories	-	-	-	3,383
3.5 Other decreases	-	-	-	-
4. Final inventories	**57,268**	**-**	**134,208**	**-**

A.3.2.3 Annual changes in financial liabilities measured at fair value (level 3)

	Financial liabilities		
	Held for trading	Carried at fair value	Hedging
1. Opening balance	**68,567**	**-**	**-**
2. Increases	**3,116**	**-**	**-**
2.1 Issues	-	-	-
2.2 Losses recognized in:	-	-	-
2.2.1 Income Statement	3,116	-	-
- of which Capital losses	3,116	-	-
2.2.2 Shareholders' equity	X	X	-
2.3 Transfers from other categories	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**13,938**	**-**	**-**
3.1 Redemptions	7,340	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognized in:	-	-	-
3.3.1 Income Statement	6,598	-	-
- of which capital gains	6,598	-	-
3.3.2 Shareholders' equity	X	X	-
3.4 Transfers to other categories	-	-	-
3.5 Other decreases	-	-	-
4. Final inventories	**57,745**	**-**	**-**

A.3.3 Disclosure on day-one profit/loss

Item not relevant for Cariparma.

Part B Information on the balance sheet

ASSETS

Section 1 - Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: composition

	31.12.2012	31.12.2011
a) Cash	194,828	167,476
b) Demand deposits with Central Banks	-	680,000
Total	**194,828**	**847,476**

Section 2 - Financial assets held for trading - Item 20

2.1 Financial assets held for trading: Composition by type

Items/Amounts	31.12.2012			31.12.2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A On-Balance-Sheet Assets						
1. Debt securities	19	63	39	235	14	40
1.1 Structured Securities	-	-	-	3	-	-
1.2 Other debt securities	19	63	39	232	14	40
2. Equity securities	-	-	-	-	-	17
3. Units in collective investment undertakings	-	-	27	-	9,311	116
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	**19**	**63**	**66**	**235**	**9,325**	**173**
B Derivatives						
1. Financial Derivatives	66	226,810	57,202	13	194,789	66,639
1.1 trading	66	226,810	57,202	13	194,789	66,639
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	**66**	**226,810**	**57,202**	**13**	**194,789**	**66,639**
Total (A+B)	**85**	**226,873**	**57,268**	**248**	**204,114**	**66,812**

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

Items/Amounts	31.12.2012	31.12.2011
A. On-balance-sheet assets		
1. Debt securities	**121**	**289**
a) Governments and central banks	4	9
b) Other public entities	-	-
c) Banks	101	261
d) Other issuers	16	19
2. Equity securities	**-**	**17**
a) Banks	-	17
b) Other issuers:	-	-
- insurance companies	-	-
- financial companies	-	-
- non-financial companies	-	-
- other	-	-
3. Units in collective investment undertakings	**27**	**9,427**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total A	**148**	**9,733**
B. Derivatives		
a) Banks	-	-
- fair value	99,123	108,977
b) Customers	-	-
- fair value	184,955	152,464
Total B	**284,078**	**261,441**
Total (A+B)	**284,226**	**271,174**

The OICR (Collective Investment Undertaking) item mainly consisted of share funds.

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

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**290**	**17**	**9,427**	**-**	**9,734**
B. Increases	**1,012,379**	**504**	**518**	**-**	**1,013,401**
B1. Purchases	1,010,048	504	440	-	1,010,992
B2. Fair Value gains	3	-	-	-	3
B3. Other changes	2,328	-	78	-	2,406
C. Decreases	**1,012,548**	**521**	**9,918**	**-**	**1,022,987**
C1 Sales	1,012,490	499	9,900	-	1,022,889
C2. Redemptions	-	-	-	-	-
C3. Fair Value losses	1	22	18	-	41
C4 Transfers to other portfolios	-	-	-	-	-
C5. Other changes	57	-	-	-	57
D. Closing balance	**121**	**-**	**27**	**-**	**148**

Rows B3. and C5. include profits and losses from trading, accrued income on the differences between issue prices and nominal values and on coupon interests, effects resulting from exchange rate fluctuations. Any initial technical overdrafts are reported in row C5. and final ones in row B3.

Section 4 - Financial assets available for sale - Item 40

4.1 Financial assets available for sale: composition by type

	31.12.2012			31.12.2011		
Items/Amounts	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Debt securities	**2,969,041**	**-**	**48,826**	**2,574,538**	**-**	**48,420**
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	2,969,041	-	48,826	2,574,538	-	48,420
2. Equity securities	**660**	**-**	**85,382**	**196**	**-**	**80,912**
2.1 Carried at Fair Value	660	-	18,662	196	-	16,892
2.2 Carried at cost	-	-	66,720	-	-	64,020
3. Units in collective investment undertakings	**-**	**-**	**-**	**-**	**-**	**1,888**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**2,969,701**	**-**	**134,208**	**2,574,734**	**-**	**131,220**

The main equity securities carried at cost are: Bank of Italy (book value Euro 63,447,591.60, whose fair value is equal to the cost, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed); Cattleya S.r.l. (book value Euro 2,400,000.00, whose fair value is equal to the cost, since there is no market, not even a secondary one, and the standard measurement methods cannot be used due to the specific operations performed); CA Fiduciaria S.p.A. (book value €300,000.00, whose fair value is equal to the cost, since it is a newly-incorporated company), Consorzio Agrario Provinciale di Parma (book value €572,000.00, whose fair value is equal to the historic cost because there is no distribution of profits, due to their co-operative company status, and in case of settlement only the share capital is refunded) and Consorzio Agrario Provinciale Piacenza Scrl. (book value €453.26, whose fair value is equal to the historic cost because there is no distribution of profits, due to their co-operative company status, and in case of settlement only the share capital is refunded) and Cariparma OBG S.r.l. (book value Euro 400.00, whose fair value is the historical cost, since, as at 31 December 2012 the company was dormant).

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

Items/Amounts	31.12.2012	31.12.2011
1. Debt securities	**3,017,867**	**2,622,958**
a) Governments and central banks	2,969,041	2,574,538
b) Other public entities	-	-
c) Banks	-	-
d) Other issuers:	48,826	48,420
2. Equity securities	**86,042**	**81,108**
a) Banks	63,447	63,448
b) Other issuers	22,595	17,660
- insurance companies	-	-
- financial companies	507	243
- non-financial companies	22,088	17,417
- other	-	-
3. Units in collective investment undertakings	**-**	**1,888**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total	**3,103,909**	**2,705,954**

4.3 Micro-hedged financial assets available-for-sale (hedged specifically)

At the end of 2012, there were €2,156 million worth of securities covered by specific hedge for interest rate risk and €125 million worth of securities covered by specific hedge for price risk.

4.4 Financial assets available for sale: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**2,622,958**	**81,108**	**1,888**	**-**	**2,705,954**
B. Increases	**602,945**	**5,994**	**2,157**	**-**	**611,096**
B1. Purchases	100,952	5,691	915	-	107,558
B2. Fair value gains	429,465	-	-	-	429,465
B3. Writebacks	-	162	1,242	-	1,404
- recognized through income statement	-	X	-	-	-
- recognized through equity	-	162	1,242	-	1,404
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	72,528	141	-	-	72,669
C. Decreases	**208,036**	**1,060**	**4,045**	**-**	**213,141**
C1 Sales	128,301	755	2,287	-	131,343
C2. Redemptions	-	-	-	-	-
C3. Fair Value losses	-	143	513	-	656
C4. Writedowns for impairment	-	162	1,242	-	1,404
- recognized through income statement	-	162	1,242	-	1,404
- recognized through equity	-	-	-	-	-
C5 Transfers to other portfolios	-	-	-	-	-
C6. Other changes	79,735	-	3	-	79,738
D. Closing balance	**3,017,867**	**86,042**	**-**	**-**	**3,103,909**

Rows B5. and C6. include profits and losses from realization, accrued income on the differences between issue prices and nominal values and on coupon interests.

Section 6 - Loans to Banks - Item 60

6.1 Loans to banks: composition by type

Type of transactions/Amounts	31.12.2012	31.12.2011 (*)
A. Claims on central banks	**691,848**	**151,169**
1. Fixed-term deposits	-	-
2. Reserve requirement (°)	691,848	151,169
3. Repurchase agreements	-	-
4. Other	-	-
B. Loans to banks	**4,045,892**	**5,320,175**
1. Current accounts and demand deposits	206,111	304,963
2. Fixed-term deposits	2,526,250	3,120,198
3. Other financing:	63,473	237,328
3.1 Repurchase agreements	26,796	224,560
3.2 Finance lease	-	-
3.3 Other	36,677	12,768
4. Debt securities	1,250,058	1,657,686
4.1 Structured Securities	-	-
4.2 Other debt securities	1,250,058	1,657,686
Total (book value)	**4,737,740**	**5,471,344**
Total (fair value)	**4,737,498**	**5,471,722**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

(°) It is specified that the balance of the Statutory Reserve amounted to €172,688 thousand. As at 31 December 2012, other additional liquidity reserves amounting to Euro 519,160 thousand were held at the Central Bank, as eligible assets for refinancing.

6.2 Loans to banks covered by specific hedge

At the end of 2012 there were no loans to banks covered by specific hedge.

6.3 Finance leases

At the end of 2012 there were no loans to banks resulting from finance lease transactions.

Section 7 - Loans to Banks - Item 70

7.1 Loans to customers: composition by type

	31.12.2012			31.12.2011 (*)		
		Impaired			Impaired	
Type of transactions/Amounts	Performing	Purchased	Other	Performing	Purchased	Other
1. Current accounts	3,265,887	-	232,575	3,648,581	-	177,683
2. Repurchase agreements	-	-	-	-	-	-
3. Mortgage loans	17,492,748	-	795,305	17,260,245	-	763,269
4. Credit cards, personal loans and loans repaid by automatic deductions from wages	518,705	-	24,450	601,053	-	22,274
5. Finance leases	-	-	-	-	-	-
6. Factoring	-	-	-	-	-	-
7. Other transactions	4,019,681	-	139,776	3,487,193	-	94,616
8. Debt securities	5,039	-	-	5,062	-	-
8.1 Structured Securities	-	-	-	-	-	-
8.2 Other debt securities	5,039	-	-	5,062	-	-
Total (book value)	**25,302,060**	**-**	**1,192,106**	**25,002,134**	**-**	**1,057,842**
Total (fair value)	**25,757,497**	**-**	**1,192,106**	**25,336,178**	**-**	**1,057,842**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

7.2 Loans to customers: composition by type

	31.12.2012			31.12.2011 (*)		
		Impaired			Impaired	
Type of transactions/Amounts	Performing	Purchased	Other	Performing	Purchased	Other
1. Debt securities:	**5,039**	**-**	**-**	**5,062**	**-**	**-**
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other issuers	5,039	-	-	5,062	-	-
- non-financial companies	5,039	-	-	5,062	-	-
- financial companies	-	-	-	-	-	-
- insurance undertakings	-	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans to:	**25,297,022**	**-**	**1,192,105**	**24,997,073**	**-**	**1,057,842**
a) Governments	5,093	-	7	286	-	6
b) Other public entities	124,254	-	1	135,667	-	1
c) Other	25,167,675	-	1,192,097	24,861,120	-	1,057,835
- non-financial companies	11,905,779	-	799,228	12,949,615	-	609,696
- financial companies	2,812,167	-	33,357	2,033,425	-	32,856
- insurance undertakings	15,784	-	1	6,218	-	1
- other	10,433,945	-	359,511	9,871,862	-	415,282
Total	**25,302,061**	**-**	**1,192,105**	**25,002,135**	**-**	**1,057,842**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

7.3 Loans to customers subject to specific hedge/micro hedge

At the end of 2012 there were no micro-hedged loans to banks, i.e. subject to specific hedging.

7.4 Finance leases

At the end of 2012 there are no loans to customers resulting from finance lease transactions.

Section 8 - Hedging derivatives - Item 80

8.1 Hedging derivatives: composition by type of hedge and levels

	Fair Value 31.12.2012			Notional value 31.12.2012	Fair Value 31.12.2011			Notional value 31.12.2011
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial Derivatives	**-**	**938,120**	**-**	**11,956,341**	**-**	**599,074**	**3,383**	**9,976,949**
1) Fair value	-	938,120	-	11,956,341	-	599,074	3,383	9,976,949
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**938,120**	**-**	**11,956,341**	**-**	**599,074**	**3,383**	**9,976,949**

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

Transactions/Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific					Generic	Specific	Generic	
	interest rate risk	exchange rate risk	credit risk	price risk	multiple risks				
1. Financial assets available for sale	1,742	-	-	-	-	X	-	X	X
2. Loans and receivables	2,528	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other transactions	X	X	X	X	X	X	X	X	-
Total Assets	**4,270**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	933,850	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	-	-	-	X
Total liabilities	**933,850**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

The «Hedging Derivatives» item referring to financial liabilities consisted of €389,157 thousand for hedging own bonds issued and €544,693 thousand referring to generic hedging (macrohedging) of fixed-rate demand deposits.

Section 9 - Adjustment of financial liabilities hedged generically - Item 90

9.1 Adjustment of hedged assets: composition by hedged portfolio

Value adjustments of hedged assets	31.12.2012	31.12.2011
1. Positive adjustment	**3,092**	**2,239**
1.1 of specific portfolios:	3,092	2,239
a) loans	3,092	2,239
b) financial assets available for sale	-	-
1.2 total	-	-
2. Negative adjustment	**-**	**-**
2.1 of specific portfolios:	-	-
a) loans	-	-
b) financial assets available for sale	-	-
2.2 total	-	-
Total	**3,092**	**2,239**

9.2 Assets macro-hedged for interest rate risk

Type of transactions/Amounts	31.12.2012	31.12.2011
Financial assets	**69,505**	**75,019**

Section 10 - Equity investments - Item 100

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

Name	Registered office	% holding	% of votes
A. Exclusively-controlled companies			
Banca Popolare Friuladria SpA	Pordenone	80.17	
Crédit Agricole Leasing Italia - Calit S.r.l.	Milano	85.00	
Cassa di Risparmio della Spezia S.p.A.	La Spezia	80.00	
Sliders S.r.l.	Milano	100.00	
B. Joint ventures		-	
not present			
C. Companies subject to significant influence			
CA - Agroalimentare S.p.A.	Parma	26.32	
MondoMutui Cariparma S.r.l.	Milano	19.00	

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

Name	Total Assets	Total Revenue	Profit (loss)	Equity	Book value	Fair value
A. Exclusively-controlled companies	**12,830,959**	**614,477**	**47,561**	**885,560**	**1,260,111**	
Banca Popolare Friuladria SpA	8,319,714	423,796	44,041	639,155	917,308	X
Crédit Agricole Leasing Italia - Calit S.r.l.	2,033,557	61,910	-4,653	59,605	64,743	X
Cassa di Risparmio della Spezia S.p.A.	2,462,655	128,769	8,187	186,805	278,060	X
Sliders S.r.l.	15,033	2	-14	-5	-	X
B. Joint ventures	**-**	**-**	**-**	**-**	**-**	
not present						X
C. Companies subject to significant influence	**92,951**	**418**	**-920**	**92,541**	**12,502**	**-**
CA - AgroAlimentare S.p.A.	92,937	375	-920	92,529	12,500	-
MondoMutui Cariparma S.r.l.	14	43	-	12	2	-
Total	**12,923,910**	**614,895**	**46,641**	**978,101**	**1,272,613**	**-**

The results shown are taken from the last approved financial statements of each company.

The fair value of equity investments in companies subject to significant influence has not been set forth since none of these companies is listed.

10.3 Equity investments: changes for the period

	31.12.2012	31.12.2011
A. Opening balance	**1,510,221**	**1,147,792**
B. Increases	**11,090**	**412,529**
B.1 Purchases	11,090	412,529
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4. Other changes	-	-
C. Decreases	**248,698**	**50,100**
C.1 Sales	169,883	-
C.2 Writedowns	68,875	50,100
C.3. Other changes	9,940	-
D. Closing balance	**1,272,613**	**1,510,221**
E. Total Revaluation	**-**	**-**
F. Total writedowns	**-**	**-**

10.4 Commitments in respect of subsidiaries

At the end of 2012, there were commitments to the company Sliders S.r.l. for an amount of €15 thousand.

10.6 Commitments in respect of companies subject to significant influence

At the end of 2012, the remaining commitment to the company CA Agro-Alimentare amounted to €12.5 million.

Section 11 - Property, plant and equipment - Item 110

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

Assets/Amounts	31.12.2012	31.12.2011
A. Operating assets		
1.1 owned	**274,797**	**279,878**
a) land	72,352	72,352
b) buildings	163,162	165,896
c) furnishing	9,696	11,384
d) electronic equipment	3,616	2,979
e) other	25,971	27,267
1.2 acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furnishing	-	-
d) electronic equipment	-	-
e) other	-	-
Total A	**274,797**	**279,878**
B. Investment property		
2.1 owned	**7,432**	**7,994**
a) land	2,884	2,902
b) buildings	4,548	5,092
2.2 acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
Total B	**7,432**	**7,994**
Total (A+B)	**282,229**	**287,872**

11.3 Operating property, plant and equipment: changes for the period

	Land	Buildings	Furnishing	Electronic equipment	Other	Total
A. Opening gross balance	**72,352**	**293,882**	**64,846**	**38,434**	**139,907**	**609,421**
A.1 Total net writedowns	-	127,986	53,462	35,455	112,640	329,543
A.2 Opening net balance	72,352	165,896	11,384	2,979	27,267	279,878
B. Increases:	**-**	**3,683**	**2,190**	**2,957**	**8,859**	**17,689**
B.1 Purchases (*)	-	-	2,190	2,957	8,859	14,006
B.2 Capitalized improvement costs	-	3,683	-	-	-	3,683
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:	**-**	**6,417**	**3,878**	**2,320**	**10,155**	**22,770**
C.1 Sales (§)	-	-	550	47	102	699
C.2 Depreciation (°)	-	6,287	3,205	2,232	9,871	21,595
C.3 Writedowns for impairment recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Fair Value losses recognized in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) investment property	-	-	-	-	-	-
b) discontinuing operations	-	-	-	-	-	-
C.7. Other changes	-	130	123	41	182	476
D. Closing net balance	**72,352**	**163,162**	**9,696**	**3,616**	**25,971**	**274,797**
D.1 Total net writedowns	-	134,273	56,667	37,687	122,511	351,138
D.2 Closing gross balance	72,352	297,435	66,363	41,303	148,482	625,935
E. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**
of which for business combination						
- gross value (*)	-	-	437	106	158	701
- gross value (§)	-	-	190	47	39	276
- impairment (°)	-	-	240	46	103	389

11.4 Investment property, plant and equipment: changes for the period

	31.12.2012	
	Land	Buildings
A. Opening balance	**2,902**	**5,092**
B. Increases	**-**	**-**
B.1 Purchases	-	-
B.2 Capitalized improvement costs	-	-
B.3 Fair Value gains recognized in	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from operating assets	-	-
B.7. Other changes	-	-
C. Decreases	**18**	**544**
C.1 Sales	18	656
C.2 Depreciation (°)	-	-112
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	**2,884**	**4,548**
E. Carried at fair value	**10,742**	**8,863**

(°) the item C.2 depreciation is negative, since derecognition of the accrued depreciation of a building sold was higher that the depreciation for the year.

Section 12 - Intangible Assets - Item 120

12.1 Intangible Assets: composition by type of asset

	31.12.2012		31.12.2011 (*)	
Assets/Amounts	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**922,340**	**X**	**922,340**
A.2 Other intangible assets	**261,926**	**-**	**276,779**	**-**
A.2.1 Assets carried at cost:	261,926	-	276,779	-
a) Intangible assets developed in-house	2,478	-	-	-
b) Other assets	259,448	-	276,779	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
Total	**261,926**	**922,340**	**276,779**	**922,340**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

12.2 Intangible Assets: changes for the period

	Goodwill (*)	Other intangible assets: internally generated		Other intangible assets: other		Total
		with finite life	with indefinite life	with finite life	with indefinite life	
A. Opening balance	**922,340**	**-**	**-**	**476,512**	**-**	**1,398,852**
A.1 Total net writedowns	-	-	-	199,733	-	199,733
A.2 Opening net balance	922,340	-	-	276,779	-	1,199,119
B. Increases	**-**	**2,911**	**-**	**44,445**	**-**	**47,356**
B.1 Purchases	-	-	-	44,445	-	44,445
B.2 Increases in internal intangible assets (°)	X	2,911	-	-	-	2,911
B.3 Writebacks	X	-	-	-	-	-
B.4. Fair Value gains:	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6. Other changes	-	-	-	-	-	-
C. Decreases	**-**	**433**	**-**	**61,776**	**-**	**62,209**
C.1 Sales	-	-	-	-	-	-
C.2 Writedowns	-	433	-	61,673	-	62,106
- Depreciation and amortization	X	433	-	61,673	-	62,106
- Writedowns:	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Fair Value losses recognized in:	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
C.4 Transfers to discontinuing operations	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6. Other changes	-	-	-	103	-	103
D. Closing net balance	**922,340**	**2,478**	**-**	**259,448**	**-**	**1,184,266**
D.1 Total net writedowns	-	433	-	261,406	-	261,839
E. Closing gross balance	**922,340**	**2,911**	**-**	**520,854**	**-**	**1,446,105**
F. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

(°) This amount was due to the capitalization of in-house developed software.

12.3 Other Information

Impairment test on intangible assets with finite useful life

Within the purchase transactions made in 2007 and 2011 by Cariparma, a Price Purchase Allocation process was used to identify a set of finite life assets, corresponding to the different sources of recurring profitability linked to business with Customers.

Their duration was defined based on the available time series for retail customer turnover, over a 15 year period.

At the end of 2012 it was verified that the value of each of the elements making up the intangible assets acquired, which were recognized within the scope of transactions made in 2007 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:
- for the component relating to loans to customers, the calculation of the present value took into account the trend in early loan redemption, the cost of credit and the level of taxing actually recorded in the last two years;
- for the component relating to demand deposits a progressive increase in volumes (and therefore of their stable components) was observed from the time of purchase;
- for the component relating to net commissions the current value of the commissions was recalculated taking into account the expected level of commissions from "banking services"; the result of the analysis was positive.

Therefore, the total value of the intangible assets acquired in 2007 was higher than the value recognized at 31 December 2012 of €101,788 thousand.

At the end of 2012 it was verified that the value of each of the elements making up intangible assets, which were recognized within the scope of transactions made in 2011 and calculated as the present value of future cash flows, was still higher than the recognized value and specifically:

- for the component relating to demand deposits, volumes were essentially in line with the date of purchase and their measurement took into account the introduction of Multiple ITR System;
- with regard to Net Commission Income, the changes in Wealth Management commissions for Assents under Administration and Assets under Management for 2011, 2012, 2013 and the relevant 15-year perspective forecasts were analyzed.

Therefore, the total value of intangible assets was higher than the value recognized at 31 December 2012 of €75,475 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 in order to verify the possible loss of value.

First the Cash Generating Unit (CGU) was identified, i.e. the minimum unit generating cash flows, to which goodwill (equal to € 922,340 thousand) is to be allocated. Based on the customer segments used for reporting to the management, the CGU was identified as being the Retail+Private Banking channel of Cariparma (which includes the 180 branches acquired in 2007 and the 81 acquired in 2011).

The CGU value in use has been calculated consistently with the method adopted by the Crédit Agricole Group S.A. Group, i.e. using the Discounted Cash Flows method and compared with its absorbed assets.

Information on the method for calculating future cash flows and discount rate is provided in the Annual Report and Consolidated Financial Statements of the Cariparma Crédit Agricole Group.

The test showed that the CGU value is higher than the corresponding goodwill value with a positive delta than € 1,080 million..

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: change range between 1.36% (average rate of 10-year Bunds in December 2012) and 4.77%;
- beta: change range between 0.98 (average Beta of a sample of medium-size listed Italian banks, calculated over a three-year time horizon) and 1.20;
- risk premium: change range between 3.50% (1900-2011 geometric mean, source «Equity Risk Premiums (ERP): Determinants, Estimation and Implications - The 2012 Edition», Aswath Damodaran, March 2012) and 4.77%;
- increase in the ratio of allocated equity and RWA of +100 bps.The sensitivity analysis produced a positive outcome.

Lastly we determined the discounting rate or long-term growth rate “g” at which the use value becomes equal to the book value. This analysis showed that the book value is equal to the use value only with a marked increase in the discount rate Ke (14.2%), 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 costs of the equity investments held in Carispezia, Banca Popolare FriulAdria and CALIT in the Separate Financial Statements. The analysis showed impairment adjustments to be made to the cost of the equity investments in Banca Popolare FriulAdria and CALIT, by €54.3 million and €14.5 million, respectively, and these adjustments were to be taken to the Income Statement.

Section 13 - Tax Assets and Tax Liabilities - Assets Item 130 and Liabilities Item 80

13.1 Deferred tax assets: composition

	(*)	Reversal year 2013	2014	2015	Beyond	Undetermined reversal	Total assets Financial Statement	IRES	IRAP	Total taxes
Deductible temporary differences										
Loan writedowns (eighteenths)	27.50	17,937	17,937	17,937	229,749	-	**283,560**	77,979	-	77,979
Writedowns on valuation of securities	33.0790	-	-	-	209,445	-	**209,445**	57,597	11,685	69,282
Provisions to Risks and Charges Funds										
- legal disputes and revocatory actions	27.50	37,441	1,973	554	-	-	**39,968**	10,991	-	10,991
- guarantees	27.50	3,764	-	-	-	-	**3,764**	1,035	-	1,035
- staff costs	27.50	21,007	20,600	20,500	27,947	2,290	**92,344**	25,395	-	25,395
- other	27.50	1,013	40	5	-	15,070	**16,128**	4,435	-	4,435
Maintenance expenses exceeding 5% ceiling		-	-	-	-	-	**-**	-	-	-
Recognition for tax purposes of goodwill from transfer	33.0790	92,389	92,389	92,390	943,580	-	**1,220,748**	335,706	68,105	403,811
Other costs or provisions not yet deducted	da 27.50 a 33.079	5,467	1,667	1,603	29,635	14,849	**53,221**	14,635	1,847	16,482
Tax losses carried forward		-	-	-	-	-	**-**	-	-	-
Total		**179,018**	**134,606**	**132,989**	**1,440,356**	**32,209**	**1,919,178**	**527,773**	**81,637**	**609,410**

(*) indicates the percentage used in calculating deferred tax liabilities and assets.

13.2 Deferred tax liabilities: composition

	(*)	Reversal year 2013	2014	2015	Beyond	Undetermined reversal	Total assets Financial Statement	IRES	IRAP	Total taxes
Taxable temporary differences										
Realized capital gains	da 27.50 a 33.079	359	352	163	102	-	**976**	268	-	268
Tax-suspension reserves		-	-	-	-	-	**-**	-	-	-
Assets not recognized for tax purposes	da 27.50 a 33.079	6,639	7,111	9,797	29,563	124,053	**177,163**	31,360	9,455	40,815
Accelerated depreciation	da 27.50 a 33.079	-	1,955	-	-	52	**2,007**	552	3	555
Other revenues not yet taxed	da 27.50 a 33.079	-	-	-	-	-	**-**	-	-	-
Totale per anno di rientro		**6,998**	**9,418**	**9,960**	**29,665**	**124,105**	**180,146**	**32,180**	**9,458**	**41,638**

(*) indicates the percentage used in calculating deferred tax liabilities and assets.

13.3 Changes in deferred tax assets (recognized in the Income Statement)

	31.12.2012	31.12.2011 (*)
1. Opening balance	**424,265**	**267,521**
2. Increases	**161,299**	**208,104**
2.1 Deferred tax assets recognized during the period	160,921	203,185
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other (°)	160,921	203,185
2.2 New taxes or increases in tax rates	-	4,540
2.3 Other increases	378	379
3. Decreases	**48,341**	**51,360**
3.1 Deferred tax assets derecognized during the period	48,050	41,103
a) reversals	48,050	41,103
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	53	-
3.3 Other reductions	238	10,257
a) changes in tax credits of which: Law 214/2011	-	-
b) other	238	10,257
4. Closing balance	**537,223**	**424,265**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

(°) The amount includes deferred tax assets for €85,803 thousand relating to future deductibility of amortization of goodwill of the branches acquired in 2011, and for €24,711 thousand relating to the setting up of employees' solidarity fund.

Other increases and decreases as reported in points 2.3 and 3.3 represent increases and decreases caused by correct recognition of deferred tax assets following income tax return filing. The related balancing item is not represented by income statement items, but by current tax liabilities.

13.3.1 Changes in deferred tax assets pursuant to Law 214/2011 (recognized in the Income Statement)

	31.12.2012	31.12.2011
1. Opening balance	**387,462**	**239,185**
2. Increases	**117,756**	**182,818**
3. Decreases	**25,104**	**34,541**
3.1 Reversals	25,049	24,337
3.2 Changes in tax credits	-	-
a) resulting from losses of period	-	-
b) resulting from tax losses	-	-
3.3 Other reductions	55	10,204
4. Closing balance	**480,114**	**387,462**

Deferred tax assets pursuant to Law 214/2011 were also recognized in equity for an amount of €1,821 thousand. Therefore, total deferred tax assets transformable pursuant to Law 214/2011 came to €481,935 thousand.

13.4 Changes in deferred tax liabilities (recognized in the Income Statement)

	31.12.2012	31.12.2011
1. Opening balance	**51,767**	**23,142**
2. Increases	**652**	**29,991**
2.1 Deferred tax liabilities recognized during the year	541	866
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	541	866
2.2 New taxes or increases in tax rates	-	1,518
2.3 Other increases	111	27,607
3. Decreases	20,962	1,366
3.1 Deferred taxes derecognised in the financial year	20,953	1,359
a) reversals (*)	20,953	1,359
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	9	-
3.3 Other reductions	-	7
4. Closing balance	**31,457**	**51,767**

(*) The decrease in taxes for 2012 includes an amount of €18,855 thousand resulting from the partial tax relief on the business combination made in 2011.

Other increases and decreases as reported in points 2.3 and 3.3 represent increases and decreases caused by correct recognition of deferred tax assets following income tax return filing. The related balancing item is not represented by income statement items, but by current tax liabilities.

13.5 Changes in deferred tax assets (recognized in equity)

	31.12.2012	31.12.2011
1. Opening balance	**169,823**	**54,738**
2. Increases	**2,316**	**129,190**
2.1 Deferred tax assets recognized during the period	2,316	127,931
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other (*)	2,316	127,931
2.2 New taxes or increases in tax rates	-	1,259
2.3 Other increases	-	-
3. Decreases	**99,952**	**14,105**
3.1 Deferred tax assets derecognized during the period	99,932	14,105
a) reversals (°)	99,932	14,105
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
3.2 Reduction in tax rates	20	-
3.3 Other reductions	-	-
4. Closing balance	**72,187**	**169,823**

(*) The amount includes €1,821thousand of deferred tax assets relating to future deductibility of the amortization of goodwill paid for the purchase of the business unit from the subsidiary Carispezia (geographical rationalization of branches); these deferred tax assets are subject to Law 214 of 2011.
(°) Cancelled 2012 taxes mainly referred to the measurement of AFS securities.

13.6 Changes in deferred tax liabilities (recognized in equity)

	31.12.2012	31.12.2011
1. Opening balance	**2,303**	**9,637**
2. Increases	**8,271**	**5,641**
2.1 Deferred tax liabilities recognized during the year	8,271	5,403
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other (*)	8,271	5,403
2.2 New taxes or increases in tax rates	-	238
2.3 Other increases	-	-
3. Decreases	**393**	**12,975**
3.1 Deferred taxes derecognised in the financial year	393	12,975
a) reversals	393	12,975
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	-	-
4. Closing balance	**10,181**	**2,303**

(*) The increase in taxes referred, for €8,121 thousand to the measurement of AFS securities.

Section 15 - Other assets - Item 150

15.1 Other assets: composition

	31.12.2012	31.12.2011 (*)
Sundry debits in process	83,209	182,268
Stamp duty and other assets	4	7
Items being processing	201,346	182,347
Accrued income not allocated to other items	10,729	9,886
Prepaid expenses not allocated to other items	44,983	35,314
Protested bills and checks	2,474	1,564
Leasehold improvements	8,007	9,119
Tax advances paid on behalf of third parties	70,791	12,762
Sundry items	249,614	197,530
Total	**671,157**	**630,797**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

LIABILITIES

Section 1 - Due to Banks - Item 10

1.1 Due to Banks: composition by type

Type of transactions/Amounts	31.12.2012	31.12.2011
1. Due to central banks	**-**	**-**
2. Payables due to banks	**5,167,909**	**6,463,382**
2.1 Current accounts and demand deposits	885,184	619,868
2.2 Fixed-term deposits	2,632,527	4,466,321
2.3 Loans	1,648,930	1,376,315
2.3.1 Repurchase agreements	896,727	647,840
2.3.2 Other	752,203	728,475
2.4 Liabilities in respect of commitments to repurchase own equity instruments	-	-
2.5 Other payables	1,268	878
Total	**5,167,909**	**6,463,382**
Fair value	**5,167,909**	**6,463,382**

1.2 Breakdown of item 10 “Due to Banks”: subordinated liabilities

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value
Subordinated deposit	17.12.2008	17.12.2018	5 equal instalments as from Dec. 2014	Euribor 3 months + 334 b.p.	euro	250,000	250,343
Subordinated deposit	30.03.2011	30.03.2021	5 equal instalments as from March 2017	Euribor 3 months + 220 b.p.	euro	400,000	400,000

1.4 Due to Banks micro-hedged, i.e. subject to specific hedge

At the end of 2012 there were no due to customers subject to specific hedge/micro hedge.

1.5 Liabilities in respect of finance leases

At the end of 2012, there were no due to banks resulting from finance lease transactions.

Section 2 - Due to Customers - Item 20

2.1 Due to Customers: composition by type

Type of transactions/Amounts	31.12.2012	31.12.2011
1. Current accounts and demand deposits	16,040,354	16,802,720
2. Fixed-term deposits	673,331	314,995
3. Loans	139,352	64,953
3.1 Repurchase agreements	134,404	64,953
3.2 Other	4,948	-
4. Liabilities in respect of commitments to repurchase own equity	-	-
5. Other payables	62,876	68,142
Total	**16,915,913**	**17,250,810**
Fair value	**16,915,913**	**17,250,810**

2.4 Due to customers covered by specific hedge (micro-hedged)

At the end of 2012 there were no micro-hedged loans to banks, i.e. subject to specific hedging.

2.5 Liabilities in respect of finance leases

At the end of 2012 there were no loans to customers resulting from finance lease transactions.

Section 3 - Securities Issued - Item 30

3.1 Securities issued: composition by type

Type of securities/ values	31.12.2012				31.12.2011			
	Financial statement value	Fair value			Financial statement value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level
A. Securities								
1. Bonds	9,734,415	-	9,672,052	120,000	9,229,884	-	9,159,969	120,029
1.1 Structured	139,229	-	141,738	-	2,489	-	2,489	-
1.2 other	9,595,186	-	9,530,314	120,000	9,227,395	-	9,157,480	120,029
2. Other securities	1,466,453	-	25,945	1,440,511	1,374,007	-	-	1,374,007
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	1,466,453	-	25,945	1,440,511	1,374,007	-	-	1,374,007
Total	**11,200,868**	**-**	**9,697,997**	**1,560,511**	**10,603,891**	**-**	**9,159,969**	**1,494,036**

The sub-item of other securities “2.2 other” includes certificates of deposit and banker’s drafts issued by the Bank.

3.2 Breakdown of item 30 "Securities issued": subordinated securities

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value
Subordinated loan	30.06.2009	30.06.2016	50% by 30 June 2015 50% by 30 June 2016	up to 30 June 2012 5%; after Euribor 6 months+ 100 b.p.	euro	77,250	77,033
Subordinated loan	30.06.2009	30.06.2016	50% by 30 June 2015 50% by 30 June 2016	5% fixed	euro	222,750	229,052
Subordinated loan	29.06.2011	31.12.2100	perpetual,with call from 28.06.2016	Euribor 3 months + 7,29 %	euro	120,000	115,190

3.3 Securities issued: securities hedged specifically/micro hedged

At the end of 2012, there were 8,062 million of securities micro-hedged, i.e. subject to specific hedge for interest rate risk.

Section 4 - Financial liabilities held for trading- Item 40

4.1 Financial liabilities held for trading: composition by type

	31.12.2012					31.12.2011				
		Fair value					Fair value			
Type of transactions/Amounts	**VN**	**Level 1**	**Level 2**	**Level 3**	**FV***	**VN**	**Level 1**	**Level 2**	**Level 3**	**FV***
A. On-balance-sheet liabilities										
1. Payables due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-		-	-	-	-	
3.1 Bonds	-	-	-	-		-	-	-	-	
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other	-	-	-	-		-	-	-	-	
3.2.1 structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial Derivatives		11	230,209	57,745			14	199,391	68,567	
1.1 Trading	X	11	220,710	57,745	X	X	14	191,267	68,567	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	9,499	-	X	X	-	8,124	-	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**	**11**	**230,209**	**57,745**	**X**	**X**	**14**	**199,391**	**68,567**	**X**
Total (A+B)	**X**	**11**	**230,209**	**57,745**	**X**	**X**	**14**	**199,391**	**68,567**	**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 levels

	Fair value 31.12.2012			Notional amount 31.12.2012	Fair value 31.12.2011			Notional amount 31.12.2011
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A) Financial Derivatives	**-**	**241,114**	**-**	**2,213,696**	**-**	**130,680**	**-**	**1,978,594**
1) Fair value	-	241,114	-	2,213,696	-	130,680	-	1,978,594
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**241,114**	**-**	**2,213,696**	**-**	**130,680**	**-**	**1,978,594**

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					Generic	Specific	Generic	
	interest rate risk	exchange rate risk	credit risk	price risk	multiple risks				
1. Financial assets available for sale	237,882	-	-	883	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other transactions	X	X	X	X	X	X	X	X	-
Total assets	**237,882**	**-**	**-**	**883**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	2,349	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	0	-	-	X
Total liabilities	**2,349**	**-**	**-**	**-**	**-**	**0**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X		X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	X	-	-

The «Hedging Derivatives» item referring to financial liabilities consisted of Euro 1,410 thousand for hedging own bonds issued and Euro 939 thousand referring to generic hedging (macrohedging) of fixed-rate demand deposits.

Section 7 - Adjustment of financial liabilities covered by generic hedging - Item 70

7.1 Adjustment of hedged financial liabilities

Adjustment of hedged liabilities /Amounts	31.12.2012	31.12.2011
1. Positive adjustment of financial liabilities	504,275	281,686
2. Negative adjustment of financial liabilities	-	-
Total	**504,275**	**281,686**

The part of fixed-rate demand deposits that is considered stable by the internal model adopted by the Group is covered by generic hedge.

The adjustment of these liabilities increased from €281,686 thousand as at 31 December 2011 to €504,275 thousand as at 31 December 2012; this increase was mainly due to the decrease in market rates.

7.2 Liabilities hedged generically against interest rate risk: composition

Type of transaction/Values	31.12.2012	31.12.2011
Financial liabilities	4,588,100	4,231,700

Section 8 - Tax liabilities - Item 80

See section 13 in assets

Section 10 - Other liabilities- Item 100

10.1 Other liabilities: composition

	31.12.2012	31.12.2011(*)
Payables to suppliers	97,027	88,313
Amounts due to third parties	210,348	244,608
Credit transfers ordered and being processed	139,908	148,938
Amounts payable to tax authorities on behalf of third parties	63,244	53,254
Advances on loans	1,639	1,471
Adjustments for illiquid items	140,162	18,382
Staff costs	62,764	53,088
Uncapitalized accrued expenses	6,364	877
Deferred income not allocated to other items	42,797	29,101
Guarantees and commitments	3,764	2,820
Sundry items	97,947	145,208
Total	**865,964**	**786,060**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

Section 11-Employees' Severance Benefits - item 110

11.1 Employee severance benefits: changes for the period

	31.12.2012	31.12.2011
A. Opening balance	**127,240**	**109,831**
B. Increases	**19,828**	**25,422**
B.1 Provisions for the period	2,087	2,589
B.2. Other changes	17,741	22,833
C. Decreases	**15,067**	**8,013**
C.1 Severance payments	15,067	8,013
C.2. Other changes	-	-
D. Closing balance	**132,001**	**127,240**
Total	**132,001**	**127,240**

11.2 Other Information

Description of the main actuarial assumptions

The following technical demographic bases were assumed:
- annual probabilities of exclusion due to death of staff were calculated based on RGS48 life tables (tables issued by the Italian State General Accounting Department);
- annual probabilities of exclusion for reasons other than death of staff, average annual turnover rate equal to 3.25%, were calculated

by appropriately smoothing historical data of the Cariparma Crédit Agricole Group;
- the percentage of annual promotions (for age and seniority) was calculated based on historical data of the Cariparma Crédit Agricole Group;
- annual probabilities of requests for advances on employee severance benefits were calculated based on the experience of the Cariparma Crédit Agricole Group and were set at an average annual rate of 3.00%;
- retirement is assumed upon meeting the first requirement for retirement.

The following technical economic bases were assumed:
- to calculate the present value, the rate adopted was 2.00% IBOXX AA duration 7-10 years as at 31 December 2012;
- the cost of living index for white-collar and blue-collar households used for revaluation of the employee severance benefits accrued was 2.00%;
- the remuneration trend, proportional to seniority, increasing only due to pay increments, was calculated, on average, with reference to the Company's employees, based on the interpolation and smoothing of seniority pays distribution and on the national bargaining agreements and company employment agreements;
- for the average annual rate of increase in pay for changes in the work load distribution, which is to be linked to the fluctuation of value of currency, a 2.00% rate has been used;
- percentage of accrued employee severance benefits asked as advances: 60%. This percentage was inferred based on the historical data of the Cariparma Crédit Agricole Group.

Section 12 - Provisions for liabilities and contingencies - Item 120

12.1 Provisions for liabilities and contingencies: composition

Items/Amounts	31.12.2012	31.12.2011 (*)
1 Company pension plans	20,304	20,739
2. Other provisions for liabilities and contingencies	150,940	90,906
2.1 legal disputes	42,023	35,382
2.2 staff expenses	91,347	21,067
2.3 Other	17,570	34,457
Total	**171,244**	**111,645**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

12.2 Provisions for liabilities and contingencies: changes for the period

	Pension plans	Other Funds	Total
A. Opening balance (*)			
B. Increases	**2,129**	**135,180**	**137,309**
B.1 Provisions for the period	-	131,591	131,591
B.2 Changes due to passage of time	329	543	872
B.3 Changes due to changes in the discount rate	-	46	46
B.4. Other changes	1,800	3,000	4,800
C. Decreases	**2,564**	**77,146**	**79,710**
C.1 Use during the year	2,564	43,311	45,875
C.2 Changes due to changes in the discount rate	-	-	-
C.3. Other changes	-	33,835	33,835
D. Closing balance	**20,304**	**150,940**	**171,244**

(*) Restated following the final allocation of the cost of the business combination provisionally recognized in 2011 (IFRS 3 par.62).

12.3 Company defined-benefit pension plans

1. DESCRIPTION OF THE PLANS

The section of defined-benefit company pension plans concerns exclusively staff of the Parent Company already retired.

The plan is funded by a provision accrued by the Company, determined based on the mathematical reserve, certified annually by an independent actuary.

2. CHANGES FOR THE PERIOD

Increases or decreases in the provision are shown in table 12.2 in the «Pension Plans» column.

3. CHANGES FOR THE PERIOD IN PLAN ASSETS AND OTHER INFORMATION

There are no specific assets or liabilities serving the plan and the Company backs the liability towards beneficiaries with its full equity.

4. RECONCILIATION BETWEEN THE PRESENT VALUE OF THE PROVISION, THE PRESENT VALUE OF PLAN ASSETS AND ASSETS AND LIABILITIES RECOGNIZED

The difference between the present value of the defined-benefit obligation and the fair value of the plan assets amounts to €20,304 thousand; therefore, liabilities recognised amounted to €20,304 thousand.

5. DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS

The following essential assumptions have been made with reference to the company defined benefits pension plan:

- annual probabilities of exclusion due to death of retired staff were calculated based on sim2006;
- for assignment to the surviving family in case of the pensioner's death, differentiated technical bases were used according to the age and gender of the member.
- the cost of living index for white-collar and blue-collar households, required for smoothing the annual pension instalments, was set at 2.00%;
- the annual increase in the plan benefits is governed by the plan regulation, and, therefore, by the provisions in force for INPS (Italian National Social Security Institute) pensions.

To calculate the present value, the rate adopted was an IBOXX AA (duration 10 years+) rate as at 31 December 2012 of 2.70%;

12.4 Provisions for liabilities and contingencies - other provisions

Item 2.2 “Other provisions - staff expenses” of Table 12.1 also includes the amounts accrued in 2012 by the Bank, for the liabilities resulting from the Trade Union agreement that gave the possibility to interested employees, who are already eligible for pension or will become eligible in the next few years, to voluntarily terminate their employment receiving incentives.

Item 2.3 of Table 12.1 recognizes amounts accrued to protect, despite the lack any legal obligation to do so, customers who engaged in transactions involving derivatives and insurance policies that have suffered from the impact of the world financial crisis.

Item 2.3 also included provisions for Credit Protection policies determined by ISVAP (Italian Supervisory Authority for Private Insurance Undertakings and Insurance Undertakings of Public Interest) regulation No. 35 obliging insurance companies to reimburse Customers the portion of the advance single premium not used following early repayment of the loan linked to the policy itself. The provision is an estimate of the possible future payment to which the the Bank may be liable to reimburse the insurance company for the portion of commissions received on premiums paid by customers.

The dispute with the Agenzia delle Entrate (the Italian Inland Revenue Service) is still pending relating to two notices of registration tax payment with which the Financial Administration has requalified, as sale of a company, the transactions for the transfer of branches made in 2007 by Intesa SanPaolo, and the subsequent sale of shareholdings by the transferor to institutional shareholders. The amount of the dispute involving all interested parties at various levels amounts to around €39 million. In the year, on this dispute, a favourable 1st instance Court decision was issued, which was appealed against by the Italian Inland Revenue Service. Considering the above favourable Court decision and in the light of specific opinions from important legal counsels, no accrual has been made for the above dispute.

In 2010, the Bank was served formal notice of assessment which would regard a possible charge for a non-recourse factoring transaction carried out in 2005, which could give rise to a payment request for taxes amounting to approximately €5.5 million, plus penalties and interest. There have been no significant developments in this matter. For this matter also, in the light of specific opinions from important legal counsels, no accrual has been made.

Section 14 - Equity - items 130, 150, 160, 170, 180, 190 and 200

14.1 “Share capital” and “Treasury shares”: composition

The share capital, fully paid-in, consists of 876,761,620 ordinary shares. No treasury shares were held.

14.2 Share capital - Number of shares: changes for the period

Items/Types	Ordinary	Other
A. Shares at start of the year	**876,761,620**	**-**
- fully paid	876,761,620	-
- partially paid	-	-
A.1 Treasury shares (-)	-	-
A.2 Shares in circulation: opening balance	876,761,620	-
B. Increases	**-**	**-**
B.1 New issues	-	-
- for consideration:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- bonus issues:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3. Other changes	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Disposal of companies	-	-
C.4. Other changes	-	-
D. Shares in circulation: final inventories	**876,761,620**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares at the end of the year	876,761,620	-
- fully paid	876,761,620	-
- partially paid	-	-

14.3 Share Capital: other information

The nominal unit value of the 876,761,620 ordinary shares is €1.

14.4 Income Reserves - Other information

Items	Amounts
Legal reserve	116,524
Statutory reserves	656,590
Reserve under Art. 13 of Legislative Decree 124/93 (*)	314
Reserve under common control	-232
Total income reserves	**773,196**
Reserve from share-based payments (**)	1,853
Total	**775,049**

(*) Reserve formed pursuant to Art.13 of Legislative Decree 124/93 to take advantage of tax relief on the portions of the severance pay provisions to be used for complementary pension schemes.
(**) Reserve recognizing the increase in equity resulting from payments based on shares of the controlling company Crédit Agricole SA. made to employees and directors

OTHER INFORMATION

1. Guarantees issued and commitments

Operations	31.12.2012	31.12.2011
1) Financial guarantees issued	812,231	917,690
a) Banks	251,859	237,905
b) Customers	560,372	679,785
2) Commercial guarantees issued	706,581	698,206
a) Banks	25,797	28,106
b) Customers	680,784	670,100
3) Irrevocable commitments to disburse funds	322,334	369,301
a) Banks	101,796	90,073
i) certain use	101,796	90,073
ii) uncertain use	-	-
b) Customers	220,538	279,228
i) certain use	17,907	23,054
ii) uncertain use	202,631	256,174
4) Commitments underlying credit derivatives: Protection sales	-	-
5) Assets pledged as guarantee for third-party debts	-	-
6) Other commitments	27,100	-
Total	**1,868,246**	**1,985,197**

2. Assets pledged as collateral for own liabilities and commitments

Portfolios	31.12.2012	31.12.2011
1. Financial assets held for trading	-	-
2. Financial assets carried at fair value	-	-
3. Financial assets available for sale	1,001,859	1,567,569
4. Financial assets held to maturity	-	-
5. Loans to banks	279,482	84,005
6. Loans to customers	-	-
7. Property, plant and equipment	-	-

At the end of 2012, the following securities, not recognized in the balance sheet assets, were pledged as collateral:
- 1,945 million in senior securities resulting from the internal securitization transaction;
- 27 million in securities, used for repurchase agreements for funding purposes, acquired in repurchase agreements transactions for lending purposes.

3. Information on operating leases

OPERATING LEASES - LESSEE - IAS 17 ART. 35 - LETTER A/B

Future minimum payments due under non- cancellable leases	< 1 year	1<> 5 years	> 5 years	Unspecified maturity	Total
Land					
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant - Hardware	-	-	-	-	-
Electronic plant - other	-	-	-	-	-
Other - vehicles (including automobiles)	2,297	2,755	-	-	5,052
Other - office machinery	167	28	-	-	195
Other - telephones (fixed and mobile)	-	-	-	-	-
Other - other	-	-	-	-	-
Software	-	-	-	-	-
Total	**2,464**	**2,783**	**-**	**-**	**5,247**

OPERATING LEASES - LESSEE - IAS 17 ART. 35 - LETTER C

Expenses for 2012	Minimum payments	Potential lease installments	Subletting payments	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant - Hardware	-	-	-	-
Electronic plant - other	-	-	-	-
Other - vehicles (including automobiles)	2,624	-	-	2,624
Other - office machinery	167	-	-	167
Other - telephones (fixed and mobile)	-	-	-	-
Other - other	-	-	-	-
Software	-	-	-	-
Total	**2,791**	**-**	**-**	**2,791**

OPERATING LEASES - LESSEE - IAS 17 ART. 35 - LETTER D

Description of contracts	Description of contracts installments	Renewal or purchase option	Indexing clause
Other - vehicles (including automobiles)	Installment determined on basis of brand, model, engine size and accessories of each vehicle and including additional service	Customer may request contract extension at prefixed installment	-
Other - office machinery	Photocopiers: fixed monthly rate for each machine	Photocopiers: purchase option at end of each year	-

4. Management and intermediation services

Type of services	Amount
1. Trading on behalf of customers	**-**
a) purchases	-
1. settled	-
2. not yet settled	-
b) sales	-
1. settled	-
2. not yet settled	-
2. Asset management	**789,280**
a) individual	789,280
b) collective	-
3. Custody and administration of securities	
a) third-party securities on deposit held as part of depository bank services (excluding asset management)	-
1. securities issued by the bank drawing up the Financial Statement	-
2. other securities	-
b) third-party securities on deposit (excluding asset management): other	46,321,125
1. securities issued by the bank drawing up the Financial Statement	10,233,842
2. other securities	36,087,283
c) third-party securities deposited with third parties	44,977,800
c) securities owned by bank deposited with third parties	5,242,572
4. Other transactions	**-**

Part C Information on the income statement

Section 1 - Interest - Items 10 and 20

1.1 Interest income and similar revenues: composition

Items	Debt securities	Loans	Other transactions	31.12.2012	31.12.2011
1. Financial assets held for trading	7	-	-	7	14
2. Financial assets available for sale	110,217	-	-	110,217	170,081
3. Financial assets held to maturity	-	-	-	-	-
4. Loans to banks	28,302	44,639	-	72,941	107,348
5. Loans to customers	140	860,008	-	860,148	853,820
6. Financial assets carried at fair value	-	-	-	-	-
7. Hedging derivatives	X	X	136,582	136,582	86,364
8. Other Assets	X	X	817	817	988
Total	**138,666**	**904,647**	**137,399**	**1,180,712**	**1,218,615**

1.2 Interest income and similar revenues: differences on hedging transactions

Items/Amounts	31.12.2012	31.12.2011
A. Positive differences on hedging transactions	356,865	313,271
B. Negative differences on hedging transactions	(220,283)	(226,907)
C. Balance (A-B)	**136,582**	**86,364**

1.3 Interest income and similar revenues: other information

1.3.1 Interest income on foreign-currency financial assets

At the end 2012, interest income on foreign-currency financial assets was €5,661 thousand.

1.3.2 Interest income on finance lease transactions

In 2012, no interest income was recognized resulting from finance lease transactions.

1.4 Interest expense and similar charges: composition

Items/Technical forms	Debts	Securities	Other transactions	31.12.2012	31.12.2011
1. Due to central banks	-	X	-	-	-
2. Due to banks	(52,580)	X	-	(52,580)	(131,762)
3. Due to customers	(104,852)	X	-	(104,852)	(69,442)
4. Securities issued	X	(304,914)	-	(304,914)	(239,533)
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities carried at fair value	-	-	-	-	-
7. Other liabilities and provisions	X	X	(5,846)	(5,846)	(212)
8. Hedging derivatives	X	X	-	-	-
Total	**(157,432)**	**(304,914)**	**(5,846)**	**(468,192)**	**(440,949)**

1.6 Interest expense and similar charges: other information

1.6.1 Interest expense on foreign-currency liabilities

At the end 2012, interest expense on foreign-currency financial assets came to €2,265 thousand.

1.6.2 Interest expenses resulting from finance lease transactions

In 2012, no interest expenses were recognized resulting from finance lease transactions.

Section 2 - Commissions - Items 40 and 50

2.1 Commissions income: composition

Type of services / Amounts	31.12.2012	31.12.2011
a) guarantees issued	11,043	9,527
b) credit derivatives	-	-
c) management, intermediation and advisory services:	198,950	198,049
1. trading in financial instruments	-	-
2. foreign exchange	3,320	4,093
3. portfolio management	6,143	7,431
3.1. individual	6,143	7,431
3.2. collective	-	-
4. security custody and administration	5,101	5,358
5. depository services	-	-
6. securities placement	76,427	68,052
7. order collection	12,041	10,094
8. advisory services	90	31
8.1 in respect of investments	-	-
8.2 in respect of financial structure	90	31
9. distribution of third-party services	95,828	102,990
9.1. asset management	-	-
9.1.1. individual	-	-
9.1.2. collective	-	-
9.2 insurance products	92,668	99,012
9.3 other	3,160	3,978
d) collection and payment services	36,857	34,389
e) servicing activities for securitizations	-	-
f) services for factoring transactions	-	-
g) tax collection services	-	-
h) management of multilateral exchange systems	-	-
i) keeping and managing current accounts	164,965	150,341
j) other services	57,288	58,339
Total	**469,103**	**450,645**

Sub-item "j) other services" includes commissions on debit and credit cards and e-money services amounting to €29,751 thousand, commissions for loans granted amounting to €10,450 thousand, and other residual items.

2.2 Commissions income: products and services distribution channels

	31.12.2012	31.12.2011
a) own branches:	178,398	178,473
1. portfolio management	6,143	7,431
2. securities placement	76,427	68,052
3. third-party services and products	95,828	102,990
b) off-premises distribution:	-	-
1. portfolio management	-	-
2. securities placement	-	-
3. third-party services and products	-	-
c) other distribution channels:	-	-
1. portfolio management	-	-
2. securities placement	-	-
3. third-party services and products	-	-

2.3 Commissions expenses: composition

Services/Amounts	31.12.2012	31.12.2011
a) guarantees received	(2,129)	(1,092)
b) credit derivatives	-	-
c) management and intermediation services:	(6,666)	(3,723)
1. trading in financial instruments	(1,795)	(790)
2. foreign exchange	-	-
3. portfolio management	(1,032)	(1,107)
3.1 own portfolio	-	-
3.2 third-party portfolio	(1,032)	(1,107)
4. securities custody and administration	(1,088)	(937)
5. placement of financial instruments	(2,751)	(889)
6. off-premises distribution of securities, products and services	-	-
d) collection and payment services	(3,413)	(3,170)
e) other services	(9,194)	(8,851)
Total	**(21,402)**	**(16,836)**

Sub-item "e) other services" includes commissions on debit and credit cards and e-money services amounting to €4,669 thousand and other residual items.

Section 3 - Dividends and similar income- Item 70

3.1 Dividends and similar income: composition

	31.12.2012		31.12.2011	
Items	dividends	income from units in collective investment undertakings	dividends	income from units in collective investment undertakings
A Financial assets held for trading	1	-	1	-
B. Financial assets available for sale	1,382	-	1,284	-
C. Financial assets carried at fair value	-	-	-	-
D. Equity investments	36,588	X	32,635	X
Total	**37,971**	**-**	**33,920**	**-**

The main dividends for the year referred to the controlling equity investments in Banca Popolare FriulAdria (€30,963 thousand) and in Cassa di Risparmio di Spezia (€5,625 thousand), as well as to the equity investment in the Bank of Italy classified as AFS (€1,362 thousand).

Section 4 - Net gain (loss) on trading activities - Item 80

4.1 Net gain (loss) on trading activities: composition

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gain [(A+B) - (C+D)]
1. Financial assets held for trading	**2**	**2,903**	**(41)**	**(269)**	**2,595**
1.1 Debt securities	2	2,328	(1)	(54)	2,275
1.2 Equity securities	-	-	(22)	-	(22)
1.3 Units in collective investment	-	78	(18)	(3)	57
1.4 Loans	-	-	-	-	-
1.5 Other	-	497	-	(212)	285
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial Assets and Liabilities: exchange rate differences	**X**	**X**	**X**	**X**	**1,021**
4. Derivatives	**73,700**	**152,588**	**(68,201)**	**(147,806)**	**10,203**
4.1 Financial Derivatives:	73,700	152,588	(68,201)	(147,806)	10,203
- on debt securities and interest rates	73,344	151,497	(67,840)	(146,731)	10,270
- on equity securities and equity indices	-	-	-	-	-
- on foreign currencies and gold	X	X	X	X	(78)
- other	356	1,091	(361)	(1,075)	11
4.2 Credit derivatives	-	-	-	-	-
Total	**73,702**	**155,491**	**(68,242)**	**(148,075)**	**13,819**

Section 5 - Net gain (loss) on hedging activities - Item 90

5.1 Net gain (loss) on hedging activities: composition

Income components/ Amounts		31.12.2012	31.12.2011
A.	**Gain on:**		
A.1	Fair value hedges	303,363	325,250
A.2	Hedged financial assets (fair value)	106,028	209,828
A.3	Hedged financial liabilities (fair value)	7,229	70,162
A.4	Cash flow hedges	-	-
A.5	Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)		**416,620**	**605,240**
B.	**Loss on:**		
B.1	Fair value hedges	(110,285)	(283,692)
B.2	Hedged financial assets (fair value)	(1,862)	(1,048)
B.3	Hedged financial liabilities (fair value)	(295,161)	(321,633)
B.4	Cash flow hedges	-	-
B.5	Assets and liabilities in foreign currencies		-
Total expense on hedging activities (B)		**(407,308)**	**(606,373)**
C.	**Net gain (loss) on hedging activities (A-B)**	**9,312**	**(1,133)**

Section 6 - Gain (loss) on disposal or repurchase - Item 100

6.1 Gain (Loss) on disposal or repurchase: composition

Items/ Income components	31.12.2012			31.12.2011		
	Gains	Losses	Net gain	Gains	Losses	Net gain
Financial assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to customers	1,527	(2,603)	(1,076)	1,073	(4,956)	(3,883)
3. Financial assets available for sale	3,844	-	3,844	35,234	(29,982)	5,252
3.1 Debt securities	3,636	-	3,636	35,081	(29,982)	5,099
3.2 Equity securities	208	-	208	153	-	153
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets		**(2,603)**	**2,768**	**36,307**	**(34,938)**	**1,369**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	4,751	(3,463)	1,288	2,487	(2,081)	406
Total liabilities	**4,751**	**(3,463)**	**1,288**	**2,487**	**(2,081)**	**406**

Section 8 - Net impairment adjustments - Item 130

8.1 Net impairment adjustments of loans: composition

Operation/ Income components	Writedowns			Writebacks				31.12.2012	31.12.2011
	Specifiche			Specific		Portfolio			
	Writeoffs	Other	Portfolio	A	B	A	B		
A. Loans to banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- loans	-	-	-	-	-	-	-	-	-
- debt securities	-	-	-	-	-	-	-	-	-
B. Loans to customers	**(2,075)**	**(302,124)**	**(39,044)**	**18,363**	**23,442**	**-**	**18,024**	**(283,414)**	**(170,422)**
Impaired loans purchased	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- loans	-	-	X	-	-	X	X	-	-
- debt securities	-	-	X	-	-	X	X	-	-
Other loans	**(2,075)**	**(302,124)**	**(39,044)**	**18,363**	**23,442**	**-**	**18,024**	**(283,414)**	**(170,422)**
- loans	(2,075)	(302,124)	(39,044)	18,363	23,442	-	18,024	(283,414)	(170,422)
- debt securities	-	-	-	-	-	-	-	-	-
C. Total	**(2,075)**	**(302,124)**	**(39,044)**	**18,363**	**23,442**	**-**	**18,024**	**(283,414)**	**(170,422)**

Key

A= from interest

B= other writebacks

8.2 Net impairment adjustments of financial assets available for sale: composition

Operation/ Income components	Writedowns		Writebacks		31.12.2012	31.12.2011
	Specific		Specific			
	Writeoffs	Other	A	B		
A Debt securities	-	-	-	-	-	520
B. Equity securities	-	(162)	X	X	(162)	(1,464)
C Units in collective investment undertakings	-	(1,242)	X	-	**(1,242)**	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	**-**	-
F. Total	**-**	**(1,404)**	**-**	**-**	**(1,404)**	**(944)**

Key

A= from interest

B= other writebacks

8.4 Net impairment adjustments of other financial instruments: composition

Operation/ Income components	Writedowns			Writebacks				31.12.2012	31.12.2011
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Guarantees issued	-	(1,304)	(443)	-	-	-	-	(1,747)	(444)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	**-**	**(1,304)**	**(443)**	**-**	**-**	**-**	**-**	**(1,747)**	**(444)**

Key

A= from interest

B= other writebacks

Section 9 - Administrative expenses - Item 150

9.1 Staff expenses: composition

Type of transactions /Amount	31.12.2012	31.12.2011
1) Employees	(547,808)	(456,136)
a) wages and salaries	(329,439)	(321,431)
b) social security contributions	(87,833)	(85,471)
c) severance benefits	(55)	-
d) pensions	-	-
e) allocation to employee severance benefit provision	(2,087)	(2,589)
f) allocation to provision for retirement and similar liabilities:	(330)	(898)
- defined contribution	-	-
- defined benefit	(330)	(898)
g) payments to external pension funds:	(28,536)	(32,174)
- defined contribution	(28,536)	(32,174)
- defined benefit	-	-
h) costs in respect of agreements to make payments	-	-
i) other employee benefits	(99,528)	(13,573)
2) Other personnel	(949)	(2,091)
3) Directors and auditors	(1,148)	(1,381)
4) Retired personnel	-	-
5) Recovery of the cost for employees seconded to other companies	4,213	3,389
6) Reimbursements for third-party employees seconded to the company	(4,689)	(5,240)
Total	**(550,381)**	**(461,459)**

9.2 Average number of employees by category:

	31.12.2012
Employees:	
a) senior management	79
b) Junior management	2,577
c) other employees	3,560
Other personnel	39

9.3 Defined-benefit company pension plans: total expenses

Type of transactions/Amounts	31.12.2012	31.12.2011
Provision for the year	-	-
Changes due to passage of time	(329)	(898)
Total	**(329)**	**(898)**

9.4 Other employee benefits

This item represents expenses the Solidarity Fund, for non-occupational insurance policies, voluntary retirement incentives, provision for loyalty bonuses, special premium for assignment of free shares, and other fringe benefits, as well as payments to the bank employees' cultural and recreational club.

9.5 Other administrative expenses: composition

Type of transactions /Amount	31.12.2012	31.12.2011
Direct and indirect taxes	(65,551)	(64,250)
Data processing	(31,428)	(29,844)
Facility rental and management	(52,674)	(49,664)
Professional consulting services	(18,394)	(25,906)
Telephone, postal charges and couriers	(11,633)	(12,436)
Telephone and data transmission	(8,148)	(8,926)
Legal expenses	(3,812)	(3,046)
Property maintenance	(3,935)	(2,809)
Furnishing and plant maintenance	(12,939)	(11,913)
Marketing, development and entertainment	(8,096)	(13,367)
Transportation	(15,849)	(16,945)
Lighting, heating and air conditioning	(12,730)	(8,907)
Office supplies, printed material, print subscriptions, photocopying, etc	(4,198)	(5,957)
Staff training expenses and reimbursements	(9,349)	(8,404)
Security	(3,717)	(4,333)
Information and title searches	(4,077)	(4,300)
Insurance	(100,312)	(110,473)
Cleaning	(5,313)	(5,095)
Leasing of other property, plant and equipment	(5,444)	(5,107)
Management of archives and document handling	(529)	(566)
Reimbursement of costs to Group companies	(22,728)	(21,567)
Sundry expenses	(5,734)	(5,270)
Total	**(406,590)**	**(419,085)**

Section 10 - Net provisions for liabilities and contingencies - Item 160

10.1 Net provisions for liabilities and contingencies: composition

The provision of €32,027 thousand was composed of €16,157 thousand for non-credit litigation, €9,833 thousand for customers' investment protection and €6,037 thousand Euro for other provisions.

Section 11 - Net adjustments/writebacks of property, plant and equipment - Item 170

11.1 Net adjustments of property, plant and equipment: composition

Assets/ Income components	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Property, plant and equipment:	-	-	-	-
A.1 owned	(21,521)	-	-	(21,521)
- Operating assets	(21,339)	-	-	(21,339)
- Investment property	(182)	-	-	(182)
A.2 acquired under finance leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
Total	**(21,521)**	**-**	**-**	**(21,521)**

Section 12 - Net adjustments/writebacks of intangible assets - Item 180

12.1 Net adjustments of intangible assets: composition

Assets/ Income components	Amortization (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Intangible assets	-	-	-	
A.1 Owned	(56,881)	-	-	(56,881)
- Generated internally by the Bank	(433)	-	-	(433)
- Other	(56,448)	-	-	(56,448)
A.2 acquired under finance leases	-	-	-	-
Total	**(56,881)**	**-**	**-**	**(56,881)**

Section 13 - Other operating revenues and expenses- Item 190

13.1 Other operating expenses: composition

Type of transactions /Amount	31.12.2012	31.12.2011
Amortization of expenditure for leasehold improvements	(6,018)	(6,824)
Other charges	(13,042)	(5,857)
Total	**(19,060)**	**(12,681)**

13.2 Other operating revenues: composition

Type of transactions /Amount	31.12.2012	31.12.2011
Rental income and recovery of expenses on real estate	328	317
Recovery of taxes and duties	56,882	57,544
Recovery of insurance costs	98,662	109,704
Recovery of other expenses	3,866	3,186
Recovery service	30,778	28,234
Other income	77,702	3,516
Total	**268,218**	**202,501**

Section 14 - Gain (loss) on equity investments - Item 210

14.1 Gain (loss) on equity investments: composition

Income components /Amount	31.12.2012	31.12.2011
A. Gains	4,809	-
1. Revaluations	-	-
2. Gains on disposal	4,809	-
3. Writebacks	-	-
4. Other income	-	-
B. Losses	(68,875)	(50,100)
1. Writedowns	-	-
2. Impairments	(68,875)	(50,100)
3. Losses on disposal	-	-
4. Other charges	-	-
Net profit	**(64,066)**	**(50,100)**

Gains resulted from the sale of the equity investment in Crédit Agricole Vita SpA, made in the first half of 2012.

Writedowns resulted from the impairment testing of Banca Popolare FriulAdria (€54,258 thousand), Crédit Agricole Leasing Italia Srl (€14,507 thousand) and Sliders (€110 thousand).

Section 17 - Gain (loss) on disposal of investments - Item 240

17.1 Gain (loss) on disposal of investments: composition

Income components /Amount	31.12.2012	31.12.2011
A. Land and buildings	508	296
- Gains on disposal	508	296
- Losses on disposal	-	-
B. Other assets	(146)	1
- Gains on disposal	5	1
- Losses on disposal	(151)	-
Net gain	**362**	**297**

Section 18 - Income taxes for the period on continuing operations - Item 260

18.1 Income tax for the period on continuing operations: composition

Income components/Amount		31.12.2012	31.12.2011
1.	Current taxes (-) (*)	(151,328)	(192,064)
2.	Changes in current taxes from previous periods (+/-)	-	-
3.	Reduction of current taxes for the period (+) (**)	20,123	2,514
3.bis	Reduction of current taxes for the period for tax receivables pursuant to Law No. 214/2011 (+)	-	-
4.	Change in deferred tax assets (+/-) (***)	112,818	159,955
5.	Change in deferred tax liabilities (+/-) (****)	20,381	(1,025)
6.	**Income taxes for the period (-) (-1+/-2+3+/-4+/-5)**	**1,994**	**(30,620)**

(*) *The amount includes the substitute tax pursuant amounting to €41,497 thousand paid for discharge of the tax liability in respect of goodwill, as well the substitute tax amounting to €8,820 thousand due for discharge of the tax liability in respect of limited-life intangible assets referring to the branches acquired in 2011.*

(**) *The amount includes the tax reduction amounting to €20,057 thousand resulting from the application of Law Decree No. 201 of 2011, governing the refund of corporate income tax (IRES) due to non-deduction of regional tax on productive activities (IRAP) on employee expenses, net of deductions pursuant to Article 11 of IRAP Decree (Legislative Decree No. 446/1997)*

(***) *The amount includes ordinary taxes amounting to €85,803 thousand, which will be saved in future subsequent to the discharge of the tax liability in respect of goodwill referring to the branches acquired in 2011.*

(****) *The amount includes derecognition of taxes amounting to €18,855 thousand, due to the discharge of tax liability in respect of limited-life intangible assets referring to the branches acquired in 2011.*

18.2 Reconciliation of theoretical tax liability and actual tax liability recognized

Income components/Amount	31.12.2012
Net profit before tax from continuing operations	56,868
Profit after tax of groups of assets/liabilities under disposal (before tax)	-
Theoretical taxable income	56,868

	31.12.2012
Income tax - Theoretical tax liability	(15,639)
- effect of revenues that do not form taxable income	0
- effect of income already subject to taxation	0
- effect of fully or partially non-deductible expenses	(10,602)
Income tax - actual tax expenses	**(26,240)**
- effect of requested IRES refund for IRAP deduction pursuant to Law Decree 201/2011	**20,058**
- tax on realignment of suspended values for neutral transfers	**0**
- tax on realignment gain under Decree Law D.L. 185/2008 and L. 244/2007	**(50,317)**
- effect of relignment-associated future taxes recovery pursuant to L.D. 185/2008 and Law 244/2007	**104,260**
- effect of deduction and tax receivables	**65**
IRAP - Theoretical tax expenses	(3,173)
- effect of revenues/expenses that do not form taxable income	(65,847)
- effect of other changes	23,231
- effect of tax rate increase	(43)
IRAP - Actual tax expenses	**(45,832)**
Other taxes	0
Actual tax expenses for the period	**1,994**
of which: - actual tax expenses from continuing operations	1,994

Section 21 - Earnings per Share

21.1 Average number of ordinary shares of diluted capital

The Bank's capital consists of 876,761,620 shares with a nominal value of €1 each.

Part D Comprehensive income

Analytical statement of comprehensive income

Items		Gross amount	Income tax	Net amount
10.	**Net profit (loss) for the period**	**X**	**X**	**58,862**
	Other income components			
20.	Financial assets available for sale:	325,692	(107,783)	217,909
	a) changes in fair value	325,529	(107,749)	217,780
	b) reversal to income statement	163	(34)	129
	- writedowns for impairment	1,404	(411)	993
	- profit/loss for realization	(1,241)	377	(863)
	c) other changes	-	-	-
30	Property, plant and equipment	-	-	-
40.	Intangible assets	-	-	-
50.	Hedging of foreign investments:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
60.	Cash flow hedges:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
70.	Exchange rate differences:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
80.	Discontinuing operations:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	c) other changes	-	-	-
90.	Actuarial gains (losses) on defined-benefit plans	(18,377)	5,054	(13,323)
100.	Share of valuation reserve on equity investments accounted for by equity method:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to income statement	-	-	-
	- writedowns for impairment	-	-	-
	- profit/loss for realization	-	-	-
	c) other changes	-	-	-
110.	**Total of other income components**	**307,315**	**(102,729)**	**204,586**
120	**Comprehensive income (10+110)**			**263,448**

Part E Risks and related hedging policies

The Cariparma Crédit Agricole Group attaches great relevance to risk measurement, management and control, as an essential condition to ensure sustainable growth, in such a complex economic situation as the present one.

In Italy, Cariparma is the operating Parent Company of the Cariparma Crédit Agricole Group and is engaged in overall risk management and control, acting both as coordinator and in its capacity as commercial bank with its own Distribution Network.

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

Lending is a strategic business for Cariparma, which aims at constant growth in lending volumes in its area of operations, within the scope of strategy focussing on the most attractive geographical areas, customer segments and sectors of economic activity. This strategy, which has been defined and agreed on with the Controlling Company Crédit Agricole, identifies lending ceilings with regard to risks (risk of concentration by economic sector, counterparty, etc.) consistently with the objectives set by the Group's business plan.

In the year, Cariparma reviewed and updated the lending policies issued in previous years identifying attractive economic sectors and risky ones, based on the respective present situations and outlooks. Then, Customers were subdivided into uniform groups that were defined by associating the risk level of the single counterparties, measured by the assigned rating, to the risk level of the relevant economic sector; for each group, orientation rules were defined aiming at growth, stabilization or reduction of the credit risk taken by the Bank,; such rules were designed also based on technical forms and loan duration.

Credit quality monitoring is performed through constant control on the loan portfolio, with a specific focus on exposures to large customers and to counterparties operating in the riskiest economic sectors.

2. Credit risk management policies

2.1 Organisational aspects

The assumption of credit risk is governed by a framework resolution that was adopted by the Board of Directors and matches the levels of operating and decision-making powers to the levels of exposure to borrowing counterparties (both direct and indirect), their belonging to economic groups, types of technical forms and ratings assigned to the counterparties using the rating models models adopted by the Banking Group.

The lending process is regulated within a system of internal controls that identify the criteria for managing risk profiles, determine the activities to be carried out to ensure the criteria are properly applied, identify the units responsible for these activities and develop the procedures to support them. The division into phases and the assignment of the activities to different organizational structures are intended to maximize the set targets (effectiveness) and the capacity to achieve them at appropriate costs (efficiency).

Customers' creditworthiness is assessed within loan application processing with the objective of setting precise and acceptable consistency between risk and return, both present and future. The principles on which the loan application processing is based and governed are the following:

- measurement of present and future solvency of customers and of any guarantees provided;
- consistency of loan applied for with the nature, amount and duration of the technical forms requested;
- consistency of customer risk and lending transactions with their expected return;
- standardized rules of conduct and measurement criteria.

The indications given by the rating models are a key element of the loan application processing and customer risk measurement, as well as the characteristics of the organization, production processes, competitive placement and outlook, for counterparties to which the highest exposures have been taken.

Loans are granted based on a decision-making power system approved by the Board of Directors, while operation and availability of the credit lines granted are regulated by a control system that ensures previous compliance with the conditions provided for by the resolution tool and with legal and formal conformity of the requested guarantees.

After the loan has been granted and disbursed, the loan positions are measured, on a set time schedule, usually once a year, or upon occurrence of specific events, as appropriately defined in detail by the loan monitoring process, which require early review.

Review of loan positions is performed by assessing that the customer and any sureties of the customer remain creditworthy, by controlling the requirements of the guarantees (legal certainty, ease of liquidation and consistency of their value with the size of the exposure), by verifying compliance with concentration ceilings, by updating the information and by examining the causes that led to any changes in the counterparty's credit profile.

The review of loan positions leads to confirmation of the credit lines granted, to their change or, in high risk cases, to their revocation in compliance with the contract conditions agreed on with customers. This review may be performed also automatically for loan positions entailing modest amounts and, once the IT system has verified compliance with very prudential parameters and indicators.

In the year, considering the particularly difficult economic situation, the Bank strengthened the monitoring on loan positions and guarantees in order to promptly detect any early warnings and thus to ensure that a high quality level of the loan portfolio is maintained.

Management of problem loans is performed by specific organization structures, which were also further strengthened in the year with the support of specific and advanced monitoring tools for the monitoring of performing loans, as well as in accordance with loan management rules calibrated with reference to the classification envisaged under supervisory regulations (past-due, substandard loan, restructured loan e bad debts). These rules govern the transfer of exposures to the appropriate departments.

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

2.2 Management, measurement and control systems

The Cariparma Crédit Agricole Group has a set of tools available to ensure analytical control of the quality of the loans-to-customers portfolio.

To measure credit risk, the Cariparma Crédit Agricole Group uses internal rating models that differ according to the segment (economic sector and size) to which the counterparty belongs. These models yield a score which summarizes the counterparty's creditworthiness in a rating, which reflects the probability of default over one-year time horizon.

Consistently with the guidelines issued by Crédit Agricole S.A., the Parent Company Cariparma S.p.A. developed in-house the rating models to be applied to the Retail loan portfolio, while for the Corporate loan portfolio, the models developed in-house by Crédit Agricole S.A. are used.

The risk measurement system is integrated in the decision-making processes and in the management of the company's operations. In order to ensure that lending and risk measurement processes are essentially harmonized, the internal models are used by all entities in the Cariparma Crédit Agricole Group (i.e. Cariparma S.p.A., FriulAdria S.p.A., Carispezia S.p.A., Crédit Agricole Leasing Italia S.r.l.).

Moreover, all internal models used by the Cariparma Crédit Agricole Group are approved by the Comité Normes et Méthodes of the Controlling Company Crédit Agricole S.A, internal validation activities by Cariparma's Validation Unit and Internal Audit, by the IGL Department (Inspection Générale Groupe) of Crédit Agricole S.A.

Within the context of the Basel II Project, in 2012 the development continued of the internal Retail models, a precondition necessary to apply for the Bank of Italy's authorization to use internal systems for determining capital requirement. In 2012, interaction with the Bank of Italy intensified, and such Central Bank has already started verification of the preconditions for the credit risk calculation method based on internal ratings to be applied to the retail exposure class. In accordance with the action plan validated by the Board of Directors, projects continues being implemented, with specific reference to fine-tuning of the PD and LGD internal models and processes so as to ensure these models' and processes' full compliance with the legislation requirements. The current road map of the Basel 2 Project has scheduled that Cariparma submits the authorization application to the Authorité de Contrôle Prudentiel in 2013.

In 2012, within the Risk Management and Permanent Controls Departments, the Capital Requirement Control Office was set up, which is responsible for the RWA (Risk Weighted Asset) calculation at Group level, for the advanced methods for credit risk and market risk measurement, based on the process agreed on with the relevant Departments.

The Group management reporting, which has its institutional presentation at the quarterly meetings of the Credit Risk Committee and of the Board of Directors, analyses the credit quality of of the single Entities in the Group and the risk exposure developments, on the basis of regulatory and management guidelines: regulatory customer segmentation, product types, sales structure and customer segments and sub-segments. Not only is credit risk, subdivided into its main components, namely default and migration risk, measured based on its impact on the Income Statement (credit risk cost) and on the Balance Sheet (absorbed regulatory capital), but it is also dealt with in terms of its possible future developments using a "stress scenario" estimating its possible impact according to assumptions of impairment-related migration to worse credit profile statuses.

Management reporting monitors loan coverage policies and also has the task of informing senior management of the performance of the risk summary indicators (performance ratings, early warning, other key risk indicators) so that the action plans necessary to minimize or prevent risk can be better and promptly arranged.

2.3 Risk mitigation techniques

The Bank reduces credit risk with ancillary agreements or adopting specific mitigation tools and techniques. In this regard, collection and management of guarantees is focused on within a control process and system, which ensures verification of compliance with the legal requirements and the update of the underlying values.

2.4 Impaired financial assets

The procedures for the management and control of impaired loans are organized on the basis of 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 were further strengthened in order to allow early identification of limit-exceeding positions so that the relevant corporate departments can define and implement the required management corrections, where possible.

In addition to periodic specific measurement of recovery value, the management process for impaired positions also involves:
- verifying whether the counterparty is capable of recovering financial health and, consequently, restoring the business and loan relationship;
- acquisition of additional guarantees, whether security interests in property and/or unsecured securities or other credit risk mitigation tools and techniques;
- programming and monitoring of loan workout plans agreed with customers;
- enforcement and/or court-ordered acquisition of guarantees for enforced recovery of exposures.

In 2012, no impaired loans were acquired.

QUANTITATIVE DISCLOSURES

A Credit Quality

A.1 Impaired and performing positions: stocks, writedowns, changes and distribution

A.1.1 Distribution of financial assets by portfolio and credit quality: book values

Portfolio/quality	Bad debts	Substandard loans	Restructured positions	Past due positions	Other Assets	Total
1. Financial assets held for trading	-	8,621	457	242	274,879	284,199
2. Financial assets available for sale	48,825	-	-	-	2,969,042	3,017,867
3. Financial assets held to maturity	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	4,737,740	4,737,740
5. Loans to customers	459,043	404,587	128,836	199,639	25,302,061	26,494,166
6. Financial assets carried at fair value	-	-	-	-	-	-
7. Financial assets being divested	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	938,120	938,120
Total 31.12.2012	**507,868**	**413,208**	**129,293**	**199,881**	**34,221,842**	**35,472,092**
Total 31.12.2011	**398,484**	**330,853**	**96,452**	**292,029**	**33,900,647**	**35,018,465**

All financial assets are classified by credit quality with the exception of capital securities and units in collective investment undertakings.

Loans to banks and loans to customers include both loans and other technical forms (securities, etc.).

Available-for-sale financial assets classified as bad debt are Index-linked policies with embedded securities issued by Glitnir banki hf, which was wound up by the ruling of the District Court of Reykjavik dated 22 November 2010.

A.1.2 Distribution of exposures by portfolio and credit quality: gross and net values

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	10,130	809	9,321	X	X	274,878	284,199
2. Financial assets available for sale	48,826	-	48,826	2,969,041	-	2,969,041	3,017,867
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	4,737,740	-	4,737,740	4,737,740
5. Loans to customers	1,994,138	802,033	1,192,105	25,392,035	89,974	25,302,061	26,494,166
6. Financial assets carried at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	938,120	938,120
Total 31.12.2012	**2,053,094**	**802,842**	**1,250,252**	**33,098,816**	**89,974**	**34,221,840**	**35,472,092**
Total 31.12.2011	**1,770,718**	**652,900**	**1,117,818**	**33,137,778**	**89,762**	**33,900,647**	**35,018,465**

All financial assets are classified by credit quality with the exception of capital securities and units in collective investment undertakings.

Loans to banks and loans to customers include both loans and other technical forms (securities, etc.).

Performing loans to customers: analysis of age of past-due loans

Performing loans to customers: analysis of age of past-due loans	Exposures subject to collective agreement renegotiation			Other performing exposures		
	Gross exposure	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure
1. Non past-due exposures	**432,063**	**1,736**	**430,327**	**23,424,210**	**79,279**	**23,344,932**
2. Up to 90 days	58,845	315	58,530	1,343,666	7,675	1,335,991
3. From 91 to180 days	12,678	53	12,625	45,363	300	45,063
4. From 181 to 1 year	1,310	5	1,305	67,429	240	67,189
5. More than 1 year	51	-	51	6,420	372	6,048
Total	**504,947**	**2,109**	**502,838**	**24,887,088**	**87,866**	**24,799,223**

A.1.3 On-balance-sheet and off-balance-sheet exposure to banks gross and net values

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. On-balance-sheet exposures				
a) Bad debts	-	-	X	-
b) Substandard loans	-	-	X	-
c) Restructured positions	-	-	X	-
d) Past due positions	-	-	X	-
e) Other assets	4,737,841	X	-	4,737,841
Total A	**4,737,841**	**-**	**-**	**4,737,841**
B. Off-Balance-Sheet Exposures				
a) Impaired	-	-	X	-
b) Other	2,297,201	X	-	2,297,201
Total B	**2,297,201**	**-**	**-**	**2,297,201**
Total A+B	**7,035,042**	**-**	**-**	**7,035,042**

On-balance-sheet exposures summarize all financial assets with banks from items 20 “Financial assets held for trading”, 40 “Financial assets available for sale” and 60 “Loans to banks”, with the exception of derivative contracts, which, in this section, are considere off-balance-sheet. Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives, including hedging derivatives) entailing credit risk assumption.

A.1.6 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	1,087,042	579,172	X	507,870
b) Substandard loans	603,667	199,080	X	404,587
c) Restructured positions	147,538	18,702	X	128,836
d) Past due positions	204,717	5,078	X	199,639
f) Other assets	28,361,094	X	89,974	28,271,120
Total A	**30,404,058**	**802,032**	**89,974**	**29,512,052**
B. Off-Balance-Sheet Exposures				
a) Impaired	25,682	3,162	X	22,520
b) Other	1,783,669	X	810	1,782,859
Total B	**1,809,351**	**3,162**	**810**	**1,805,379**

Specifically, on-balance-sheet exposures summarize all financial assets with banks from items 20 “Financial assets held for trading”, 40 “Financial assets available for sale” and 70 “Loans to banks”, with the exception of derivative contracts, which, in this section, are considered off-balance-sheet. Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives, including hedging derivatives) entailing credit risk assumption.

A.1.7 On-balance-sheet exposure to customers: changes in gross impaired positions

Reasons / categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening gross exposure	**895,693**	**452,220**	**114,288**	**295,192**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**348,200**	**511,720**	**97,839**	**549,476**
B.1 from performing loans	15,793	260,738	85,775	529,265
B.2 transfers from other categories of impaired positions	319,953	194,935	7,692	830
B.3 other increases	12,454	56,047	4,372	19,381
C. Decreases	**156,851**	**360,273**	**64,589**	**639,951**
C.1 to performing loans	204	29,540	-	422,398
C.2 writeoffs	113,724	2,214	-	41
C.3 collections	39,363	31,203	22,220	33,097
C.4 assignments	3,560	-	-	-
C.5 transfers to other categories of impaired positions	-	296,625	42,369	184,415
C.6 other decreases	-	691	-	-
D. Closing gross exposure	**1,087,042**	**603,667**	**147,538**	**204,717**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.8 On-balance-sheet exposure to customers: changes in total adjustments of loans

Reasons / categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Initial overall adjustments	**497,212**	**132,854**	**17,836**	**3,228**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**219,919**	**145,314**	**15,745**	**6,051**
B.1 writedowns	148,947	137,086	13,666	4,467
B.1 bis loss on the disposal	2,603	-	-	-
B.2 transfers from other categories of impaired positions	68,283	5,888	1,699	71
B.3 other increases	86	2,340	380	1,513
C. Decreases	137,959	79,088	14,879	4,201
C.1 writebacks from valuations	18,209	14,752	206	975
C.2 writebacks from collections	4,498	2,760	41	144
C. 2 bis gain on the disposal	1,527	-	-	-
C.3 writeoffs	113,724	2,213	-	41
C.4 transfers to other categories of impaired positions	-	58,782	14,632	2,528
C.5 other decreases	1	581	-	513
D. Total closing adjustments	579,172	199,080	18,702	5,078
- of which: exposures assigned but not derecognized	-	-	-	-

A.2 Classification of exposures on the basis of external and internal rating grades

QUALITATIVE DISCLOSURES

Distribution by rating class given below refers to Cariparma Crédit Agricole Group internal models and to external ratings.

QUANTITATIVE DISCLOSURES

A.2.1 Distribution on-balance-sheet and off-balance-sheet exposures by external rating grades

Exposures	External rating grades						Not rated	Total
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6		
A. On-balance-sheet exposures	**-**	**2,018,146**	**433,629**	**1,857,872**	**350,866**	**488,463**	**29,100,916**	**34,249,893**
B. Derivatives		**45,561**	**11,437**	**25,114**	**4,510**	**2,233**	**1,133,346**	**1,222,199**
B.1 Financial Derivatives	-	45,561	11,437	25,114	4,510	2,233	1,133,346	1,222,199
B.2 Credit derivatives	-	-	-	-	-	-	-	-
C. Guarantees issued	**-**	**557,720**	**97,092**	**181,604**	**22,993**	**29,361**	**630,041**	**1,518,812**
D. Commitments to disburse funds	**-**	**378**	**53**	**125**	**-**	**-**	**119,142**	**119,699**
Total	**-**	**2,621,805**	**542,211**	**2,064,715**	**378,369**	**520,057**	**30,983,445**	**37,110,603**

The above distribution by rating grades refers to assessments made by Cerved Group S.p.A. (ECAI 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 Distribution of on-balance-sheet and off-balance-sheet exposures by internal rating grades

Exposures	Internal rating grades				Not rated	Total
	da AAA a BBB+	da BBB a BBB-	da BB+ a B	da B- a D		
A. On-balance-sheet exposures	**9,706,690**	**4,788,716**	**5,405,401**	**2,222,016**	**12,127,070**	**34,249,893**
B. Derivatives	**23,166**	**72,158**	**38,788**	**22,874**	**1,065,214**	**1,222,199**
B.1 Financial Derivatives	23,166	72,158	38,788	22,874	1,065,214	1,222,199
B.2 Credit derivatives	-	-	-	-	-	-
C. Guarantees issued	**239,750**	**540,434**	**327,164**	**46,602**	**364,862**	**1,518,812**
D. Commitments to disburse funds	**446**	**394**	**178**	**32,680**	**86,001**	**119,699**
Total	**9,970,051**	**5,401,701**	**5,771,531**	**2,324,171**	**13,643,148**	**37,110,603**

Distribution by rating class given below refers to Cariparma Crédit Agricole Group internal models.
The “Not rated” column includes mostly exposures to banks, public bodies and sovereign states for which internal rating models are not available.
If we exclude unrated parties, the concentration in Investment Grade (AAA to BBB-), equal to 65% of the total is found, while 25% is in BB+/BB and 10% in B-/D.

A.3 Distribution of secured exposures by type of guarantee

A.3.1 Secured exposures to banks

	Net value of exposure	Collateral (1)				Unsecured guarantees (2)									Total (1)+(2)
						Credit					Other guarantees				
							Other derivatives								
		Real Estate mortgages	Real Estate Finance leases	Securities	Other assets	CLN	Governments and central banks	Other public entities	Banks	Other	Governments and central banks	Other public entities	Banks	Other	
1. Secured on-balance-sheet exposures:	**26,796**	**-**	**-**	**26,947**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26,947**
1.1 fully secured	26,796	-	-	26,947	-	-	-	-	-	-	-	-	-	-	26,947
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Secured off-balance-sheet exposures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 fully secured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.3.2 Secured exposures to customers

	Net value of exposure	Collateral (1)				Unsecured guarantees (2)									Total (1)+(2)
						Credit					Other guarantees				
							Other derivative								
		Real Estate mortgages	Real Estate Finance leases	Securities	Other assets	CLN	Governments and central banks	Other public entities	Banks	Other	Governments and central banks	Other public entities	Banks	Other	
1. Secured on-balance-sheet exposures:	**20,302,476**	**69,893,296**	**-**	**459,401**	**903,113**	**-**	**-**	**-**	**-**	**-**	**1,661**	**7,766**	**1,078,797**	**15,420,675**	**87,764,709**
1.1 fully secured	18,992,995	69,476,095	-	404,171	780,592	-	-	-	-	-	260	7,727	867,795	15,016,362	86,553,002
- of which impaired	903,773	3,697,721	-	20,061	104,410	-	-	-	-	-	-	537	-	1,480,762	5,303,491
1.2 partially secured	1,309,481	417,201	-	55,230	122,521	-	-	-	-	-	1,401	39	211,002	404,313	1,211,707
- of which impaired	95,194	81,070	-	4,602	1,588	-	-	-	-	-	-	23	-	58,872	146,155
2. Secured off-balance-sheet exposures:	**563,418**	**206,235**	**-**	**55,510**	**39,303**	**-**	**-**	**-**	**-**	**-**	**-**	**301**	**2,168**	**269,246**	**572,763**
2.1 fully secured	470,568	205,412	-	46,117	27,592	-	-	-	-	-	-	301	1,541	257,345	538,308
- of which impaired	2,928	-	-	813	594	-	-	-	-	-	-	-	60	2,138	3,605
2.2 partially secured	92,850	823	-	9,393	11,711	-	-	-	-	-	-	-	627	11,901	34,455
- of which impaired	8,766	-	-	7	25	-	-	-	-	-	-	-	-	666	698

On-balance-sheet exposures, totally or partially secured, include secured loans and other financial assets, with the exclusion of derivative contracts and equity securities. Off-balance-sheet transactions include all financial transactions (guarantees issued, commitments, derivatives) entailing the assumption of credit risk. The value of exposures is net of uncertain outcomes and of portfolio adjustments.

Real and personal guarantees are expressed at the fair value estimated as at the financial statements reference date.

B Distribution and concentration of exposures

B.1 on-balance-sheet and off-balance-sheet exposures to customers by sector (book value)

Exposures/ counterparts	Governments			Other public entities			Financial companies			Insurance undertakings			Non-financial companies			Other		
	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments	Net exposure	Specific value adjustments	Portfolio value adjustments
A. On-balance-sheet exposures																		
A.1 Bad debts	-	-	X	-	-	X	1,129	4,265	X	48,827	22	X	289,844	513,532	X	168,070	61,353	X
A.2 Substandard loans	7	8	X	1	1	X	1,178	2,130	X	-	-	X	296,190	143,556	X	107,211	53,385	X
A.3 Restructured loans	-	-	X	-	-	X	30,779	2,493	X	-	-	X	98,057	16,209	X	-	-	X
A.4 Past due positions	-	-	X	-	-	X	271	8	X	-	-	X	115,139	3,733	X	84,229	1,337	X
A.5 Other	2,974,137	X	-	124,254	X	-	2,812,167	X	1,598	15,784	X	-	11,910,830	X	62,356	10,433,948	X	26,020
Total A	**2,974,144**	**8**	**-**	**124,255**	**1**	**-**	**2,845,524**	**8,896**	**1,598**	**64,611**	**22**	**-**	**12,710,060**	**677,030**	**62,356**	**10,793,458**	**116,075**	**26,020**
B. Off-balance-sheet exposures																		
B.1 Bad debts	-	-	X	-	-	X	1	-	X	-	-	X	6,530	538	X	1	16	X
B.2 Substandard loans	-	-	X	-	-	X	-	-	X	-	-	X	9,994	1,601	X	326	337	X
B.3 Impaired Assets	-	-	X	-	-	X	4	-	X	-	-	X	5,182	662	X	482	8	X
B.4 Other	28,028	X		4,156	X		62,541	X	6	27,252	X	18	1,466,673	X	756	60,090	X	30
Total B	**28,028**	**-**	**-**	**4,156**	**-**	**-**	**62,546**	**-**	**6**	**27,252**	**-**	**18**	**1,488,379**	**2,801**	**756**	**60,899**	**361**	**30**
Total (A+B) 31.12.2012	**3,002,172**	**8**	**-**	**128,411**	**1**	**-**	**2,908,070**	**8,896**	**1,604**	**91,863**	**22**	**18**	**14,198,439**	**679,831**	**63,112**	**10,854,357**	**116,436**	**26,050**
Total (A+B) 31.12.2011	**2,660,240**	**7**	**-**	**140,236**	**1**	**-**	**2,098,824**	**5,669**	**8,336**	**81,961**	**23**	**5**	**15,199,078**	**560,941**	**55,575**	**10,360,464**	**87,909**	**26,121**

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.

Off-balance-sheet transactions include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments,derivatives) entailing credit risk assumption.

B.2 Geographical distribution of on-balance-sheet and off-balance-sheet exposures to customers (book value)

Exposures/ Geographical areas	North-Western Italy		North-Eastern Italy		Central Italy		Southern Italy and Isles	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures								
A.1 Bad debts	236,283	287,794	187,946	157,063	46,317	68,392	36,921	61,299
A.2 Substandard loans	188,976	89,953	108,667	50,323	56,862	26,462	49,811	32,174
A.3 Restructured loans	26,337	6,851	80,194	8,696	7,605	655	14,700	2,500
A.4 Past due positions	75,369	2,222	65,469	1,419	24,991	670	33,790	766
A.5 Other	12,509,299	35,423	7,788,689	37,318	5,769,046	11,168	1,644,733	5,456
Total A	**13,036,264**	**422,243**	**8,230,965**	**254,819**	**5,904,821**	**107,347**	**1,779,955**	**102,195**
B. Off-balance-sheet exposures								
B.1 Bad debts	1,492	96	2,324	404	2,716	54	-	-
B.2 Substandard loans	881	862	8,112	843	1,135	46	192	187
B.3 Impaired Assets	465	15	5,133	654	35	1	35	-
B.4 Other	586,399	273	725,404	400	284,728	106	51,795	31
Total	**589,237**	**1,246**	**740,973**	**2,301**	**288,614**	**207**	**52,022**	**218**
Total (A+B) 31.12.2012	**13,625,501**	**423,489**	**8,971,938**	**257,120**	**6,193,435**	**107,554**	**1,831,977**	**102,413**
Total (A+B) 31.12.2011	**13,021,779**	**374,399**	**9,193,918**	**212,148**	**5,907,500**	**84,476**	**1,907,326**	**70,517**

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Off-balance-sheet transactions include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments, derivatives) entailing credit risk assumption.

B.3 Geographical distribution of on-balance-sheet and off-balance-sheet exposures to banks (book value)

Exposures/ Geographical areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	-	-	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other	1,495,506	-	3,219,171	-	7,369	-	2,315	-	13,480	-
Total A	**1,495,506**	**-**	**3,219,171**	**-**	**7,369**	**-**	**2,315**	**-**	**13,480**	**-**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Impaired Assets	-	-	-	-	-	-	-	-	-	-
B.4 Other	360,091	-	1,019,694	-	3,136	-	5,538	-	3,645	-
Total	**360,091**	**-**	**1,019,694**	**-**	**3,136**	**-**	**5,538**	**-**	**3,645**	**-**
Total 31.12.2012	**1,855,597**	**-**	**4,238,865**	**-**	**10,505**	**-**	**7,853**	**-**	**17,125**	**-**
Total 31.12.2011	**1,766,206**	**-**	**4,657,697**	**-**	**21,047**	**-**	**11,185**	**-**	**6,724**	**-**

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts and equity securities.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or goods are excluded.

Off-balance-sheet transactions include all financial transactions other than on-balance-sheet ones (guarantees issued, commitments,derivatives) entailing credit risk assumption.

B.4 Large Risks

As at 31 December 2012, positions showing large risk characteristics as described in Circular 263 of 27 December 2006 (13th revision of 29 May 2012) were:
a1) of a total nominal amount of €15,174,432 thousand;
a2) of a total weighted amount of €781,986 thousand;
b) a total number of 7.

C. Securitization and asset disposals

C.1 Securitization

C.1.6 Equity interests in special-purpose vehicles

Name	Registered Office	Interest %
1. MondoMutui Cariparma S.r.l.	Milano	19.00

C.2 Asset disposals

C.2.1 Financial assets assigned but not derecognized

Technical forms/ Portfolio	Financial assets held for trading			Financial assets carried at fair value			Financial assets available for sale			Financial assets held to maturity			Loans to banks			Loans to customers			Total	
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	31.12.2012	31.12.2011
A. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**731,884**	**-**	**-**	**-**	**-**	**-**	**279,930**	**-**	**-**	**-**	**-**	**-**	**1,011,814**	**491,191**
1. Debt securities	-	-	-	-	-	-	731,884	-	-	-	-	-	279,930	-	-	-	-	-	1,011,814	491,191
2. Equity securities	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
3. Units in collective investment	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**-**	**-**
Total 31.12.2012	**-**	**-**	**-**	**-**	**-**	**-**	**731,884**	**-**	**-**	**-**	**-**	**-**	**279,930**	**-**	**-**	**-**	**-**	**-**	**1,011,814**	**X**
of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X
Total 31.12.2011	**-**	**-**	**-**	**-**	**-**	**-**	**406,735**	**-**	**-**	**-**	**-**	**-**	**84,456**	**-**	**-**	**-**	**-**	**-**	**X**	**491,191**
of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-

Key:

A = assigned financial assets fully recognized (book value)

B = assigned financial assets partially recognized (book value)

C = assigned financial assets partially recognized (full value)

C.2.2 Financial liabilities in respect of financial assets assigned but not derecognized

Liabilities /Assets Portfolio	Financial assets held for trading	Financial assets carried at fair value	Financial assets available for sale	Financial assets held to maturity	Loans to banks	Loans to customers	Total
1. Due to customers	**-**	**-**	**-**	**-**	**134,404**	**-**	**134,404**
a) in respect of assets fully recognized	-	-	-	-	134,404	-	134,404
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	**-**	**-**	**724,465**	**-**	**145,466**	**-**	**869,931**
a) in respect of assets fully recognized	-	-	724,465	-	145,466	-	869,931
b) in respect of assets partially recognized	-	-	-	-	-	-	-
Total 31.12.2012	**-**	**-**	**724,465**	**-**	**279,870**	**-**	**1,004,335**
Total 31.12.2011	**-**	**-**	**409,730**	**-**	**84,406**	**-**	**494,136**

Financial liabilities were recognized whose underlying assets were assets transferred and not derecognized, but still partially or entirely recognized under assets in the Balance Sheet. These transactions were repurchase agreements on securities held in the “Available-for-sale financial assets” and “Loans to banks” portfolios.

SECTION 2 - MARKET RISKS

2.1 Interest rate risk and price risk - Supervisory Trading Book

QUALITATIVE DISCLOSURES

A. 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 Cariparma to take only residual financial risk positions.

The Cariparma trading book is historically composed of securities (mainly bonds issued by Banks) and of over-the-counter derivatives (matched trading); these positions derive from placing and trading activities carried out to satisfy Customers' requirements.

Cariparma, in its capacity as Parent Company, coordinates the interest rate risk and price risk profiles of the Group's trading book, centrally managing financial operations as well as risk measurement and control activities.

In 2012, the control system for market risks associated to the trading book was strengthened, by setting specific organizational control in order to continuously verify that a risk level consistent with the Group's objectives is maintained.

B. Management and measurement of market risks

Organisational aspects

The market risk referring to Cariparma trading book is managed as part of the relevant risk policy.

This document defines the internal regulatory system for the management of market risk with reference to operations in financial instruments, currencies and commodities, in terms of:
- The principles, objectives, methodologies and tools used for the assessment, control and management of market risk;
- guidelines and rules on which the market risk management processes are based.

The Market Risk Policy is one of the components of the overall risk governance model, consistently with Crédit Agricole S.A. guidelines.

Management mechanism

In the context of the market risk management process, primary responsibility is assigned to, according to their respective areas of competence, company bodies/functions which must be completely aware of the Bank's level of exposure:

- the Board of Directors is given strategic supervisory functions 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 directs the Group's mechanism for the management of market risk, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee;
- the Risks and Permanent Control Department is responsible for control and, in compliance with the instructions and resolutions issued by the Asset Liability Management and Financial Risks Committee, verifies the corporate risk management process and supervises compliance of the treatment of market risk with the legislation in force.

The ceiling structure

The ceiling structure reflects the level of risk deemed acceptable with reference to the individual business areas and constitutes a mechanism for checking that operational practices, at the various organisational levels, are performed in compliance with management guidelines and strategies as defined by senior management.

In line with Crédit Agricole Group guidelines, the ceiling system is composed of global ceilings and operational ceilings.

The global limits system must be able to ensure a control development of the activities. Ceilings are set so as to contain any losses within a level deemed acceptable Crédit Agricole Group as a whole.

Global ceilings 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 ceilings are authorised by the Boards of Directors of the Group's Banks and must not exceed the global ceilings set by the CRG for the Cariparma Crédit Agricole Group.

Operational limits are defined on the basis of the nominal value of the open position (that is after compensation of identical purchase and sale positions).

Therefore, operational limits are, consistent with global limits, a declension of the latter by type of activity, 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-ceilings (for example, by individual entity in the Group and/or portfolio).

Risk monitoring activities are the responsibility of the Risks and Permanent Controls Department, which is responsible for checking:

- compliance with the operating limits on the trading books of the individual banks;
- adequacy and functionality of the finance process;
- compliance with approved risk management rules and criteria;
- proper functioning of activities and controls to protect against risks;
- the presence of any critical issues to be resolved swiftly.

QUANTITATIVE DISCLOSURES

1. Supervisory Trading Book: distribution by residual maturity (repricing date) of on-balance-sheet financial assets and liabilities and financial derivatives

Currency **US DOLLAR**

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**98,955**	**21,724**	**4,064**	**76**	**-**	**78**	**-**
3.1 With underlying security	-	157	-	-	76	-	78	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	157	-	-	76	-	78	-
+ long positions	-	79	-	-	38	-	39	-
+ short positions	-	78	-	-	38	-	39	-
3.2 Without underlying security	-	98,798	21,724	4,064	-	-	-	-
- Options	-	34	24	26	-	-	-	-
+ long positions	-	17	12	13	-	-	-	-
+ short positions	-	17	12	13	-	-	-	-
- Other derivatives	-	98,764	21,700	4,038	-	-	-	-
+ long positions	-	49,292	10,850	2,019	-	-	-	-
+ short positions	-	49,472	10,850	2,019	-	-	-	-

Currency **POUND STERLING**

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**15,354**	**2,512**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	15,354	2,512	-	-	-	-	-
- Options	-	-	18	-	-	-	-	-
+ long positions	-	-	9	-	-	-	-	-
+ short positions	-	-	9	-	-	-	-	-
- Other derivatives	-	15,354	2,494	-	-	-	-	-
+ long positions	-	7,569	1,247	-	-	-	-	-
+ short positions	-	7,785	1,247	-	-	-	-	-

Currency **SWISS FRANK**

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**15,136**	**30**	**596**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	15,136	30	596	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	15,136	30	596	-	-	-	-
+ long positions	-	7,613	15	298	-	-	-	-
+ short positions	-	7,523	15	298	-	-	-	-

Currency CANADIAN DOLLAR

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

Currency JAPAN YEN

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**1,601**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	1,601	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	1,601	-	-	-	-	-	-
+ long positions	-	786	-	-	-	-	-	-
+ short positions	-	815	-	-	-	-	-	-

Currency	EURO							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 years to 10 years**	**more than 10 years**	**unspecified maturity**
1. On-balance-sheet assets	**-**	**-**	**1**	**100**	**13**	**1**	**4**	**-**
1.1 Debt securities	-	-	1	100	13	1	4	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	1	100	13	1	4	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**199,889**	**4,385,218**	**992,168**	**646,158**	**2,752,320**	**973,944**	**285,784**	**-**
3.1 With underlying security	-	64,892	57,115	578	2,864	44	145	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	64,892	57,115	578	2,864	44	145	-
+ long positions	-	31,808	28,583	326	2,023	28	77	-
+ short positions	-	33,084	28,532	252	841	16	68	-
3.2 Without underlying security	199,889	4,320,326	935,053	645,580	2,749,456	973,900	285,639	-
- Options	43	2,954	8,199	10,740	117,023	109,306	21,797	-
+ long positions	20	751	2,739	5,322	59,252	54,944	12,003	-
+ short positions	23	2,203	5,460	5,418	57,771	54,362	9,794	-
- Other derivatives	199,846	4,317,372	926,854	634,840	2,632,433	864,594	263,842	-
+ long positions	99,923	2,183,193	439,478	317,420	1,315,867	432,297	131,921	-
+ short positions	99,923	2,134,179	487,376	317,420	1,316,566	432,297	131,921	-

Currency	OTHER CURRENCIES							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 years to 10 years**	**more than 10 years**	**unspecified maturity**
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**120**	**40**	**340**	**2**	**-**	**-**	**-**
3.1 With underlying security	-	2	-	-	2	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	2	-	-	2	-	-	-
+ long positions	-	1	-	-	1	-	-	-
+ short positions	-	1	-	-	1	-	-	-
3.2 Without underlying security	-	118	40	340	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	118	40	340	-	-	-	-
+ long positions	-	43	20	170	-	-	-	-
+ short positions	-	75	20	170	-	-	-	-

2. Supervisory Trading Book: distribution of exposure in equity securities and equity indices in the main national markets

Type of transaction/ index listing	Listed						Unlisted
	Italy	Germany	France	Switzerland	Great Britain	Rest of the word	
A. Equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- short positions	-	-	-	-	-	-	-
B. Unsettled transactions in equity securities	-	-	-	-	-	-	8
- long positions	**-**	**-**	**-**	**-**	**-**	**-**	**4**
- short positions	**-**	**-**	**-**	**-**	**-**	**-**	**4**
C. Other derivatives on equity securities	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
D. Derivatives on equity indices	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-

2.2 Interest rate risk and price risk - Banking book

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of interest rate risk and price risk

General aspects

Asset Liability Management typically refers to the positions in the banking book and focuses mainly on fixed-rate positions. Fluctuations in interest rates impact the profits of the Group by reducing both net interest income and gross income, and also affect capital by causing changes in the net present value of future cash flows.

Interest rate risk, therefore, refers to all on-balance-sheet and off-balance-sheet transactions, excluding the supervisory trading book.

The Banking Book price risk is generated by financial-type assets held for various trading objectives.
In compliance with the guidelines issued by the Crédit Agricole Group and prudential regulations, the system for classifying Banking Book interest rate risk and price risk is normally reviewed annually as part of the Group's Risk Strategies and approved by both the Board of Directors and the Group Risk Committee of Crédit Agricole S.A.

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 risk assessment and control activities.

Organisational aspects

The governance model adopted by the Group delegated the management of interest rate risk to the Financial Management Department of Cariparma, which is responsible for risk management for the entire Italian banking group, in compliance with the guidelines issued by the Controlling Company Crédit Agricole S.A.

The Financial Risks and ALM Committee, which includes the Banks' top management and representatives of the main departments of the Cariparma Group and Crédit Agricole S.A. involved, validated the methods to measure exposures to interest rate risk, analyses the reporting supplied by the Financial Management Department and Risk Management and Permanent Controls Department and resolves on any measures to be carried out by the Financial Management Department in accordance with the Risk Strategy set with the Comité Risque du Groupe of Crédit Agricole S.A.

Risk policy and management

Interest rate risk management policy is designed to implement short- and long-term strategies to identify and quantify interest rate risk by defining a cumulative gap by maturity, and to manage that position with a view to maximizing profitability while complying with the limits set by Crédit Agricole S.A.

The risk management policy for Banking Book price risk has, as its objective, the monitoring of the impact on the book value and regulatory capital of the variations in value of financial instruments held in the bank's portfolio, in line with the acceptable level of risk set by the Board of Directors.

Risk control

Cariparma's Department of Risks and Permanent Controls independently oversees the interest-rate-risk control system used by the individual banks and the Group, ensuring that it remains compatible with the risk measurement model developed in compliance with operational and regulatory requirements. Specifically, as part of the tasks assigned to it, the Department:
- checks the risks measurement and stress testing models, consistently with the guidelines issued by the Supervisory Body and with the method set by Crédit Agricole S.A.;
- upon validation and update of risk measurement models, assesses the results of quantitative and qualitative analysis of the models, expressing its opinion in this regard;
- informs Crédit Agricole S.A. Board of Directors (as part of its control activities) where the set risk ceilings have been breached since the last communication and recommends corrective actions after consultation with the Financial Management Department.

Risk measurement: methodological aspects

For measuring and managing interest rate risk, the Group has adopted an interest-gap-based model, according to which, at each future maturity date, the gap resulting from fixed-rate assets and liabilities existing as at that date. To calculate the fixed-rate cumulative gap, sources of exposure to interest rate risk must be previously identified by a full analysis of the financial statements, as well as the stable component of demand items, the estimate of the effects of the "optionality" that is implicit in some banking book positions (early repayment of loans or cap mortgage loans), the estimated maturities of some balance sheet items that do not have certain contractual maturity, in line with the proprietary models of the Group and of Crédit Agricole S.A.

In line with the instructions of Crédit Agricole S.A., a set of ceilings for the gaps was defined, which represents the maximum acceptable level of risk for the Group. These limits are calculated with reference to a series of risk indicators that measure the impact of a change in interest rates on equity, gross income and gross operating margin. The Market Risk and ALM Committee approve the proposed ceilings which are then submitted to Group Risk Management Committee of Crédit Agricole S.A., and to the Board of Directors of the banks.

The Risks Strategy, approved in the second half of 2012, confirmed the ceiling structure for the management of interest rate risk:
- Global ceiling in terms of Current Net Value (CNV) at Cariparma Group consolidated level;
- Global gap ceilings divided into different time bands at an individual level

Consistently with Crédit Agricole Group guidelines, the ceilings system is composed of global ceilings, operational ceilings and warning thresholds. Global ceilings on banking book price risks are defined on the basis of the type of instrument that can be held (Italian, German, and French Government Bonds) and are expressed with reference to the maximum nominal value that can be held. Within the portfolio, sub-limits of concentration on the three issuing countries are also set.

Operational ceilings have the same structure and are set for each single Bank. Operational ceilings are authorised by the Boards of Directors of the Group's Banks and must not exceed the global ceilings set for the Cariparma Crédit Agricole Group.

In 2012, the stress testing approach was updated, to be used on segment asset prices. On this basis, the portfolio is adjusted by applying a market shock weighted on the worst scenario which occurred during a ten-year time period.

Based on such weighting, a system of warning thresholds has been implemented.

B. Fair value hedging

The purpose of hedging interest rate risk is to immunize the banking book from changes in the fair value of deposits and loans caused by movements in the yield curve and to lower the volatility of cash flows relating to a given asset or liability. In particular, fixed-rate bonds were micro-hedged (specific hedges) and the fixed-rate gaps shown in the internal model were macro-hedged (generic hedges). The hedges were established only with the purchase of Interest Rate Swaps.

Pursuant to IASs, the effectiveness of the hedges was assessed by the Financial Management Department, which carries out periodic effectiveness tests and maintains formal documentation for every hedging transaction.

C. Cash flow hedging

There is no current cash flow hedging.

QUANTITATIVE DISCLOSURES

1. Banking Book: distribution of financial assets and liabilities by residual maturity (repricing date)

Currency	US DOLLAR							
Type/Residual maturity	**on demand**	**up to 3 months**	**more than 3 months to 6 months**	**more than 6 months to 1 year**	**more than 1 year to 5 years**	**more than 5 years to 10 years**	**more than 10 years**	**unspecified maturity**
1. On-balance-sheet assets	**16,622**	**163,978**	**2,712**	**36,908**	**2,453**	**4**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	9,163	54,347	2,566	2,118	-	-	-	-
1.3 Loans to customers	7,459	109,631	146	34,790	2,453	4	-	-
- current accounts	1,438	-	1	1	6	4	-	-
- other loans	6,021	109,631	145	34,789	2,447	-	-	-
- with early redemption option	70	18,129	-	739	-	-	-	-
- other	5,951	91,502	145	34,050	2,447	-	-	-
2. On-balance-sheet liabilities	**116,623**	**88,969**	**1,531**	**13,270**	**2,468**	**-**	**-**	**-**
2.1 Due to customers	113,541	10,271	-	2,698	41	-	-	-
- current accounts	112,201	10,271	-	2,698	41	-	-	-
- other loans	1,340	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1,340	-	-	-	-	-	-	-
2.2 Due to banks	3,082	78,698	1,531	10,572	2,427	-	-	-
- current accounts	1,950	-	-	-	-	-	-	-
- other payables	1,132	78,698	1,531	10,572	2,427	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**622**	**215,045**	**68**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	622	215,045	68	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	**622**	**215,045**	**68**	**-**	**-**	**-**	**-**	**-**
+ long positions	-	107,799	68	-	-	-	-	-
+ short positions	622	107,246	-	-	-	-	-	-

Currency	POUND STERLING							
Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**3,349**	**18,349**	**54**	**25**	**2**	**1**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	2,461	13,111	-	-	-	-	-	-
1.3 Loans to customers	888	5,238	54	25	2	1	-	-
- current accounts	248	-	-	-	2	1	-	-
- other loans	640	5,238	54	25	-	-	-	-
- with early redemption option	-	2,036	54	25	-	-	-	-
- other	640	3,202	-	-	-	-	-	-
2. On-balance-sheet liabilities	**15,274**	**5,690**	**66**	**61**	**189**	**-**	**-**	**-**
2.1 Due to customers	14,737	539	66	61	189	-	-	-
- current accounts	14,685	539	66	61	189	-	-	-
- other loans	52	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	52	-	-	-	-	-	-	-
2.2 Due to banks	537	5,151	-	-	-	-	-	-
- current accounts	537	-	-	-	-	-	-	-
- other payables	-	5,151	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**24,752**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	24,752	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	-	24,752	-	-	-	-	-	-
+ long positions	-	12,376	-	-	-	-	-	-
+ short positions	-	12,376	-	-	-	-	-	-

Currency SWISS FRANK

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**2,595**	**24,945**	**-**	**5,151**	**678**	**10**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,173	191	-	-	-	-	-	-
1.3 Loans to customers	1,422	24,754	-	5,151	678	10	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	1,422	24,754	-	5,151	678	10	-	-
- with early redemption option	-	29	-	-	-	-	-	-
- other	1,422	24,725	-	5,151	678	10	-	-
2. On-balance-sheet liabilities	**9,829**	**23,238**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	9,523	-	-	-	-	-	-	-
- current accounts	8,621	-	-	-	-	-	-	-
- other loans	902	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	902	-	-	-	-	-	-	-
2.2 Due to banks	306	23,238	-	-	-	-	-	-
- current accounts	306	-	-	-	-	-	-	-
- other payables	-	23,238	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**449**	**5,419**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	449	5,419	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	449	5,419	-	-	-	-	-	-
+ long positions	-	2,934	-	-	-	-	-	-
+ short positions	449	2,485	-	-	-	-	-	-

Currency CANADIAN DOLLAR

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**943**	**1,264**	**-**	**-**	**-**	**1**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	439	1,218	-	-	-	-	-	-
1.3 Loans to customers	504	46	-	-	-	1	-	-
- current accounts	504	-	-	-	-	1	-	-
- other loans	-	46	-	-	-	-	-	-
- with early redemption option	-	46	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**2,168**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	1,924	-	-	-	-	-	-	-
- current accounts	1,924	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	244	-	-	-	-	-	-	-
- current accounts	244	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**2,284**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	2,284	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	-	2,284	-	-	-	-	-	-
+ long positions	-	1,142	-	-	-	-	-	-
+ short positions	-	1,142	-	-	-	-	-	-

Currency JAPAN YEN

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**1,207**	**4,806**	**-**	**1,001**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	800	352	-	-	-	-	-	-
1.3 Loans to customers	407	4,454	-	1,001	-	-	-	-
- current accounts	148	-	-	-	-	-	-	-
- other loans	259	4,454	-	1,001	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	259	4,454	-	1,001	-	-	-	-
2. On-balance-sheet liabilities	**624**	**6,383**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	623	-	-	-	-	-	-	-
- current accounts	623	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	1	6,383	-	-	-	-	-	-
- current accounts	1	-	-	-	-	-	-	-
- other payables	-	6,383	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**260**	**6,984**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	260	6,984	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	260	6,984	-	-	-	-	-	-
+ long positions	-	3,622	-	-	-	-	-	-
+ short positions	260	3,362	-	-	-	-	-	-

Currency EURO

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**5,049,665**	**16,552,952**	**2,985,659**	**2,816,854**	**2,228,669**	**1,971,456**	**2,343,846**	**-**
1.1 Debt securities	-	898,629	354,585	30,700	729,629	1,263,208	996,211	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	898,629	354,585	30,700	729,629	1,263,208	996,211	-
1.2 Loans to banks	188,164	3,155,353	19,917	2,087	11,490	12,250	-	-
1.3 Loans to customers	4,861,501	12,498,970	2,611,157	2,784,067	1,487,550	695,998	1,347,635	-
- current accounts	3,285,549	26,073	19,332	62,376	74,705	16,598	-	-
- other loans	1,575,952	12,472,897	2,591,825	2,721,691	1,412,845	679,400	1,347,635	-
- with early redemption option	16,513	265,191	39,283	86,969	154,617	4,553	18	-
- other	1,559,439	12,207,706	2,552,542	2,634,722	1,258,228	674,847	1,347,617	-
2. On-balance-sheet liabilities	**16,851,167**	**6,533,328**	**1,409,110**	**1,262,581**	**6,469,173**	**224,730**	**-**	**-**
2.1 Due to customers	15,957,080	789,812	3,571	2,119	3,315	-	-	-
- current accounts	13,486,175	650,000	-	-	-	-	-	-
- other loans	2,470,905	139,812	3,571	2,119	3,315	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	2,470,905	139,812	3,571	2,119	3,315	-	-	-
2.2 Due to banks	881,632	3,233,940	840,067	65,538	5,002	3,751	-	-
- current accounts	309,001	-	-	-	-	-	-	-
- other payables	572,631	3,233,940	840,067	65,538	5,002	3,751	-	-
2.3 Debt securities	12,455	2,509,576	565,472	1,194,924	6,460,856	220,979	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	12,455	2,509,576	565,472	1,194,924	6,460,856	220,979	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**4**	**31,337**	**32,782**	**69,294**	**150,881**	**129,091**	**159,185**	**-**
3.1 With underlying security	-	29,900	29,945	63,651	-	107,330	17,649	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	29,900	29,945	63,651	-	107,330	17,649	-
+ long positions	-	29,900	29,945	63,651	-	-	-	-
+ short positions	-	-	-	-	-	107,330	17,649	-
3.2 Without underlying security	4	1,437	2,837	5,643	150,881	21,761	141,536	-
- Options	4	1,437	2,837	5,643	150,881	21,761	141,536	-
+ long positions	4	1,423	1,418	2,819	14,829	10,865	130,692	-
+ short positions	-	14	1,419	2,824	136,052	10,896	10,844	-
- Other derivatives	391,348	14,148,385	381,374	818,118	7,540,845	2,479,100	2,194,900	-
+ long positions	-	2,686,473	304,299	818,118	6,866,845	1,625,100	1,676,200	-
+ short positions	391,348	11,461,912	77,075	-	674,000	854,000	518,700	-
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 years to 10 years	more than 10 years	unspecified maturity
1. On-balance-sheet assets	**6,512**	**7,041**	**-**	**58**	**-**	**1**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	4,418	6,064	-	-	-	-	-	-
1.3 Loans to customers	2,094	977	-	58	-	1	-	-
- current accounts	2,094	-	-	-	-	1	-	-
- other loans	-	977	-	58	-	-	-	-
- with early redemption option	-	977	-	-	-	-	-	-
- other	-	-	-	58	-	-	-	-
2. On-balance-sheet liabilities	**7,586**	**4,028**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	5,803	-	-	-	-	-	-	-
- current accounts	5,521	-	-	-	-	-	-	-
- other loans	282	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	282	-	-	-	-	-	-	-
2.2 Due to banks	1,783	4,028	-	-	-	-	-	-
- current accounts	1,783	-	-	-	-	-	-	-
- other payables	-	4,028	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**14,462**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	14,462	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	-	14,462	-	-	-	-	-	-
+ long positions	-	7,231	-	-	-	-	-	-
+ short positions	-	7,231	-	-	-	-	-	-

2.3 Exchange rate risk

QUALITATIVE DISCLOSURES

Cariparma is not engaged in proprietary trading on the exchange rates market and does not hold assets or liabilities which are not hedged against this risk. Consequently, there are no exposures apart from residual positions in respect of activities carried out to meet customer requirements in both the spot and forward markets.

These residual positions are nonetheless monitored daily.

The Risk Strategy approved for 2013 redefined the operational ceilings system on exchange rate risk for Cariparma.

QUANTITATIVE DISCLOSURES

1. Distribution by currency of assets and liabilities and derivatives

	Value					
Items	Us Dollar	Uk Pound Sterling	Japan Yen	Canadian Dollar	Swiss Frank	Other Currencies
A. Financial Assets	**222,678**	**21,781**	**7,014**	**2,209**	**33,379**	**13,613**
A.1 Debt securities	-	-	-	-	-	-
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	68,195	15,573	1,152	1,657	1,364	10,483
A.4 Loans to customers	154,483	6,208	5,862	552	32,015	3,130
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**989**	**754**	**59**	**84**	**632**	**296**
C. Financial Liabilities	**222,860**	**21,279**	**7,007**	**2,168**	**33,067**	**11,614**
C.1 Due to banks	96,309	5,688	6,384	244	23,544	5,811
C.2 Due to customers:	126,551	15,591	623	1,924	9,523	5,803
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**1,868**	**331**	**6**	**-**	**330**	**40**
E. Financial derivatives	**127,100**	**17,865**	**1,601**	**-**	**15,762**	**498**
- Options	86	18	-	-	-	-
+ long positions	43	9	-	-	-	-
+ short positions	43	9	-	-	-	-
- Other derivatives	127,014	17,847	1,601	-	15,762	498
+ long positions	63,417	8,816	786	-	7,926	233
+ short positions	63,597	9,031	815	-	7,836	265
Total assets	**287,127**	**31,360**	**7,859**	**2,293**	**41,937**	**14,142**
Total liabilities	**288,368**	**30,650**	**7,828**	**2,168**	**41,233**	**11,919**
Difference (+/-)	**1,241**	**710**	**31**	**125**	**704**	**2,223**

2.4 Derivatives

A. Financial Derivatives

A.1. Supervisory trading book: end-of-period and average notional amounts

Underlying assets/Type of derivative	31.12.2012		31.12.2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	9,272,948	-	10,280,501	-
a) Options	4,434,744	-	4,655,571	-
b) Swaps	4,838,204	-	5,624,930	-
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	168,467	-	292,012	-
a) Options	26,836	-	71,031	-
b) Swaps	-	-	-	-
c) Forward contracts	141,631	-	220,981	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	7,362	-	12,987	-
5. Other underlying assets	-	-	-	-
Total	**9,448,777**	**-**	**10,585,500**	**-**
Average amounts	**10,013,039**	**-**	**10,275,849**	**-**

A.2 Banking book: end-of- period and average notional amounts

A.2.1 Hedging

Underlying assets/Type of derivative	31.12.2012		31.12.2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	14,170,036	-	11,955,543	-
a) Options	69,505	-	77,519	-
b) Swaps	13,977,035	-	11,878,024	-
c) Forward contracts	123,496	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	**14,170,036**	**-**	**11,955,543**	**-**
Average amounts	**13,644,957**	**-**	**12,471,348**	**-**

A.2.2 Other derivatives

Underlying assets/Type of derivative	31.12.2012		31.12.2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	282,424	-	345,784	-
a) Options	282,424	-	345,784	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	**282,424**	**-**	**345,784**	**-**
Average amounts	**306,720**	**-**	**232,544**	**-**

A.3 Financial derivatives: positive gross fair value - breakdown by product

Portfolio/Type of derivative	Positive fair value			
	31.12.2012		31.12.2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	283,996	-	261,412	-
a) Options	20,070	-	36,231	-
b) Interest rate swaps	262,142	-	221,122	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	1,689	-	3,792	-
f) Futures	-	-	-	-
g) Other	95	-	267	-
B. Banking book - hedging	938,120	-	602,457	-
a) Options	2,528	-	3,684	-
b) Interest rate swaps	935,592	-	598,773	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - Other derivatives	-	-	-	-
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**1,222,116**	**-**	**863,869**	**-**

A.4 Financial derivatives: gross negative fair value - breakdown by product

Underlying assets/Type of derivative	Negative fair value			
	31.12.2012		31.12.2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading book	278,453	-	259,832	-
a) Options	10,349	-	28,294	-
b) Interest rate swaps	266,366	-	227,641	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	1,644	-	3,637	-
f) Futures	-	-	-	-
g) Other	94	-	260	-
B. Banking book - hedging	241,114	-	130,680	-
a) Options	-	-	-	-
b) Interest rate swaps	240,231	-	130,680	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	883	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking book - Other derivatives	9,499	-	8,124	-
a) Options	9,499	-	8,124	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**529,066**	**-**	**398,636**	**-**

A.5 OTC financial derivatives - supervisory trading book: notional value, positive and negative gross fair values by counterparty - contract not included in compensation agreements

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional amount	-	9,251	4,950,763	556,277	-	3,410,671	345,987
- positive fair value	-	212	97,742	19,532	-	163,608	939
- negative fair value	-	8	269,085	297	-	5,074	2,073
- future exposure	-	37	37,838	2,374	-	12,024	74
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rates and gold							
- notional amount	-	-	90,976	200	-	67,679	9,611
- positive fair value	-	-	1,381	-	-	429	58
- negative fair value	-	-	730	-	-	1,088	4
- future exposure	-	-	827	2	-	594	96
4) Other assets							
- notional amount	-	-	3,680	-	-	3,682	-
- positive fair value	-	-	-	-	-	95	-
- negative fair value	-	-	94	-	-	-	-
- future exposure	-	-	368	-	-	368	-

A.7 Over-the-counter financial derivatives - banking book: notional values, positive and negative gross fair value by counterparty - contracts not included in compensation agreements

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates							
- notional amount	-	-	14,170,036	-	-	-	282,424
- positive fair value	-	-	938,120	-	-	-	-
- negative fair value	-	-	241,114	-	-	-	9,499
- future exposure	-	-	108,642	-	-	-	706
2) Equity securities and equity indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
4) Other assets							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

A.9 Residual maturity of otc financial derivatives: notional values

	up to 1 year	More than 1 year to 5 years	More than 5 years	Total
A. Supervisory trading book				
A.1 Financial derivatives on debt securities and interest rates	1,535,018	4,462,812	3,275,117	9,272,947
A.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial derivatives on exchange rates and gold	168,466	-	-	168,466
A.4 Financial derivatives on other values	7,364	-	-	7,364
B. Banking book	**1,928,686**	**7,780,269**	**4,743,505**	**14,452,460**
B.1 Financial derivatives on debt securities and interest rates	1,928,686	7,780,269	4,743,505	14,452,460
B.2 Financial derivatives on equity securities and equity indices	-	-	-	-
B.3. Financial derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
Total 31.12.2012	**3,639,534**	**12,243,081**	**8,018,622**	**23,901,237**
Total 31.12.2011	**4,875,722**	**10,695,534**	**7,315,571**	**22,886,827**

Section 3 - Liquidity risk

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of liquidity risk

General and organisation aspects

The Group has adopted a system of classifying liquidity risk (the "Liquidity System"), which includes methods for measuring and aggregating risks and stress testing methods, in line with the mechanism adopted by the Controlling Company Crédit Agricole S.A., at the same time ensuring compliance with Italian legislation and regulatory provisions.

The governance model adopted by the Group delegates the management of liquidity risk to the Financial Management Department of Cariparma, which is responsible for risk management for the entire Italian banking group and follows the guidelines issued by the Crédit Agricole S.A. Group.

Cariparma, in its capacity as Parent Company, coordinates the liquidity risk profiles for the Group, centrally managing financial operations as well as the risk assessment and control activities. Specifically, the Parent Company:
- is responsible for the liquidity policy;
- manages funding for all the Group's legal entities;
- manages liquidity risk for the Group's Banks.

The governance model set up for liquidity risk management processes is defined by the Board of Directors by assigning powers and the relating tasks to the relevant Departments.

The Financial Management Department is responsible for the measurement, management and monitoring of liquidity, while the Department of Risk Management and Permanent Controls is responsible for controlling the relating risk.

The Liquidity system consists of the following:
- a governance process that assigns the roles defining the strategies, the management of the process of the assumption of risks and control process;
- a structure of global limits, operational limits and warning ceilings based on stress scenarios;
- a permanent control installation;
- a process that defines the conditions for the start, and methods for the execution, of the contingency funding plan.

Risk management and control: methodological aspects

The main objective of the short-term liquidity management process is to ensure that the Group is able to satisfy on-balance-sheet payment commitments, expected and unexpected, in such a way as not to prejudice normal business.

A basic condition for achieving this objective is to permanently maintain a sufficient balance between incoming and outgoing liquidity flow.

The model adopted for liquidity management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.

To measure short-term exposure to liquidity risk, the maturity mismatch approach has been used, in accordance with the Liquidity System and with supervisory instructions.

The Liquidity System takes into account 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 commercial activity along planned time scales (monitoring the liquidity trend from client loans/investments).

A material aspect of operating liquidity management is defining a short-term refinancing limit (LCT - Limite Court Terme) that aims at ensuring a liquidity surplus over a time horizon of one year in a stressed market.

The system determines restrictions to the structure of the short term refinancing which impose a "non-concentration" on shorter maturities, with the effect of incentivizing the lengthening of the short-term inter-bank funding.

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:

- global crisis with a time horizon of two weeks:
  - the Group must have sufficient liquidity reserves for two weeks to meet, at the same time, an outflow of retail deposits of 10%, a total suspension of market resources (among which operations with Crédit Agricole) and a reduction in liquidity reserves, while maintaining its own business operability unaltered. This scenario represents a grave global crisis originating from an idiosyncratic crisis situation, determined by problems relating to the reputation of the Group and systemic, characterised by market tension;
- idiosyncratic crisis with time horizon of one month:
  - the Group must be able, for a period of one month, to maintain its own business operability unaltered, in a critical situation determined by a reputational risk that has diminished the ability to contract loans on the market (reduced to 25% of normal) and that its clients have withdrawn a significant part of their deposits (around 10% of retail clients). This scenario represents an idiosyncratic crisis situation, as the crisis is determined solely by the Group's reputational problems;
- systemic crisis with time horizon of one year:
  - in the event a systemic crisis striking the markets, the Group must be able to continue its operations for one year, without adopting structural remedies, even if the crisis has seriously hindered its ability to re-finance on the market (among which, inter-bank operations and financing from Crédit Agricole) with a financing renewal rate of around 35% short term and 31.25% long term and with a reduction of the liquidity reserves.

In marketing the Bank's products, liquidity risk is taken into account through the internal transfer rate system. Based on the products' financial features and on the prevailing market conditions, the system allows the internal return rate to be determined, which, in turn, is the basis for lending and direct funding products.

Risk control

The Risk and Permanent Controls Department monitors liquidity ratios on a daily basis and periodically verifies consistency of the back-up liquidity estimates reported 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 operational ceilings being exceeded, warning thresholds being reached, significant changes in risk ratios, potentially negative and unexpected changes in financial markets, insufficiencies or malfunctions of any systems for the risk management or measurement, or any other event or situation deemed relevant in monitoring liquidity risks.

In order to ensure full understanding and governability of liquidity risk and its impact on the Group, in compliance with the legislation, the Board of Directors receives specific reporting on the management of this risk.

The appointed operational units prepare and circulate a liquidity report so that the Group's senior bodies can regularly follow the main ratios, with their commentary on the main changes, and, in particular, forward it to the Chief Financial Officer (CFO), the Risks and Permanent Controls Department, the ALM and Financial Risks Committee and to the Board of Auditors.

The Risks and Permanent Controls Department is responsible for controlling compliance with the set ceilings and prepares and circulates its own Financial Risks Report, reporting the outcomes of controls and any exceeding of ceilings or warning thresholds. Moreover, it presents a quarterly summary of said report to the ALM and Financial Risks Committee, the Internal Control Committee and the Board of Directors of Cariparma.

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	unspecified maturity
On-balance-sheet assets	**56,444**	**32,979**	**5,509**	**71,067**	**55,232**	**2,448**	**2,157**	**81**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	56,444	32,979	5,509	71,067	55,232	2,448	2,157	81	-	-
- banks	9,447	28,960	-	4,553	20,866	2,300	2,157	-	-	-
- customers	46,997	4,019	5,509	66,514	34,366	148	-	81	-	-
On-balance-sheet liabilities	**127,365**	**14,665**	**6,150**	**18,049**	**50,160**	**1,539**	**4,894**	**122**	**-**	**-**
B.1 Deposits and current accounts	114,158	13,050	6,068	17,444	49,030	1,539	4,773	41	-	-
- banks	1,950	13,050	6,068	17,444	38,748	1,539	2,070	-	-	-
- customers	112,208	-	-	-	10,282	-	2,703	41	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	13,207	1,615	82	605	1,130	-	121	81	-	-
Off-balance-sheet transactions	**742**	**180,880**	**14,715**	**68,604**	**49,799**	**21,794**	**4,064**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	18,686	14,715	20,097	45,456	21,726	4,064	-	-	-
- long positions	-	9,262	7,357	10,041	22,727	10,863	2,032	-	-	-
- short positions	-	9,424	7,358	10,056	22,729	10,863	2,032	-	-	-
C.2 Financial derivatives without exchange of principal	120	-	-	-	-	-	-	-	-	-
- long positions	60	-	-	-	-	-	-	-	-	-
- short positions	60	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	52,296	-	48,507	3,790	-	-	-	-	-
- long positions	-	52,296	-	-	-	-	-	-	-	-
- short positions	-	-	-	48,507	3,790	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	622	109,898	-	-	553	68	-	-	-	-
- long positions	-	54,949	-	-	553	68	-	-	-	-
- short positions	622	54,949	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency **POUND STERLING**

Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**3,380**	**14,279**	**323**	**3,610**	**169**	**55**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	3,380	14,279	323	3,610	169	55	-	-	-	-
- banks	2,461	13,111	-	-	-	-	-	-	-	-
- customers	919	1,168	323	3,610	169	55	-	-	-	-
On-balance-sheet liabilities	**15,274**	**2,086**	**-**	**3,066**	**541**	**66**	**61**	**189**	**-**	**-**
B.1 Deposits and current accounts	15,222	2,086	-	3,066	541	66	61	189	-	-
- banks	537	2,086	-	3,066	-	-	-	-	-	-
- customers	14,685	-	-	-	541	66	61	189	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	52	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**27,933**	**2,450**	**4,166**	**5,556**	**2,512**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	3,181	2,450	4,166	5,556	2,512	-	-	-	-
- long positions	-	1,483	1,225	2,083	2,778	1,256	-	-	-	-
- short positions	-	1,698	1,225	2,083	2,778	1,256	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	24,752	-	-	-	-	-	-	-	-
- long positions	-	12,376	-	-	-	-	-	-	-	-
- short positions	-	12,376	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency **SWISS FRANK**

Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**8,120**	**368**	**8,183**	**3,282**	**8,559**	**-**	**848**	**3,998**	**197**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	8,120	368	8,183	3,282	8,559	-	848	3,998	197	-
- banks	1,173	-	-	191	-	-	-	-	-	-
- customers	6,947	368	8,183	3,091	8,559	-	848	3,998	197	-
On-balance-sheet liabilities	**9,829**	**2,527**	**9,941**	**-**	**10,773**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	8,927	2,527	9,941	-	10,773	-	-	-	-	-
- banks	306	2,527	9,941	-	10,773	-	-	-	-	-
- customers	8,621	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	902	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**449**	**5,506**	**1,754**	**3,029**	**10,266**	**30**	**596**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	536	1,754	3,029	9,817	30	596	-	-	-
- long positions	-	314	877	1,514	4,908	15	298	-	-	-
- short positions	-	222	877	1,515	4,909	15	298	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	4,970	-	-	-	-	-	-	-	-
- long positions	-	2,485	-	-	-	-	-	-	-	-
- short positions	-	2,485	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	449	-	-	-	449	-	-	-	-	-
- long positions	-	-	-	-	449	-	-	-	-	-
- short positions	449	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency CANADIAN DOLLAR

Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**947**	**1,218**	**-**	**7**	**40**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	947	1,218	-	7	40	-	-	-	-	-
- banks	439	1,218	-	-	-	-	-	-	-	-
- customers	508	-	-	7	40	-	-	-	-	-
On-balance-sheet liabilities	**2,168**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	2,168	-	-	-	-	-	-	-	-	-
- banks	244	-	-	-	-	-	-	-	-	-
- customers	1,924	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**2,284**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	2,284	-	-	-	-	-	-	-	-
- long positions	-	1,142	-	-	-	-	-	-	-	-
- short positions	-	1,142	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency **JAPAN YEN**

Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**2,211**	**365**	**-**	**3,250**	**1,212**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	2,211	365	-	3,250	1,212	-	-	-	-	-
- banks	800	352	-	-	-	-	-	-	-	-
- customers	1,411	13	-	3,250	1,212	-	-	-	-	-
On-balance-sheet liabilities	**624**	**3,125**	**-**	**3,259**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	624	3,125	-	3,259	-	-	-	-	-	-
- banks	1	3,125	-	3,259	-	-	-	-	-	-
- customers	623	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**260**	**6,767**	**78**	**-**	**1,742**	**-**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	41	78	-	1,482	-	-	-	-	-
- long positions	-	6	39	-	741	-	-	-	-	-
- short positions	-	35	39	-	741	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	6,092	-	-	-	-	-	-	-	-
- long positions	-	3,046	-	-	-	-	-	-	-	-
- short positions	-	3,046	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	260	634	-	-	260	-	-	-	-	-
- long positions	-	317	-	-	260	-	-	-	-	-
- short positions	260	317	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Currency	EURO									
Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**3,513,873**	**190,401**	**166,964**	**887,499**	**1,214,599**	**897,757**	**2,084,750**	**11,126,608**	**13,662,418**	**740,601**
A.1 Government securities	-	-	-	-	52,649	3,965	94,664	631,002	2,130,202	-
A.2 Other debt securities	-	70,000	-	-	73,658	2,851	209,030	911,600	3	48,825
A.3 Units in collective investment undertakings	27	-	-	-	-	-	-	-	-	-
A.4 Loans	3,513,846	120,401	166,964	887,499	1,088,292	890,941	1,781,056	9,584,006	11,532,213	691,776
- banks	204,179	27,061	-	451,569	233,020	3,724	2,125	1,393,407	382,200	691,776
- customers	3,309,667	93,340	166,964	435,930	855,272	887,217	1,778,931	8,190,599	11,150,013	-
On-balance-sheet liabilities	**16,925,445**	**1,401,173**	**638,660**	**940,361**	**2,079,732**	**1,241,147**	**1,604,075**	**7,369,275**	**762,686**	**-**
B.1 Deposits and current accounts	16,774,865	650,062	426,171	309,120	979,410	802,403	3,405	5,000	3,750	-
- banks	880,364	-	426,171	308,194	971,841	801,897	632	5,000	3,750	-
- customers	15,894,501	650,062	-	926	7,569	506	2,773	-	-	-
B.2 Debt securities	86,767	406,298	106,608	303,163	941,882	394,020	1,517,417	7,034,002	363,561	-
B.3 Other liabilities	63,813	344,813	105,881	328,078	158,440	44,724	83,253	330,273	395,375	-
Off-balance-sheet transactions	**563,170**	**97,310**	**25,316**	**81,006**	**164,070**	**194,542**	**315,643**	**682**	**112,500**	**-**
C.1 Financial Derivatives with exchange of principal	-	85,509	19,657	57,869	63,550	117,103	68,721	682	112,500	-
- long positions	-	41,861	9,830	43,898	31,784	74,572	66,186	340	-	-
- short positions	-	43,648	9,827	13,971	31,766	42,531	2,535	342	112,500	-
C.2 Financial derivatives without exchange of principal	563,170	11,801	5,659	23,137	100,520	77,439	246,922	-	-	-
- long positions	284,334	10,846	3,528	21,529	61,245	48,816	178,590	-	-	-
- short positions	278,836	955	2,131	1,608	39,275	28,623	68,332	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Securitization:

As at 31 December 2012, the Parent Company Cariparma was carrying out two so-called “internal” securitization transactions transferring receivables deriving from home mortgage loans contracts secured by first mortgage.

As at 31 December 2012 the residual debt of securitized loans amounted to €5,674 million.
Following the loans securitization, the Parent Company fully subscribed the securities (Senior and Junior), having the following characteristics:

Securitization 1:
- Senior with a nominal value of €2,744 million, maturity 31 Jan. 2058, indexed EUR 6M+0.35;
- Junior with a nominal value of €390 million, maturity 31 Jan. 2058 indexed EUR 6M+0.60+variable rate;

Securitization 2:
- Senior with a nominal value of €2,223 million, maturity 30 April 2060, indexed EUR 6M+0.75;
- Junior with nominal value of €453 million, maturity 30 April 2060 indexed EUR 6M+0.90+variable rate;

To ensure liquidity for the Special Purpose Vehicle for coupon payment, two Interest Rate Swap transactions were agreed with the SPV for a notional value of €2,744 million, maturity 31 Jan. 2058 and with a nominal value of €2,223, maturity 30 April 2060, respectively; amortization of the derivative reflects the amortization of the Senior securities.

Currency **OTHER CURRENCIES**

Items/Timeframe	on demand	more than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	more than 5 years	unspecified maturity
On-balance-sheet assets	**6,580**	**6,065**	**-**	**503**	**481**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	6,580	6,065	-	503	481	-	-	-	-	-
- banks	4,418	6,065	-	-	-	-	-	-	-	-
- customers	2,162	-	-	503	481	-	-	-	-	-
On-balance-sheet liabilities	**7,586**	**2,961**	**215**	**342**	**509**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	7,304	2,961	215	342	509	-	-	-	-	-
- banks	1,783	2,961	215	342	509	-	-	-	-	-
- customers	5,521	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	282	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**14,546**	**-**	**-**	**36**	**40**	**340**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	84	-	-	36	40	340	-	-	-
- long positions	-	26	-	-	18	20	170	-	-	-
- short positions	-	58	-	-	18	20	170	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	5,734	-	-	-	-	-	-	-	-
- long positions	-	2,867	-	-	-	-	-	-	-	-
- short positions	-	2,867	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	8,728	-	-	-	-	-	-	-	-
- long positions	-	4,364	-	-	-	-	-	-	-	-
- short positions	-	4,364	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Section 4: Operational Risks

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of operational risks

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

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

To consolidate and enhance control of operational risks, the Bank has set clear objectives:
- constant full compliance with the regulatory requirements for the use of the Traditional Standardised Approach (TSA) for the calculation of the Regulatory Capital as provided for by Basel 2, except Calit which uses the base approach;
- constant improvement in the monitoring of risks and losses, in order to allow a management-oriented approach, especially in terms of risk mitigation and prevention initiatives;
- fine-tuning of the permanent controls systems and extension of the coverage of the same controls within the company perimeter;
- compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of the Regulatory Capital.

Macro-organisational aspects

Governance of the Bank's operational risks is the responsibility of the Risk Management and Permanent Controls Department that implements the guidelines issued by the Risk Management Department of the Controlling Company Crédit Agricole S.A.

Therefore, the risk management units of the other banks in the Italian Group report on a solid line to Cariparma Risk Management and Permanent Controls Department, while they report on a dotted line to their respective Senior Management.

Complying with supervisory regulations, the Bank 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 control of operational risks;
- close connections with the activities for permanent controls;
- synergies with the Compliance Central Department and with the Audit Department.

Risk policy and management

Cariparma has adopted a model that is consistent with the guidelines issued by Crédit Agricole S.A. 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);
- Security Control, Continuity of Operations Plan (Italian acronym PCO) and Provisions of Outsourced Essential Services (Italian acronym: PSEE);
- Person in Charge of IT System Security (Italian acronym: RSSI);
- BCM (Business Continuity Manager, in charge of the Continuity of Operations Plan);
- Area Operating Units for Network controls;
- Fraud Prevention Unit (Italian acronym: NAF)
- mechanisms and tools, functional to the proper control of risks and to the management of mitigation/improvement measures, including:
- Interfunctional Unit for the Provision of Outsourced Essential Services (Italian acronym: PSEE);
- the remote controls system for the Distribution Network, with the summary early warning indicators;
- Improvement Units

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) for the determination of the capital requirements for Operational Risks.

Risk mitigation

Cariparma has implemented a policy of operational risk mitigation, by means of:
- an annual Action Plan, approved by the Board of Directors, which contains all the initiatives, aimed at minimizing the main existing operational risks, which the persons in charge of the various corporate processes have deemed necessary through specific self-assessment (so-called "Self Risk Assessment");
- risk transfer by means of insurance policies to offset the impact of unexpected losses: to this end, a special structure was set up and tasked with, among other things, assessing and managing insurance policies;
- 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 and increasing coverage of surveillance on outsourcing of essential services;
- implementation and increasing coverage of the surveillance action on:
- security, both physical and IT;
- continuity of operations.

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

Finally, in 2012 devices focusing on certain risk types were implemented; these types of risk concern, especially crosswise, certain scopes of corporate operations, such as the so-called privacy risk (and the relevant protection of data and information) and the so-called authorization risk, which concerns the entire framework of roles, decision-making powers and technical resources used for corporate operations.

Risk management

The process of operational risk management is divided into the following macro-phases:

- detection, identification and classification of risks and losses and their recognition in the accounts where necessary;
- assessment and measurement of risk rating;
- identification of mitigation actions and preparation of the action plan;
- upgrading of the permanent controls plan;
- verification of the correct performance 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);
- self-assessment of exposure to operational risks (scenario analysis);
- the examination and qualitative assessment of the operating environment in relation to risk factors;
- direct involvement of corporate departments in collective assessment units (PSEE, improvements).

Each of these processes entails processing information using predefined methods and specific support tools.

Risk management coordination and shared solutions

The role of the Operational Risks Committee, composed of the main corporate functions, has been consolidated and is responsible for:

- Approving the guidelines and action plans relating to operational risks (other than Compliance).
- Reporting on LDC (Loss Data Collection) data.
- Monitoring control activities and outcomes, as well as:
- periodically validating operational risk mapping;
- periodically validating the identification of risk scenarios being measured during the Scenario Analysis Process.
- governing continuity of operations for the Cariparma Crédit Agricole Group. The relevant responsibilities include:

- validating the scope of critical processes to be submitted to business continuity measures and relating particularly significant changes;
- validating business continuity strategies, in compliance with the applicable supervisory regulations.

IT systems security

In 2012, the Group continued to implement the activities provided for in the “Three-year Action Plan”, which was defined in accordance with the measurements made by the Head of IT Systems Security, who reports on a dotted-line basis to the Risks and Permanent Controls Department.

The actions implemented in 2012 have significantly increased security both for Customers as well as within the Bank. The plan implements updates and developments in the security policies of the Parent Company Crédit Agricole and instructions issued by the Supervisory Authority.

The “Authorization” project is designed to increase security of the system for access to corporate technical resources and to always keep it adequate to the reference organization.

A review of permanent controls was also started, both in terms of IT and physical security.

Continuity of Operations Plan (Italian acronym: PCO)

In 2012, the Continuity of Operations Plan was updated and checked to take into account the changes in the general situation and in the Group’s organisational, technology and software infrastructure, through:

- specific projects (completion of “PCO for New Scenarios”);
- management of the fully operational campaign to update the “business impact analysis” (BIA);
- carrying out a number of testing and certification sessions, all with favourable results;
- the implementation of the “Disaster Recovery” solution for the premises of the Group IT System department;
- implementation of the back-up of the «Security Control Room” (control room to implement physical security).

Practising the PCO in a real situation, the organizational model for crisis management was activated subsequent to the earthquake in the Emilia-Romagna Region.

Purchasing cycle - essential services

In 2012, organizational and regulatory controls on the most important parts of the purchasing cycle were strengthened; specifically, the management of outsourcing of services defined as «essential», pursuant to the Bank of Italy-CONSOB joint regulation, was specifically reviewed focusing on any potential aspect subject to control increase.

In term of legislation references, the Board of Directors, with specific resolution, approved the “Group Policy for the outsourcing of essential services (Italian acronym: PSEE)”.

Loss data

Operational losses, which the model considers as quantitative data, are collected, managed and analysed, to different levels of granularity and detail, using an event classification scheme that conforms to the rules set out in Basel II Framework and the requirements of the supervisory authorities and Crédit Agricole S.A.

The basic structure is as follows:

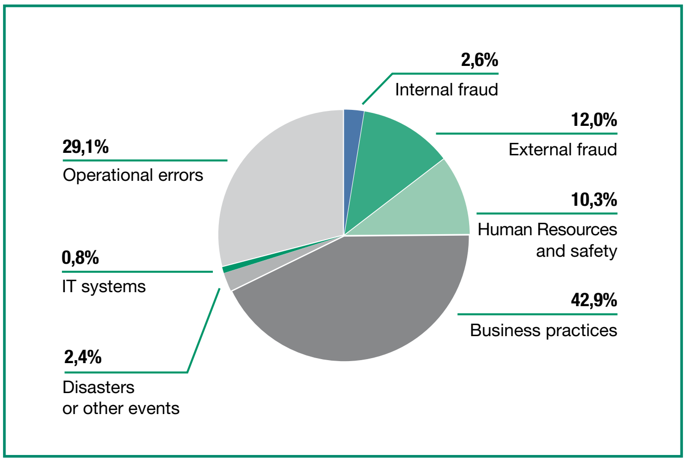
- Internal fraud: losses due to deliberate acts committed by at least one party internal to the Bank and causing economic loss to the Bank;
- External fraud: losses due to deliberate acts committed exclusively by parties external to the Bank, generally for the purpose of personal gain.
- Employment practices and workplace safety: losses relating to the relations between the company and its staff or to the failure of

the workplace to meet health and safety standards. These include liabilities arising from accidents to employees in company offices or vehicles;
- Business practices: events linked to the supply of services and products to clients carried out in an improper or negligent manner (fiduciary requirements and adequate information on investments), as well as defects in the nature or characteristics of products/models/contracts. These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector;
- Disasters or other events: events due to natural causes or human acts, which lead to damage to company resources (material or immaterial property, persons, etc.) and/or service interruptions or other events (including improper conduct/illegal acts by third-party companies that damage the company). The category also includes liabilities arising from political changes and retroactive changes in legislation and tax.
- Technological systems and services: losses arising from the malfunctions, logical or structural defects in technological and other support systems;
- Execution, delivery and process management: losses arising from unintentional errors in the management of operational and support assets or caused by counterparties other than customers and suppliers.

For Loss Data Collection and for the management of consolidated loss data reporting, Cariparma has adopted an IT application that has been specifically designed and fine-tuned for the adoption of advanced approaches, as well as specific tools and models developed directly by Crédit Agricole S.A.

QUANTITATIVE DISCLOSURES

With reference to sources of operational risk, the distribution of net losses (gross losses net of other recoveries excluding insurance-related ones) by event type recognized in 2012 is given below based on the above classification scheme. So-called boundary losses are excluded.



Part F Information on shareholders' equity

Section 1 - Equity

A. QUALITATIVE DISCLOSURES

The Cariparma capital management policy is aimed at maintaining the level of resources needed at any time to cope with the risks taken.

B. QUANTITATIVE DISCLOSURES

B.1 Equity: composition

As at the end of 2012, the Shareholders' Equity breakdown was as follows:

Items		31.12.2012	31.12.2011
1.	Share capital	876,762	876,762
2.	Share premium reserve	2,736,004	2,736,004
3.	Reserves	775,049	681,128
	- income	773,196	679,902
	a) legal	116,524	106,293
	b) established in bylaws	656,590	573,295
	c) treasury shares	-	-
	d) other	82	314
	- other	1,853	1,226
3.bis	Advances on dividends	-	-
4.	Equity instruments	-	-
5.	(Treasury Shares)	-	-
6.	Valuation reserves	(140,075)	(344,662)
	- Financial assets available for sale	(118,596)	(336,506)
	- 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	(21,479)	(8,156)
	- Shares of valuation reserves pertaining to subsidiaries accounted for with equity method	-	-
	- special revaluation laws	-	-
7.	Net profit (loss) for the period	58,862	204,621
	Total	**4,306,602**	**4,153,853**

For more details of the item «3. Reserves» is given in Table 14.4 Income Reserves - Other information of the notes to financial statements Part B - Passive.

"Other" reserves have been set up with the portions resulting from the assignation of shares and rights on shares of the Parent Company Crédit Agricole S.A.

B.2 Valuation reserves for financial assets available for sale: composition

	31.12.2012		31.12.2011	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	20,969	-141,472	1,251	-339,273
2. Equity securities	2,429	-522	2,004	-
3. Units in collective investment undertakings	-	-	-	-488
4. Loans	-	-	-	-
Total	**23,398**	**-141,994**	**3,255**	**-339,761**

B.3 Valuation reserves for financial assets available for sale: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1. Opening balance	**-338,022**	**2,004**	**-488**	**-**
2. Increases	**218,298**	**162**	**831**	**-**
2.1. Fair value gains	218,298	-	-	-
2.2. Reversal to income statement of negative reserves:	-	-	-	-
- for impairment	-	162	831	-
- for realization	-	-	-	-
2.3. Other changes	-	-	-	-
3. Decreases	**779**	**259**	**343**	**-**
3.1. Fair value losses	33	143	343	-
3.2. Impairment losses	-	-	-	-
3.3. Reversal to Income Statement of positive reserves: for realization	746	116	-	-
3.4. Other changes	-	-	-	-
4. Final inventories	**-120,503**	**1,907**	**-**	**-**

Section 2: Regulatory Capital and capital ratios

2.1 Regulatory Capital

Regulatory Capital, minimum capital requirements and the consequent capital ratios were determined on the basis of the provisions of Bank of Italy Circular No. 263 of 27 December 2006 (11th revision of 29 May 2012) “New regulations for the prudential supervision of banks” and Circular No. 155 of 18 December 1992 (14th revision of 21 December 2011) “Instructions for the preparation of reports on Regulatory Capital and capital ratios”.

A. QUALITATIVE DISCLOSURES

1. Tier 1 capital

As at 31 December 2012, Tier 1 capital consisted of high quality components (share capital, reserves, share premium reserve and retained earnings for the period, non-innovative equity instruments) pertaining to the shareholders of the Parent Company and minority shareholders, appropriately adjusted for intangible assets (including goodwill) and negative prudential filters.

A deduction was made equal to 50% of the value of equity investments in banking and financial companies: Banca d’Italia, CA Agro-alimentare S.p.A. and MondoMutui Cariparma S.r.l. .

The table below provides information on the features of the non-innovative equity instrument included in Tier 1 Capital:

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value	Amount eligible for inclusion in Tier 1 capital
Subordinated loan	30.06.2011	31.12.2100	perpetual,with call from 28.06.2016	Euribor 3 months + 729 b.p.	euro	120,000	115,190	120,000

Core Tier1 consists of Tier1 capital, excluding non-innovative equity instruments, in accordance with the concept set forth in EBA recommendations EBA/REG/2011/1 of 8 December 2013.

2. Tier 2 Capital

Tier 2 Capital includes, among the positive elements, the Valuation Reserves, and second-level subordinate liabilities (lower Tier 2), whose characteristics are reported in the table below; among the negative elements, the negative prudential filters for the non-calculable portion of positive valuation reserves on AFS securities.

The remaining 50% of the elements deducted in the calculation of Tier 1 Capital referring to the equity interests in the Bank of Italy, «CA Agro-Alimentare S.p.A. and MondoMutui Cariparma S.r.l., is deducted from Tier 2 Capital.

In accordance with the supervisory provisions issued by the Bank of Italy with regulation of 18 May 2010 by the title “Tier 1 capital - prudential filters”, the Cariparma Crédit Agricole Group has opted, as envisaged in the above-mentioned regulation, to entirely neutralize both capital losses and capital gains resulting from debt securities held in the “Available-for-sale financial assets” (AFS) portfolio, issued by central governments of EU Member States.

This option was chosen to prevent an unjustified volatility of the supervisory capital, which could be determined by sudden changes in the securities quotations that are not linked to durable changes in the issuers’ creditworthiness. This also enables a partial alignment to the principles already followed by the Controlling Company, Crédit Agricole S.A.

The Bank of Italy has been informed of this choice, as well as of the commitment by all the companies in the Group to apply this approach uniformly, continuously in time and on all securities of this type, starting from 30 June 2010.

The table below reports the contractual features of subordinated liabilities included in Tier 2 Capital:

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original Value	Book Value	Amount eligible for inclusion in Tier 2 capital
Subordinated deposit	17.12.2008	17.12.2018	5 equal instalments as from Dec. 2014	Euribor 3 months + 334 b.p.	euro	250,000	250,343	250,000
Subordinated deposit	30.03.2011	30.03.2021	5 equal instalments as from March 2017	Euribor 3 months + 220 b.p.	euro	400,000	400,000	400,000
Subordinated loan	30.06.2009	30.06.2016	50% by 30 June 2015 50% by 30 June 2016	up to 30 June 2012 5%; after Euribor 6 months+ 100 b.p.	euro	77,250	77,033	61,800
Subordinated loan	30.06.2009	30.06.2016	50% by 30 June 2015 50% by 30 June 2016	5% fixed	euro	222,750	229,052	178,200

3. Tier 3 Capital

B. QUANTITATIVE DISCLOSURES

Items	31.12.2012	31.12.2011
A. Tier 1 capital prior to the application of prudential filters	**3,327,428**	**3,240,816**
B. Tier 1 prudential filters:	1	4
B1 - positive IAS/IFRS prudential filters (+)	1	4
B2 - negative IAS/IFRS prudential filters (-)	-	-
C. Tier 1 Capital including deductible elements (A+B)	3,327,429	3,240,820
D. Elements to be deducted from Tier 1 capital	37,975	93,458
E. Total Tier 1 capital (Tier 1) (C-D)	**3,289,454**	**3,147,362**
F. Tier 2 capital prior to the application of prudential filters	**875,492**	**948,110**
G. Tier 2 prudential filters:	3,485	3,155
G1- positive IAS/IFRS prudential filters (+)	-	-
G2- negative IAS/IFRS prudential filters (-)	3,485	3,155
H. Tier 2 capital including deductible elements (F+G)	**872,007**	**944,955**
I. Elements to be deducted from Tier 2 capital	37,975	93,458
L. Total Tier 2 capital (TIER 2) (H-I)	**834,032**	**851,497**
M. Elements to be deducted from Tier 1 and Tier 2 capital	-	58,917
N. Regulatory capital (E + L - M)	**4,123,486**	**3,939,942**
O. Tier 3 capital	-	-
P. Regulatory capital including Tier 3 (N + O)	**4,123,486**	**3,939,942**

2.2 Capital Adequacy

A. QUALITATIVE DISCLOSURES

Compliance with minimum mandatory capital requirements is determined by calculating the ratio of regulatory capital, as calculated above, to total risk-weighted assets calculated in accordance with the provisions of Bank of Italy Circular No. 263 of 27 December 2006 (13th update of 29 May 2012) “New regulations for the prudential supervision of banks” and Circular no. 155 of 18 December 1991 (14th update of 21 December 2011) “Instructions for the preparation of reports on supervisory capital and capital ratios”.

The resulting Tier Total Ratio at 31 December 2012 was in compliance with the thresholds specified in the Supervisory Regulations. This result was also due to a specific corporate policy that favours, where possible, distribution of earnings to shareholders, also to acknowledge the key role of minority shareholders in keeping a strong bond with the area of operations, however in full compliance with the regulatory limits and with the Bank of Italy’s recommendations published on Supervisory Bulletin No. 3 of March 2013, with reference to 2012 Financial Statements.

B. QUANTITATIVE DISCLOSURES

	Non-weighted amounts		Weighted amounts/ requirements	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
A. RISK ASSETS				
A.1 Credit and counterparty risk	**41,246,981**	**41,077,455**	**20,328,946**	**20,631,274**
1. Standardized approach	41,246,981	41,077,455	20,328,946	20,631,274
2. IRB approach	-	-	-	-
2.1 Foundation	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitizations	-	-	-	-
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			**1,626,316**	**1,650,502**
B.2 Market risks			**1,284**	**4,927**
1. Standardized method			1,284	4,927
2. Internal models			-	-
3. Concentration risk			-	-
B.3 Operational risk			**160,735**	**164,327**
1. Basic indicator approach			-	-
2. Standardized approach			160,735	164,327
3. Advanced measurement approach			-	-
B.4 Other prudential requirements			**-**	**-**
B.5 Other measurement elements			**-447,084**	**-454,939**
B.6 Total prudential requirements (*)			**1,341,251**	**1,364,817**
C. EXPOSURES AND CAPITAL ADEQUACY RATIOS				
C.1 Risk-weighted assets			22,354,188	22,746,950
C.2 Tier 1 capital/risk-weighted assets (Tier 1 capital ratio)			14.7%	13.8%
C.3 Supervisory capital including TIER 3/risk-weighted assets (Total capital ratio)			18.4%	17.3%

As at 31 December 2012, the Core Tier1 Ratio (Core Tier1/risk-weighted assets) was 14.2% vs. 13.3% as at 31 December 2011.

In calculating total capital requirements (sub-item B.6), the 25% reduction (sub-item B.5) was taken into account, which can be applied individually by banks belonging to a banking group, granted that the total consolidated requirement is complied with, while risk-weighted assets (sub-item C.1), the following sub-items C2 and C3 and the core tier 1 ratio were calculated without taking such reduction into account.

Part G Business combinations

Section 1 - Business combinations made in the year

1.1 Business combinations

In 2012, in the Cariparma Crédit Agricole Group, some extraordinary intra-group business combinations were carried out. These business combinations, excluded by IFRS 3 application scope, led to the transfer of business units between Group companies.

Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the separate financial statements of the companies involved, without recognizing any effects.

The intra-group transactions finalized in the year concerned:
- the transfer from the Parent Company Cariparma to the subsidiary Carispezia of 2 branches located in the Province of La Spezia;
- the transfer from the subsidiary Carispezia to the Parent Company Cariparma of 3 branches and 2 Enterprise Centres located in the Provinces of Parma and Reggio Emilia.

With the above transactions, aimed at the elimination of overlaps generated in 2011 by the acquisition of Carispezia and of the branches from the Intesa SanPaolo Group, the Group pursued the following objectives:
- enhancement of its control on areas of operations by reconstructing a single brand in each area of operations;
- rationalization of its network in all its areas of operations;
- greater efficiency to be achieved through a more effective management of each bank's facilities and of the human resources working there.

1.2 Other information on business combinations

In 2012 Cariparma allocated on a final basis the cost of the transfer of the business units consisting of 11 Cassa di Risparmio di Firenze S.p.A. branches, (transaction made on 28 March 2011) and of 70 Intesa SanPaolo branches (transaction made on 16 May 2011).

The transactions described were recognized in accordance with IFRS 3 regarding business combinations; this standard provides for the business combination price to be allocated to assets, liabilities, contingent liabilities and intangible values not recognized in the Financial Statements within their fair value limits. The residual amount after this allocation must be recognised to goodwill and annually undergo impairment testing.

In view of the complexity of this process, the international accounting standards permit entities to complete the allocation of the transaction cost within 12 months of its finalization.

As at 31 December 2011, this process had not yet been completed, since the transaction price was still being defined.

In 2012, the price of business combination was defined and the provisional allocation of the acquisition price, made in 2011, was changed due to the recognition of some contingent liabilities.

The relevant accounting standard indeed allows contingent liabilities taken subsequent to the business combination to be identified upon acquisition, granted that such liabilities result from current obligations deriving from past events and the relevant fair value can be reliably measured.

In accordance with the above, pursuant to IFRS 3, the comparative figures were recalculated as if the effects of the final allocation of the acquisition cost were effective since the date of finalization of the business combinations.

Specifically, the provisional allocation made as at 31 December 2011 was changed due to the recognition of contingent liabilities amounting to €19,660 thousand and of deferred tax assets amounting to €6,666 thousand.

The final allocation of the purchase price also generated a decrease in goodwill by €66,910 thousand.

After the allocation of the purchase prices of assets, liabilities, contingent liabilities and intangible assets not recognized in the transferor's Financial Statements within their fair value limits, the above allocation resulted in the recognition of total goodwill amounting to €259,358 thousand.

1.2.1 Changes in goodwill for the year

Goodwill as at 31.12.2011	989.250
Adjustment of the business combination price	-80.838
Effect of the change in the allocation of the business combination price	13.928
Goodwill as at 31.12.2011 (restated)	**922.340**

In 2012, goodwill arising from various business combinations made by Cariparma since 2007 was tested for impairment.

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

1.2.2 Other information

The book values and fair value of the assets and liabilities, which could be identified within the 11 branches transferred to Cariparma on 28 March 2011 and subsequent to the final reallocation of the price completed in 2012, were as follows:

Assets	Book values	Delta fair value	Recognized value
Cash and cash equivalents	1,810		1,810
Loans to banks	170,000		170,000
Loans to Customers	144,225		144,225
Property, plant and equipment	141		141
Intangible Assets	-	12,038 (1)	12,038
Tax assets	66		66
Other assets	40,123		40,123
Total assets	**356,365**	**12,038**	**368,403**

Liabilities	Book values	Delta fair value	Recognized value
Due to banks	33		33
Due to customers	329,631		329,631
Securities issued	2,479		2,479
Tax liabilities	-	3,892 (2)	3,892
Other liabilities	21,382		21,382
Employee severance benefits	2,840		2,840
Provisions for liabilities and contingencies	-		-
Total liabilities	**356,365**	**3,892**	**360,257**
Equity	-	8,146	8,146
Goodwill from acquisition			43,952
Total cost			**52,098**

(1) Portion of the purchase price allocated to intangible assets and representing the fair value of business with customers.

(2) Recognition of deferred taxes recognized upon allocation of the purchase price.

The book values and fair value of the assets and liabilities, which could be identified within the 70 branches transferred to Cariparma on 16 May 2011 and subsequent to the final reallocation of the price completed in 2012, were as follows:

Assets	Book values	Delta fair value	Recognized value
Cash and cash equivalents	863,254		863,254
Financial assets held for trading	130		130
Loans to banks	394,400		394,400
Loans to Customers	787,000	-934 (5)	786,066
Property, plant and equipment	2,028		2,028
Intangible Assets	-	72,640 (1)	72,640
Tax assets	1,405	6,666 (4)	8,071
Other assets	61,098		61,098
Total assets	**2,109,315**	**78,372**	**2,187,687**

Liabilities	Book values	Delta fair value	Recognized value
Due to banks	-		-
Due to customers	1,980,513		1,980,513
Securities issued	5,928		5,928
Financial liabilities held for trading	116		116
Tax liabilities	-	23,487 (2)	23,487
Other liabilities	111,613		111,613
Employee severance benefits	11,145		11,145
Provisions for liabilities and contingencies	-	19,660 (3)	19,660
Total liabilities	**2,109,315**	**43,147**	**2,152,462**
Equity	-	35,225	35,225
Goodwill from acquisition			215,406
Total cost			**250,631**

(1) Portion of the purchase price allocated to intangible assets and representing the fair value of business with customers.

(2) Recognition of deferred taxes recognized upon allocation of the purchase price.

(3) Portion of the purchase price allocated to contingent liabilities and representing present obligations resulting from past events, whose fair value can be reliably measured.

(4) Recognition of deferred tax assets recognized upon allocation of the purchase price.

(5) Portion of the purchase price allocated to reduction of net value of loans to customers.

The total cost of the business combination came to €302,729 thousand. Settlement was financed with the issue of shares totalling €47,946 thousand plus a total share premium of €335,621 thousand. Expenses for the share capital increase came to €876 thousand, net of the relevant taxes amounting to €239 thousand.

Net liquidity acquired following the business combination came to Euro 865.064 thousand.

Part H Transactions with related parties

The specific regulation issued on 12 December 2011 by the Bank of Italy concerning risk assets and conflicts of interest with related parties is part of the legislation framework on related parties (Article 2391-bis of the Italian Civil Code, Article 53 of the Consolidated Law on Banking, IAS 24 and CONSOB Regulation No. 17221/10) and is designed "to protect against the risk that close relations that certain parties have with the bank's decision-makers might compromise the objectivity and impartiality of lending decisions and other transactions involving the same parties, leading to possible distortions in resource allocation, the bank's exposure to inadequately measured or managed risks and potential harm for depositors and shareholders".

This regulation came into force on 31 December 2012 and, consequently, the first supervisory reporting shall be made by 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 Related Parties for the Cariparma Crédit Agricole Group", in order to give the Group a specific internal regulation that amounts to the new body of law on these issues and in order to harmonize the various regulations in force.

In addition to identifying the related parties of the Cariparma Crédit Agricole Group, this document provides for the introduction of prudential ceilings for risk assets towards related parties, sets the procedures to process and approve transactions with related parties, defines specific rules with regard to transactions with related parties made by the Group companies and sets procedures and timeframe for the provision of the disclosure and appropriate documentation relating to the transactions to be resolved to (i) independent directors, as well as, where necessary, (ii) to the control bodies.

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

In addition to the above described legislation part, this project also included the development of he IT component.

Specifically, related parties are considered the following:
- Controlling Company;
- any other shareholders that, directly or indirectly, including through shareholders' agreements, exercise a significant influence on the Bank;
- direct and indirect subsidiaries;
- associates and joint-ventures;
- Directors and senior managers with strategic responsibilities (Directors, Auditors, General Managers and Managers who report directly to senior management);
- other related parties:
  a) members of the immediate families of Directors, Auditors and General Managers, as well as companies controlled by or associated with Directors, Auditors and General Managers or by their immediate family;
  b) members of the immediate families of other managers with strategic responsibilities, as well as companies controlled by or associated with such managers or their immediate family members;
- Pension Plan

1.1 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 Bank's operations, including Directors, both executive and non-executive, and the members of control bodies.

The remuneration of Directors and Auditors is established with specific resolutions passed by the Shareholders' General Meeting.

	31.12.2012
Short-term employee benefits	9,722
Benefits subsequent to severance from employment	235
Other long-term benefits	-
Employee severance benefits	-
Share-based payments (Stock options)	-

2. Information on transactions with related parties

Transactions with related parties are the transfer of resources, services or bonds between the Company (or companies directly and/or indirectly controlled) and one or more of the related parties, independently of whether payment was agreed or not.

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

During the year, no atypical or unusual transactions were carried out whose size or features might have jeopardized the protection of corporate equity and the interests of minority shareholders.

In the year, some extraordinary intra-group business combinations were carried out, having, for their intra-group nature, no effect on the consolidated financial statements; these transactions consisted in the transfer of business branches between companies in the Cariparma Crédit Agricole Group (common control transactions). Considering that these transactions had only reorganization purposes and applying the Group's relevant accounting policy, they have been recognized with the same values in the financial statements of the companies involved on the basis of continuity of proprietary interest, without recognizing any effects.

In 2012, in a perspective of rationalization and development of the Group's core business, the entire equity investment held by the Parent Company in Crédit Agricole Vita S.p.A. was transferred to the majority shareholder Crédit Agricole Assurances.

The deconsolidation of the equity investment generated capital gains recognized in the Income Statement for €71 million, resulting mainly from the difference between the sale price of the equity investment, as determined by an independent expert based on the adjusted value of the company's equity as at 31 December 2011, and the present value of future production over a ten-years time horizon, and the book value of the same company in the Cariparma Crédit Agricole Group's consolidated financial statements as at the transfer date.

Transactions with related parties	Financial assets held for trading	Financial assets available for sale	Loans to customers	Loans to banks	Due to customers	Due to banks	Guarantees issued
Holding company	-	-	-	3,065,439	-	2,775,124	-
Entity exercising significant influence on company	-	-	-	-	4,457	-	-
Subsidiaries	2,122	-	1,431,186	753,554	34,723	949,932	11,529
Associates	-	-	-	-	5,083	-	-
Directors and key management personnel	-	-	1,505	-	3,686	-	-
Other related parties	25,448	48,825	1,073,521	1,354	306,667	1,305,826	27,075
Total	**27,570**	**48,825**	**2,506,213**	**3,820,348**	**354,617**	**5,030,881**	**38,603**

Part I Share-based Payment Agreement

QUALITATIVE DISCLOSURES

The Bank has no agreements for payments based on its shares in place.

On 9 November 2011, the Board of Directors of the Controlling Company Crédit Agricole S.A. approved a plan for the free allocation of shares to all employees of the Crédit Agricole S.A. Group, in order to share with them both the capital and success of the Group.

Recipients are over 82,000 employees of the Group in the 58 countries where the Group operates, who will each receive 60 Crédit Agricole S.A. shares, independently of their sector of activity, their citizenship or their role in the company.

The shares will be assigned at the end of 2013 and will be tied for three years, at the end of which time each employee may freely dispose of them.

From 2011 to 2013, higher expenses equal to the fair value of the shares allocated to its employees will be recognized, calculated as at the date of approval of the plan and recognizing, as offsetting item, an identical increase in equity.

QUANTITATIVE DISCLOSURES

For 2012, higher expenses generated an impact on the Cariparma Income Statement of €627 thousand referring to the shares assigned to the 6,597 employees receiving the shares, with an equal increase in equity that took the specific reserve to €732 thousand.

Part L Segment reporting

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

Cariparma operates through an organization structure that includes: Retail and Private Banking channels designed for individuals and households, as well as businesses falling within the Small Business segment; Enterprise and Corporate channels that are designed for larger-size companies. Reporting also includes data relating to the operations and income of Crédit Agricole Leasing S.r.l.

The channel «Other» is of a residual nature and does not amount to an aggregation of other sectors subject to specific recognition; specifically, it includes what has not been allocated to other channels because of the specificity of the activities reported, such as activities pertaining to central departments, such as the banking book, capital markets and governance.

As at 31 December 2012, income from the Retail and Private Banking Channel of Cariparma came to €1,221.8 million and accounted for 82.9% of the total aggregate. The Corporate and Enterprise channels reached €273.5 million, accounting for 18.6% of the total aggregate.

Compared with the previous year, the contribution of the Retail and Private Banking channels to total income increased by +7.0%. The contribution of the Corporate and Enterprise channel increased by 3.9%.

As at 31 December 2012, the expenses of the Retail and Private Banking channels came to €853.2 million, accounting for 64.1% of total expenses. The expenses of the Corporate and Enterprise channels came at €195.7 million accounting for approximately 14.7% of total expenses.

Over the December 2011 figure, the percentage weight of the Retail and Private Banking channels decreased by -5.2%, while the percentage weight of the Corporate and Enterprise channels increased by +2.6%.

The partial writedown of the equity investments in Banca Popolare FriulAdria and Calit was recognized in the item «Profits/losses from equity investments».

Assets by segment mainly consisted of loans to customers, property, plant and equipment and intangible assets that can be directly allocated to the operating segments. With reference to intangible assets, data also included goodwill of the branches acquired from the Intesa SanPaolo Group (202 branches in 2007 and 96 branches in 2011).

Specifically, as at 31 December 2012, assets of the Retail and Private Banking channels accounted for approximately 45.5% of the Bank's assets, while the Corporate and Enterprise channels accounted for approximately 23.8% of these assets.

Liabilities by segment consisted of direct funding from customers that can be directly allocated to the operating segments.

Specifically, as at 31 December 2012, liabilities of the Retail and Private Banking channels accounted for approximately 68.4% of total liabilities, while those of the Corporate and Enterprise channels accounted for approximately 8.1% of total liabilities.

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

Segment reporting as at 31 December 2012

	Retail and Private	Corporate and Companies	Other	Total
External operating revenues				
Net interest income	612,617	204,731	-104,828	712,520
Net commission income	388,888	64,267	-5,454	447,701
net gain (loss) on financisl activities	8,521	4,426	872	13,819
Dividends	-	-	37,971	37,971
Other net operating revenues (item 90, 100, 190)	180,819	119	81,588	262,526
Total operating revenues	**1,190,845**	**273,543**	**10,149**	**1,474,537**
Impairment adjustments of loans	-128,234	-155,143	-37	-283,414
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-3,151	-3,151
Staff expenses, administrative expenses and depraction/amortization	-719,532	-41,707	-274,134	-1,035,373
Provisions for risks	-13,704	-11,479	-6,844	-32,027
Total expenses	**-861,470**	**-208,329**	**-284,166**	**-1,353,965**
Gain (loss) from equity investments	-	-	-64,066	-64,066
Gain (loss) on disposal of investments	-	-	362	362
Result by segment	**329,375**	**65,214**	**-337,721**	**56,868**
Profit before tax	**329,375**	**65,214**	**-337,721**	**56,868**
Taxes	-177,528	-35,150	214,672	1,994
Profit for the period	**151,847**	**30,064**	**-123,049**	**58,862**
Assets and liabilities				
Assets by segment (customers + intangible)	18,203,683	9,537,946	890,192	28,631,821
Equity investments in associates	-	-	1,272,613	1,272,613
Unallocated assets	-	-	10,104,424	10,104,424
Total Assets	**18,203,683**	**9,537,946**	**12,267,229**	**40,008,858**
Liabilities by segment	24,435,966	2,879,083	801,732	28,116,781
Unallocated liabilities	-	-	7,585,475	7,585,475
Total Liabilities	**24,435,966**	**2,879,083**	**8,387,207**	**35,702,256**

Segment reporting as at 31 December 2011 (*)

	Retail and Private	Corporate and Companies	Other	Total
External operating revenues				
Net interest income	596,148	149,524	31,994	777,666
Net commission income	390,734	55,262	-12,187	433,809
net gain (loss) on financisl activities	11,110	6,918	-3,589	14,439
Dividends	-	-	33,920	33,920
Other net operating revenues (item 90, 100, 190)	101,706	482	88,274	190,462
Total operating revenues	**1,099,698**	**212,186**	**138,410**	**1,450,296**
Impairment adjustments of loans	-91,510	-78,680	-232	-170,422
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-1,388	-1,388
Staff expenses, administrative expenses and depraction/amortization	-703,547	-38,096	-209,116	-950,759
Provisions for risks	-12,315	-23,083	-7,285	-42,683
Total expenses	**-807,372**	**-139,859**	**-218,021**	**-1,165,252**
Gain (loss) from equity investments	-	-	-50,100	-50,100
Gain (loss) on disposal of investments	-	-	297	297
Result by segment	**292,326**	**72,327**	**-129,412**	**235,241**
Profit before tax	**292,326**	**72,327**	**-129,412**	**235,241**
Taxes	-133,388	-33,003	135,771	-30,620
Profit for the period	**158,938**	**39,324**	**6,359**	**204,621**
Assets and liabilities				
Assets by segment (customers + intangible)	18,489,417	9,401,344	288,013	28,178,774
Equity investments in associates	-	-	1,510,221	1,510,221
Unallocated assets	-	-	10,705,982	10,705,982
Total Assets	**18,489,417**	**9,401,344**	**12,504,216**	**40,394,977**
Liabilities by segment	24,203,702	2,797,990	853,008	27,854,700
Unallocated liabilities	-	-	12,540,277	12,540,277
Total Liabilities	**24,203,702**	**2,797,990**	**13,393,285**	**40,394,977**

Financial statements of the controlling company Crédit Agricole S.A.

ACTIF

(en millions d'euros)	31.12.2011	31.12.2010
Opérations interbancaires et assimilées	**165,210**	**139,785**
Caisse, banques centrales	1,519	3,396
Effets publics et valeurs assimilées	22,087	20,262
Créances sur les établissements de crédit	141,604	116,127
Opérations internes au Crédit Agricole	**275,765**	**260,735**
Opérations avec la clientèle	**2,983**	**2,475**
Opérations sur titres	**31,704**	**33,904**
Obligations et autres titres à revenu fixe	31,101	33,289
Actions et autres titres à revenu variable	603	615
Valeurs immobilisées	**67,755**	**69,470**
Participations et autres titres détenus à long terme	9,855	11,365
Parts dans les entreprises liées	57,701	57,910
Immobilisations incorporelles	41	35
Immobilisations corporelles	158	160
Capital souscrit non versé		
Actions propres	**30**	**92**
Comptes de régularisation et actifs divers	**27,586**	**23,008**
Autres actifs	5,503	4,180
Comptes de régularisation	22,083	18,828
Total actif	**571,033**	**529,469**

PASSIF

(en millions d'euros)	31.12.2011	31.12.2010
Opérations interbancaires et assimilées	**126,252**	**83,974**
Banques centrales		1
Dettes envers les établissements de crédit	126,252	83,973
Opérations internes au Crédit Agricole	44,965	31,911
Comptes créditeurs de la clientèle	**218,912**	**221,644**
Dettes représentées par un titre	**82,187**	**92,593**
Comptes de régularisation et passifs divers	**27,051**	**19,686**
Autres passifs	4,935	1,940
Comptes de régularisation	22,116	17,746
Provisions et dettes subordonnées	**38,922**	**43,126**
Provisions	2,322	1,644
Dettes subordonnées	36,600	41,482
Fonds pour risques bancaires généraux	**904**	**876**
Capitaux propres hors FRBG	**31,840**	**35,659**
Capital souscrit	7,494	7,205
Primes d'émission	22,452	21,830
Réserves	2,827	2,827
Écart de réévaluation		
Provisions réglementées et subventions d'investissement	8	2
Report à nouveau	2,715	4,347
Résultat de l'exercice	(3,656)	(552)
Total passif	**571,033**	**529,469**

HORS-BILAN DE CRÉDIT AGRICOLE S.A.

(en millions d'euros)	31.12.2011	31.12.2010
Engagements donnés	**61,130**	**56,296**
Engagements de financement	33,315	33,068
Engagements de garantie	27,804	22,437
Engagements sur titres	11	790
Engagements reçus	**56,785**	**45,959**
Engagements de financement	38,823	43,118
Engagements de garantie	17,951	2,701
Engagements sur titres	11	140

COMPTE DE RÉSULTAT DE CRÉDIT AGRICOLE S.A.

(en millions d'euros)	31.12.2011	31.12.2010
Intérêts et produits assimilés	14,092	12,959
Intérêts et charges assimilées	(15,407)	(14,043)
Revenus des titres à revenu variable	3,669	2,787
Commissions (produits)	679	790
Commissions (charges)	(1,171)	(1,337)
Gains ou pertes sur opérations des portefeuilles de négociation	(231)	(60)
Gains ou pertes sur opérations des portefeuilles de placement et assimilés	(415)	(138)
Autres produits d'exploitation bancaire	59	98
Autres charges d'exploitation bancaire	(90)	(128)
Produit net bancaire	**1,185**	**928**
Charges générales d'exploitation	(721)	(734)
Dotations aux amortissements et aux dépréciations sur immobilisations incorporelles et corporelles	(13)	(11)
Résultat brut d'exploitation	**451**	**183**
Coût du risque	(295)	(17)
Résultat d'exploitation	**156**	**166**
Résultat net sur actifs immobilisés	(4,979)	(1,832)
Résultat courant avant impôt	**(4,823)**	**(1,666)**
Résultat exceptionnel		
Impôt sur les bénéfices	1,201	1,136
Dotations/reprises de FRBG et provisions réglementées	(34)	(22)
Résultat net de l'exercice	**(3,656)**	**(552)**

Annexes

International accounting standards endorsed as at 31 December 2012 382

Tax disclosures on reserves 384

Assets revalued pursuant to Special Laws 386

Group equity investments 398

International accounting standards endorsed as at 31 December 2012

List of international accounting standards, which coordinated text was adopted by the Council Regulation (EC) No. 1126/2008 of the European Commission on 3 November 2008. These Regulations was published in the Official Journal of the European Union L 320 of 29 November 2008 and replaces the previous Regulation (EC) No. 1725/2003.

Are shown next to the number and date of the regulations of the EC type-approval subsequent amendments and additions.

List of IAS/IFRS			Endorsement regulation
IFRS	1	First-time adoption of International Financial Reporting Standards	1136/2009 - 550/2010 - 574/2010 - 662/2010 - 149/2011 - 1205/2011 - 1255/2012
IFRS	2	Share-based payment	1126/2008 - 1261/2008 - 495/2009 - 243/2010 - 244/2010
IFRS	3	Business combinations	495/2009 - 149/2011
IFRS	4	Insurance contracts	1126/2008 - 494/2009 - 1165/2009
IFRS	5	Non-current assets held for sale and discontinued operations	1126/2008 - 494/2009 - 243/2010
IFRS	6	Exploration for and evaluation of mineral assets	1126/2008
IFRS	7	Financial instruments: Disclosures	1126/2008 - 70/2009 - 495/2009 - 824/2009 - 1165/2009 - 574/2010 - 149/2011 - 1205/2011 - 1256/2012
IFRS	8	Operating segments	1126/2008 - 243/2010 - 632/2010
IFRS	10	Consolidated Financial Statements	1254/2012
IFRS	11	Joint Arrangements	1254/2012
IFRS	12	Disclosure of Interests in Other Entities	1254/2012
IFRS	13	Fair Value Measurement	1255/2012
IAS	1	Presentation of Financial Statements	1274/2008 - 53/2009 - 70/2009 - 494/2009 - 243/2010 - 149/2011
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
IAS	17	Leases	1126/2008 - 243/2010
IAS	18	Revenue	1126/2008 - 69/2009
IAS	19	Employee benefits	1126/2008 - 70/2009
IAS	20	Accounting for government grants and disclosure of government assistance	1126/2008 - 70/2009
IAS	21	The effects of changes in foreign exchange rates	1126/2008 - 69/2009 - 494/2009 - 149/2011
IAS	23	Borrowing costs	1260/2008 - 70/2009
IAS	24	Related Party Disclosures	1126/2008 - 632/2010
IAS	26	Accounting and reporting by retirement benefit plans	1126/2008
IAS	27	Consolidated and separate financial statements	494/2009 - 1254/2012
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
IAS	33	Earning pershare	1126/2008 - 494/2009 - 495/2009
IAS	34	Interim financial reporting	1126/2008 - 70/2009 - 495/2009 - 149/2011
IAS	36	Impairment of assets	1126/2008 - 69/2009 - 70/2009 - 495/2009 - 243/2010
IAS	37	Provisions, Contingent, Liabilities and Contingent Assets	1126/2008 - 495/2009
IAS	38	Intangible assets	1126/2008 - 70/2009 - 495/2009 - 243/2010
IAS	39	Financial instruments: recognition and measurement (except a few provisions relating to recognition of hedging transactions)	1126/2008 - 53/2009 - 70/2009 - 494/2009 - 495/2009 - 824/2009 - 839/2009 - 1171/2009 - 243/2010 - 149/2011
IAS	40	Investment property	1126/2008 - 70/2009
IAS	41	Agricolture	1126/2008 - 70/2009
IFRIC	1	Changes in existing decommissioning, restoration and similar liabilities	1126/2008
IFRIC	2	Members' shares in cooperative entities and similar instruments	1126/2008
IFRIC	4	Determining whether an arrangement contains a lease	1126/2008 - 254/2009
IFRIC	5	Rights to interests arising from decommissioning, restoration and environmental reclamation funds	1126/2008 - 70/2009 - 1142/2009
IFRIC	6	Liabilities arising from participating in a specific market - Waste electrical and electronic equipment	1126/2008
IFRIC	7	Applying the restatement approach under IAS 29. Financial reporting in hyperinflationary economies	1126/2008

List of IAS/IFRS			Endorsement regulation
IFRIC	8	Scope of IFRS 2	1126/2008
IFRIC	9	Reassessment of embedded derivatives	1126/2008 - 495/2009 - 1171/2009 - 243/2010
IFRIC	10	Interim financial reporting and impairment	1126/2008
IFRIC	11	IFRS 2 - Group and treasury share transactions	1126/2008
IFRIC	12	Service Concession Arrangements	254/2009
IFRIC	13	Customer loyalty programmes	1262/2008 - 149/2011
IFRIC	14	IAS 19 - the limit on a Defined-Benefit-Asset, minimum funding requirements and their interaction	1263/2008 - 633/2010
IFRIC	15	Agreements for the construction of real estate	636/2009
IFRIC	16	Hedges of a net investment in a foreign operation	460/2009
IFRIC	17	Distribution of Non-cash Assets to Owners	1142/2009
IFRIC	18	Transfers of assets from Customers	1164/2009
IFRIC	19	Extinguishing financial liabilities with equity instruments	662/2010
IFRIC	20	Stripping Costs in the Production Phase of a Surface Mine	1255/02012
SIC	7	Introduction of the Euro	1126/2008 - 494/2009
SIC	10	Government assistance - No specific relation to operations	1126/2008
SIC	12	Consolidation - Special purpose entities	1126/2008
SIC	13	Jointly controlled entities - Non-monetary contributions by venturers	1126/2008
SIC	15	Operating leases - Incentives	1126/2008
SIC	21	Income taxes - Recovery of revalued non-depreciable assets	1126/2008
SIC	25	Income taxes - Changes in the tax status of an enterprise or its shareholders	1126/2008
SIC	27	Evaluating the substance of transactions in the legal form of a lease	1126/2008
SIC	29	Service Concession Arrangements Disclosures	1126/2008 - 254/2009
SIC	31	Revenue - Barter transactions involving advertising services	1126/2008
SIC	32	Intangible assets - Website costs	1126/2008

Source EFRAG - The EU endorsement status report - Position as at 20 january 2012

Tax disclosures on reserves

Disclosures on equity reserves

	Reserves and provisions that do not form part of shareholders' income in the event of distribution	Reserves and provisions that form part of taxable income of company in the event of distribution	Reserves and provisions of shareholders' taxable income in the event of distribution	Valuation reserves not available for distribution
Share premium reserve	2,693,560	42,444		
Reserve pursuant to Article 13 of Legislative Decree 124/93		314		
Legal reserve			116,524	
Extraordinary Reserve			746,393	
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 for financial assets available for sale				- 118,596
Reserve from actuarial valuation reserve - defined-benefit pension plans				- 21,479
Reserve for share-based payments	517		604	
Reserve for free assignation of shares			732	
Reserve from adjustment of transfer Purchase Price Allocation			605	
Reserve for purchases of business units			-3,901	
Reserve for disposal of business units			3,669	
	2,694,077	42,757	774,216	-140,075

Capital and reserves: possible uses and availability for distribution (Article 2427 - paragraph 7 bis of the Italian Civil Code)

Items of liabilities	Amount		Possible uses (*)	Amount available	Sommary of uses in last three years Loss coverage	Other uses
Share capital		876,762				
Share premium reserve		2,693,560	A, B, C	2,693,560	-	-
Tax share premium reserve - Law 266/2005		42,444	A, B (2), C (3)	42,444		
Reserves		775,049				
Legal reserve	116,524		A(1), B		-	-
Extraordinary Reserve	746,393		A, B, C	746,393	-	-
Reserve pursuant to Article 13 of Legislative Decree 124/93	314		A, B, C	314	-	-
Reserve for share-based payments	1121		A, B, C	1,121	-	-
Reserve for free assignation of shares	732		A, B, C	732	-	-
Reserve from adjustment of transfer Purchase Price Allocation	605		A, B, C	605	-	-
Reserve for purchases of business units	-3,901			-3,901		
Reserve for disposal of business units	3,669			3,669		
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		-140,075				
Valuation reserves for financial assets available for sale	-118,596			-	-	-
Reserve from actuarial valuation reserve - defined benefit pension plans	-21,479			-	-	-
Net profit (loss) for the period		58,862		-	-	-
Total		**4,306,602**		**3,484,937**	**-**	**-**

(*) 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 provisions of the second and third paragraphs of Art. 2445 of the Italian Civil Code.

(3) Unless the reserve is transferred to share capital, it may only be reduced with the application of the provisions of Article 2445 paragraphs 2 and 3 of the Italian Civil Code. If distributed, it shall form part of the Company's taxable income.

Assets revalued pursuant to special laws

List of assets that have been revalued and are still held by setting forth the amount of revaluations pursuant

PROPERTY	Book value net of revaluations	L.11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576
AGAZZANO - VIA MACALLÈ, 11	86,086	-	-	-
AGENZIA DI CITTÀ N. 5	3,881,000	-	-	-
ALBARETO	179,826	-	-	-
ALSENO - VIA EMILIA OVEST, 18	171,038	-	-	-
AMPLIAMENTO CAVAGNARI	1,569,633	-	-	-
ANNICCO - P.ZZA GARIBALDI, 3	56,152	1,176	3,176	-
ASILO AZIENDALE C/O CAVAGNARI	-	-	-	-
ASILO NIDO AZIENDALE-C/OCAVAGNARI	2,647,875	-	-	-
ASOLA - P.ZZA XX SETTEMBRE, 23	265,396	1,501	19,641	-
ASTI SEDE - CORSO V.ALFIERI, 213	2,149,546	-	-	-
AVERSA - VIALE GIOLITTI, 17	816,786	-	-	-
BARDI	129,082	-	11,930	5,967
BASILICANOVA	100,957	-	-	-
BEDONIA - NUOVA SEDE	574,643	-	-	-
BELGIOIOSO - VIA VITT.VENETO, 2	142,876	1,151	11,204	-
BERCETO	154,586	-	2,161	11,500
BETTOLA - PIAZZA COLOMBO, 11	83,016	-	-	-
BOBBIO - PIAZZA S.FRANCESCO, 11/A	262,152	-	-	-
BORGONOVO VAL TIDONE - VIA ROMA, 23	394,221	-	-	-
BORGOTARO	287,205	-	11,389	18,401
BRONI - VIA EMILIA, 371	831,581	-	-	-
BUSSETO FILIALE	523,085	-	22,360	-
CADEO LOC. ROVELETO - VIA EMILIA PARMENSE, 146	284,853	-	-	-
CALENDASCO - PIAZZA BERGAMASCHI, 4	285,670	-	-	-
CALESTANO	20,541	-	9,321	1,911
CAORSO - VIA ROMA, 8	221,358	-	-	-
CAPUA - LARGO PORTA NAPOLI	1,222,279	-	-	-
CASALBUTTABO - P.ZZA DELLA LIBERTÀ, 21	72,358	506	31,536	-
CASALMAGGIORE - VIA CAVOUR, 40/42	130,380	2,359	22,273	-
CASALPUSTERLENGO - LARGO CASALI, 31	561,653	-	-	-
CASERTA - PIAZZA ALDO MORO	4,337,331	-	-	-
CASSOLNOVO - VIA LAVATELLI, 32	378,821	-	-	10,329
CASTEL S.GIOVANNI - GALLERIA BRAGHIERI, 1	536,372	-	-	-
CASTELLUCCHIO - VIA G. MATTEOTTI, 18	561,213	-	-	-
CASTELVERDE - P.ZZA MUNICIPIO, 3-9-11	58,133	-	12,946	-

to Article 10 of Law No. 72 of 19 March 1983

L. 19.03.83 no. 72	L.29.12.90 no. 408	L.30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2012	Net book value at 31.12.2012
72,046	-	27,352	53,139	-	238,623	51,756	186,868
-	-	-	2,518	-	3,883,518	1,662,435	2,221,083
-	-	22,958	64,005	-	266,788	159,959	106,829
51,646	-	47,211	108,998	-	378,892	177,418	201,474
-	-	-	-	-	1,569,633	-	1,569,633
-	-	52,652	-	67,277	180,434	107,603	72,831
-	-	-	-	-	-	-	-
-	-	-	-	-	2,647,875	101,852	2,546,023
-	-	66,395	-	227,909	580,842	197,895	382,947
-	-	-	-	-	2,149,546	164,515	1,985,031
-	-	-	-	-	816,786	62,651	754,135
61,540	-	76,594	106,574	-	391,687	193,959	197,728
57,102	13,316	147,621	167,520	-	486,517	246,911	239,606
-	-	112,306	182,435	-	869,384	432,520	436,863
-	-	21,180	-	229,336	405,747	153,501	252,246
61,274	-	55,926	87,586	-	373,033	150,631	222,402
61,975	-	27,484	134,658	-	307,133	141,341	165,793
43,608	-	20,969	112,497	-	439,225	187,086	252,139
56,810	-	31,598	87,567	-	570,196	196,731	373,466
95,615	-	16,994	128,117	-	557,722	351,084	206,638
328,983	-	300,316	-	50,149	1,511,029	820,678	690,351
-	-	100,485	468,356	-	1,114,287	554,874	559,412
-	-	102,983	16,673	-	404,510	272,886	131,625
-	-	41,650	36,431	-	363,751	110,303	253,448
47,801	-	17,398	94,609	-	191,581	95,647	95,933
98,127	-	41,257	101,462	-	462,204	169,167	293,037
-	-	-	-	-	1,222,279	93,754	1,128,525
-	-	57,722	-	100,940	263,062	133,729	129,333
-	-	36,030	-	292,244	483,286	221,952	261,334
211,740	-	409,979	-	266,529	1,449,901	1,046,630	403,270
-	-	-	-	-	4,337,331	332,693	4,004,638
-	-	21,130	91,583	-	501,863	160,595	341,268
171,844	-	88,751	413,391	-	1,210,359	509,605	700,754
-	-	226,505	-	49,464	837,182	632,737	204,445
-	-	40,216	-	111,816	223,111	97,312	125,800

PROPERTY	Book value net of revaluations	L.11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576
CERTOSA DI PAVIA - V.LE CERTOSA, 78	353,501	-	4,692	-
CHIAVARI - PIAZZA GIACOMO MATTEOTTI, 4	3,043,867	-	-	-
CINGIA DE' BOTTI - VIA GIUSEPPINA, 152	2,619	429	5,941	-
CODOGNO - PIAZZA CAIROLI, 3	1,085,252	-	-	-
COENZO	371,668	-	1,808	-
COLLECCHIO	1,912,426	-	-	-
COLLECCHIO - VIA LA SPEZIA, 8	760,303	-	-	-
COLORNO - NUOVA SEDE	816,350	-	-	-
COMO SEDE - VIA PIETRO BOLDONI, 1	2,667,285	-	-	-
CORNIGLIO	64,911	-	26,353	928
CORTE DE' CORTESI - P.ZZA VITT.VENETO, 4 - 6	128,424	-	713	-
CORTEMAGGIORE - VIA CAVOUR, 1/A	108,578	-	-	-
CORTEOLONA - VIA CARDINAL MAFFI, 2	47,714	-	9,608	-
CREMA - VIA G. MATTEOTTI, 26/28	323,114	4,822	56,297	-
CREMONA - CORSO MAZZINI, 2	1,595,827	25,087	350,772	-
DESIO - LARGO VOLONTARI DEL SANGUE	3,873,731	-	-	-
FELINO - PIAZZA MIODINI, 2	657,786	-	35,969	10,329
FERRIERE - VIA DEL CONSORZIO, 7	172,784	-	-	-
FIDENZA - AGENZIA N.1	1,796,287	-	83,677	29,665
FIDENZA - AGENZIA N.2	473,170	-	-	-
FIORENZUOLA D'ARDA - CORSO GARIBALDI, 120	511,168	-	-	-
FONTANELLATO	527,707	-	29,897	-
FONTANELLATO - FILIALE DI PAROLA	553,173	-	-	-
FONTANELLE - STRADA PROVINCIALE, 59	87,762	-	9,533	2,582
FONTEVIVO - STRADA PER BUSSETO, 135	238,868	-	11,927	20,658
FORNOVO TARO	1,067,880	-	8,156	19,437
GAMBOLO' - VIA COTTA, 2	403,081	-	-	10,329
GENOVA 2 PEGLI - PIAZZA A.PONCHIELLI, 2	1,844,301	-	-	-
GRAGNANO TREBBIENSE - VIA ROMA, 63	152,934	-	-	-
GRUMELLO CREMONESE - VIA MAZZINI, 8	156,510	59	2,644	-
GUSSOLA - VIA ROMA, 8	47,520	-	7,753	-
LAGRIMONE	172,191	-	-	-
LANGHIRANO	828,795	-	42,532	12,128
LANGHIRANO - AGENZIA 3	406,312	-	-	-
LANGHIRANO - PIAZZA DEL POPOLO, 22	57,180	-	34,618	15,494
LESIGNANO BAGNI - NUOVA SEDE	577,256	-	-	-
LODI - VIA MARSALA, 18	635,576	4,127	113,691	-
LUGAGNANO - VAL PIAZZA CASTELLANA, 22	622,159	-	-	-
MANTOVA - VIA I. NIEVO 18/VIA OBERDAN	4,503,350	-	-	-
MARMIROLO - VIA XXV APRILE, 1	126,415	-	10,252	-
MEDE - VIA GRAMSCI, 1	46,786	-	-	-
MEDESANO	71,673	-	18,132	9,531
MEZZANI - VIA M. LIBERTÀ, 322	32,302	-	5,127	5,210

L. 19.03.83 no. 72	L.29.12.90 no. 408	L.30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2012	Net book value at 31.12.2012
120,851	-	82,275	-	28,618	589,937	251,047	338,890
-	-	-	-	-	3,043,867	92,257	2,951,610
-	-	12,612	-	74,914	96,516	53,349	43,167
-	-	217,624	171,309	-	1,474,185	940,547	533,639
-	-	9,465	138,121	-	521,062	265,339	255,723
-	-	191,196	288,117	-	2,391,739	1,037,403	1,354,336
73,636	59,469	641,640	-	-	1,535,047	747,084	787,963
-	-	108,667	786,454	-	1,711,471	717,287	994,184
-	-	-	-	-	2,667,285	199,919	2,467,366
48,146	-	35,078	194,040	-	369,456	126,233	243,223
-	-	7,370	-	47,582	184,089	58,917	125,172
77,469	-	35,055	87,409	-	308,511	144,925	163,586
-	-	20,950	-	74,440	152,711	76,302	76,410
298,140	-	628,944	-	257,319	1,568,636	959,161	609,475
2,076,157	-	1,870,791	-	803,837	6,722,471	2,484,379	4,238,092
-	-	-	-	-	3,873,731	194,730	3,679,001
87,798	301,908	220,281	-	-	1,314,071	550,874	763,197
-	-	53,147	4,523	-	230,454	148,246	82,208
215,527	-	-	307,531	-	2,432,687	814,074	1,618,613
28,659	-	48,093	345,710	-	895,632	382,930	512,703
194,704	-	144,239	195,074	-	1,045,186	331,257	713,928
111,655	-	15,582	379,247	-	1,064,088	480,949	583,139
-	-	-	-	-	553,173	25,406	527,767
45,448	151,905	63,487	-	-	360,718	156,830	203,888
103,291	350,998	299,492	-	-	1,025,234	365,308	659,926
-	-	14,142	198,065	-	1,307,680	565,202	742,478
-	-	4,474	94,165	-	512,049	200,591	311,458
-	-	-	-	-	1,844,301	138,401	1,705,900
41,317	-	29,569	23,034	-	246,854	143,127	103,727
-	-	9,162	-	66,174	234,549	51,144	183,405
-	-	58,355	-	51,318	164,945	104,785	60,160
-	99,980	-	-	-	272,171	223,751	48,420
90,543	-	50,672	562,140	-	1,586,810	421,370	1,165,440
-	-	-	138	-	406,449	218,122	188,328
162,684	255,039	217,764	-	-	742,779	338,232	404,547
-	-	-	-	-	577,256	223,317	353,939
-	-	259,762	-	1,051,150	2,064,306	935,169	1,129,137
65,107	-	26,297	28,660	-	742,224	200,773	541,451
-	-	1,560,197	-	321,766	6,385,312	5,155,771	1,229,541
-	-	78,068	-	61,702	276,436	173,502	102,934
-	-	-	-	-	46,786	11,522	35,264
108,953	-	40,468	219,782	-	468,539	198,143	270,396
38,218	65,506	53,984	-	-	200,348	111,913	88,435

PROPERTY	Book value net of revaluations	L.11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576
MILANO	2,260,484	-	-	-
MILANO - P.ZZA VELASCA, 4	409,016	-	191,991	-
MILANO - PIAZZA FRATTINI, 19	366,661	-	81,632	-
MILANO - VIA ARMORARI, 4	2,982,003	-	1,313,331	-
MILANO - VIA ARMORARI, 8	2,268,382	-	-	-
MILANO - VIA FARINI, 82	2,026,231	-	-	-
MILANO - VIA MUSSI, 4	425,146	-	92,969	-
MILANO - VIA PISTRUCCI, 25	607,799	-	41,673	-
MILANO - VIA RIPAMONTI, 177	404,816	-	103,421	-
MONCHIO	23,882	-	1,143	5,726
MONTICELLI - VIA MARTIRI LIBERTÀ, 35	317,252	-	-	-
MONZA 2 - V.MONTE CERVINO, 3	2,446,331	-	-	-
MORFASSO - PIAZZA INZANI	189,384	-	-	-
NAPOLI - PIAZZA MEDAGLIE D'ORO, 17	4,289,856	-	-	-
NAPOLI 18 - VIA ENRICO FERMI, 2	3,727,331	-	-	-
NAPOLI 25 - VIA ABATE MINICHINI, 1/A	1,410,473	-	-	-
NAPOLI 6 - VIA FERRANTE IMPARATO, 29	1,043,331	-	-	-
NEVIANO ARDUINI	70,408	-	3,954	2,574
NOCETO - FILIALE	698,182	-	14,143	10,558
OSTIGLIA - VIA PIAVE, 18-20	53,018	-	-	-
OTTONE - PIAZZA VITTORIA, 25	48,380	-	-	-
PADERNO PONCHIELLI - P.ZZA DELLA LIBERTÀ, 6	60,910	-	4,106	-
PALANZANO	63,538	-	974	8,767
PANDINO - VIA MILANO, 20-22	119,135	1,731	27,915	-
PARMA - AGENZIA 11	527,548	-	-	-
PARMA - AGENZIA 22 (FORUM)	530,737	-	-	-
PARMA - AGENZIA CITTÀ N.1	609,264	-	99,914	-
PARMA - AGENZIA CITTÀ N.2	1,239,582	-	-	-
PARMA - AGENZIA CITTÀ N.3	1,262,944	-	56,793	3,788
PARMA - AGENZIA CITTÀ N.4	3,538,010	-	-	-
PARMA - AGENZIA CITTÀ N.6	816,621	-	2,406	25,203
PARMA - AGENZIA CITTÀ N.8	819,591	-	37	-
PARMA - AGENZIA CITTÀ N.9	398,762	-	15,987	-
PARMA - B.GO S. AMBROGIO 3/5/7	1,703,080	-	-	-
PARMA - VIA CAVESTRO	1,246,590	-	385,900	-
PARMA - VIA EMILIO LEPIDO, 12/A	974,280	-	-	-
PARMA - VIA FARINI, 20	-	-	-	-
PARMA - VIA GRAMSCI, 13	367,376	-	-	-
PARMA - VIA MISTRALI 1/3	4,849,202	-	369,753	377,014
PARMA - VIA SPEZIA C.S.C.	28,740,261	-	-	-
PARMA - VIA SPEZIA NUOVO CRAL	112,781	-	-	-
PARMA - VIA UNIVERSITÀ, 1	1,543,680	-	510,263	195,089
PAROLA - AREA EDIFICABILE	-	-	-	-

L. 19.03.83 no. 72	L.29.12.90 no. 408	L.30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2012	Net book value at 31.12.2012
-	-	158,469	1,555,993	-	3,974,946	2,087,625	1,887,321
192,122	-	433,140	-	889,114	2,115,383	1,165,050	950,333
371,849	-	543,908	-	268,264	1,632,314	947,801	684,513
7,266,549	-	19,847,235	-	7,308,423	38,717,541	9,527,980	29,189,560
-	-	7,164,345	-	5,498,307	14,931,034	3,894,506	11,036,528
-	-	933,643	-	278,488	3,238,361	2,795,739	442,622
291,282	-	439,674	-	275,121	1,524,192	827,525	696,667
127,048	-	258,173	-	351,453	1,386,146	601,249	784,897
335,697	-	381,513	-	161,503	1,386,950	824,561	562,389
59,171	-	10,666	90,515	-	191,103	91,736	99,366
-	-	69,145	-	-	386,397	241,241	145,156
-	-	-	-	-	2,446,331	187,645	2,258,686
-	-	49,730	-	-	239,113	179,678	59,435
-	-	-	-	-	4,289,856	328,646	3,961,209
-	-	-	-	-	3,727,331	285,903	3,441,428
-	-	-	-	-	1,410,473	108,149	1,302,324
-	-	-	-	-	1,043,331	80,028	963,303
46,044	-	11,935	88,290	-	223,206	93,719	129,487
76,036	-	28,103	108,038	-	935,058	434,162	500,896
-	-	54,938	-	77,867	185,824	119,717	66,107
15,494	-	7,709	33,085	-	104,668	39,373	65,295
-	-	14,653	-	84,481	164,150	71,295	92,855
46,594	-	13,092	122,582	-	255,548	115,686	139,862
-	-	66,462	-	159,407	374,649	139,022	235,627
-	-	54,888	131,803	-	714,239	649,539	64,700
-	-	-	-	-	530,737	264,978	265,759
249,070	-	378,832	983,272	-	2,320,351	980,998	1,339,353
-	57,092	98,378	793,152	-	2,188,204	918,618	1,269,586
285,627	-	189,474	807,691	-	2,606,316	1,131,172	1,475,145
-	-	607,415	1,954,872	-	6,100,296	3,287,976	2,812,319
112,926	-	166,015	159,997	-	1,283,168	723,228	559,939
382,861	-	319,388	887,578	-	2,409,456	909,936	1,499,520
186,612	-	149,334	319,851	-	1,070,547	495,351	575,195
140,699	1,050,126	295,927	-	-	3,189,833	1,332,996	1,856,837
1,501,229	-	389,474	3,609,776	-	7,132,970	1,772,053	5,360,917
179,927	498,958	177,237	-	-	1,830,402	951,756	878,646
-	-	-	-	-	-	-	-
-	436,369	70,280	-	-	874,026	456,269	417,757
1,508,925	897,799	2,460,915	-	-	10,463,608	3,538,857	6,924,751
-	42,608	4,005,756	23,209,647	-	55,998,272	28,026,066	27,972,205
-	-	-	-	-	112,781	-	112,781
2,039,910	-	428,631	6,708,770	-	11,426,343	2,441,315	8,985,029
-	-	-	-	-	-	-	-

PROPERTY	Book value net of revaluations	L.11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576
PAROLA - NUOVA FILIALE IN COSTRUZIONE	-	-	-	-
PARONA - VIA XXV APRILE, 17	104,194	-	-	-
PAVIA - P.ZZA DEL LINO, 4	1,111,437	3,079	92,263	-
PAVIA - VIALE CAMPARI, 12	533,484	-	-	-
PAVIA 2 - CORSO CAVOUR, 12	3,610,682	-	-	-
PELLEGRINO - FILIALE	236,593	-	15,431	2,998
PIACENZA - VIA COLOMBO, 101	1,090,091	-	-	-
PIACENZA - VIA POGGIALI, 18	3,726,349	-	-	769,851
PIACENZA - VIA S. BARTOLOMEO, 40	20,176,082	-	-	-
PIACENZA - VIALE DANTE ALIGHIERI, 14	1,508,122	-	-	-
PIACENZA -PALCO TEATRO MUNICIPALE	58	-	-	-
PIANELLO VAL TIDONE - LARGO DAL VERME, 3	292,528	-	-	-
PIANO DI SORRENTO - CORSO ITALIA, 122	1,542,576	-	-	-
PIEVE D'OLMI - VIA ROMA, 1	9,452	-	12,488	-
PIEVE PORTO MORONE - VIA ROMA, 24	124,526	-	-	-
PIEVEOTTOVILLE	35,699	-	342	-
PIZZIGHETTONE - LARGO DELLA VITTORIA, 7	305,723	-	-	-
PODENZANO - VIA MONTE GRAPPA, 49	305,440	-	-	-
POLESINE	384,863	-	-	-
PONTE DELL'OLIO - VIA VITTORIO VENETO, 90	308,310	-	-	-
PONTENURE - PIAZZA TRE MARTIRI, 11	535,853	-	-	-
PONTETARO	521,333	-	19,513	3,367
PORTICI - VIA LIBERTÀ, 175	1,930,991	-	-	-
RIETI - VIA GARIBALDI, 281	1,348,331	-	-	-
RIVAROLO - VIA DELLA LIBERTÀ, 10-16	385,352	-	1,600	-
ROBECCO D'AGLIO - VIA MARTIRI LIBERTÀ, 48-50	49,968	948	8,786	-
ROCCABIANCA	636,201	-	-	-
ROMA - VIA SISTINA 104/A	4,066,215	-	-	-
ROMANENGO - VIA G. VEZZOLI, 2	717,526	795	12,932	-
ROTTOFRENO - VIA EMILIA EST, 33	47,391	-	-	-
ROVERBELLA - VIA CUSTOZA, 124	147,277	-	14,949	-
S. POLO TORRI - STRADA ASOLANA, 128	734,622	-	-	-
S.ANDREA BAGNI	205,545	-	1,859	-
S.GIOVANNI IN CROCE - VIA GIUSEPPINA, 15-17	595,749	664	3,813	-
S.GIULIANO MILANESE - VIA ROMA, 5	391,020	-	43,900	-
S.MARIA DEL TARO	48,209	-	3,146	-
S.SECONDO	219,869	-	145	-
SALA BAGANZA	87,452	-	46,459	6,907
SALA BAGANZA - PIAZZA GRAMSCI, 24	453,208	-	15,749	-
SALSOMAGGIORE	1,473,681	-	60,047	41,818
SALA BAGANZA - P.ZZA GRAMSCI, 24	435,199	-	-	-
SALSOMAGGIORE	1,473,681	-	60,047	41,818
SAN GIORGIO PIACENTINO - PIAZZA MARCONI, 2	435,199,29	-	-	-

L. 19.03.83 no. 72	L.29.12.90 no. 408	L.30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2012	Net book value at 31.12.2012
-	-	-	-	-	-	-	-
-	-	12,941	75,689	-	192,824	68,135	124,690
481,035	-	941,760	-	217,178	2,846,753	1,829,738	1,017,014
-	-	32,726	22,047	-	588,256	332,387	255,869
-	-	-	-	-	3,610,682	54,649	3,556,033
49,259	-	19,224	182,482	-	505,987	159,834	346,153
-	-	196,597	195,554	-	1,482,243	607,745	874,497
1,567,362	-	1,952,811	5,788,954	-	13,805,327	4,194,518	9,610,809
-	-	-	-	-	20,176,082	5,568,687	14,607,395
-	-	215,624	426,870	-	2,150,616	848,510	1,302,106
-	-	-	-	-	58	14	44
-	-	9,449	60,751	-	362,727	179,840	182,887
-	-	-	-	-	1,542,576	118,323	1,424,254
-	-	21,534	-	48,712	92,186	53,834	38,353
-	-	53,937	-	84,966	263,429	138,078	125,351
45,249	-	8,525	73,623	-	163,436	74,497	88,940
178,694	-	99,878	-	20,092	604,387	336,716	267,670
67,139	-	70,923	115,376	-	558,877	303,653	255,224
-	-	70,135	150,460	-	605,458	365,943	239,515
-	-	99,830	172,170	-	580,310	276,549	303,761
-	-	68,083	-	-	603,936	382,601	221,336
66,243	26,289	116,981	93,310	-	847,035	417,300	429,734
-	-	-	-	-	1,930,991	148,018	1,782,973
-	-	-	-	-	1,348,331	103,423	1,244,908
-	-	90,021	-	14,886	491,859	334,190	157,669
-	-	15,957	-	81,443	157,102	56,210	100,892
-	-	17,912	241,824	-	895,937	561,097	334,840
-	-	-	-	-	4,066,215	2,064,131	2,002,084
-	-	21,601	-	110,278	863,132	188,611	674,522
56,810	-	24,581	61,128	-	189,910	88,678	101,232
-	-	22,589	-	155,423	340,238	123,289	216,950
-	-	11,996	-	-	746,618	307,355	439,263
-	-	5,253	129,517	-	342,174	185,709	156,464
-	-	11,034	-	54,843	666,103	255,834	410,269
232,406	-	369,534	-	73,368	1,110,228	654,170	456,058
58,320	-	10,200	100,472	-	220,347	112,706	107,641
105,674	-	71,430	392,743	-	789,860	320,201	469,659
72,054	-	59,315	323,203	-	595,390	167,466	427,923
235,765	670,239	14,659	-	-	1,389,621	649,191	740,430
338,509	-	16,718	424,119	-	2,354,892	1,021,965	1,332,927
-	-	-	-	-	435,199	168,301	266,898
338,509	-	16,718	424,119	-	2,354,892	968,648	1,386,244
-	-	-	-	-	435,199,29	168,301,47	266,897,82

PROPERTY	Book value net of revaluations	L.11.2.52 no. 74	L. 19.2.73 no. 823	L. 2.12.75 no. 576
SANT'ANGELO LODIGIANO - PIAZZA DEI CADUTI, 10	688,397	1,411	13,012	-
SESTO CREMONESE - V.LE G.MATTEOTTI, 6-8	87,707	508	3,370	-
SISSA	317,311	-	3,353	7,578
SOLIGNANO	26,999	-	4,209	5,424
SORAGNA	120,003	-	18,533	17,254
SORBOLO	1,133,390	-	-	-
SORESINA - VIA F. GENALA, 17	240,094	830	35,251	-
SPORTELLO AREA S.P.I.P.	895,350	-	-	-
SUZZARA	815,551	-	-	-
TABIANO TERME	68,799	-	757	19,119
TALIGNANO	614,759	-	-	-
TORINO - PIAZZA DE AMICIS, 121/BIS	1,174,142	-	-	-
TORINO 15 - CORSO G. GABETTI, 2/A	1,803,714	-	-	-
TRAVERSETOLO	938,361	-	23,043	8,221
TRAVO - VIA ANGUISSOLA, 4	175,142	-	-	-
TRIGOLO - VIA ROMA, 73	46,345	129	8,539	-
TROMELLO - PIAZZA CAMPEGI, 2	446,883	-	-	-
V.LE MARTIRI DELLA RESISTENZA 16/18	181,610	-	-	-
VALENZA	345,799	-	-	56,334
VARESE SEDE - VIA MARCOBI, 5	4,531,553	-	-	-
VESCOVATO - VIA GARIBALDI, 2	8,463	51	12,911	-
VICOBARONE DI ZIANO PIACENTINO - VIA ZIANO, 9	48,378	-	-	-
VIGEVANO - CORSO MILANO, 65	237,159	-	-	7,230
VIGEVANO - PIAZZA DUCALE, 43	1,669,878	-	-	129,114
VIGEVANO - PIAZZA VOLTA, 4	116,111	-	-	15,494
VILLANOVA SULL'ARDA - VIA MORO, 4	345,424	-	-	-
VINOVO	292,719	-	-	-
ZIANO PIACENTINO - VIA ROMA, 175	69,449	-	-	-
ZIBELLO	181,574	-	136	-
TOTAL PROPERTY	**201,554,724**	**51,365**	**4,822,871**	**1,903,826**
FURNITURE AND EQUIPMENT	-	-	-	-
FURNITURE AND FURNISHINGS	66,340,784	-	3,414	18,701
PLANT AND MACHINERY	189,772,186	-	1,807	11,178
TOTAL FURNITURE AND PLANT	**256,112,970**	**-**	**5,222**	**29,878**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**457,667,694**	**51,365**	**4,828,093**	**1,933,704**

L. 19.03.83 no. 72	L.29.12.90 no. 408	L.30.12.91 no. 413	L. 30.7.90 no. 218	1994 merger revaluation	Total cost	Accumulated depreciation 31.12.2012	Net book value at 31.12.2012
-	-	66,702	-	8,769	778,291	324,433	453,858
-	-	12,890	-	76,972	181,447	67,238	114,209
-	-	27,414	159,671	-	515,328	236,660	278,668
51,082	-	9,218	97,942	-	194,874	94,733	100,142
67,759	-	39,340	177,224	-	440,112	199,779	240,333
-	-	62,444	651,020	-	1,846,854	1,155,665	691,188
-	-	97,091	-	382,504	755,772	342,844	412,927
-	-	9,560	14,843	-	919,753	377,825	541,928
-	-	18,414	539,476	-	1,373,441	899,876	473,565
85,501	-	16,618	132,004	-	322,800	165,396	157,404
-	289,767	-	1,710,026	-	2,614,552	628,013	1,986,539
-	-	-	-	-	1,174,142	89,098	1,085,044
-	-	-	-	-	1,803,714	137,331	1,666,383
72,176	-	84,935	259,432	-	1,386,167	514,640	871,526
-	-	38,548	1,640	-	215,330	116,067	99,262
-	-	14,433	-	61,857	131,303	55,279	76,024
-	-	17,078	78,092	-	542,052	112,325	429,728
-	-	-	-	-	181,610	40,041	141,569
252,201	-	90,987	-	858,291	1,603,612	837,686	765,927
-	-	-	-	-	4,531,553	346,565	4,184,988
-	-	18,956	-	106,168	146,550	75,799	70,751
15,494	-	8,451	14,084	-	86,408	44,538	41,869
-	-	17,382	163,008	-	424,779	162,065	262,714
1,077,258	-	417,537	1,004,817	-	4,298,604	1,294,278	3,004,326
-	-	11,718	270,714	-	414,036	128,910	285,127
-	-	71,327	57,044	-	473,795	170,601	303,193
-	-	20,734	-	148,416	461,869	300,804	161,065
20,658	-	8,838	45,381	-	144,327	56,189	88,138
98,960	-	6,056	278,852	-	565,578	259,093	306,485
26,119,693	**5,267,368**	**55,539,468**	**62,732,110**	**22,091,079**	**380,082,504**	**137,137,013**	**242,945,491**
-	-	-	-	-	-	-	-
-	-	-	-	-	66,362,899	56,666,421	9,696,477
-	-	-	-	-	189,785,171	160,197,968	29,587,204
-	**-**	**-**	**-**	**-**	**256,148,070**	**216,864,389**	**39,283,681**
26,119,693	**5,267,368**	**55,539,468**	**62,732,110**	**22,091,079**	**636,230,574**	**354,001,402**	**282,229,172**

Shareholdings and assets available for sale	Book value net of revaluations	L. 30.7.90 no. 218	Impairment	Measurement equity investment/ AFS	Total cost	Net book value at 31.12.2012
Alma Scuola Cucina	72,175	-	-	-	72,175	72,175
Banca d'Italia	3,148	63,444,444	-	-	63,447,592	63,447,592
Banca Popolare Friuladria S.p.A.	1,011,566,006	-	- 94,258,006	-	917,308,000	917,308,000
Ca Agroalimentare S.p.A.	12,500,000	-	-	-	12,500,000	12,500,000
Calit S.r.l.	89,350,000	-	- 24,607,000	-	64,743,000	64,743,000
Mondomutui Cariparma S.r.l.	2,280	-	-	-	2,280	2,280
Cassa di Risparmio della Spezia	278,060,000	-	-	-	278,060,000	278,060,000
Ce.P.I.M. S.p.A.	801,542	- 44,831	-	703,289	1,460,000	1,460,000
Centro Agro-Alimentare di Parma S.r.l.	619,748	- 9,296	- 161,648	-	448,804	448,804
Centro Ricerca e Formazione (Socris)	-	-	-	-	-	-
Cons. Agrario Provinciale Pavia S.r.l.	-	-	-	-	-	-
Cons. Agrario Provinciale Piacenza Scrl	26	427	-	-	453	453
Consorzio Agrario Provinciale di Parma	84,915	487,535	-	- 450	572,000	572,000
Eurocasse Società di Intermediazione Mobiliare	-	-	-	-	-	-
Eurosim S.p.A.	-	-	-	-	-	-
Fidi Toscana	206,648	-	-	-	206,648	206,648
Fiere di Parma S.p.A.	9,472,852	- 416,050	-	1,043,672	10,100,474	10,100,474
Impianti S.r.l.	-	-	-	-	-	-
Piacenza Expo S.p.A. (Ex So.Pr.A.E. S.p.A.)	1,288,405	94,063	-	- 334,037	1,048,431	1,048,431
S.W.I.F.T. Sc	22,950	971	-	18,959	42,880	42,880
Sep	14,849	-	-	- 2,615	12,234	12,234
Sia-Ssb S.p.A.	225,443	7,012	-	627,849	860,304	860,304
Sliders S.r.l.	110,000	-	- 110,000	-	-	-
So.Ge.A.P. Aeroporto di Parma Società per la gestione S.p.A	236,125	- 38,911	- 37,238	86,024	246,000	246,000
Societa' Prov.Le Insediamenti Prod. Spa - So.Pr.I.P.	225,002	1,033	-	86,895	312,930	312,930
Stellina 10	1,900	-	-	-	1,900	1,900
Visa Europe Limited	1	-	-	-	1	1
Cariparma Obg S.r.l.	400	-	-	-	400	400
Silca S.n.c.	2,059,972	-	-	-	2,059,972	2,059,972
Cattleya S.r.l.	2,400,000	-	-	-	2,400,000	2,400,000
Ca Fiduciaria S.p.A.	300,000	-	-	-	300,000	300,000
Total equity investments and assets available for sale	**1,409,624,387**	**63,526,397**	**- 119,173,892**	**2,229,586**	**1,356,206,478**	**1,356,206,478**

Group equity investments

Equity investments of Cariparma

Cariparma

Sliders S.r.l. (100,00%)	S.E.P. Società Economica Parmense S.r.l. (19.00%)	Banca d'Italia (2.03%)
Calit S.r.l. (85.00%)	Centro Agro-Alimentare e Logistico S.r.l. (11.40%)	Consorzio Agrario Provinciale Pavia S.c.r.l. (1.56%)
Banca Popolare FriulAdria S.p.A. (80.17%)	CA Fiduciaria S.p.A. (10.00%)	So.Ge.A.P. Aeroporto di Parma Società per la Gestione S.p.A. (0.83%)
Cassa di Risparmio della Spezia (80.00%)	Piacenza Expo (7.94%)	Sia S.p.A. (0.20%)
Consorzio Agrario di Parma S.c.r.l. (36.71%)	Alma S.r.l. (7.38%)	Fiditoscana S.p.A. (0.17%)
Ca Agro - Alimentare S.p.A. (26.32%)	Società Prov.le Insediamenti Produttivi So.Pr.I.P. S.p.A. (7.26%)	Eurocasse Società di Intermediazione Mobiliare S.p.A (0.07%)
Fiere di Parma S.p.A. (19.99%)	Ce.P.I.M. S.p.A. (6.84%)	Consorzio Agrario Provinciale Piacenza S.c.r.l. (0.05%)
Mondomutui Cariparma S.r.l. (19.00%)	Cariparma OBG S.r.l. (4.00%)	S.w.i.f.t. Sc (0.01%)
Stellina 10 (19.00%)	Silca S.A. (4.00%)	Visa Europe Ltd (0.01%)

Equity investments of FriulAdria

FriulAdria

- Greenway Società Agricola a r. l. (35.00%)
- Glassfin S.r.l. (31.66%)
- Ca Agro-Alimentare S.p.A. (10.53%)
- Asdi Mobile Società Consortile a r. l. (5.20%)
- Mediocredito del Friuli Venezia Giulia S.p.A. (4.04%)
- Elettrostudio Energia S.p.A. (3.00%)

- Friulia S.p.A. (2.64%)
- Autoservizi Friuli Venezia Giulia S.p.A. - Saf (2.47%)
- Portogruaro Interporto S.p.A. (1.61%)
- Asdi Sedia S.p.A. (1.00%)
- ATAP S.p.A. (0.96%)
- Pordenone Energia S.p.A. (0.06%)

- Sia S.p.A. (0.04%)
- Centro Meduna Società Coop. a r. l. (0.01%)
- Cleanpower S.c.r.l. (0.01%)
- S.w.i.f.t. Sc (0.01%)
- Visa Europe Ltd (0.01%)

Equity investments of Carispezia

Carispezia

GEFILS S.p.A. (25.83%)	Water Front (8.33%)	Fidimpresa Liguria (0.50%)
Scuola di vela S. Teresa S.r.l. (12.39%)	Spedia S.p.A. (5.82%)	EUROSIM S.p.A. (0.26%)
STI S.p.A. (11.29%)	Distretto Ligure delle Tecnologie Marine (5.56%)	Banca d'Italia (0.09%)
Infoporto La Spezia S.r.l. (10.00%)	Termomeccanica S.p.A. (5.37%)	Idroenergia (0.03%)
ISI S.p.A. (9.99%)	Mediocom Liguria (3.90%)	Visa Europe Ltd (0.01%)
GAL La Spezia (8.70%)	Tirreno Brennero S.r.l. (1.09%)	S.w.i.f.t. Sc (0.01%)

CARIPARMA
CRÉDIT AGRICOLE

Cassa di Risparmio di Parma e Piacenza S.p.A.
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Iscritta al Registro Imprese di Parma, Codice Fiscale e Partita IVA n. 02113530345
Aderente al Fondo Interbancario di Tutela dei Depositi e al Fondo Nazionale di Garanzia
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.