

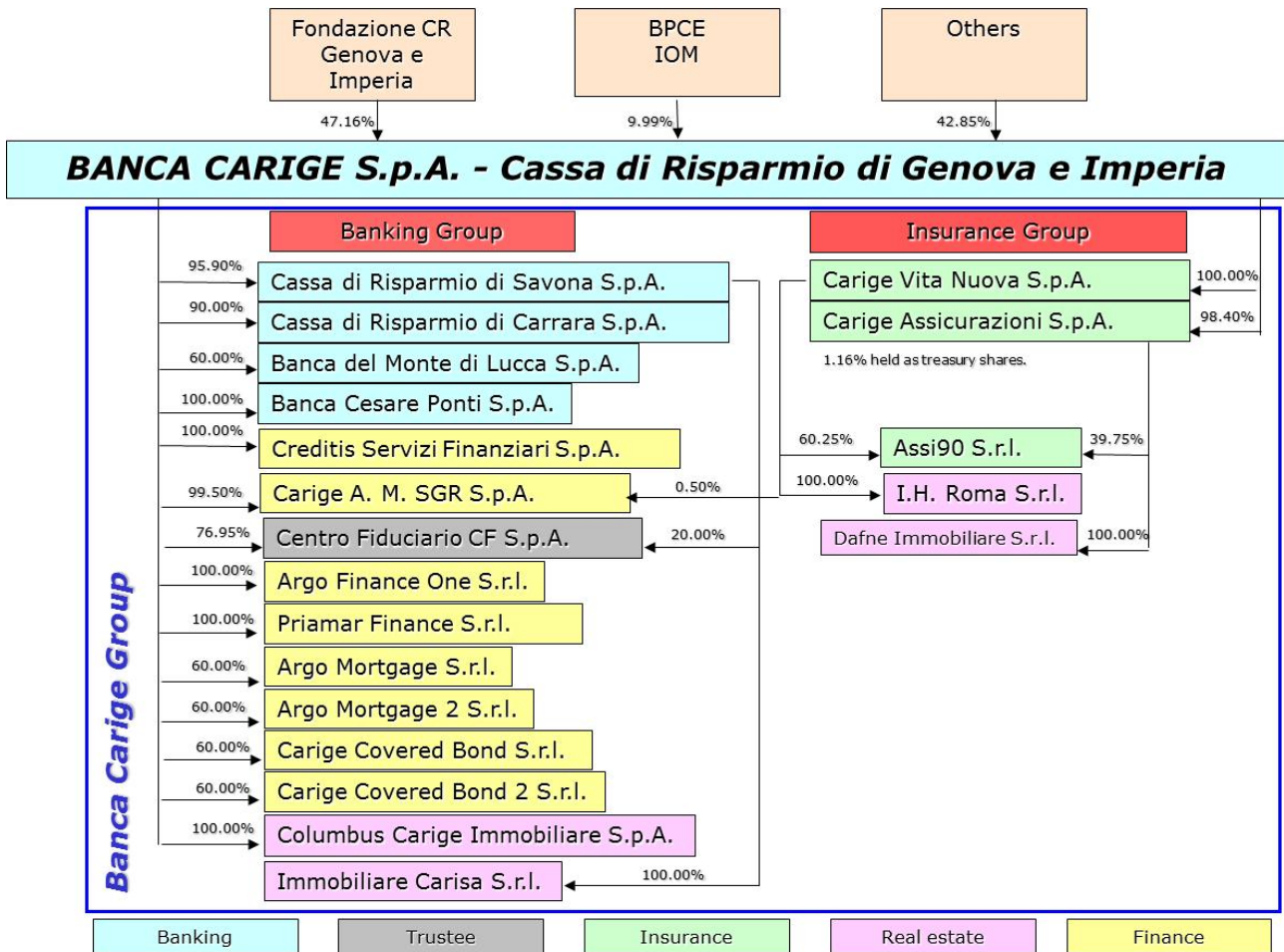
INTERIM REPORT ON OPERATIONS

AS AT 30 SEPTEMBER 2012



GRUPPO BANCA CARIGE

THE BANCA CARIGE GROUP



BANCA CARIGE GROUP INTERIM REPORT ON OPERATIONS AS AT 30 SEPTEMBER 2012

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REMARKS

The following signs are used by convention in the tables:

- when data are nought
- ... when data are not significant

CONSOLIDATED FINANCIAL HIGHLIGHTS

	Situation as at			Change %	
	09/30/2012	12/31/2011	09/30/2011	9/2012 9/2011	9/2012 9/2011
BALANCE SHEET (1)					
Total assets	47,527,653	44,860,061	42,838,700	5.9	10.9
Funding	36,083,752	34,362,190	32,084,935	5.0	12.5
- Direct deposits (a)	27,533,791	28,439,887	28,678,067	-3.2	-4.0
* Amounts owed to customers	16,046,868	15,919,602	15,930,731	0.8	0.7
* Securities in issue	10,638,545	11,616,164	11,484,744	-8.4	-7.4
* Liabilities at fair value (2)	848,378	904,121	1,262,592	-6.2	-32.8
- Amounts owed to banks	8,549,961	5,922,303	3,406,868	44.4	...
Indirect deposits (b)	23,000,300	23,571,160	23,726,648	-2.4	-3.1
- Assets under management	9,827,832	9,523,339	9,892,984	3.2	-0.7
- Assets in custody	13,172,468	14,047,821	13,833,664	-6.2	-4.8
Financial Intermediation Activities (FIA) (a+b)	50,534,091	52,011,047	52,404,715	-2.8	-3.6
Investments	43,255,484	39,951,781	38,427,732	8.3	12.6
- Loans to customers (3) (4)	28,604,440	27,534,610	27,081,146	3.9	5.6
- Loans to banks (3) (4)	1,700,827	1,638,928	1,751,041	3.8	-2.9
- Securities portfolio (5)	12,950,217	10,778,243	9,595,545	20.2	35.0
Capital and reserves	3,459,526	2,634,729	2,864,419	31.3	20.8
	Situation as at			Change %	
	09/30/2012	12/31/2011	09/30/2011	9/2012	12/2011
INCOME STATEMENT (1)					
Gross operating income	948,984	1,144,144	818,135	16.0	
Net income from financial and insurance management	727,083	944,635	687,726	5.7	
Operating profit from ordinary activities before taxes	218,758	279,491	181,298	20.7	
Profit for the period	152,905	186,651	138,656	10.3	
RESOURCES (6)					
				Change %	
Number of branches	677	677	674	-	0.4
Insurance agencies	428	431	432	-0.7	-0.9
Number of bank employees	5,442	5,481	5,523	-0.7	-1.5
Number of bank and insurance employees	5,933	5,974	6,019	-0.7	-1.4
FINANCIAL RATIOS					
Operating costs					
Gross operating income	53.9%	58.5%	62.2%		
Operating profit from ordinary activities before taxes /Capital and reserves	6.3%	10.6%	6.3%		
ROE	4.4%	7.1%	4.8%		
ROE (7)	4.3%	5.9%	4.4%		
ROAE (8)	5.0%	6.1%	4.3%		
ROAE (7) (8)	4.6%	6.0%	4.4%		
Earnings per share (in Euro)					
- basic	0.073	0.114	0.076		
- diluted	0.073	0.100	0.075		
REGULATORY RATIOS (9) (10)					
Core Tier 1 ratio	6.5%	6.7%	5.9%		
Tier1 ratio	7.2%	7.4%	6.7%		
Total capital ratio	9.6%	10.1%	9.0%		

(1) Figures in thousands of euro.

(2) Carige Vita Nuova liabilities, designated at fair value and relating to products for which risk is borne by insureds, are not included in this table.

(3) Before value adjustments.

(4) Net of debt securities classified as L&R.

(5) The aggregate includes Balance Sheet items 20 (net of derivatives), 30 (net of liquidity invested facing the insurance contracts for which the investment risk is borne by the insured), 40, 60 (only the portion relating to L&R) and 70 (only the portion relating to L&R).

(6) Statistics of the end of period.

(7) Net of the AFS reserve (item 140 of balance sheet liabilities).

(8) Net profit on average shareholders' equity (Return On Average Equity).

(9) The figures as at 9/30/2012 result from accounting and management estimates pending the consolidated official disclosure.

(10) The figures as at 12/31/2011 are stated on a pro-forma basis, taking into account the conversion of the "Banca Carige 4.75% 2010-2015 convertible bond with the option of redemption in shares" ("Banca Carige 4,75% 2010-2015 convertibile con facoltà di rimborso in azioni").

BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS AND INDEPENDENT AUDITORS *

BOARD OF DIRECTORS

CHAIRMAN
Giovanni Berneschi **

DEPUTY CHAIRMAN
Alessandro Scajola **

DIRECTORS

Piergiorgio Alberti
Piero Guido Alpa

Luca Bonsignore
Cesare Castelbarco Albani
Remo Angelo Checconi **
Bruno Cordazzo ***
Ivo De Michelis **
Philippe Marie Michel Garsuault
Luigi Gastaldi **
Stève Richard Gentili
Giovanni Marongiu
Paolo Cesare Odone **
Guido Pescione
Alessandro Repetto **
Mario Venturino
Philippe Wattecamps

GENERAL MANAGERS

GENERAL MANAGER
Ennio La Monica

CO-GENERAL
MANAGER
(CREDIT AND WEALTH
MANAGEMENT)
Mario Cavanna

CO-GENERAL
MANAGER
(ADMINISTRATION AND
RESOURCES)
Giacomo Ottonello

DEPUTY GENERAL
MANAGER
(GOVERNANCE AND
CONTROL)
Daria Bagnasco

DEPUTY GENERAL
MANAGER
(COMMERCIAL)
Gabriele Delmonte

BOARD OF STATUTORY AUDITORS

CHAIRMAN
Andrea Traverso

STANDING AUDITORS
Domenico Sardano
Massimo Scotton

ALTERNATE AUDITORS
Stefano Lunardi
Pietro Segalerba

INDEPENDENT AUDITORS
Reconta Ernst & Young SpA

MANAGER RESPONSIBLE
FOR PREPARING THE
COMPANY'S FINANCIAL
REPORTS
Daria Bagnasco

* as at 30/9/2012

** Member of the Executive Committee

***passed away on 30/10/2012

The Board of Directors was appointed by the Ordinary Shareholders' Meeting on 27 April 2012 for the 2012-2013-2014 financial years and, therefore, with a term of office lasting until approval of the financial statements for the year ended 31 December 2014. At the meeting on 17 September 2012, the Board of Directors co-opted, with a term of office lasting until the next shareholders' meeting, Stève Richard Gentili, replacing Jérôme Gaston Raymond Bonnet, who resigned on 31 August 2012.

The Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting on 29 April 2011 for the 2011-2012-2013 financial years and, therefore, with a term of office lasting until approval of the financial statements for the year ended 31 December 2013. Standing Auditor Mr. Antonio Semeria, who passed away, was replaced in office on 12 May 2011, pursuant to art. 26 of the Articles of Association, by Alternate Auditor Mr. Domenico Sardano. In accordance with the aforementioned art. 26 of the Articles of Association and art. 2401, paragraph 1, of the Italian Civil Code, the Shareholders' Meeting held on 13 February 2012 then supplemented the Board of Statutory Auditors by appointing Mr. Domenico Sardano as Standing Auditor and Mr. Pietro Segalerba as Alternate Auditor, with the same expiry of term in office as the other members of the Board of Statutory Auditors.

The Executive Committee was appointed by the Board of Directors on 2 May 2012 with term of office up to 31 December 2012.

The mandate to the Independent Auditors, Reconta Ernst & Young SpA, was granted by the Ordinary Shareholders' Meeting held on 29 April 2011 for the nine-year period 2012-2020.

INTERIM REPORT ON OPERATIONS

THE REAL AND MONETARY SITUATION¹

The macroeconomic scenario in the first nine months of the year confirms the weakening of the global economic situation: GDP in 2012 is estimated to be up 3%, compared to 3.8% in 2011, adversely affected by the slowdown in international trade (2.5% compared to 6.3% in 2011) and industrial production.

Between August and September, the global SME manufacturing index fell from 50.9 to 40.9, falling below the threshold of 50, which divides the phases of expansion from those of contraction; global inflation fell from the highs recorded in September 2011 (4.7%) to 3%. Encouraging signs arrived in the form of the good performance of the financial markets, linked to the expansionary policies and measures implemented by the main central banks.

In the second quarter of 2012, the US economy grew by 1.3% in quarterly terms YoY (up 2% in the first quarter) and the unemployment rate remained high, even though it was down: in September, the rate stood at 7.9%, compared to 8.5% in December and averaged 9% in 2011. Despite the high price of oil, consumer inflation remained low: in September the annual variation stood at 1.7% (+3.4% in December 2011). The residential real estate market recorded an increase in investments and a recovery in house prices.

Emerging countries counteracted the economic slowdown with expansionary monetary policies, combined with measures to boost demand. For example, China announced significant infrastructure investment plans, targeted at offsetting the economic slowdown (GDP forecast to increase by 7.7% in 2012), due in particular to the weakness of foreign demand.

EMU countries, with the exception of Germany, adopted additional restrictive measures to ward off the sovereign debt crisis, with the relative negative effects on consumer spending and, therefore, on economic growth.

Despite growth in German GDP (+1.1%), in the second quarter of 2012, GDP growth in the Euro Area fell by 0.7% in quarterly terms YoY, whilst it was stable in the first quarter. Therefore, for the whole of 2012, the annual decrease in European GDP should stand at 0.5% (+1.5% in

2011). The latest economic figures confirm the slowdown: industrial production recorded an annual decrease of 2.6% in August, retail sales fell by 1.1% and confidence indexes worsened further, with the business confidence index recording the biggest decrease. The unemployment rate remained stable in August, at 11.4%, when compared to the previous two months, but up over the average of 10.1% in 2011. Consumer prices recorded YoY growth of 2.6% in September, up slightly when compared to the previous months, but down 1.7% in terms of the "core" component.

Italy recorded a significant decrease in GDP: in the second quarter of 2012, Italian GDP fell by 3.4% in quarterly terms YoY (3.3% in the previous quarter), with a fall in domestic demand against a positive contribution from the trade balance. As regards the entire year, GDP is forecast to be down 2.4% (+0.5% in 2011).

Industrial production fell by 6.8% YoY in the first eight months of 2012, particularly as regards the durable consumer goods component (down -12.1%). Negative signs were also recorded in the form of the decrease in turnover and orders (-3.4% and -10.1% YoY respectively) and business and consumer confidence indexes, which remained negative, while the unemployment rate stabilised at 10.7% (9.4% in December 2011). The weakness in the labour market adversely impacted household spending: retail sales were down 1.6% YoY in the first eight months of 2012, despite the positive performance of the large-scale retail trade and the food sector. In terms of foreign trade, in the January-August period, exports increased by 4.6% over the same period in 2011 and imports fell by -5.1%, with a positive trade balance of Euro 3.8 billion, determined by the substantial surplus with EU countries, only partially offset by the deficit with non-EU countries, caused by procurements of oil. Inflation remained stable, but at levels above 3%: in September, it stood at 3.4% (3.7% in December 2011), with the "core" component staying just above 2%.

Public finance improved: in the first nine months of 2012, the cumulative cash requirements of the government sector amounted to about € 45.5 billion, less than the €59 billion of the first nine months of 2011, while public debt reached €2 billion.

Monetary policy continued to centre on the objective of maintaining favourable credit conditions: the Federal Reserve confirmed the interest rate within a range of 0 and 0.25% and, in Sep-

¹ The figures shown in this section are the latest available at the time of drafting.

tember, announced quantitative easing measures with no time limits; in July, the ECB cut the official refinancing rate by 0.25% (to 0.75%) and announced the purchases of short-term bonds of countries in difficulty, with no time limits (OMT programme). The 3-month Euribor rate stood, on average, at 0.25% in September, 129 basis points less than in September 2011, while the *Rendistato lordo* ('yield on government securities') came to 4.25%, down by 98 basis points in the twelve months. The gross yields of government bonds were as follows: treasury credit certificates (3.98%), T-bills (1.30%) and long-term treasury bonds (4.78%), significantly lower than the levels reached in September 2011, which stood at 5.36%, 2.57% and 5.68% respectively.

The currency exchange market was characterised by a gradual depreciation of the Euro against the US Dollar: from 1.38 in September 2011 to 1.29 in September 2012.

With reference to bank trading, the direct deposits of Italian banks recorded a slight recovery in September (up 0.6% YoY) when compared to the previous months, brought about by the acceleration in the trend in deposits from resident customers (+4.7%), compared to an increasingly more marked decrease in bonds (-6.8%).

Bank loans recorded a decrease of 1.3% in twelve months: the component relating to loans to households and non-financial companies fell by 2.6% and gross bad loans were up 15.6%. The bad loans/loans ratio stood at 5.9% in August (5.1% in August 2011).

Bank interest rates applied in September 2012 recorded a decrease on an annual basis (average weighted interest rate on loans to households and non-financial companies stood at 3.82%, 27 basis points lower), while the cost of borrowing rose to 2.10% (1.86% in September 2011). Consequently, the spread gradually fell with respect to the value in September 2011, reaching a historic low of 172 basis points.

STRATEGY

The fundamental strategic goal of the Group, in line with the path started at the beginning of the '90, is the creation of value in the medium/long-term for all stakeholders (shareholders, human resources, customers and the community) in a balanced manner, leveraging the development of relations with customers and dimen-

sional growth, as a key requirement for maintaining an important position in the domestic banking system.

In line with this objective, on 16 May 2011 the new 2011-2014 Group Strategic Plan was approved, which confirms the mission of consolidating the role of banking, financial, welfare and insurance conglomerate at national level, with a strong presence in the individual local markets, able to distinguish itself for the quality of service offered to the customer, also through a multi-channel approach and the progressive development in the quality of resources and structures. The Strategic Plan defined the following strategic guidelines: development of revenues and the commercial offer, rationalisation of costs and operating processes, optimisation of liquidity, capital and the cost of risk, focus on innovation and skills.

These guidelines were translated into strategic goals which will be implemented through specific initiatives focused on the achievement of plan targets.

In order to implement the initiatives of the Strategic Plan more effectively, in a market context which is gradually getting worse, on 21 May 2012, the Carige Group Restructuring Project was approved, which involves the incorporation of a new bank, wholly owned by the current Banca Carige, called "Banca Carige Italia", to which the 353 Banca Carige branches operating outside Liguria will be transferred, both those opened directly and those acquired over time from other banking groups.

Corporate separation will make it possible to more effectively pursue the different missions inherent in the two networks: Banca Carige Italia, like the other Group banks, will operate as a "network bank" whose main objective is to accelerate growth in traded volumes and in the number of customers; the more recently formed and broader based network can experiment with an innovative service model, which will leverage in-depth integration of traditional branches with hi-tech distribution channels.

Banca Carige will continue to fulfil the role of Parent Company – carrying out management, coordination, control and service functions for the entire Group – and commercial bank, with the main goal of preserving customer relationships and leadership of the market in Liguria, the region in which the Bank has a strong presence.

Subject to obtainment of the necessary authorisations from the Supervisory Authorities, the re-

structuring will take effect on 1 January 2013 and will be effective from 31 December 2012 for tax and accounting purposes.

Since 1997, Banca Carige has requested and obtained ratings from the main specialised international rating agencies, Moody's, Standard & Poor's and Fitch. As with the majority of Italian

intermediaries, in the last few months of the year this rating was lowered on average by 2-3 notches, as a consequence of the worsening of the economic and financial situation and the downgrading of the Italian public debt.

The ratings assigned to Parent Company Banca Carige are shown below:

BANCA CARIGE RATINGS

	date of the last rating	short-term	long-term
Fitch	August 2012	B	BB+
Moody's	July 2012	P-3	Baa3
Standard & Poor's	August 2012	B	BB+

BUSINESS PERFORMANCE

Over the last few months, the global macroeconomic scenario has worsened further and Italy has also registered a significant drop in GDP (3.4% YoY in the second quarter), estimated at 2.5% for the whole of 2012 and 0.5% for 2013. Only in more recent months has there been an improvement in the situation in the financial markets, with the stabilisation of the spread on peripheral securities at values clearly below the highs recorded in the summer, following the announcement of the possibility of intervention by the European Central Bank to help Member States in difficulty, by means of the OMT Programme (Outright Monetary Transactions) implemented in September, which allows the unlimited purchase of securities with a term of less than three years, and through the new permanent bail-out mechanism (also known as "Fondo Salvastati").

The difficulties and criticalities in the macroeconomic situation make maintaining the proper equilibrium between capitalisation, liquidity and profitability objectives increasingly complicated for the banking system.

Similar to what has occurred at banking system level, the Group's trading activities confirmed the weak trend registered in 2011. This trend in traded volumes has been augmented by a general tightening of customer spreads, reflected in a reduction in the customer component of the interest margin, which instead benefitted from high returns on government securities in the portfolio. Profits generated by the sale of Available-for-sale financial assets constituted by gov-

ernment securities and commission income contributed to the revenue items. Thanks to close control of costs and risk management, in the 9-month period, the Group delivered growth in profits 10.3% higher than the previous year.

HIGHLIGHTS FOR THE FIRST NINE MONTHS OF 2012

As regards significant events in the first six months, please refer to the half-yearly financial report as at 30 June 2012.

On 30 July, in the third quarter, the Parent Company's Board of Directors resolved to launch a programme for the purchase of own shares, in implementation of the resolution adopted by the latest shareholders' meeting held on 27 April. The Programme may involve up to a maximum of 30,000,000 ordinary shares (equal to 1.38% of total shares issued) net of any sales, in accordance with the limits of distributed profits and reserves available as at 31/12/2012, for a maximum value of €30 million, with maximum daily purchase limits of 25% of "daily turnover" and in observance of the price limits established by the shareholders' meeting.

On the same date, the Board resolved to close the securitisation transactions managed through the special purpose entities Argo Finance One Srl, Priamar Finance Srl and Argo Mortgage Srl. In implementation of the aforementioned resolution, on 25 September, the issuer, Argo Mortgage Srl, exercised a "Call option" with the subsequent redemption of the bonds still in issue at their nominal value (€ 50.8 million); the funds

required for said redemption were provided by Banca Carige against the repurchase of the residual receivables of securitised assets.

On 4 September, Carige resolved the Group's compliance with:

- the extension of the expiry of the "Piano Famiglie" (household plan) initiative, as set out in the new agreement between ABI (Italian Banking Association) and consumer and user associations known as "Percorso Famiglia";
- agreements signed in May by ABI and the Associazione di Rappresentanza delle Imprese (Business Representation Association) to incentivise companies' investment projects (so-called "Plafond Investimenti Italia" - Italy Investment Limit) and transactions for the early payment of receivables due to SMEs from the Public Administration (so-called "Plafond Crediti P.A." (Public Administration Credit Limit), in execution of which, the Bank resolved the temporary suspension of the payables of SMEs and the possibility of extending the term of mortgages and the granting of the necessary loans to begin the processes of company capital strengthening.

On 17 September, Carige's Board of Directors co-opted Stève Richard Gentili as Director, replacing Jérôme Gaston Raymond Bonnet, who resigned on 31 August.

On 24 September, the Parent Company's Board of Directors acknowledged the observations presented by ISVAP to the subsidiaries Carige Assicurazioni and Carige Vita Nuova, also as Parent Company of the Insurance Group, as a result of inspections carried out in the first half of 2012, regarding the claims reserve of the third party motor vehicle insurance unit, claims and technical receivables management, as well as the system of internal controls and monitoring of outsourced activities. The Parent Company acknowledged the opportunity to strengthen the capital of the insurance Group, reserving the right to adopt definitive resolutions following the adoption of the necessary decisions by the administrative bodies of said companies, all subject to the issuing of the necessary authorisations by the competent Supervisory Authorities, also in light of the outcome of the counterclaims formulated by the companies to the Supervisory Institution.

Subsequently, the Boards of Directors of Carige Vita Nuova and Carige Assicurazioni resolved, as communicated to ISVAP on 28 September 2012, to present to the majority shareholder, the proposal for the capital strengthening of Carige

Assicurazioni, amounting to € 100 million, as well as an additional € 48.5 million to be allocated to the simultaneous early redemption of subordinated bonds, totalling € 148.5 million.

As a result of the worsening in the creditworthiness of the Italian State, the ratings assigned to the Parent Company were revised downward: on 16 July, Moody's lowered Carige's long-term rating from "Baa2" to "Baa3" (with a negative outlook), on 3 August, Standard & Poor's reduced the long-term rating from "BBB- /A-3" to "BB+ /B" (with a negative outlook) and, on 28 August, Fitch cut said rating from "BBB/F-3" to "BB+ /B" (with a negative outlook).

As regards more recent events relating to ongoing tax disputes, a full description of which can be found in the financial statements for the year ended as at 31 December 2011 and the half-yearly financial report as at 30 June 2012, the associated updates are provided below:

- in relation to Carige, with reference to the 2006 tax year, the appeal discussions, set for next 3 October, were put back to next 19 December. On 8 October a tax payment request was notified in relation to the entry in the tax-rolls of the higher tax requested in the tax assessment notices received in December 2011, totalling € 7.6 million, against which Carige is preparing the necessary appeals;
- with reference to Cassa di Risparmio di Carrara, it should be noted that:
 - as regards 2004 IRES (corporate income tax), on 12 June, the Regional Tax Office of Tuscany notified an appeal against the ruling filed in December 2011, with which the Florence Provincial Tax Commission cancelled the assessment notice and related payment request, fully upholding the taxpayer's appeal. On 24 September, the Bank filed counterclaims against the Provincial Tax Commission of Florence for the confirmation of the above-mentioned judgment;
 - as regards 2005 IRES (corporate income tax), on 11 October, the Provincial Tax Office of Massa Carrara notified the company of an appeal for a reform of the judgment of the Provincial Tax Office of Massa Carrara, filed in February 2012, which fully upheld the taxpayer's appeal. As regards the second level tax assessment notice for the year 2005, the Bank's appeal discussions, set for next 3 October 2012, were postponed until next 19 December;

- as regards Carige Assicurazioni, it should be noted that, on 20 June, the company received a tax payment request relating to penalties, interest and 2004 IRES taxes, following the ruling from the Milan Provincial Tax Office, totalling €1.6 million. On 5 July, the company was also notified of the tax payment request relating to IRES penalties for 2005, totalling € 7 million. Discussions at the Milan Provincial Tax Office regarding the tax assessment notices for the years 2003, 2004 and 2005 are set for 23 January 2013.

The Group, backed by opinions of qualified external professionals, believes that there are substantial and legal grounds for their rationale regarding the legal nature of their transactions, a rationale that will be pursued at all appropriate national and international levels.

RISK MANAGEMENT

Any policies related to the assumption of risks are set by the Parent Company's Board of Directors when strategic planning and the annual budget are prepared.

The Parent Company performs orientation and supervisory functions as regards all risks, in particular by managing, in an integrated context, the Pillar 1 and Pillar 2 risks, in accordance with the provisions contained in the Supervisory Instructions of the Bank of Italy (Circular No. 263 dated 27 December 2006 and subsequent updates).

The individual Group banks operate within specific limits of independence and avail themselves of their own control structures, whose analyses are supported not only by regulatory models, but by more advanced models which have made it possible, over time, to expand the range of risks monitored and improve the assessment of the capital adequacy, from both a regulatory and an managerial perspective. For details on risk management, please refer to the paragraph "Risk management" in the Explanatory notes.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

On 22 October, Banca Carige, Fondazione Banca del Monte di Lucca and Fondazione Cassa di Risparmio di Lucca signed the appropriate

agreements which, subject to the necessary authorisations from the Supervisory Authorities, make provision for Fondazione Cassa di Risparmio di Lucca's acquisition of a stake in the share capital of Banca del Monte di Lucca (hereinafter BML). These agreements envisage the purchase, by Fondazione Cassa di Risparmio di Lucca, of a 20% stake in BML, from Fondazione Banca del Monte di Lucca, that will retain a 20% stake, while the residual 60% stake will continue to be held by Banca Carige. The agreements also make provision for the commitment to strengthen the capital of Banca del Monte di Lucca, in support of a new Strategic Plan targeted at a major development of the investee company, as part of its role as the Group's "network bank", with particular reference to the area of the Province of Lucca.

In the first nine months of the year, operations were performed against the backdrop of a slowdown in the global economy and a re-dimensioning of international trade; despite easing since the summer, tensions continued in the financial markets, shaped by the sovereign debt crises in certain European countries, despite significant measures implemented to reduce public debt and the extraordinary provisions adopted at European level.

In particular, in Italy, the phase of recession is expected to last at least until 2013, with an estimated fall in GDP of around 2.5% in 2012, characterised essentially by a decrease in household consumption and investments by businesses.

It is necessary for the banking system to be exposed to the criticalities in the economic-financial context and it will be affected by these in the near future too, in terms of traded volumes, funding, enhancement of assets and profitability. These effects will be augmented by the penalising industry regulations introduced over the last few years, including, in particular, the revision of prudential supervisory regulations (known as Basel 3), which introduces stricter restrictions regarding capital and liquidity requirements. To comply with these, the banking system must gradually obtain more available capital and liquidity reserves.

These elements may also be reflected on the Group's strategies and operations. In any case, the Group is confident it can continue with its balanced path of growth, confirming the assumption of the company as a going concern, which forms the basis of the drafting of this interim report on operations.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS (figures in thousands of euro)

	09/30/2012	12/31/2011	Change	
			absolute	%
10 · CASH AND CASH EQUIVALENTS	268,701	604,122	-335,421	-55.5
20 · FINANCIAL ASSETS HELD FOR TRADING	218,263	170,364	47,899	28.1
30 · FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	501,891	534,176	-32,285	-6.0
40 · AVAILABLE-FOR-SALE FINANCIAL ASSETS	11,996,452	9,665,750	2,330,702	24.1
60 · LOANS TO BANKS	1,927,204	1,986,409	-59,205	-3.0
70 · LOANS TO CUSTOMERS	27,808,606	26,885,944	922,662	3.4
80 · HEDGING DERIVATIVES	215,860	152,543	63,317	41.5
100 · EQUITY INVESTMENTS	63,202	53,885	9,317	17.3
110 · TECHNICAL RESERVES CHARGED ON REINSURERS	171,111	154,748	16,363	10.6
120 · TANGIBLE ASSETS	1,206,436	1,206,593	-157	-0.0
130 · INTANGIBLE ASSETS	1,853,744	1,859,969	-6,225	-0.3
of which:				
- goodwill	1,779,644	1,779,644	-	-
140 · TAX ASSETS	920,734	1,063,682	-142,948	-13.4
a) current	171,839	109,880	61,959	56.4
b) advanced	748,895	953,802	-204,907	-21.5
160 · OTHER ASSETS	375,449	521,876	-146,427	-28.1
TOTAL ASSETS	47,527,653	44,860,061	2,667,592	5.9

LIABILITIES AND SHAREHOLDERS' EQUITY (figures in thousands of euro)

	09/30/2012	12/31/2011	Change	
			absolute	%
10 · AMOUNTS OWED TO BANKS	8,549,961	5,922,303	2,627,658	44.4
20 · AMOUNTS OWED TO CUSTOMERS	16,046,868	15,919,602	127,266	0.8
30 · SECURITIES IN ISSUE	10,638,545	11,616,164	-977,619	-8.4
40 · FINANCIAL LIABILITIES FROM TRADING	50,498	66,150	-15,652	-23.7
50 · FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	1,373,110	1,460,833	-87,723	-6.0
60 · HEDGING DERIVATIVES	1,479,680	1,212,376	267,304	22.0
80 · TAX LIABILITIES	450,030	412,785	37,245	9.0
(a) current	92,451	47,454	44,997	94.8
(b) deferred	357,579	365,331	-7,752	-2.1
100 · OTHER LIABILITIES	586,330	894,101	-307,771	-34.4
110 · STAFF TERMINATION INDEMNITY	84,266	85,206	-940	-1.1
120 · PROVISIONS FOR RISKS AND CHARGES:	296,041	298,726	-2,685	-0.9
a) pensions and similar obligations	269,623	269,263	360	0.1
b) other provisions	26,418	29,463	-3,045	-10.3
130 · TECHNICAL RESERVES	4,304,427	4,096,189	208,238	5.1
140 · VALUATION RESERVES	-103,384	-514,516	411,132	-79.9
160 · CAPITAL INSTRUMENTS	1,173	15,772	-14,599	-92.6
170 · RESERVES	372,180	329,804	42,376	12.8
180 · ADDITIONAL PAID-IN CAPITAL	1,020,314	1,013,277	7,037	0.7
190 · CAPITAL	2,177,219	1,790,392	386,827	21.6
200 · OWN SHARES	-7,976	-	-7,976	...
210 · MINORITY INTERESTS (+/-)	55,466	54,246	1,220	2.2
220 · PROFIT (LOSS) FOR THE PERIOD (+/-)	152,905	186,651	-33,746	-18.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	47,527,653	44,860,061	2,667,592	5.9

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT *(figures in thousands of euro)*

	9 months 2012	9 months 2011	Change 9 months 2012 - 9 months 2011	
			absolute	%
10 - INTEREST INCOME AND SIMILAR REVENUES	1,096,434	932,959	163,475	17.5
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-497,452	-366,926	-130,526	35.6
30 · NET INTEREST INCOME	598,982	566,033	32,949	5.8
40 - COMMISSION INCOME	281,530	248,628	32,902	13.2
50 - COMMISSION EXPENSES	- 41,230	- 25,781	- 15,449	59.9
60 · NET COMMISSIONS	240,300	222,847	17,453	7.8
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	6,180	8,350	-2,170	- 26.0
80 - NET INCOME FROM TRADING ACTIVITIES	5,523	16,706	-11,183	- 66.9
90 - NET INCOME FROM HEDGING ACTIVITIES	5,301	-1,259	6,560	...
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	88,116	3,557	84,559	...
a) loans	1,456	-987	2,443	...
b) available-for-sale financial assets	85,497	3,445	82,052	...
d) financial liabilities	1,163	1,099	64	5.8
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	4,582	1,901	2,681	...
120 · GROSS OPERATING INCOME	948,984	818,135	130,849	16.0
130 - NET VALUE ADJUSTMENTS DUE TO IMPAIRMENT OF:	-135,791	-97,996	-37,795	38.6
a) loans	-118,001	-88,805	-29,196	32.9
b) available-for-sale financial assets	-19,966	-6,976	-12,990	...
d) other financial assets	2,176	-2,215	4,391	...
140 · NET INCOME FROM FINANCIAL MANAGEMENT	813,193	720,139	93,054	12.9
150 - NET PREMIUMS	771,148	960,741	-189,593	- 19.7
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-857,258	-993,154	135,896	- 13.7
170- NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT	727,083	687,726	39,357	5.7
180 - ADMINISTRATIVE COSTS:	-503,648	-522,332	18,684	- 3.6
a) staff costs	-310,451	-313,319	2,868	- 0.9
b) other administrative costs	-193,197	-209,013	15,816	- 7.6
190 - NET PROVISIONS FOR RISKS AND CHARGES	-578	-1,374	796	- 57.9
200 - DEPRECIATION OF TANGIBLE ASSETS	-20,344	-19,190	-1,154	6.0
210 - DEPRECIATION OF INTANGIBLE ASSETS	-23,735	-23,397	-338	1.4
220 - OTHER OPERATING EXPENSES AND REVENUES	37,254	57,356	-20,102	- 35.0
230 · OPERATING COSTS	-511,051	-508,937	-2,114	0.4
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	2,728	2,499	229	9.2
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-2	10	-12	...
280 · OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	218,758	181,298	37,460	20.7
290 - INCOME TAXES FOR THE PERIOD	-63,010	-41,202	-21,808	52.9
300 · OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	155,748	140,096	15,652	11.2
320 · PROFIT (LOSS) FOR THE PERIOD	155,748	140,096	15,652	11.2
330 - MINORITY INTERESTS	2,843	1,440	1,403	97.4
340 · PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK	152,905	138,656	14,249	10.3

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

	09/30/2012	09/30/2011	Change 09/30/12 - 09/30/11	
			absolute	%
10 NET INCOME (LOSS)	155,748	140,096	15,652	11.2
Other comprehensive income (net of tax)				
20 Financial assets available-for-sale	453,662	(658,181)	1,111,843	...
60 Cash flow hedges	(34,053)	(42,551)	8,498	(20.0)
100 Share of valuation reserves connected with investments carried at equity	-	(233)	233	(100.0)
110 Total other comprehensive income (net of tax)	419,609	(700,965)	1,120,574	...
120 TOTAL COMPREHENSIVE INCOME (captions 10 + 110)	575,357	(560,869)	1,136,226	...
130 Total consolidated comprehensive income pertaining to minority interests	3,137	1,341	1,796	...
140 Total consolidated comprehensive income pertaining to the Parent Company	572,220	(562,210)	1,134,430	...

EXPLANATORY NOTES

ACCOUNTING POLICIES

The Interim Report on Operations of the Banca Carige Group as at 30 September 2012 was drafted in accordance with the provisions set out in art. 154-ter of Legislative Decree no. 58 of 24 February 1998. The international accounting standards (IAS/IFRS) and the related interpretations (SIC/IFRIC), officially approved by the European Union and in force on 30 September 2012, were applied for the valuation and measurement of the accounting balances, and, where necessary, the indications referred to in the Bank of Italy Circular no. 262 dated 22 December 2005 - 1st update of 18 November 2009 (financial statements for banks: schemes and rules for preparation) and the subsequent clarification letters (also known as "Roneata") were observed.

The interim report on operations has been prepared using the Euro as the accounting currency. Unless otherwise specified, the amounts indicated in the financial statements and in the explanatory notes are expressed in thousands of Euro.

As regards the phases of classification, recognition, valuation and derecognition of asset and liability items involved in preparing this Report, as with the methods of entering costs

and revenues, the same accounting standards used in preparation of the financial statements as at 31 December 2011 were applied, to which reference should be made for full details.

The amendments made to IFRS 7 – Financial instruments: Additional disclosures – Transfers of financial assets (approved with EC Regulation no. 1205/2011 of 22/11/2011) apply to this Interim Report on Operations. The amendments aim to allow financial statement users to effect a better assessment of exposure to risks related to the transfer of financial assets and the effects of said risks on the Group's financial position and apply to financial statements for years starting on or after 30 June 2011. The Group did not avail itself of the option of early application of said amendments which did not have any effects on the Group's equity, economic and financial position.

Finally, it should be noted that the International Accounting Standards Board (IASB) did not publish any new documents during the quarter, nor were there any approvals of international accounting standards by the European Commission.

This Interim Report on Operations, not audited, should be read and analysed together with the financial statements for the year ended as at 31 December 2011.

SCOPE OF CONSOLIDATION AND CONSOLIDATION METHODS

1. EQUITY INVESTMENTS IN FULLY AND JOINTLY CONTROLLED SUBSIDIARIES

Based on international accounting standards (IAS/IFRS), the scope of consolidation includes all direct and indirect subsidiaries: therefore, even companies not classified as credit, financial

or instrumental institutions (i.e. that perform dissimilar activities) have been consolidated on a line-by-line basis.

The control concept applied is that established in IAS 27.

During the course of the first nine months of 2012, the consolidation area remained unchanged from that determined for preparation of the financial statements for the year ended at 31/12/2011, with the exception of the inclusion of Carige Covered Bond 2 Srl.

1. Equity investments in exclusive subsidiaries and subsidiaries subject to joint control (consolidated proportionally)

Name of the companies	Head offices	Type of relations hip (1)	Shareholding relationship		Availability of votes (2) (3)	
			Holding company	% Shareholding	Actual %	Potential %
A. Companies						
A.1 Consolidated line-by-line						
Banking group						
1. Banca CARIGE SpA	Genoa					
2. Cassa di Risparmio di Savona S.p.A.	Savona	1	A1.1	95.90	95.9	4.10
3. Cassa di Risparmio di Carrara SpA	Carrara	1	A1.1	90.00		
4. Banca del Monte Lucca SpA	Lucca	1	A1.1	60.00		
5. Banca Cesare Ponti SpA	Milan	1	A1.1	100.00		
6. Carige Asset Management SpA	Genoa	1	A1.1	99.50		
			A1.18	0.50		
7. Creditis Servizi Finanziari SpA	Genoa	1	A1.1	100.00		
8. Centro Fiduciario SpA	Genoa	1	A1.1	76.95		
			A1.2	20.00		
9. Argo Finance One Srl	Genoa	1	A1.1	100.00		
10. Priamar Finance Srl	Genoa	1	A1.1	100.00		
11. Argo Mortgage Srl	Genoa	1	A1.1	60.00		
12. Argo Mortgage 2 Srl	Genoa	1	A1.1	60.00		
13. Carige Covered Bond Srl	Genoa	1	A1.1	60.00		
14. Carige Covered Bond 2 Srl	Genoa	1	A1.1	60.00		
15. Columbus Carige Immobiliare SpA	Genoa	1	A1.1	100.00		
16. Immobiliare CARISA Srl	Savona	1	A1.2	100.00		
Insurance companies						
17. Carige Assicurazioni SpA (4)	Milan	1	A1.1	98.40	99.55	
18. Carige Vita Nuova SpA	Genoa	1	A1.1	100.00		
Other companies						
19. Dafne Immobiliare Srl	Milan	1	A1.17	100.00		
20. I. H. Roma Srl	Milan	1	A1.18	100.00		
21. Assi 90 Srl	Genoa	1	A1.17	39.75		
			A1.18	60.25		
A.2 Consolidated proportionally						
			-			

Legend

(1) Type of relationship:

- 1 = majority of voting rights at ordinary shareholders' meeting
- 2 = dominant influence at ordinary shareholders' meeting
- 3 = agreements with other shareholders
- 4 = other forms of control
- 5 = single management pursuant to article 26, paragraph 1 of Legislative Decree 87/92
- 6 = single management pursuant to article 26, paragraph 2 of Legislative Decree 87/92
- 7 = joint control

(2) Availability of voting rights at ordinary shareholders' meeting, distinguishing between actual and potential

(3) Figure entered only if different from the equity investment share

(4) The percentage of actual availability of votes differs from the equity investment share as it is calculated on the capital excluding own shares.

As regards operations, the subsidiaries can be divided into banking (Banca Carige SpA, Cassa di Risparmio di Savona SpA, Cassa di Risparmio di Carrara SpA, Banca del Monte di Lucca SpA, Banca Cesare Ponti SpA), asset management (Carige Asset Management SGR SpA), consumer credit (Crediti Servizi Finanziari SpA), trust companies (Centro Fiduciario SpA), special purpose vehicles for securitisation transactions (Argo Finance One Srl, Priamar Finance Srl, Argo Mortgage Srl, Argo Mortgage 2 Srl),

special purpose vehicles for the issue of covered bonds (Carige Covered Bond Srl and Carige Covered Bond 2 Srl), insurance (Carige Vita Nuova Spa, Carige Assicurazioni SpA) real estate (Columbus Carige Immobiliare SpA, Immobiliare Carisa Srl, Dafne Immobiliare Srl and I.H. Roma Srl) and insurance agencies (Assi 90 Srl).

With regard to the four companies established for the same number of securitisation transactions – Argo Finance One, Priamar

Finance, Argo Mortgage and Argo Mortgage 2 – and to the companies Carige Covered Bond and Carige Covered Bond 2, please note that they have all been consolidated in these financial statements on a line-by-line basis.

With regard to the securitisation of Banca Carige's performing loans carried out by Argo Mortgage 2 in 2004, as the transaction does not fully satisfy the conditions of the substantial transfer to third parties of related risks and rewards, consolidation was carried out on the basis of the company's segregated assets.

The consolidated interim report on operations has been prepared using:

- the interim report on operations of the Parent Company and of the other consolidated companies as at 30 September 2012, approved by their respective Boards of Directors and prepared in accordance with the approved IAS/IFRS in force;
- reporting packages prepared by those companies that did not adopt the IAS/IFRS and approved by the respective Boards of Directors.

Minor subsidiaries outside of the area of consolidation were recorded at cost, in accordance with the general principles set out in

the systematic framework. All companies belonging to the banking group and the insurance companies were deemed relevant. With exclusive reference to companies not belonging to the banking group, those with financial statement totals of less than € 10 million, and provided that the total of the companies excluded does not exceed € 50 million, have been classified as minor subsidiaries, in accordance with the provisions on consolidated supervisory reporting established by the Bank of Italy with circular no. 115 of 7 August 1990 and subsequent updates. Therefore, as at 30 September 2012, Banca Carige Italia SpA, wholly owned by the Parent Company, was excluded from line-by-line consolidation.

Companies for which shares with voting rights have been received as a form of credit guarantee rather than as a means of exercising control over the companies under review were also excluded from the area of consolidation.

2. OTHER INFORMATION

Associates, i.e. companies subject to significant influence, were measured using the equity method.

Equity investments in companies subject to significant influence (consolidated using the equity method)

Name of the companies	Head offices	Shareholding relationship		Availability of votes	
		Holding company	% Shareholding	Actual %	Potential %
A. Companies consolidated with the equity method					
1. Autostrada dei Fiori Spa	Savona	Banca Carige S.p.A. Cassa di Risparmio di Savona S.p.A.	16.62 4.00		

Companies in which the Group exerts a significant influence that are not considered to be significant have been valued at cost, in

accordance with the general principles set out in the framework.

Equity investments in companies subject to significant influence excluded from the equity method

Name of the companies	Head offices	Shareholding relationship		Availability of votes	
		Holding company	% Shareholding	Actual %	Potential %
1. Sport e Sicurezza Srl	Milan	Carige Ass.ni SpA Carige V. N. SpA	25.00 25.00		
2. Nuova Erzelli Srl	Genoa	Banca Carige S.p.A.	40.00		

TRADING ACTIVITIES

As at September 2012, Financial Intermediation Activities (FIA) on behalf of customers – direct and indirect deposits – amounted to €50,534.1 million (net of €524.7 million in financial liabilities designated at fair value through profit and loss relating to the insurance products of Carige

Vita Nuova in which the investment risk is borne by the insured). This figure recorded a 2.8% decrease compared to December and was down 3.6% YoY.

Direct deposits amounted to €27,533.8 million, whilst indirect deposits amounted to €23,000.3 million. The latter accounted for 45.5% of FIA and was made up of assets under management (42.7%) and assets under administration (57.3%).

FINANCIAL INTERMEDIATION ACTIVITIES (thousands of euro)

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
Total (A+B)	50,534,091	52,011,047	52,404,715	-2.8	-3.6
Direct deposits (A) (1)	27,533,791	28,439,887	28,678,067	-3.2	-4.0
% on Total	54.5%	54.7%	54.7%		
Indirect deposits (B)	23,000,300	23,571,160	23,726,648	-2.4	-3.1
% on Total	45.5%	45.3%	45.3%		
- Assets under management	9,827,832	9,523,339	9,892,984	3.2	-0.7
% on Total	19.4%	18.3%	18.9%		
% on Indirect deposits	42.7%	40.4%	41.7%		
- Assets under custody	13,172,468	14,047,821	13,833,664	-6.2	-4.8
% on Total	26.1%	27.0%	26.4%		
% on Indirect deposits	57.3%	59.6%	58.3%		

(1) Items 20, 30 and 50 of Liabilities and Shareholders' equity. Carige Vita Nuova liabilities, carried at fair value and relating to products for which investment risk is borne by the insured, are not included in this table.

Global funding, equal to € 36,083.8 million, increased by 5% in nine months and 12.5% over the twelve-month period, and is characterised by a significant increase in the funding from the European Central Bank in relation to extraordinary measures implemented by the latter (Long term refinancing operation – LTRO).

Direct deposits totalled € 27,533.8 million, a decrease of 3.2% in nine months and down 4% over the twelve-month period. The trend from the start of the year was affected by the maturity of a €836 million loan in February, as part of the EMTN programme, the conversion into shares, in March, of €394 million of the "Banca Carige 4.75% 2010-2015 convertible bond with the option of redemption in shares" ("Banca Carige 4,75% 2010-2015 convertibile con facoltà di rimborso in azioni"), the repurchase, in September, of around €140 million of a loan falling under the EMTN programme and the application of the new legislation which requires the transfer of the treasury current accounts of the Public Authorities to the State Treasury. The

repayment in November 2011, of €383 million of the Bancoposta loan also affected the total for the twelve-month period. Net of these events direct deposits would register growth of 2.6% and 3.2% in nine and twelve months.

More specifically, due to customers, amounting to € 16,046.9 million, increased by 0.8% in nine months and 0.7% in twelve months. Securities issued and financial liabilities designated at fair value through profit and loss totalled € 11,486.9 million, marking a decrease as a result of the maturity and repurchase of the aforementioned EMTN loan (-8.3% in nine months and -9.9% in the year). The total is made up almost entirely of bonds, around 63% placed with ordinary customers, 27% relating to EMTN programmes and covered bonds, and 10% represented by subordinated loans.

In the first nine months, in strict compliance with Mifid legislation on investor protection, against around € 460 million in maturities and € 600 million in repurchases, new bonds were placed for a total of roughly €1.3 billion. The long term

refinancing operation (LTRO) allowed the acquisition of new deposit means (€ 0.7 billion), bringing total deposits from this means to € 2 billion. The use of this financing form allowed the Group, as regards assets, to carry on its customer financing policy and to support the demand for Italian Government bonds in a particularly tense moment, and as regards liabilities, to adequately tackle the expected bond maturity terms.

As regards the contract duration, short-term deposits accounted for 58.5% of the total, registering an increase of 0.7% over December 2011

and 0.6% YoY, while medium/long-term deposits, following said repayments, accounted for 41.5% of the total, down by 8.2% and 9.8% respectively over December and September 2011. Due to banks amounted to €8,550 million, up compared to both €5,922.3 million recorded in December and € 3,406.9 million recorded in September 2011. Due to central banks totalled €7,424 million (€3,841.8 million in December and € 841.1 million in September 2011). The increase is attributable to refinancing at the European Central Bank.

FUNDING *(thousands of euro)*

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
Total (A+B)	36,083,752	34,362,190	32,084,935	5.0	12.5
Direct deposits (A)	27,533,791	28,439,887	28,678,067	-3.2	-4.0
Due to customers	16,046,868	15,919,602	15,930,731	0.8	0.7
current accounts and free deposits	12,998,498	13,148,524	13,198,423	-1.1	-1.5
repurchase agreements	2,826,833	2,509,926	2,477,290	12.6	14.1
term deposits	33,495	15,417	9,235	...	...
loans	5,555	3,255	3,658	70.7	51.9
commitments to repurchase own equity instruments	10,845	10,845	10,845	-	0.0
other deposits	171,642	231,635	231,280	-25.9	-25.8
Securities issued	10,638,545	11,616,164	11,484,744	-8.4	-7.4
bonds	10,566,686	11,528,827	11,392,588	-8.3	-7.2
other securities	71,859	87,337	92,156	-17.7	-22.0
Financial liabilities designated at fair value through profit and loss (1)	848,378	904,121	1,262,592	-6.2	-32.8
bonds	848,378	904,121	1,262,592	-6.2	-32.8
short term	16,096,884	15,979,628	15,996,666	0.7	0.6
% on Total	58.5	56.2	55.8		
medium-long term	11,436,907	12,460,259	12,681,401	-8.2	-9.8
% on Total	41.5	43.8	44.2		
Due to banks (B)	8,549,961	5,922,303	3,406,868	44.4	...
Deposits of central banks	7,423,981	3,841,754	841,108	93.2	...
Current accounts and free deposits	273,720	10,267	40,516	...	...
Term deposits	74,688	120,830	339,327	-38.2	-78.0
Repurchase agreements	265,473	1,487,107	1,720,864	-82.1	-84.6
Financing	373,286	389,231	465,053	-4.1	-19.7
Other	138,813	73,114	-	89.9	...

(1) items 20, 30 and 50 of Liabilities and Shareholders' equity. Carige Vita Nuova liabilities, carried at fair value and relating to products for which investment risk is borne by the insured, are not included in this table.

Liguria holds a portion of direct deposits equal to 58.2%, up over both December (56.8%) and September 2011 (57.3%). The second most significant region is Lombardy, with a portion of 8.7% (8.9% in December and 9% in September 2011). Tuscany was the third region, in terms of

importance, at the end of September 2012, registering a share of 8.1%. Veneto holds a 6.2% share and Lazio 5.3%. The other regions' shares are less than 5%.

DIRECT DEPOSITS (1) - GEOGRAPHICAL DISTRIBUTION (figures in thousands of euro)

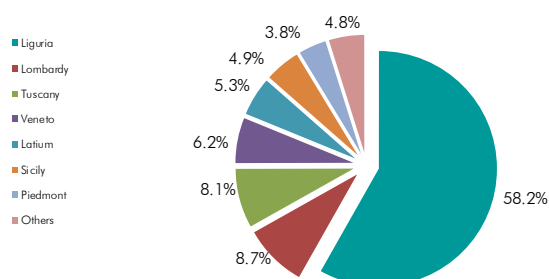
	09/30/12		Situation as at 12/31/11		09/30/11	
		%		%		%
Liguria	11,550,891	58.2%	11,276,086	56.8%	11,503,382	57.3%
Lombardy	1,719,501	8.7%	1,761,230	8.9%	1,799,254	9.0%
Tuscany	1,615,685	8.1%	1,644,259	8.3%	1,633,995	8.1%
Veneto	1,236,609	6.2%	1,254,650	6.3%	1,249,471	6.2%
Lazio	1,054,197	5.3%	1,100,712	5.5%	1,110,180	5.5%
Sicily	963,631	4.9%	985,314	5.0%	984,301	4.9%
Piedmont	753,178	3.8%	778,208	3.9%	760,409	3.8%
Emilia Romagna	315,815	1.6%	352,677	1.8%	348,130	1.7%
Apulia	200,228	1.0%	214,378	1.1%	207,078	1.0%
Sardinia	178,751	0.9%	188,446	0.9%	195,657	1.0%
Marches	126,028	0.6%	130,474	0.7%	138,964	0.7%
Valle d'Aosta	74,817	0.4%	78,934	0.4%	75,735	0.4%
Umbria	42,308	0.2%	49,430	0.2%	44,641	0.2%
Total Italy	19,831,637	99.9%	19,814,799	99.8%	20,051,197	99.9%
Abroad	25,096	0.1%	32,142	0.2%	23,698	0.1%
Total Italy + Abroad	19,856,734	100.0%	19,846,941	100.0%	20,074,895	100.0%
Other items (2) (3)	7,677,058		8,592,946		8,603,172	
Total direct deposits	27,533,791		28,439,887		28,678,067	

(1) Items 20, 30 and 50 of Liabilities and Shareholders' equity. Carige Vita Nuova liabilities, carried at fair value and relating to products for which investment risk is borne by the insured, are not included in this table.

(2) Bonds issued under the EMTN programme, covered bonds, subordinated loans, bonds issued and placed through the BancoPosta network, repurchase agreements, other bonds issued by the SPV relating to the securitization of loans, and deposits from the "contoconto" on line deposit account and the convertible loan "Banca Carige 4,75% 2010-2015 convertible with share conversion option".

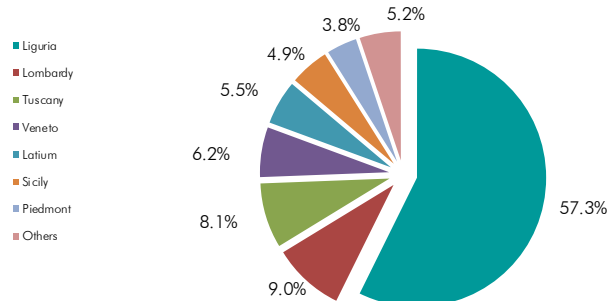
(3) Since 30 June 2012 the item has included also the convertible loan "Banca Carige 4,75% 2010-2015 convertible with share conversion option"; for a homogeneous comparison previous periods have therefore been restated.

DIRECT DEPOSITS AS AT 09/30/2012 (1)
100% = 19,856.7 MILLION



(1) Net of other items.

DIRECT DEPOSITS AS AT 09/30/2011 (1)
100% = 20,074.9 MILLION



(1) Net of other items.

A total of 66.2% of due to customers involves families, at €8,746.3 million (68.2% in December and 68.8% in September 2011). Non-financial companies and personal businesses (€2,840.2 million) represent 21.5% (20.1% in De-

ember and 19.9% in September 2011). Private social bodies intermediated € 599 million (4.5%), financial and insurance companies € 630.1 million (4.8% of the total) and public administrations €215 million (1.6% of the total).

DIRECT DEPOSITS (1) - DISTRIBUTION BY BUSINESS SEGMENT (thousands of euro)

	Situation as at					
	09/30/12		12/31/11		09/30/11	
		%		%		%
Public Administration	214,984	1.6%	506,831	3.8%	483,020	3.6%
Financial and insurance businesses (2)	630,070	4.8%	322,185	2.4%	241,070	1.8%
Non-financial businesses and personal businesses	2,840,228	21.5%	2,699,372	20.1%	2,671,115	19.9%
Private social bodies and non classified entities	598,959	4.5%	579,628	4.3%	585,241	4.4%
Households	8,746,250	66.2%	9,147,824	68.2%	9,260,084	68.8%
Total residents	13,030,491	98.6%	13,255,841	98.9%	13,240,530	98.4%
Rest of the world	189,544	1.4%	153,835	1.1%	212,911	1.6%
Total distribution by business segment	13,220,035	100.0%	13,409,676	100.0%	13,453,441	100.0%
Repurchase agreements	2,826,833		2,509,926		2,477,290	
Total amounts owed to customers	16,046,868		15,919,602		15,930,731	
Securities issued	10,638,545		11,616,164		11,484,744	
Liabilities at fair value	848,378		904,121		1,262,592	
Total direct deposits	27,533,791		28,439,887		28,678,067	

(1) items 20, 30 and 50 of Liabilities and Shareholders' equity. Carige Vita Nuova liabilities, carried at fair value and relating to products for which investment risk is borne by the insured, are not included in this table.

(2) Borrowing repurchase agreements are shown separately, for a homogenous comparison previous periods have therefore been reclassified.

Indirect deposits amounted to €23,000.3 million, down 2.4% in nine months and 3.1% in the year. The negative trend in assets under administration continued, amounting to €13,172.5 million, down 6.2% and 4.8% respectively in nine and twelve months. The reduction was concentrated on bonds (-15.4% and -19.4% in nine and twelve months) and shares (-20% and -18.8%). The item "Other", standing at €3,996.1 million, which includes investments in insurance companies, is down 3% over nine months and 3.4% over twelve months.

Assets under management, equal to €9,827.8 million, increased by 3.2% from December but fell by 0.7% from September 2011.

Mutual funds amounted to €4,925.5 million, up in the nine month period (+3%) and down in the twelve month period (-1.8%). More than 68% of the funds refer to the subsidiary Carige A.M. SGR, whose management was affected by the difficult market conditions, although it stood out for the quality of the results achieved.

Asset management (€672.6 million) increased by 13.4% in nine months and 5.9% in twelve months.

Bancassurance products amounted to €4,229.7 million (+1.9% in nine months and -0.2% compared to September 2011).

INDIRECT DEPOSITS (thousands of euro)

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
	Total (A+B)	23,000,300	23,571,160	23,726,648	-2.4	-3.1
Assets under management (A)	9,827,832	9,523,339	9,892,984	3.2	-0.7
Mutual funds and unit trusts	4,925,519	4,781,017	5,018,029	3.0	-1.8
Assets management	672,604	593,050	635,185	13.4	5.9
Bancassurance products	4,229,708	4,149,272	4,239,770	1.9	-0.2
Assets under administration (B)	13,172,468	14,047,821	13,833,664	-6.2	-4.8
Government securities	5,647,354	5,653,318	5,329,259	-0.1	6.0
Bonds	2,017,904	2,386,239	2,504,347	-15.4	-19.4
Shares	1,511,072	1,889,972	1,861,710	-20.0	-18.8
Other	3,996,139	4,118,292	4,138,348	-3.0	-3.4

Premiums collected in the year stood at €311.4 million, compared to €469.4 million in September 2011 (-33.7%); premiums in the life segment came to €299.7 million (€463.4 million in September 2011) and refer almost entirely to traditional policies (€280.1 million com-

pared to €459.3 million in September 2011), while premiums collected in the non-life segment amounted to €11.7 million, almost double the figure recorded in September 2011 (€6 million). The performance of the car segment (€5.5 million), which benefitted from the launch of

the direct sale of policies at bank branches, provided the main basis for said growth.

BANK ASSURANCE (thousands of euro)

	09/30/12	2011	09/30/11	Change % 09/12 09/11
Total premiums collected	311,364	551,965	469,409	-33.7
Life	299,679	543,489	463,405	-35.3
. Unit linked/Index policies	19,589	10,632	4,130	...
. Traditional policies	280,090	532,856	459,275	-39.0
Non-life	11,685	8,476	6,004	94.6
. Car insurance	5,546	2,197	1,187	...
. Elementary (non-car) insurance	6,139	6,279	4,817	27.4

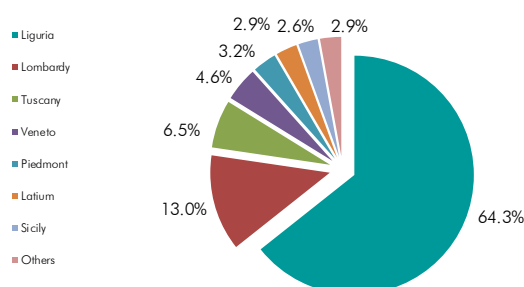
As regards indirect deposits, the Liguria region's contribution stood at 64.3% (64.7% in December 2011 and 64.6% in September 2011), followed by Lombardy with 13% (12.7% in De-

cember 2011 and 12.3% in September 2011) and Tuscany with 6.5% (6.6% in December and 7% in September 2011).

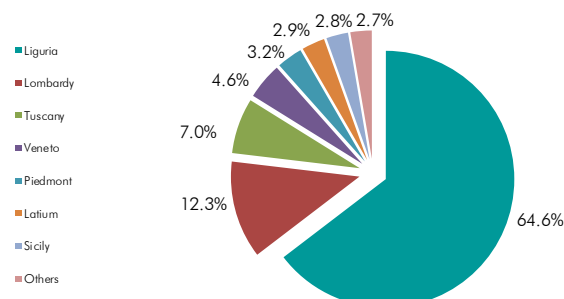
INDIRECT DEPOSITS - GEOGRAPHICAL DISTRIBUTION (figures in thousands of euro)

	09/30/12		Situation as at 12/31/11		09/30/11	
		%		%		%
Liguria	14,792,539	64.3%	15,238,796	64.7%	15,329,127	64.6%
Lombardy	2,995,515	13.0%	2,986,592	12.7%	2,913,554	12.3%
Tuscany	1,489,031	6.5%	1,555,912	6.6%	1,655,052	7.0%
Veneto	1,052,313	4.6%	1,081,708	4.6%	1,085,578	4.6%
Piedmont	742,059	3.2%	757,075	3.2%	761,914	3.2%
Latium	660,261	2.9%	687,499	2.9%	690,984	2.9%
Sicily	606,727	2.6%	620,838	2.6%	652,649	2.8%
Emilia Romagna	294,780	1.3%	270,100	1.1%	258,443	1.1%
Apulia	91,388	0.4%	94,124	0.4%	96,158	0.4%
Valle d'Aosta	81,545	0.4%	78,460	0.3%	81,084	0.3%
Sardinia	80,538	0.4%	81,893	0.3%	82,108	0.3%
Marches	69,512	0.3%	71,588	0.3%	71,892	0.3%
Umbria	42,462	0.2%	44,256	0.2%	45,009	0.2%
Total Italy	22,998,670	100.0%	23,568,841	100.0%	23,723,553	100.0%
Abroad	1,630	0.0%	2,319	0.0%	3,096	0.0%
Total indirect deposits	23,000,300	100.0%	23,571,160	100.0%	23,726,648	100.0%

INDIRECT DEPOSITS AS AT 09/30/2012
100% = 23,000.3 MILLION



INDIRECT DEPOSITS AS AT 09/30/2011
100% = 23,726.6 MILLION



The share of families stood at 73.5%; the share of financial and insurance companies at 19.3%

and of non-financial companies and personal businesses at 5.4%.

INDIRECT DEPOSITS - DISTRIBUTION BY BUSINESS SEGMENT *(thousands of euro)*

	Situation as at					
	09/30/12		12/31/11		09/30/11	
		%		%		%
Public Administration	132,988	0.6%	170,310	0.7%	168,479	0.7%
Financial and insurance businesses	4,433,705	19.3%	4,610,206	19.6%	4,666,378	19.7%
Non-financial businesses and personal businesses	1,245,456	5.4%	1,298,726	5.5%	1,277,815	5.4%
Private social bodies and non classified entities	212,059	0.9%	201,746	0.9%	195,053	0.8%
Households	16,895,449	73.5%	17,150,438	72.8%	17,280,230	72.8%
Total residents	22,919,658	99.7%	23,431,426	99.4%	23,587,955	99.4%
Rest of the world	80,643	0.4%	139,734	0.6%	138,693	0.6%
Total indirect deposits	23,000,300	100.0%	23,571,160	100.0%	23,726,648	100.0%

In 2012 as well, the supply and management of loans granted was geared towards a recomposition of the portfolio, aimed at optimising quality, while adequately diversifying lending and checking the concentration risk, especially single name risk, in view of producing income and limiting the capital absorbed by credit intermediation activities.

Cash loans to customers totalled € 28,604.4 million; before value adjustments totalling € 918.3 million and net of repurchase agreements, these were in line with December (0.1%) and up 1.1% from September 2011.

This trend, despite liquidity tensions and the weakness of demand resulting from a lower propensity to borrow by households and businesses' reduced appetite for investment, confirms the consolidated support to business and household segments, where the Group has also undertaken significant steps aimed at overcoming the challenging economic situation.

Private individuals account for 27.8% of the total, down by 1.4% in nine and twelve months in relation to the general fall in the demand for residential mortgages; loans to companies accounted for 53.3% of the total, up by 1.3% and 2.5% over nine and twelve months respectively.

The short-term component, equal to 27.7% of the total, amounted to €7,909.2 million; net of repurchase agreements, this recorded an in-

crease of 0.9% over nine months and 2.6% in twelve months.

The medium/long-term component amounted to €19,069.6 million (-1.6% in nine months and -0.9% in twelve months) and is approximately 60% financed by non-short term deposits. Mortgage loans, amounting to € 14,151.6 million, make up the biggest portion (down 0.1% and +0.7% in nine and twelve months).

Bad loans amounted to €1,625.7 million, up by 20.5% in the year (+24.2% in nine months) across the board, due to the continuation of the negative economic situation; loans' share of the total rose from 4.9% in December 2011 to 5.7%, due to the entry of some significant positions.

As at 30 September 2012, 96.3% of loans were financed by direct deposits.

Due from banks, before value adjustments of € 0.9 million (same value in December and in September 2011), amounted to €1,700.8 million, up in nine months (+3.8%) but down in twelve months (-2.9%); they are mostly comprised of short-term loans.

The net interbank position (difference between loans and due to banks before repurchase agreements) showed a net debt position of € 6,849.1 million, deriving largely from the refinancing operation at the ECB (€4,283.4 million in December and €1,655.8 million in September 2011).

LOANS (1) (thousands of euro)

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
Total (A+B)	29,386,049	28,378,624	28,073,794	3.5	4.7
Loans to customers (A)	27,686,094	26,740,568	26,323,625	3.5	5.2
-Gross exposure (2)	28,604,440	27,534,610	27,081,146	3.9	5.6
<i>current accounts</i>	3,249,980	3,282,421	3,177,812	-1.0	2.3
<i>lending repurchase agreements</i>	2,502,773	1,457,057	1,266,421	71.8	97.6
<i>mortgage loans</i>	14,151,649	14,290,005	14,057,094	-1.0	0.7
<i>credit cards, personal loans and salary-backed loans</i>	659,369	655,818	655,950	0.5	0.5
<i>leasing</i>	836,256	826,925	818,334	1.1	2.2
<i>factoring</i>	171,305	188,780	188,757	-9.3	-9.2
<i>other loans</i>	3,830,745	4,314,139	4,398,923	-11.2	-12.9
<i>impaired assets</i>	3,202,363	2,519,465	2,517,855	27.1	27.2
-short term	7,909,194	6,815,085	6,534,252	16.1	21.0
% on nominal value	27.7	24.7	24.1		
-medium/long term	19,069,577	19,370,738	19,238,365	-1.6	-0.9
% on nominal value	66.7	70.4	71.0		
-Bad loans	1,625,669	1,348,787	1,308,529	20.5	24.2
% on nominal value	5.7	4.9	4.8		
-Value adjustments (-)	918,346	794,042	757,521	15.7	21.2
Due from banks (B)	1,699,955	1,638,056	1,750,169	3.8	-2.9
-Gross exposure (2)	1,700,827	1,638,928	1,751,041	3.8	-2.9
<i>compulsory reserves</i>	49,861	235,952	144,449	-78.9	-65.5
<i>current accounts and free deposits</i>	249,910	207,203	624,841	20.6	-60.0
<i>term deposits</i>	618	26,157	16,293	-97.6	-96.2
<i>repurchase agreements</i>	-	-	12,917	...	-100.0
<i>loans</i>	1,383,304	1,152,925	935,995	20.0	47.8
<i>impaired assets</i>	17,134	16,691	16,546	2.7	3.6
-short term	1,653,673	1,592,161	1,686,394	3.9	-1.9
% on nominal value	97.2	97.1	96.3		
-medium/long term	47,154	46,767	64,647	0.8	-27.1
% on nominal value	2.8	2.9	3.7		
-Value adjustments (-)	872	872	872	-	-

(1) Net of debt securities classified as L&R, amounting to as at 30 September 2012 to 122,512 thousands of euro (loans to customers) and to 227,249 thousands of euro (due from banks)

(2) Before value adjustments.

As regards the geographical breakdown, Liguria accounts for 49.4% of the loans to customers, down slightly against the 49.6% registered in December and the 49.3% recorded in September 2011. Lombardy is the second region, with a share of 12.5% (12.2% in December and

12.6% in September 2011), Tuscany is the third region with a share of 10.2% (10.3% and 10.4% in December and September 2011 respectively).

TOTAL LOANS TO CUSTOMERS (1) - GEOGRAPHICAL DISTRIBUTION (2) (3) (thousands of euro)

	09/30/12		Situation as at 12/31/11		09/30/12	
		%		%		%
Liguria	12,905,397	49.4%	12,936,970	49.6%	12,714,191	49.3%
Lombardy	3,249,714	12.5%	3,175,635	12.2%	3,265,394	12.6%
Tuscany	2,674,665	10.2%	2,692,291	10.3%	2,689,909	10.4%
Emilia Romagna	1,874,519	7.2%	1,802,029	6.9%	1,724,651	6.7%
Piedmont	1,539,399	5.9%	1,574,626	6.0%	1,521,116	5.9%
Veneto	1,284,072	4.9%	1,267,640	4.9%	1,282,557	5.0%
Latium	918,198	3.5%	952,115	3.7%	949,962	3.7%
Sicily	617,020	2.4%	618,726	2.4%	626,937	2.4%
Sardinia	364,421	1.4%	362,082	1.4%	355,009	1.4%
Apulia	227,769	0.9%	232,844	0.9%	229,548	0.9%
Marches	160,029	0.6%	162,957	0.6%	155,822	0.6%
Umbria	108,248	0.4%	108,033	0.4%	104,935	0.4%
Valle d'Aosta	26,108	0.1%	29,216	0.1%	27,335	0.1%
Total Italy	25,949,558	99.4%	25,915,163	99.4%	25,647,365	99.4%
Abroad	152,109	0.6%	162,391	0.6%	167,360	0.6%
Loans to customers, excluding repurchase agreements	26,101,667	100.0%	26,077,553	100.0%	25,814,725	100.0%
Lending repurchase agreements with financial firms	2,502,773		1,457,057		1,266,421	
Total loans to customers	28,604,440		27,534,610		27,081,146	

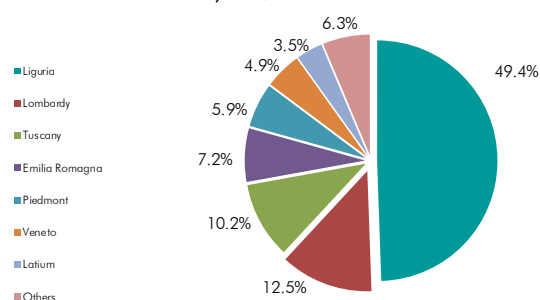
(1) Gross of value adjustments and net of debt securities classified as L&R.

(2) Figures per branch province.

(3) Lending repurchase agreements with financial firms are shown separately, for a homogeneous comparison previous periods have therefore been restated.

TOTAL LOANS TO CUSTOMERS AS AT 09/30/2012 (1)

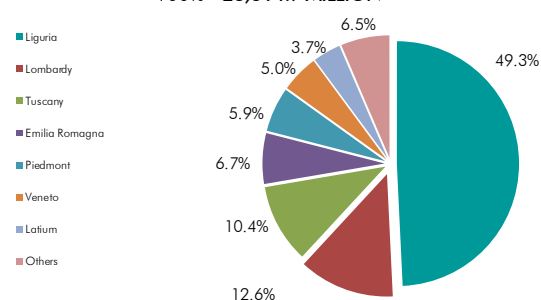
100% = 26,101.7 MILLION



(1) Net of lending repurchase agreements with financial firms.

TOTAL LOANS TO CUSTOMERS AS AT 09/30/2011 (1)

100% = 25,814.7 MILLION



(1) Net of lending repurchase agreements with financial firms.

As regards the distribution by segment, non-financial companies and personal businesses accounted for 60.5% of loans to customers, for an amount of €15,804.1 million (60.5% in December and 60% in September 2011). Within the most significant segments, the share pertaining to building and public works increased. These works are mainly targeted at medium-small size initiatives, mostly in the Liguria region territory, whose property market is characterised by

essentially stable prices. The share pertaining to the family sector stood at 26.9% and is mostly represented by mortgage loans for the purchase of homes. Public administrations remained stable with respect to December 2011, but recorded growth over September 2011. As regards financial and insurance companies, their share stood at 5.1% (4.4% in December and 5% in September 2011).

TOTAL LOANS TO CUSTOMERS (1) - DISTRIBUTION BY BUSINESS SEGMENT (thousands of euro)

	09/30/12		Situation as at 12/31/11		09/30/11	
		%		%		%
Public Administration	1,546,248	5.9%	1,538,845	5.9%	1,422,673	5.5%
Financial and insurance businesses (2)	1,320,283	5.1%	1,154,254	4.4%	1,279,734	5.0%
Non-financial businesses and personal businesses	15,804,054	60.5%	15,786,531	60.5%	15,500,979	60.0%
Sales-related services	5,757,628	22.1%	5,816,592	22.3%	5,791,485	22.4%
Building and public works	2,409,571	9.2%	2,237,659	8.6%	2,171,927	8.4%
Wholesale & retail trade, salvage and repairs	2,339,393	9.0%	2,379,865	9.1%	2,417,600	9.4%
Hotel and catering services	713,675	2.7%	743,142	2.8%	723,327	2.8%
Shipping and air transport	583,809	2.2%	483,783	1.9%	434,666	1.7%
Other	3,999,977	15.3%	4,125,489	15.8%	3,961,974	15.3%
Private social bodies and non classified entities	132,599	0.5%	136,943	0.5%	136,975	0.5%
Households	7,011,422	26.9%	7,173,601	27.5%	7,195,341	27.9%
Total residents	25,814,605	98.9%	25,790,174	98.9%	25,535,702	98.9%
Rest of the world	287,062	1.1%	287,379	1.1%	279,023	1.1%
Total distribution by business segment	26,101,667	100.0%	26,077,553	100.0%	25,814,725	100.0%
Lending repurchase agreements with financial firms	2,502,773		1,457,057		1,266,421	
Total loans to customers	28,604,440		27,534,610		27,081,146	

(1) Gross of value adjustments and net of debt securities classified as L&R.

(2) Lending repurchase agreements with financial firms are shown separately, for a homogeneous comparison previous periods have therefore been restated.

Non-performing cash and endorsement loans amounted to €3,252.1 million, up 27% in nine months in relation, in particular, to the gradual deterioration in the quality of loans to companies. The corresponding value adjustments totalled €834.9 million (+18% in the first nine months) and represent a coverage ratio of 25.8%; said value rises to more than 50%, if we also take into account collateral, guarantees provided by Confidi, other guarantee funds and other personal guarantees.

The cash component amounts to €3,219.5 million (+26.9%) and refers almost entirely to ordinary customers; the endorsement component amounts to €32.6 million (+33.3%).

As regards cash loans:

- bad loans came to €1,625.7 million, up by 20.5% in nine months due to the entry of some significant positions; these were written down by 43.9%;
- watchlist loans amounted to €916.7 million, up 17.8% over December and were written down by 10.3%;
- rescheduled loans amounted to €151.1

million (+16.2%); these were written down by 7.2%;

- past due loans amounted to €526 million (€279.4 million in December and €338.1 million in September 2011); given that the majority of these relate to loans secured by mortgage guarantees, the increase recorded was largely due to the elimination, effective as of 1 January 2012, of the 180 day limit for the classification in the aggregate of unsecured past due or borderline loans, whose qualification threshold was lowered to 90 days of continuous delay. These positions were written down by 2.1%.

Impaired endorsement loans amounted to €32.6 million, up by 33.3% in nine months; these were written down by 16.7%.

Overall, also considering performing loans, value adjustments on loans amounted to €929.8 million, €919.2 million of which refer to cash loans and €10.6 million of which refer to endorsement loans.

CREDIT QUALITY (1) (thousands of euro)

	09/30/12				12/31/11			
	Gross exposure	Value adjustments	Net exposure	%	Gross exposure	Value adjustments	Net exposure	%
	(a)	(b)	(a)-(b)	(b) / (a)	(a)	(b)	(a)-(b)	(b) / (a)
Cash loans								
Bad loans	1,625,669	713,224	912,445	43.9	1,348,787	609,848	738,939	45.2
- customers	1,625,669	713,224	912,445	43.9	1,348,787	609,848	738,939	45.2
Watchlist loans	916,661	94,129	822,532	10.3	777,828	81,413	696,415	10.5
- banks	17,134	872	16,262	5.1	16,691	872	15,819	5.2
- customers	899,527	93,257	806,270	10.4	761,137	80,541	680,596	10.6
Rescheduled loans	151,146	10,897	140,249	7.2	130,097	3,225	126,872	2.5
- customers	151,146	10,897	140,249	7.2	130,097	3,225	126,872	2.5
Past due loans	526,021	11,171	514,850	2.1	279,444	7,705	271,739	2.8
- customers	526,021	11,171	514,850	2.1	279,444	7,705	271,739	2.8
Total Impaired loans	3,219,497	829,421	2,390,076	25.8	2,536,156	702,191	1,833,965	27.7
Performing loans	27,085,770	89,797	26,995,973	0.3	26,637,382	92,723	26,544,659	0.3
- banks	1,683,693	-	1,683,693	-	1,622,237	-	1,622,237	-
- customers	25,402,077	89,797	25,312,280	0.4	25,015,145	92,723	24,922,422	0.4
Total cash loans	30,305,267	919,218	29,386,049	3.0	29,173,538	794,914	28,378,624	2.7
- banks	1,700,827	872	1,699,955	0.1	1,638,928	872	1,638,056	0.1
- customers	28,604,440	918,346	27,686,094	3.2	27,534,610	794,042	26,740,568	2.9
Endorsement loans								
Impaired	32,617	5,462	27,155	16.7	24,461	5,561	18,900	22.7
- customers	32,617	5,462	27,155	16.7	24,461	5,561	18,900	22.7
Other loans	1,620,765	5,089	1,615,676	0.3	1,721,681	7,166	1,714,515	0.4
- banks	42,563	-	42,563	-	48,436	-	48,436	-
- customers	1,578,202	5,089	1,573,113	0.3	1,673,245	7,166	1,666,079	0.4
Total endorsement loans	1,653,382	10,551	1,642,831	0.6	1,746,142	12,727	1,733,415	0.7
- banks	42,563	-	42,563	-	48,436	-	48,436	-
- customers	1,610,819	10,551	1,600,268	0.7	1,697,706	12,727	1,684,979	0.7
Total	31,958,649	929,769	31,028,880	2.9	30,919,680	807,641	30,112,039	2.6
- banks	1,743,390	872	1,742,518	0.1	1,687,364	872	1,686,492	0.1
- customers	30,215,259	928,897	29,286,362	3.1	29,232,316	806,769	28,425,547	2.8

(1) Net of debt securities classified as L&R, amounting to as at 30 September 2012 to 122,512 thousands of euro (loans to customers) and to 227,249 thousands of euro (due from banks)

As regards the geographical breakdown of bad loans, Liguria has the largest share of the total (32.3%), up compared to December and September 2011, due mainly to the entry of a signif-

icant position in the last quarter. Lombardy (21.9%) and Tuscany (11.7%) occupy second and third place respectively.

BAD LOANS TO CUSTOMERS (1) - GEOGRAPHICAL DISTRIBUTION (2) (figures in thousands of euro)

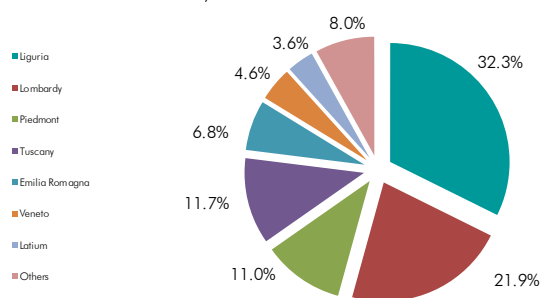
	Situation as at					
	09/30/12		12/31/11		09/30/11	
		%		%		%
Liguria	525,845	32.3%	404,558	30.0%	397,049	30.3%
Lombardy	356,483	21.9%	314,767	23.3%	305,268	23.3%
Tuscany	190,668	11.7%	148,026	11.0%	137,663	10.5%
Piedmont	178,585	11.0%	163,744	12.1%	161,570	12.3%
Emilia Romagna	110,501	6.8%	96,326	7.1%	94,613	7.2%
Veneto	74,024	4.6%	65,355	4.8%	62,863	4.8%
Latium	58,864	3.6%	49,203	3.6%	47,462	3.6%
Sicily	43,110	2.7%	33,737	2.5%	31,771	2.4%
Apulia	26,342	1.6%	22,952	1.7%	21,134	1.6%
Sardinia	23,759	1.5%	20,847	1.5%	20,271	1.5%
Marches	20,508	1.3%	13,614	1.0%	13,312	1.0%
Umbria	8,899	0.5%	8,577	0.6%	8,389	0.6%
Valle d'Aosta	3,758	0.2%	3,332	0.2%	3,277	0.3%
Total Italy	1,621,345	99.7%	1,345,037	99.7%	1,304,642	99.7%
Abroad	4,324	0.3%	3,750	0.3%	3,887	0.3%
Total loans	1,625,669	100.0%	1,348,787	100.0%	1,308,529	100.0%

(1) Gross of value adjustments and net of debt securities classified as L&R.

(2) Figures per branch province.

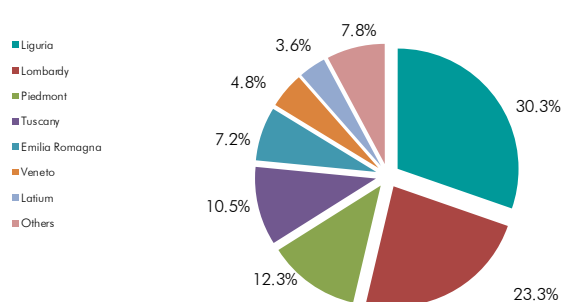
BAD LOANS TO CUSTOMERS AS AT 09/30/2012

100% = 1,625.7 MILLION



BAD LOANS TO CUSTOMERS AS AT 09/30/2011

100% = 1,308.5 MILLION



The bad loans/loans ratio registered growth in almost all regions during the year; Liguria recorded the lowest ratio (3.4%). Valle d'Aosta has the highest ratio (14.4%), however representing

a minimal share, followed by the Marches (12.8%).

BAD LOANS/LENDING RATIO (1) - GEOGRAPHICAL DISTRIBUTION (2)

(Percentage values)

	Situation as at		
	09/30/12	12/31/11	09/30/11
Liguria	3.4%	2.8%	2.8%
Lombardy	11.0%	9.9%	9.3%
Tuscany	7.1%	5.5%	5.1%
Emilia Romagna	5.9%	5.3%	5.5%
Piedmont	11.6%	10.4%	10.6%
Veneto	5.8%	5.2%	4.9%
Lazio	6.4%	5.2%	5.0%
Sicily	7.0%	5.5%	5.1%
Sardinia	6.5%	5.8%	5.7%
Apulia	11.6%	9.9%	9.2%
Marches	12.8%	8.4%	8.5%
Umbria	8.2%	7.9%	8.0%
Valle d'Aosta	14.4%	11.4%	12.0%
Total Italy	5.7%	4.9%	4.8%
Abroad	2.8%	2.3%	2.3%
Total	5.7%	4.9%	4.8%

(1) Gross of value adjustments and net of debt securities classified as L&R.

(2) Figures per branch province.

The breakdown by business segment showed an increase in bad loans for non-financial companies and personal businesses (up to € 1,179.2 million) with a share of 72.5% (70.6% in December and 70.9% in September 2011). The segment with the highest share of bad loans was the building and public works segment (€ 333

million, 20.5%), followed by other sales services (€241.3 million, 14.8%).

Households represented the second sector by volume with a share of 25.3% of the aggregate, lower than 27% in December and 26.5% in September 2011.

BAD LOANS TO CUSTOMERS (1) - DISTRIBUTION BY BUSINESS SEGMENT (thousands of euro)

	Situation as at					
	09/30/12		12/31/11		09/30/11	
		%		%		%
Public Administration	-	-	-	-	-	-
Financial and insurance businesses	26,365	1.6%	25,605	1.9%	25,378	1.9%
Non-financial businesses and personal businesses	1,179,228	72.5%	952,332	70.6%	928,279	70.9%
<i>Building and public works</i>	333,046	20.5%	231,600	17.2%	224,241	17.1%
<i>Sales-related services</i>	241,341	14.8%	193,399	14.3%	185,465	14.2%
<i>Wholesale & retail trade, salvage and repairs</i>	219,804	13.5%	184,951	13.7%	180,640	13.8%
<i>Hotel and catering services</i>	46,231	2.8%	42,169	3.1%	40,759	3.1%
<i>Metal products</i>	42,413	2.6%	38,307	2.8%	37,966	2.9%
<i>Other</i>	296,392	18.2%	261,906	19.4%	259,208	19.8%
Private social bodies and non classified entities	2,142	0.1%	2,044	0.2%	2,053	0.2%
Households	411,179	25.3%	363,700	27.0%	347,118	26.5%
Total residents	1,618,914	99.6%	1,343,681	99.6%	1,302,828	99.6%
Rest of the world	6,755	0.4%	5,106	0.4%	5,701	0.4%
Total loans	1,625,669	100.0%	1,348,787	100.0%	1,308,529	100.0%

(1) Gross of value adjustments and net of debt securities classified as L&R.

The bad loans/loans ratio is above the Group average for non-financial companies and personal businesses, at 7.5% (6% in December 2011 and September 2011) while for house-

holds it is equal to 5.9% (5.1% in December and 4.8% in September 2011).

BAD LOANS/LENDING RATIO (1) - DISTRIBUTION BY BUSINESS SEGMENT (percentage values)

	Situation as at		
	09/30/12	12/31/11	09/30/11
Public Administration	-	-	-
Financial businesses	2.0%	2.2%	2.0%
Non-financial businesses and personal businesses	7.5%	6.0%	6.0%
- of which (2):			
<i>Sales-related services</i>	4.2%	3.3%	3.2%
<i>Building and public works</i>	13.8%	10.4%	10.3%
<i>Wholesale & retail trade, salvage and repairs</i>	9.4%	7.8%	7.5%
<i>Hotel and catering services</i>	6.5%	5.7%	5.6%
<i>Shipping and air transport</i>	3.1%	4.2%	4.7%
Private social bodies and non classified entities	1.6%	1.5%	1.5%
Households	5.9%	5.1%	4.8%
Total residents	6.3%	5.2%	5.1%
Rest of the world	2.4%	1.8%	2.0%
Total	5.7%	4.9%	4.8%

(1) Gross of value adjustments and net of debt securities classified as L&R.

(2) Main business segments in terms of overall credit exposure shown.

Securities in the portfolio amounted to € 12,950.2 million, up 20.2% in nine months and 35% in twelve months as a result of the purchases of Italian government bonds in the last few months of 2011 and in the first few months of 2012; debt securities (€ 11,562.4 million) account for 89.3% of the portfolio, up 22.4% in nine months and 39.9% YoY. The total includes Balance Sheet items 20 (net of derivatives amounting to €110.7 million as at 30 September 2012), 30 (net of the investment in liquidity to cover insurance policies with investment risk borne by the insured amounting to €5.4 million), 40, 60 (solely the part relating to L&R) and 70 (solely the part relating to L&R).

Equities amounted to €1,061.1 million. Equities include the 4.03% equity investment in the Bank of Italy, accounted for at €892.2 million; this figure results from a valuation at fair value - using shareholders' equity as the most reliable

proxy of fair value – performed on the basis of the balance sheet figures of the Bank of Italy as at 31 December 2011 (last approved set of financial statements). The effects of said valuation at fair value were sterilised by a valuation reserve of the same amount, net of deferred taxes. Shares in CIS (collective investment schemes) amounted to €326.8 million, up by 8.7% in nine months and by 12% YoY.

With regard to the breakdown prescribed by the international accounting standards (IAS/IFRS), Available for Sale securities, or AFS (€11,996.5 million), which account for 92.6%, increased in the nine-month period (+24.1%) and in the year (+39.2%) in relation to the aforementioned investments made mostly in Italian government bonds; Held for Trading securities, or HFT, amounting to €107.6 million, account for 0.8%, marking an increase of 20.7% in nine months, and 3.2% in twelve months.

Assets deriving from Loans and Receivables – L&R - amounted to € 349.8 million, down by 29.2% in nine months, but up 1.8% in the year. Securities designated at fair value (€496.4 million) represent 3.8% of the portfolio, down 6.3% over nine months and 6.6% over the year. These are held in the portfolio of Carige Vita Nuova and, as they are issued against policies with risk borne by the insured party, they are offset for the same amount under liabilities.

As regards AFS securities, Italian government bonds totalled €9,359.5 million, accounting for around 78% of the total; more specifically, treasury bills amounted to €221.1 million, long-term treasury bonds totalled €7,880.5 million, treasury credit certificates came to €1,007.5 million and zero coupon treasury bills totalled €49.9 million; in terms of maturities, 42.9% have a maturity of less than three years and 56% around five.

SECURITIES PORTFOLIO *(thousands of euro)*

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
Debt securities	11,562,364	9,448,632	8,267,376	22.4	39.9
<i>Held for trading</i>	68,911	75,229	90,663	-8.4	-24.0
<i>Available for sale</i>	10,823,555	8,513,295	7,458,014	27.1	45.1
<i>Fair value</i>	320,137	366,379	375,004	-12.6	-14.6
<i>Loans and Receivable</i>	349,761	493,729	343,695	-29.2	1.8
Equities	1,061,070	1,029,024	1,036,481	3.1	2.4
<i>Held for trading</i>	-	4	3	-100.0	-100.0
<i>Available for sale</i>	1,061,070	1,029,020	1,036,478	3.1	2.4
Shares in CIS	326,783	300,587	291,688	8.7	12.0
<i>Held for trading</i>	38,652	13,869	13,559	...	...
<i>Available for sale</i>	111,827	123,435	121,710	-9.4	-8.1
<i>Fair value</i>	176,304	163,283	156,419	8.0	12.7
Total (1)	12,950,217	10,778,243	9,595,545	20.2	35.0
<i>of which:</i>					
<i>Held for trading</i>	107,563	89,102	104,225	20.7	3.2
<i>Available for sale</i>	11,996,452	9,665,750	8,616,202	24.1	39.2
<i>Fair value</i>	496,441	529,662	531,423	-6.3	-6.6
<i>Loans and Receivable</i>	349,761	493,729	343,695	-29.2	1.8

(1) Balance sheet items 20 (net of derivatives), 30 (net of the cash investment against the unit linked e index linked insurance contracts for which investment risk is borne by the insured), 40, 60 (only for the part relative to L&Rs) and 70 (only for the part relative to L&Rs) are included in the aggregate.

The amendments made to international accounting standards IAS 39 and IFRS 7 in October and November 2008 allowed new types of reclassifications in case of financial crisis.

Pursuant to said amendments, the Group reclassified securities, effective 1 July, 1 October 2008 and 1 October 2011, for a total residual amount of €316.4 million as at 30 September 2012, as detailed in the table below:

TRANSFERS BETWEEN PORTFOLIOS: BOOK VALUE, FAIR VALUE AND EFFECTS ON COMPREHENSIVE INCOME

(thousands of euro)

Type of financial instrument	Origin portfolio	Allocation portfolio	Book value as at 09/30/2012	Fair Value as at 09/30/2012	Income components in the absence of the transfer (before tax)		Income components recorded for the period (before taxes)	
					Valuation-related	Others	Valuation-related	Others
Debt securities	HFT	AFS	49,210	49,210	7,840	1,736	7,402	1,599
Equities	HFT	AFS	3,832	3,832	450	59	(1,428)	59
CIS units	HFT	AFS	50,376	50,376	2,582	(505)	3,090	(295)
Debt securities	HFT	HTM (1)				5		(9)
Debt securities	HFT	L&R	88,011	83,134	3,568	1,434	-	993
Debt securities	AFS	L&R	124,996	104,891	4,071	5,618	(1,497)	4,546
Total			316,425	291,443	18,511	8,347	7,567	6,893

(1) An information disclosure has been provided for securities which, after being previously classified from HFT to HTM, have been reclassified from the latter to AFS following the application of forecasts set forth in paragraph 52 of IAS 39 in financial statements as at 12/31/2009.

If the Group had not reclassified the financial assets listed above, the nine months would have

recorded positive income components amounting to €18.5 million instead of the €7.6 million reported.

The exposure of the Group to certain instruments that the marketplace considers to be high-risk or involve more risk than previously thought (according to the definition in Recommendation issued on 7 April 2008 by the Financial Stability Forum and the joint document issued by the Bank of Italy / CONSOB / ISVAP no. 2 of 6 February 2009) amounted to €99 million, equal to 0.8% of the securities portfolio and concerns:

- securities resulting from securitisation transactions (with the exclusion of

CDOs – Collateralised Debt Obligations), allocated to both the trading portfolio and to the portfolio of assets available for sale, for an aggregate book value of €42.6 million, (0.35% of the securities portfolio). They do not include any exposures to subprime mortgages and they are comprised (74.3%) of Junior, Mezzanine and Senior tranches of securitisations of bad loans and mortgage loans granted by Group banks and originating from proprietary vehicles;

SECURITIES FROM SECURITISATIONS *(thousands of euro)*

	countervalues at cost price	% portion on total securities portfolio
Senior	10,035	0.08%
Mezzanine	929	0.01%
Junior	-	-
Securitisations of consumer loans, leases, mortgage loans, other	10,964	0.09%
Senior	1,026	0.01%
Mezzanine	1,791	0.01%
Junior	28,820	0.24%
Securitisations of mortgages and bad loans of the Group	31,637	0.26%
Total	42,601	0.35%

- CDOs portfolio, for a book value of €2.1 million (0.02% of the total portfolio), comprised of synthetic securitisations which include CDS (Credit Default Swap) and securitisations of securitisations with exposures to

RMBS (Residential Mortgage-Backed Securities) CMBS (Commercial Mortgage-Backed Securities) ABS (Asset-Backed Securities) and subprime positions;

CDO PORTFOLIO (1) *(thousands of euro)*

Rating	countervalues at cost price	% portion on total securities portfolio
BBB+	2,051	0.02%
Total	2,051	0.02%

(1) CDO = Collateralized debt obligation (see glossary)

- securities and derivatives related to leveraged finance transactions comprised of funded and unfunded securities. The former have a book value of €54 million (equal to 0.44% of the portfolio) and 96.5% of these are structured in a protected/guaranteed format, with the

hedging of the specific risk or, in any case, with the provision for the repayment at par at maturity;

- Unfunded securities are interest rate instruments which, against a notional amount of €27.5 million, had a limited negative impact of €0.4 million.

SECURITIES/DERIVATIVES FROM LEVERAGE TRANSACTIONS *(thousands of euro)*

	countervalues at cost price	% portion on total securities portfolio
Unhedged leveraged instruments:	53,889	0.44%
credit	17,594	0.14%
<i>of which with repayment at par</i>	16,611	0.14%
rate	36,295	0.30%
<i>of which with repayment at par</i>	35,408	0.29%
Hedged leveraged instruments:	26,809	0.22%
rate	26,809	0.22%
Total	80,698	0.66%

The exposures towards Special Purpose Entities (SPE) were substantially limited to vehicle companies in the securitisation transactions carried out directly by the Group.

As regards the exposure in financial instruments issued in sovereign debt by countries in difficulty, the Carige Group is exposed, by €17.3 million to Spain, €1.9 million to Greece and €10 million to the Irish Government. On the whole these exposures amount to €29.2 million and represent 0.2% of the entire portfolio.

As at 30 September 2012, net valuation reserves pertaining to the Group and minority interests, relative to securities classified in the AFS (Available For Sale) category amounted to €

43.6 million (an increase of € 453.6million compared with the negative balance of € 410 million at 31 December 2011) and comprised € 922.3 million in positive reserves, relating mainly to the valuation of the equity investment in the Bank of Italy (€827.9 million), and €878.7 million in negative reserves. The latter refer to debt securities (€ 739.8 million), composed almost entirely of Government, bank and corporate bonds with high credit ratings, and to equities of leading banking and insurance issuers and shares in collective investment schemes amounting to €138.9 million (€160.4 million as at 31 December 2011).

ECONOMIC RESULTS

The first nine months of 2012 closed with a net income of €152.9 million, against €138.7 million in the same period in 2011 (+10.3%).

An increase was recorded in the interest margin, net commissions and profits generated by the sale of available-for-sale financial assets constituted by government securities, while adjustments to both loans and financial assets rose, as a result of the persistence of the crisis in the real economy.

INCOME STATEMENT (figures in thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
10 - INTEREST INCOME AND SIMILAR REVENUES	1,096,434	1,285,725	932,959	163,475	17.5
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-497,452	-521,775	-366,926	-130,526	35.6
30 - NET INTEREST INCOME	598,982	763,950	566,033	32,949	5.8
40 - COMMISSION INCOME	281,530	334,867	248,628	32,902	13.2
50 - COMMISSION EXPENSES	-41,230	-34,523	-25,781	-15,449	59.9
60 - NET COMMISSIONS	240,300	300,344	222,847	17,453	7.8
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	6,180	8,654	8,350	-2,170	-26.0
80 - NET INCOME FROM TRADING ACTIVITIES	5,523	26,124	16,706	-11,183	-66.9
90 - NET INCOME FROM HEDGING ACTIVITIES	5,301	3,088	-1,259	6,560	...
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	88,116	40,895	3,557	84,559	...
a) loans	1,456	1,928	-987	2,443	...
b) available-for-sale financial assets	85,497	8,560	3,445	82,052	...
c) financial liabilities	1,163	30,407	1,099	64	5.8
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	4,582	1,089	1,901	2,681	...
120 - GROSS OPERATING INCOME	948,984	1,144,144	818,135	130,849	16.0
130 - NET VALUE ADJUSTMENTS DUE TO IMPAIRMENT OF:	-135,791	-175,720	-97,996	-37,795	38.6
a) loans	-118,001	-117,999	-88,805	-29,196	32.9
b) available-for-sale financial assets	-19,966	-54,998	-6,976	-12,990	...
c) other financial assets	2,176	-2,723	-2,215	4,391	...
140 - NET INCOME FROM FINANCIAL MANAGEMENT	813,193	968,424	720,139	93,054	12.9
150 - NET PREMIUMS	771,148	1,194,021	960,741	-189,593	-19.7
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-857,258	-1,217,810	-993,154	135,896	-13.7
170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT	727,083	944,635	687,726	39,357	5.7
180 - ADMINISTRATIVE COSTS:	-503,648	-677,614	-522,332	18,684	-3.6
a) staff costs	-310,451	-403,613	-313,319	2,868	-0.9
b) other administrative costs	-193,197	-274,001	-209,013	15,816	-7.6
190 - NET PROVISIONS FOR RISKS AND CHARGES	-578	-2,492	-1,374	796	-57.9
200 - DEPRECIATION OF TANGIBLE ASSETS	-20,344	-25,982	-19,190	-1,154	6.0
210 - DEPRECIATION OF INTANGIBLE ASSETS	-23,735	-32,283	-23,397	-338	1.4
220 - OTHER OPERATING EXPENSES AND REVENUES	37,254	68,547	57,356	-20,102	-35.0
230 - OPERATING COSTS	-511,051	-669,824	-508,937	-2,114	0.4
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	2,728	4,325	2,499	229	9.2
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-2	355	10	-12	...
280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	218,758	279,491	181,298	37,460	20.7
290 - INCOME TAXES FOR THE PERIOD	-63,010	-90,855	-41,202	-21,808	52.9
300 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	155,748	188,636	140,096	15,652	11.2
320 - PROFIT (LOSS) FOR THE PERIOD	155,748	188,636	140,096	15,652	11.2
330 - MINORITY INTERESTS	2,843	1,985	1,440	1,403	97.4
340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK	152,905	186,651	138,656	14,249	10.3

More specifically, the interest margin amounted to €599 million, up by 5.8% compared to September 2011, as a result of the development in traded volumes and investments in financial as-

sets. Interest income grew to €1,096.4 million (+17.5%) while interest expense increased to €497.5 million (+35.6%).

INTEREST AND SIMILAR INCOME (thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Financial assets held for trading	12,789	4,498	3,930	8,859	...
Financial assets available-for-sale	322,121	305,926	215,500	106,621	49.5
Due from banks	14,473	20,250	15,480	- 1,007	-6.5
Loans to customers	713,735	946,967	693,235	20,500	3.0
Other assets	33,316	8,084	4,814	28,502	...
Total interest and similar income	1,096,434	1,285,725	932,959	163,475	17.5

INTEREST AND SIMILAR EXPENSE (thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Due to banks	61,589	44,814	28,053	33,536	...
Due to customers	109,920	104,032	71,624	38,296	53.5
Securities issued	272,577	338,820	246,431	26,146	10.6
Financial liabilities designated at fair value through profit and loss	13,983	20,298	15,149	- 1,166	-7.7
Other liabilities	1,304	480	267	1,037	...
Hedging derivatives	38,079	13,331	5,402	32,677	...
Total interest and similar expense	497,452	521,775	366,926	130,526	35.6

Net fee and commission income increased by 7.8% to €240.3 million.

Fee and commission income increased by 13.2% to €281.5 million, mainly relating to the maintenance and management of current accounts which, among other things, include an item previously recognised under interest income. Fee and commission expense, standing at

€41.2 million, rose by 59.9%, due in particular to the guarantees received component, which rose from €311 thousand to €15.1 million. The increase is attributable to the guarantee received by the Italian Government on liabilities issued by the Bank and repurchased for the purposes of LTRO transactions with the ECB.

FEE AND COMMISSION INCOME (thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Guarantees issued	14,113	17,231	12,070	2,043	16.9
Management, intermediation and consultancy services:	66,707	90,871	68,153	- 1,446	-2.1
1. Financial instruments trading	835	800	614	221	36.0
2. Currency trading	2,117	3,220	2,460	- 343	-13.9
3. Portfolio management	29,237	42,761	32,263	- 3,026	-9.4
4. Securities custody and administration	2,018	2,683	1,840	178	9.7
6. Placement of securities	11,011	11,473	8,764	2,247	25.6
7. Receipt and issue of orders	8,475	11,846	8,481	- 6	-0.1
8. Consultancy services	2	13	10	- 8	-80.0
9. Distribution of third-party services	13,012	18,075	13,721	- 709	-5.2
- portfolio management	70	94	72	- 2	-2.8
- insurance products	710	1,432	1,124	- 414	-36.8
- other products	12,232	16,549	12,525	- 293	-2.3
Collection and payment services	50,130	66,881	49,455	675	1.4
Servicing for securitizations	156	490	394	- 238	-60.4
Factoring services	1,174	2,004	1,456	- 282	-19.4
Maintenance and management of the current accounts	114,348	114,694	87,497	26,851	30.7
Other services	34,902	42,696	29,603	5,299	17.9
Total fee and commission income	281,530	334,867	248,628	32,902	13.2

FEE AND COMMISSION EXPENSE (thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Guarantees received	15,100	371	311	14,789	...
Management and intermediation services	2,191	2,451	1,692	499	29.5
1. Financial instruments trading	171	169	135	36	26.7
3. Portfolio management	20	21	16	4	25.0
4. Securities custody and administration (1)	1,350	1,796	1,274	76	6.0
5. Placement of financial instruments	48	12	12	36	...
6. Door-to-door sale of securities, financial products and services	602	453	255	347	...
Collection and payment services	15,219	19,367	14,340	879	6.1
Other services	8,720	12,334	9,438	- 718	-7.6
Total fee and commission expense	41,230	34,523	25,781	15,449	59.9

Dividend and similar income amounted to €6.2 million (€8.4 million in the first nine months of 2011); gains on trading amounted to €5.5 mil-

lion (compared to a profit of €16.7 million in September 2011).

PROFIT (LOSSES) ON TRADING (thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Debt securities	-1,597	1,287	283	-1,880	...
Equities & collective investment schemes	1,306	137	-171	1,477	...
Total equities, debt securities & collective investment schemes	-291	1,424	112	-403	...
Financial derivatives	-22,239	10,934	19,277	-41,516	...
Credit derivatives	-2,200	1,120	1,928	-4,128	...
Currency differences	26,313	9,025	-8,058	34,371	...
Other financial assets/liabilities from trading	3,940	3,621	3,447	493	14.3
Total profit (losses) on trading	5,523	26,124	16,706	-11,183	-66.9

Net income from trading in derivative instruments was a positive €1.9 million, compared to €13.1 million in September 2011.

NET INCOME FROM TRADING IN DERIVATIVE INSTRUMENTS

(thousands of €)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
1. Financial derivatives:	- 22,239	10,934	19,277	- 41,516	...
- on debt securities and interest rates	5,049	19,404	10,956	- 5,907	-53.9
- on equities and equity indices	- 119	- 269	- 143	24	-16.8
- on currencies and gold	- 27,169	- 8,201	8,464	- 35,633	...
2 - Credit derivatives	- 2,200	1,120	1,928	- 4,128	...
Total	- 24,439	12,054	21,205	- 45,644	...
3. Currency differences included in the trading income	26,313	9,025	- 8,058	34,371	...
Total net	1,874	21,079	13,147	- 11,273	- 86

Net income from hedging activities was a positive €5.3 million, compared to a negative €1.3 million in September 2011.

FAIR VALUE ADJUSTMENTS IN HEDGING ACCOUNTING

(thousands of €)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Income from hedge accounting (A)	303,082	858,321	706,698	- 403,616	-57.1
Fair value hedging derivatives	62,194	112,319	94,292	- 32,098	-34.0
Hedged financial assets (fair value)	234,108	675,725	543,573	- 309,465	-56.9
Hedged financial liabilities (fair value)	6,780	72,079	68,833	- 62,053	-90.2
Cash flow hedge financial derivatives	-	- 1,802	-	-	...
Charges from hedging activities (B)	- 297,781	- 855,233	- 707,957	410,176	-57.9
Fair value hedging derivatives	- 220,375	- 657,683	- 530,827	310,452	-58.5
Hedged financial assets (fair value)	- 16,153	- 40,106	- 39,451	23,298	-59.1
Hedged financial liabilities (fair value)	- 61,253	- 157,444	- 137,679	76,426	-55.5
Fair value adjustments in hedging accounting (A-B)	5,301	3,088	- 1,259	6,560	...

By contrast, profit from the sale or repurchase of loans and financial assets/liabilities increased to € 88.1 million (€ 3.6 million in September 2011), relating primarily to the profits generated by the sale of financial assets available-for-sale.

Profit on financial assets/liabilities designated at fair value was €4.6 million (profit of €1.9 million as at September 2011).

PROFIT (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE

(thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Financial assets	35,283	- 1,370	- 7,154	42,437	...
Financial liabilities	- 57,047	- 38,310	- 19,485	- 37,562	...
Financial and credit derivatives	26,346	40,769	28,540	- 2,194	-7.7
Profit (losses) on financial assets and liabilities designated at	4,582	1,089	1,901	2,681	...

The Net interest and other banking income reached €949 million, an increase of 16%.

Net losses on impairment of loans and other financial items stood at € 135.8 million, 38.6% higher than the first nine months of 2011: losses

on impairment of cash loans amounted to €118 million (+32.9% over the first nine months of 2011); losses on impairment of financial assets available-for-sale came to €20 million (€7 million in September 2011).

NET LOSSES/RECOVERIES ON IMPAIRMENT OF LOANS AND OTHER FINANCIAL ITEMS

(thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Due from banks	-	- 4	- 4	4	- 100.0
Loans to customers	118,001	118,003	88,809	29,192	32.9
Credit commitments (other financial transactions)	- 2,176	2,723	2,215	- 4,391	...
Financial assets available-for-sale	19,966	54,998	6,976	12,990	...
Total net losses/recoveries on impairment of loans and other financial items	135,791	175,720	97,996	37,795	38.6

Net income from banking and insurance activities increased by 5.7%, amounting to €727.1 million.

Operating expenses totalled € 511.1 million and, thanks to careful monitoring, registered only a small increase compared to September 2011, however attributable to higher tax (VAT and IMU - Municipal Property Tax).

More specifically, administrative expenses amounted to € 503.6 million, down by 3.6% and these include:

- personnel costs fell by 0.9% to €310.5 million;
- other administrative expenses amounted to € 193.2 million (-7.6%): within this component, general expenses fell by 4.2% and in-

direct taxes by 17.1%, which, in the first nine months of 2011, included substitute taxes relating to a one-off leasing payment; net of this item, which is offset in other operating income and expenses, indirect taxes increase by around €2 million (up 4.6%).

Net provisions for risks and charges amounted to €578 thousand (€1.4 million in September 2011; -57.9%).

Net adjustments on property and equipment amounted to €44.1 million, up 3.5% in twelve months (€42.6 million in September 2011), in relation to continued investments. The cost/income ratio fell to 53.9% from 62.2% in September 2011.

OPERATING EXPENSES (thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Personnel costs	310,451	403,613	313,319	- 2,868	-0.9
Other administrative expenses	193,197	274,001	209,013	- 15,816	-7.6
- general expenses	148,428	205,704	155,015	- 6,587	-4.2
- indirect taxes(1)	44,769	68,297	53,998	- 9,229	-17.1
Net provisions for risks and charges	578	2,492	1,374	- 796	-57.9
Net losses/recoveries on:	44,079	58,265	42,587	1,492	3.5
- intangible assets	23,735	32,283	23,397	338	1.4
- property and equipment	20,344	25,982	19,190	1,154	6.0
Other operating expenses (income)	- 37,254	- 68,547	- 57,356	20,102	-35.0
Total operating expenses	511,051	669,824	508,937	2,114	0.4

(1) The taxes recovered from the customers are recorded in item 220 "Other operating expense and revenues".

Other operating income fell by 35% to €37.3 million compared to the first nine months of 2011, in relation to the aforementioned loss of

a one-off payment in 2011 on the recovery of taxes from leasing.

OTHER OPERATING EXPENSES (INCOME) (thousands of euro)

	09/30/2012	2011	09/30/2011	Change 09/30/12 - 09/30/11	
				absolute	%
Lease income and rent	9,690	12,878	10,243	- 553	- 5.4
Charges to third parties:	35,251	60,263	47,472	- 12,221	- 25.7
- recovery of taxes (1)	35,208	60,203	47,425	- 12,217	- 25.8
- customer insurance premiums	43	60	47	- 4	- 8.5
Other income	19,282	26,320	17,621	1,661	9.4
Total other income	64,223	99,461	75,336	- 11,113	- 14.8
Operating expenses on financial leases	- 3,556	- 1,106	- 794	- 2,762	...
Ordinary maintenance expenses on investment property	- 3,444	- 5,203	- 3,697	253	- 6.8
Expenses for improvement of third parties' assets	- 814	- 1,044	- 729	- 85	11.7
Other expenses	- 19,154	- 23,561	- 12,760	- 6,394	50.1
Total other expenses	- 26,968	- 30,914	- 17,980	- 8,988	50.0
Total net operating expenses (income)	37,255	68,547	57,356	- 20,101	-35.0

(1) The item is composed of taxes recovered from the customers, the cost of which is recorded under sub-item 180 b) "Other administrative expenses" in the income statement.

Income before tax from continuing operations stood at €218.8 million (up 20.7% compared to €181.3 million in the first nine months of 2011).

Tax expenses for the period, totalling €63 million (theoretical rate of 28.8%), felt the effects of the recognition of positive components amounting to €24.2 million: around €17.6 million deriving from the deductibility from IRES of the portion of IRAP relating to the personnel costs not deducted for the 2007-2011 tax years (the request for reimbursement to be presented for previous years was provided for under art. 4, paragraph 12 of Decree Law 16/2012); roughly €6.6 million relating to the net benefit of the redemption of the goodwill on the equity investment in Banca Cesare Ponti recorded in the consolidated financial statements for the year ended as at 31/12/2011.

Tax on income from continuing operation and profit attributable to minority interests, equal to €2.8 million, net income pertaining to the Parent Company amounted to €152.9 million, compared to €138.7 million in the first nine months of 2011.

The **total comprehensive income** pertaining to the Parent Company, which includes income components charged directly to shareholders' equity, stood at €572.2 million (compared to a negative €562.2 million in the first nine months of 2011).

The rise is mainly a result of the increase in the fair value of financial assets available-for-sale, with particular reference to debt securities issued by the Italian Government and, to a lesser extent, (€26.2 million), to the revaluation of the equity investment in the Bank of Italy.

INSURANCE BUSINESS

The IAS income of the insurance Group amounted to €0.1 million, down compared to September 2011. This is due mainly to the accounting of charges deriving from adhesion to the proposed exchange of Greek securities, so-called PSI (Private Sector Involvement), equal to around € 28 million, only partially offset by gains on sale on the security portfolio. The premiums from insurance activities, net of reinsurance, amounted to € 771.1 million, down by 19.7% compared to September 2011, essentially in line with the market trend; more specifically, net premiums from non-life business fell from € 493.2 million to € 303.6 million, while those from life business remained unchanged with respect to September 2011, amounting to € 467.5 million. The bulk of premiums in the life

business relate to the banking channel (91.5%); by contrast, in the non-life business, the majority of premiums relate to the agency and broker channel (97.7%). The net change in technical reserves was €-179.4 million (-379.7 million in September 2011) and net insurance management costs were €111.9 million, compared to € 121.7 million in September 2011. Technical reserves reached €4,304 million, up 5.1% from the start of the year; the change related mainly to the life business, with an increase of 6.3% (compared to December 2011), while technical reserves in the non-life segment were almost stable with respect to December 2011. Total technical reserves charged on reinsurers (€ 171.1 million) increased by 10.6% over the end of the year.

PREMIUMS-RESERVES-ECONOMIC RESULT (1) (thousands of euro)

Figures relative to the insurance group	09/30/2012	31/12/2011	09/30/2011	Change %	
				09/12 12/11	09/12 09/11
Insurance management	-98,782	-43,536	-47,584		...
Premiums excluding reinsurance	771,148	1,194,021	960,741		- 19.7
Life insurance	303,622	577,802	493,232		- 38.4
<i>recognised gross premiums (+)</i>	307,248	585,779	498,470		- 38.4
<i>premiums ceded to reinsurers (-)</i>	3,626	7,977	5,238		- 30.8
Non-life insurance	467,526	616,219	467,509		0.0
<i>recognised gross premiums (+)</i>	464,269	673,688	477,119		- 2.7
<i>premiums ceded to reinsurers (-)</i>	25,332	63,569	25,018		1.3
<i>variations (+/-) to premium reserve gross balances</i>	28,588	5,517	12,795		...
<i>variations (-/+) to premium reserves charged on reinsurers</i>	1	583	2,613		- 100.0
Net variations to technical reserves	-179,400	-354,247	-379,680		- 52.7
Life insurance	-179,400	-354,316	-379,680		- 52.7
Non-life insurance	-	69	-		...
Claims incurred and settled during the period	-578,633	-723,636	-506,896		14.2
Life insurance	-366,222	-250,147	-157,054		...
Non-life insurance	-212,411	-473,489	-349,842		- 39.3
Other insurance revenues and expenses	-111,897	-159,674	-121,749		- 8.1
Life insurance	-14,240	-20,673	-16,391		- 13.1
Non-life insurance	-97,657	-139,001	-105,358		- 7.3
Net income from banking activities	129,721	107,238	100,935		28.5
Other items in the income statement	-27,271	-39,334	-25,731		6.0
Gross profit	3,668	24,368	27,620		- 86.7
Taxation	-3,603	-12,859	-11,995		- 70.0
Minority interests	39	57	18		...
Net profit	104	11,566	15,643		- 99.3
Technical reserves	4,304,427	4,096,189	4,150,250	5.1	3.7
Non-life insurance	881,452	876,756	858,738	0.5	2.6
<i>premium reserves</i>	213,758	242,346	235,011	- 11.8	- 9.0
<i>accident reserves</i>	667,090	633,806	623,054	5.3	7.1
<i>other reserves</i>	604	604	673	-	- 10.3
Life insurance	3,422,975	3,219,433	3,291,512	6.3	4.0
<i>mathematical reserves</i>	3,545,786	3,399,994	3,389,546	4.3	4.6
<i>reserves for amounts payable</i>	6,971	8,351	5,407	- 16.5	28.9
<i>other reserves</i>	-129,782	-188,912	-103,441	- 31.3	25.5
Technical insurance reserves reassured with third parties	171,111	154,748	154,221	10.6	11.0
Non-life insurance	106,481	85,642	81,717	24.3	30.3
<i>premium reserves</i>	13,151	10,486	13,272	25.4	- 0.9
<i>accident reserves</i>	93,330	75,156	68,445	24.2	36.4
<i>other reserves</i>	-	-	-	...	...
Life insurance	64,630	69,106	72,504	- 6.5	- 10.9
<i>mathematical reserves</i>	62,245	69,492	72,105	- 10.4	- 13.7
<i>reserves for amounts payable</i>	2,647	4,076	3,064	- 35.1	- 13.6
<i>other reserves</i>	-262	-4,462	-2,665	- 94.1	- 90.2

(1) Figures are gross of relations with the companies belonging to the banking group

EQUITY INVESTMENTS

Equity investments totalled € 63.2 million (€ 55.6 million in September 2011); these relate to Autostrada dei Fiori, a company subject to a significant influence, valued according to the equity method and companies carried at cost

such as Banca Carige Italia – incorporated with a payment of €7 million on 23 May 2012, in implementation of the Restructuring Project put in place by the Parent Company – and minor companies over which a significant influence is exercised.

ANNUAL CHANGES IN EQUITY INVESTMENTS *(thousands of euro)*

	09/30/2012	2011	09/30/2011
A. Opening balance	53,885	54,994	54,994
B. Additions	9,317	52	941
B.1 Acquisitions	7,000	52	52
B.4 Other changes	2,317	-	889
C. Decreases	-	1,161	371
C1. Sales	-	341	341
C2. Value adjustments	-	30	30
C3 Other changes	-	790	-
D. Closing balance	63,202	53,885	55,564

TREASURY SHARES AND SHAREHOLDERS' EQUITY

As at 30 September 2012, Banca Carige holds a portfolio of 12,030,044 shares that contains 44 old ordinary shares with nominal values of Lire 10,000 thousand, equivalent to 228 current ordinary shares.

The presence of these shares derives from the conversion of share capital to Euro, resolved by the Extraordinary Shareholders' Meeting on 6 December 2001 and the subsequent fragmentation of share capital: in fact, 6 ordinary non-dematerialised shares have still not been presented for conversion and, therefore, it has not been possible to fulfil the obligations set out in the aforementioned resolution, which requires a minimum threshold of 50 shares.

Banca Carige's Board of Directors resolved to launch the Programme for the purchase of own shares, in implementation of the resolution adopted by the Ordinary Shareholders' Meeting on 27 April 2012 and communicated to the market on said date. Said programme involves the repurchase of 30 million ordinary shares up to a maximum limit of €30 million. As part of this programme, as at 30 September 2012, Banca Carige had repurchased 12,030,000 ordinary shares.

The consolidated shareholders' equity and the net consolidated income pertaining to the Parent Company are obtained from Banca Carige's net shareholders' equity and income for the year through the following changes:

RECONCILIATION STATEMENT OF BANCA CARIGE SHAREHOLDERS' EQUITY AND INCOME AND CONSOLIDATED FIGURES

(thousands of euro)

	Shareholders' equity	of which profit
Balance as at 09/30/2012 - Banca Carige	3,746,240	145,348
Variations on book value	-36,399	39,878
Value adjustments to allocated gains	-4,595	-574
Share options survey - subsidiaries	-10,845	-
Amortised goodwill (previous accounting periods)	-43,298	-
Dividends distributed by subsidiaries and written off	-32,917	-32,917
Dividends distributed by associated companies and written off	-409	-409
Other	-5,346	1,579
Consolidated balance as at 09/30/2012	3,612,431	152,905

RESOURCE MANAGEMENT

The Carige Group's distribution system is split into traditional, remote and mobile channels. The traditional channels are made up by branches, private and corporate consultancy districts, affluent advisors and small business advi-

sors, based on a service specialisation model targeted at customers, which provides for the move, when possible and deemed useful, from one type of general management of relations involving an operating unit to personalised management of customers handled by specific advisors.

The personal financial advisory service, dedicated to customers with the highest profile, is structured on a total of 138 private banking advisors and 339 affluent advisors.

In addition to the personal financial consultancy service there is the company financial consultancy service which associates commercial efficiency with a careful monitoring of credit quality; there are 148 corporate advisors, split into 74 teams, of which 6 Large Corporate, 142 Mid Corporate, and 286 small business advisors.

Remote channels include the ATM-Bancomat cash machines, the self-service Bancacontinua branches and online services. ATM-Bancomat cash machines operating at the end of 2012 numbered 794, up compared to 788 in September 2011, while the number of Bancacontin-

ua branches remained at 19. In order to reduce the workload of the branches and speed up account holder branch transactions, the Group can rely on a total of 154 cash in machines pre-set for the cash/cheque drop-off payments, installed in 149 branches. In the branches involved, at the end of September, the percentage transfer of migratable payments stood at 25.3%. The number of contracts for On-line services increased from 308,962 to 365,920 (+18.4%).

On 16 August 2012, a mobile banking service was put in place for all Group Banks, which allows banking transactions to be carried out via the latest generation mobile devices like smartphones and tablets. At the end of September 2012, around 150,000 logins were registered, of which around 94,000 information operations and roughly 13,000 transactional operations.

With regard to mobile channels, the Group also has a network of 428 insurance agencies (295 of which also place bank products) located throughout Italy (432 in September 2011).

BRANCH NETWORK

A) TRADITIONAL CHANNELS

	09/30/12		12/31/11		09/30/11	
	number	%S	number	%S	number	%S
NORTHWEST	387	57.2	387	57.2	387	57.4
Liguria	254	37.5	254	37.5	254	37.7
- Genoa	140	20.7	140	20.7	140	20.8
- Savona	64	9.5	64	9.5	64	9.5
- Imperia	29	4.3	29	4.3	29	4.3
- La Spezia	21	3.1	21	3.1	21	3.1
Lombardy	76	11.2	76	11.2	76	11.3
Piedmont	56	8.3	56	8.3	56	8.3
Valle d'Aosta	1	0.1	1	0.1	1	0.1
NORTHEAST	75	11.1	75	11.1	75	11.1
Veneto	46	6.8	46	6.8	46	6.8
Emilia Romagna	29	4.3	29	4.3	29	4.3
CENTRE	131	19.4	131	19.4	128	19.0
Tuscany	85	12.6	85	12.6	82	12.2
Latium	39	5.8	39	5.8	39	5.8
Marches	5	0.7	5	0.7	5	0.7
Umbria	2	0.3	2	0.3	2	0.3
SOUTH AND ISLANDS	83	12.3	83	12.3	83	12.3
Sicily	63	9.3	63	9.3	63	9.3
Apulia	9	1.3	9	1.3	9	1.3
Sardinia	11	1.6	11	1.6	11	1.6
ABROAD: Nice (France)	1	0.1	1	0.1	1	0.1
Total number of branches	677	100.0	677	100.0	674	100.0
	09/30/12		12/31/11		09/30/11	
Private consultants	138		142		140	
Corporate consultants	148		151		150	
Affluent consultants	339		327		323	
Small business consultants	286		291		279	
Total consultants	911		911		892	
B) REMOTE CHANNELS	09/30/12		12/31/11		09/30/11	
ATM - Bancomat	794		790		788	
Self-service "Bancacontinua" branches	19		19		19	
On line services (1)	365,920		323,724		308,962	
C) MOBILE CHANNELS	09/30/12		12/31/11		09/30/11	
Insurance agencies	428		431		432	
- of which: distributing banking products	295		297		295	

(1) Number of Internet banking and Call center contracts.

At the end of September 2012, Group personnel totalled 5,933 units (5,974 in December and 6,019 in September 2011). There were 5,442 banking employees, down 81 in the year. Executives represented 1.4% of the aggregate and managers 26.6%, while the rest of the personnel accounted for 72% of the aggregate.

The number of the employees operating on the market was equal to 71.5% of the total (71.9% in December and 71.5% in September 2011). Insurance personnel amounted to 491 units (493 and 496 as at December and September 2011, respectively).

PERSONNEL

	09/30/12		12/31/11		09/30/11	
	number	%	number	%	number	%
<i>Number of bank employees</i>						
Grade						
Executives	78	1.4	74	1.4	76	1.4
Managers	1,448	26.6	1,363	24.9	1,384	25.1
Other employees	3,916	72.0	4,044	73.8	4,063	73.6
Total	5,442	100.0	5,481	100.0	5,523	100.0
Assets						
Head offices	1,549	28.5	1,538	28.1	1,573	28.5
Branches	3,893	71.5	3,943	71.9	3,950	71.5
<i>Total Insurance personnel</i>	491		493		496	
Total (banking and insurance)	5,933		5,974		6,019	

RISK MANAGEMENT

General aspects

Any policies related to the assumption of risks are set by the Parent Company's Board of Directors when strategic planning and the annual budget are prepared.

The various risk categories are monitored by the competent functions of the Parent Company: Research, Strategic Planning, Risk Management, Credit Monitoring, Compliance (which contains the anti-money laundering function) - and the outcome is subject to periodic reporting to the Board of Directors, the Asset & Liability Management Committee and to the ICAAP (Internal Capital Adequacy Assessment Process) Committee and to the Executive Management.

The analyses are supported not only by regulatory models, but by more advanced methodologies which have made it possible, over time, to expand the range of risks monitored and to improve the assessment of the capital adequacy, from both a regulatory and an economic perspective.

The Parent Company performs orientation and supervisory functions as regards all risks, in particular by managing, in an integrated context, the Pillar 1 and Pillar 2 risks, in accordance with the provisions contained in the Supervisory Instructions of the Bank of Italy (Circular No. 263 dated 27 December 2006 and subsequent updates).

The Group banks operate within specific limits of independence and avail themselves of their own supervisory structures.

The Second Pillar regulations require the Banks, also through the use of proprietary procedures, to assess their current and future capital adequacy, expanding the range of risks to be taken into account compared with the First Pillar.

Carige carried out activities aimed at identifying the risks to which the Group is exposed, with regard to its own operations and reference markets and were included within the perimeter of analysis for ICAAP purposes, as well as credit, market, operating, concentration (both the single name and geo-sectorial components), interest rate, liquidity, insurance, reputational, strategic and residual risks, and those deriving from securitisations.

Then, the related assessment procedures - of a quantitative nature when measurement methods are present, of a qualitative nature if related to organisational controls - were defined. In the risk area, management activities, which are mostly already in place, were traced to an organic framework.

With reference to the methods used, internal models for the quantification of the credit, market and interest rate risks were used, together with regulatory models for operating and concentration risk.

The analyses related to the remaining risks were performed through the use of specific scorecards aimed at using qualitative techniques to identify the potential level of risk and the supervision measures introduced.

The collection of measures implemented from time to time as regards rating models and the associated organisational processes are targeted at accurate monitoring of risk and are necessary for obtaining approval from the Supervisory Au-

thority to use these models to calculate capital absorption.

As regards capitalisation aspects and the hedging of existing risk with its own capital means, the Group confirms its compliance with the expected thresholds for all Bank of Italy ratios currently in force and calculated on the basis of Instructions for the compilation of reports on the regulatory capital and prudential coefficients (Bank of Italy circular no. 155 of 18 December 1991), and new provisions of prudential supervision for banks (Bank of Italy circular no. 263 of 27 December 2006).

As regards the Bank of Italy Measure of 18 May 2010: Regulatory capital - Prudential filters¹ at a meeting on 14 June 2010, the Board of Directors resolved to exercise the option to apply the approach in accordance with annex a) of the Provision with application to the calculation of regulatory capital, starting with the one referred to 30 June 2010.

The Group thus showed higher Total Capital Ratio (9.6%) Tier 1 Ratio (7.2%) and Core Tier 1 Ratio (6.5%) than the supervisory limits, and an excess capital of €388.7 million, and it expects, also in the continuation of the financial year, to maintain capitalisation levels above the supervisory limits.

The analyses of the impacts on capital of the second pillar regulations confirm, increasing it, the solid capitalisation of the Group because the proprietary methods set up in this sector, albeit with a prudential attitude, take into account some assets for which first pillar regulations impose neutralisation/deduction in the regulatory capital: this refers specifically to controlling interests in insurance companies and to the portion of goodwill deriving from acquisitions made in recent years, deemed for all intents and purposes to be 'property and equipment'.

This setup allows the implicit higher capitalisation of the Carige Group to fully emerge, it is able more than adequately to cover all first and second pillar risks, as well as the insurance risk in a financial conglomerate context, both in

case of normal business conditions and in case of stress.

From 1 January 2013 on, the new supervisory regulations known as Basel 3 will progressively take effect.

In order to comply as soon as possible with the stricter capital requirements of the new regulations, on 23 March 2012, Banca Carige converted the convertible bond to shares.

The Group's restructuring project will also allow Carige to show its capital strength more fully, also for the purposes of the capitalisation objectives set out by the Basel Committee.

¹ This provision gives Banks, Stock Brokerage Firms and financial intermediaries registered in the "Special List" – limited to securities issued by central administrations of EU countries included in the "financial assets available-for-sale" (AFS) portfolio – the possibility of adopting, for the purposes of determination of regulatory capital, an approach that makes provision for "fully neutralising both capital gains and losses, as if securities were valued at cost" - sub-approach a) – as an alternative to the approach set out by the supervisory provisions in force – sub-approach b) – which provides for "fully deducting capital losses from tier 1 capital and partially including capital gains in tier 2 capital, according to an "asymmetric" approach.

BREAKDOWN OF CONSOLIDATED REGULATORY CAPITAL (1)

(thousands of euro)

	Situation as at		
	09/30/2012	12/31/2011 (2)	09/30/2011
Positive elements (a)	3,793,544	3,770,208	3,476,074
Share capital	2,203,554	2,203,511	1,816,748
Reserves	380,000	337,441	457,602
Share premium reserve	1,035,852	1,035,033	1,028,818
Profit for the period	14,238	34,323	13,006
Innovative equity instruments (h)	159,900	159,900	159,900
Tier 1 capital: negative elements (b)	1,760,990	1,768,045	1,764,752
Goodwill	1,676,378	1,688,281	1,686,571
Other negative elements	84,612	79,764	78,181
Prudential filters for regulatory capital (c)	-175,483	-187,276	-113,847
Deductions (d)	97,486	100,653	97,586
Total Tier 1 capital (e = a-b+c-d)	1,759,585	1,714,234	1,499,889
Core Tier 1 Capital (e-h)	1,599,685	1,554,334	1,339,989
Tier 2 capital (f)	836,045	869,942	872,738
Deductions (g)	246,474	252,697	340,485
Regulatory capital (e+f-g)	2,349,155	2,331,479	2,032,142
Tier 3 capital	-	-	7,592
Portion not calculable as Tier 3 capital	-	-	7,592
Regulatory capital including Tier 3	2,349,155	2,331,479	2,039,734
Subordinated loans not calculable in the Tier 3	-	-	-

(1) Figures as at 30/09/2012 result from accounting and management estimates pending the official figures.

(2) Figures as at 31/12/2011 are pro-formed taking into account the conversion of the convertible loan 'Banca Carige 4,75% 2010-2015 convertible with the option of reimbursement in shares'.

(3) It is the portion of Lower Tier 2 subordinates exceeding the limit for the calculation of the Tier 2 capital.

CONSOLIDATED REGULATORY CAPITAL AND SOLVENCY RATIOS

(thousands of euro)

	Situation as at		
	09/30/2012	12/31/2011 (2)	09/30/2011
Regulatory capital			
Core Tier 1 Capital	1,599,685	1,554,334	1,339,989
Tier 1 capital	1,759,585	1,714,234	1,499,889
Regulatory capital including Tier 3	2,349,155	2,331,479	2,039,734
Weighted assets			
Credit risk	22,377,679	20,991,475	20,410,463
Market risk	273,217	286,647	297,650
Operational risk	1,854,775	1,854,775	1,841,225
Other prudential requirements	-	-	-
Total weighted assets	24,505,670	23,132,897	22,549,338
Capital requirements			
Credit risk	1,790,214	1,679,318	1,632,837
Market risk	21,857	22,932	23,812
Operational risk	148,382	148,382	147,298
Other prudential requirements	-	-	-
Total	1,960,454	1,850,566	1,803,947
Subordinated loans covering market risks	-	-	-
Surplus capital	388,701	480,913	235,787
Ratios			
Core Tier 1/Total Risk-Weighted Assets	6.5%	6.7%	5.9%
Tier 1 capital/Total weighted assets	7.2%	7.4%	6.7%
Regulatory capital including Tier 3 capital/Total weighted assets	9.6%	10.1%	9.0%

(1) Figures as at 30/09/2012 result from accounting and management estimates pending the official figures.

(2) Figures as at 31/12/2011 are pro-formed taking into account the conversion of the convertible loan 'Banca Carige 4,75% 2010-2015 convertible with the option of reimbursement in shares'.

B. Risks

As regards the various types of methods of bank and insurance risk management and control applied, refer to the paragraph "Risk management" in the explanatory notes to the half-yearly financial report as at 30 June 2012.

RESULTS BY BUSINESS SEGMENT

The Carige Group's business model is developed and analysed according to a dual dimension; the territorial, since the sales network is broken down into the geographical areas Liguria and the Extra Liguria dimension; and by customer segment, considering that the organisational and sales structure makes provision for specific service approaches (in terms of products, prices and infrastructures) aimed at the different types of customer.

In accordance with the management approach defined by IFRS 8, the bank chose the territory model as a model of reference for segment reporting, which breaks down the results and the activities into the following operating segments:

- "Liguria": operating customers at branches of the Parent Company in that geographic area, together with the results of Cassa di Risparmio di Savona, prevalently located in that area;
- "Extra Liguria": operating customers at the branch banks of the Parent Company located in other regions, together with the results of subsidiary banks located in these geographical areas (Cassa di Risparmio di Carrara, Banca del Monte di Lucca and Banca Cesare Ponti);
- "Other operating segments": include remaining customers and the other Group companies that perform asset management, insurance (life and non-life business), financial and instrumental activities;
- "Netting-off and items not allocated": remaining segment explicitly envisaged in the regulations for reporting intra-group netting and reconciliation items compared to the accounting figures.

This report will be supplemented with a summary illustration by customer segment of the income statement and balance sheet values.

So as to allow a significant time-based comparison, the data for previous periods have been reworked in line with current disclosure approaches.

It should be noted that the aforementioned Carige Group restructuring operation, which will presumably be put in place by the end of the year, will lead to a

slight revision of the geographical subdivision approaches shown here; this revision will be taken into consideration in the preparation of the results by business segment, which will be included in the end of year financial statements.

At the end of the third quarter of 2012 the results of the geographical operating sectors were as follows:

- the Liguria network recorded growth in figures compared to the first nine months of 2011: the net interest and other banking income amounted to € 388.6 million (+9.5% on the third quarter of 2011; 45.0% of the Group total), the profit from financial and insurance management stood at €354.9 million (+6.3% over the third quarter of 2011; 48.6% of the Group total) and operating costs totalled € 187.2 million (+1.1% on the third quarter of 2011; 36.6% of the Group total). These values are reflected in the operating profit from ordinary activities of € 167.7 million (+12.7% over the third quarter of 2011) and in a cost/income ratio of 48.2%, down compared to the previous year (52.2%).
With regard to volumes, loans to customers stood at € 11,833 million (+4.8% compared to 30 September 2011), due to customers totalled €6,764 million (+1.3%), securities issued and financial liabilities designated at fair value amounted to €4,608 million (+2.8%) and indirect deposits amounted to €11,135 million (+3.6%). On the whole, financial intermediation activities totalled €22,508 million (-0.9%).
- the Extra-Liguria network achieved a net interest and other banking income of €407.2 million, up 14.2% over the third quarter of 2011, income from financial and insurance management totalled €339.9 million (+16.8% compared to the third quarter of 2011) and operating costs amounted to €242.7 million (up 1.4% compared to the third quarter of 2011): these figures contribute to a profit from ordinary activities of €97.2 million, significantly higher than the total in the third quarter of 2011 (+87.9%). These results confirm the improvement in the performances of the Extra-Liguria network, in line with the provisions of the Group's current strategic plan, and allowed a cost-income ratio of 59.6% to be reached, down significantly compared to 67.1% in the third quarter of 2011.
As regards equity volumes, loans to customers amounted to €11,988 million (-0.2%), due to customers came to € 6,214 million (-4.4%), securities issued amounted to € 3,261 million (+8.8%) and indirect deposits amounted to € 9,061 million (-1.2%).
Overall, financial intermediation activities amounted to €18,536 million, a decrease of 0.7% compared to 30 September 2011.
- The other operating segments registered a net interest and other banking income of €94.7 million,

income from financial and insurance management amounting to € 60 million and operating costs of € 75 million (14.7% of the Group total). With reference to equity totals, 51.1% of securities issued and financial liabilities of the Group relate to the sector (€ 5,871 million, relating mainly to bond issues for the institutional market).

Financial intermediation activities amounted to €13,450 million (26.6% of the Group total) and include due to customers of €3,604 million (mainly represented by borrowing repurchase agreements) and other financial assets amounting to €3,974 million, attributable to the indirect deposits of Insurance Companies.

Business geographic areas

(thousands of euro)

	Liguria	Outside Liguria	Other operating segments	Netting-off and other items	TOTAL
Net interest and other banking income (1)					
9 months 2012	388,631	407,182	94,661	-27,600	862,874
2011 year	485,182	490,830	180,934	-36,591	1,120,355
9 months 2011	354,891	356,627	111,562	-37,358	785,722
Net income from banking and insurance activities (2)					
9 months 2012	354,853	339,869	59,959	-24,872	729,809
2011 year	451,627	408,575	121,516	-32,403	949,315
9 months 2011	333,926	291,018	100,287	-34,996	690,235
Operating expenses					
9 months 2012	-187,153	-242,664	-75,021	-6,213	-511,051
2011 year	-223,406	-303,385	-134,627	-8,406	-669,824
9 months 2011	-185,171	-239,276	-78,654	-5,835	-508,937
Income (Loss) before tax from continuing operations					
9 months 2012	167,700	97,205	-15,062	-31,085	218,758
2011 year	228,221	105,190	-13,110	-40,809	279,491
9 months 2011	148,755	51,742	21,632	-40,832	181,297
Cost income (%)					
9 months 2012	48.2	59.6	79.3		59.2
2011 year	46.0	61.8	74.4		59.8
9 months 2011	52.2	67.1	70.5		64.8
Net interbank					
09/30/2012			-4,996,812	-1,625,945	-6,622,757
12/31/2011			-2,710,924	-1,224,970	-3,935,894
09/30/2011			-326,142	-1,131,064	-1,457,206
Loans to customers					
09/30/2012	11,832,798	11,987,557	4,561,413	-573,162	27,808,606
12/31/2011	11,701,445	12,059,970	3,649,430	-524,901	26,885,944
09/30/2011	11,287,704	12,015,401	3,687,023	-522,300	26,467,827
Due to customers (a)					
09/30/2012	6,764,274	6,213,606	3,604,309	-535,321	16,046,868
12/31/2011	6,641,535	6,358,801	3,250,707	-331,441	15,919,602
09/30/2011	6,678,438	6,496,568	3,130,695	-374,971	15,930,731
Securities issued and financial liabilities designated at fair value (3) (b)					
09/30/2012	4,607,964	3,260,739	5,871,457	-2,253,237	11,486,923
12/31/2011	4,548,975	3,084,007	6,809,449	-1,922,146	12,520,285
09/30/2011	4,483,409	2,997,378	6,998,754	-1,732,207	12,747,336
Other financial assets (c)					
09/30/2012	11,135,494	9,061,342	3,974,428	-1,170,964	23,000,300
12/31/2011	11,463,902	9,148,219	4,091,366	-1,132,327	23,571,160
09/30/2011	11,547,565	9,169,803	4,107,750	-1,098,471	23,726,648
Financial Intermediation Activities (FIA) (d= a+b+c)					
09/30/2012	22,507,731	18,535,688	13,450,194	-3,959,522	50,534,091
12/31/2011	22,654,412	18,591,027	14,151,522	-3,385,914	52,011,047
09/30/2011	22,709,412	18,663,750	14,237,199	-3,205,649	52,404,715

(1) Including income from insurance management

(2) Including profits from equity investments and disposal of investments.

(3) Carige Vita Nuova liabilities, designated at fair value and relating to products for which risk is borne by the insured, are not included in this table.

Business geographic areas

(% on total)

	Liguria	Outside the region of Liguria	Other operating segments	Netting-off and other items	TOTAL
Net interest and other banking income (1)					
9 months 2012	45.0	47.2	11.0	-3.2	100.0
2011 year	43.3	43.8	16.1	-3.3	100.0
9 months 2011	45.2	45.4	14.2	-4.8	100.0
Net income from financial and insurance management (2)					
9 months 2012	48.6	46.6	8.2	-3.4	100.0
2011 year	47.6	43.0	12.8	-3.4	100.0
9 months 2011	48.4	42.2	14.5	-5.1	100.0
Operating costs					
9 months 2012	36.6	47.5	14.7	1.2	100.0
2011 year	33.4	45.3	20.1	1.3	100.0
9 months 2011	36.4	47.0	15.5	1.1	100.0
Operating profit (Loss) from ordinary activities					
9 months 2012	76.7	44.4	-6.9	-14.2	100.0
2011 year	81.7	37.6	-4.7	-14.6	100.0
9 months 2011	82.1	28.5	11.9	-22.5	100.0
Loans to customers					
09/30/2012	42.6	43.1	16.4	-2.1	100.0
12/31/2011	43.5	44.9	13.6	-2.0	100.0
09/30/2011	42.6	45.4	13.9	-2.0	100.0
Amounts owed to customers (a)					
09/30/2012	42.2	38.7	22.5	-3.3	100.0
12/31/2011	41.7	39.9	20.4	-2.1	100.0
09/30/2011	41.9	40.8	19.7	-2.4	100.0
Securities in issue and financial liabilities designated at fair value (3) (b)					
09/30/2012	40.1	28.4	51.1	-19.6	100.0
12/31/2011	36.3	24.6	54.4	-15.4	100.0
09/30/2011	35.2	23.5	54.9	-13.6	100.0
Other financial assets (c)					
09/30/2012	48.4	39.4	17.3	-5.1	100.0
12/31/2011	48.6	38.8	17.4	-4.8	100.0
09/30/2011	48.7	38.6	17.3	-4.6	100.0
Financial Intermediation Activities (FIA) (d= a+b+c)					
09/30/2012	44.5	36.7	26.6	-7.8	100.0
12/31/2011	43.6	35.7	27.2	-6.5	100.0
09/30/2011	43.3	35.6	27.2	-6.1	100.0

(1) Including income from insurance management

(2) Including profits from equity investments and disposal of investments.

(3) Carige Vita Nuova liabilities, designated at fair value and relating to products for which risk is borne by the insured, are not included in this table.

By contrast, with reference to customers served, private and affluent customers recorded a net interest and other banking income of €144.7 million, down 4.7% compared to the first nine months of 2011, while operating costs totalled €92.5 million, in turn down 8.5%; profit from ordinary activities came to €52.1 million, up 2.9% compared to 30 September 2011. The cost/income ratio stood at 63.9% (66.5% at the end of the first nine months of 2011). A look at the performance of volumes shows that due to customers came to €5,750 million (down 1.2% compared to 30 September 2011), securities issued amount to €4,723 million (-0.3%) and other financial assets equalled €14,814 million (-1.4%). Financial intermediation activities amounted to €25,288 million (-1.1%) and represent 50% of the Group total.

The Corporate segment closed the third quarter of 2012 with a net interest and other banking income of €263.1 million, up considerably compared to the third quarter half of 2011 (+28.1%). Operating costs totalled €88.5 million (+9% compared to the third quarter of 2011); therefore, profit from ordinary activities amounted to €114.8 million, significantly higher (+63.4%) than the figure recorded in the third quarter of 2011. The cost/income ratio stood at

33.6%, considerably lower than the ratio of 39.5% recorded at 30 September 2011. As regards equity items, loans to customers amounted to €12,356 million, an increase of 4.2% compared to 30 September 2011; these represent 44.4% of the aggregate at the Group level.

The Retail segment closed the third quarter with a gross operating margin of €326.7 million (up 6.6% over the third quarter of 2011), operating costs totalled €220.7 million (up 1.6%) and profit from ordinary activities came to €65.4 million, up 15.4% over the third quarter of 2011. The cost/income ratio is equal to 67.5%, down 70.9% compared to the third quarter of 2011. As regards balance sheet aggregates, loans to customers totalled €8,522 million (30.6% of the Group total), due to customers came to €4,842 million (30.2% of the Group total), securities issued and financial liabilities designated at fair value came to €981.1 million (8.5% of the Group total); indirect deposits amounted to €2,808 million (12.2% of the Group total) and Financial Intermediation Activities amounted to €8,631 million (17.1% of the Group total).

Customer segments

(thousands of euro)

	Private and Affluent	Corporate	Retail	Total customer segments	Total financial statements
Net interest and other banking income (1)					
9 months 2012	144,684	263,063	326,696	734,443	862,874
2011 year	204,363	286,440	422,470	913,273	1,120,355
9 months 2011	151,886	205,403	306,359	663,647	785,722
Net income from banking and insurance activities (2)					
9 months 2012	144,642	203,295	286,088	634,025	729,809
2011 year	203,930	218,601	376,538	799,069	949,315
9 months 2011	151,720	151,443	273,909	577,071	690,235
Operating expenses					
9 months 2012	-92,501	-88,485	-220,664	-401,650	-511,051
2011 year	-130,205	-102,389	-288,282	-520,875	-669,824
9 months 2011	-101,053	-81,189	-217,228	-399,470	-508,937
Income (Loss) before tax from continuing operations					
9 months 2012	52,141	114,810	65,424	232,375	218,758
2011 year	73,725	116,213	88,256	278,194	279,491
9 months 2011	50,667	70,253	56,681	177,602	181,297
Number of customers					
9 months 2012	205,286	17,783	868,322	1,091,391	1,130,903
2011 year	208,468	18,267	877,111	1,103,846	1,135,913
9 months 2011	210,124	18,279	879,108	1,107,511	1,139,502
Profit per customer (figures in euro)					
9 months 2012	254.0	6,456.2	75.3		
2011 year	353.7	6,361.9	100.6		
9 months 2011	241.1	3,843.4	64.5		
Cost income (%)					
9 months 2012	63.9	33.6	67.5	54.7	59.2
2011 year	63.7	35.7	68.2	57.0	59.8
9 months 2011	66.5	39.5	70.9	60.2	64.8
Loans to customers					
09/30/2012	584,383	12,356,147	8,521,744	21,462,274	27,808,606
12/31/2011	594,792	12,252,966	8,724,066	21,571,824	26,885,944
09/30/2011	574,112	11,852,474	8,159,577	20,586,163	26,467,827
Due to customers (a)					
09/30/2012	5,750,232	1,624,369	4,841,592	12,216,193	16,046,868
12/31/2011	5,684,129	1,512,516	4,983,573	12,180,218	15,919,602
09/30/2011	5,818,682	1,435,508	5,000,344	12,254,533	15,930,731
Securities issued and financial liabilities designated at fair value through profit and loss (3) (b)					
09/30/2012	4,723,131	152,106	981,106	5,856,343	11,486,923
12/31/2011	4,850,231	165,594	984,048	5,999,873	12,520,285
09/30/2011	4,738,046	162,342	1,321,118	6,221,507	12,747,336
Other financial assets (c)					
09/30/2012	14,814,213	843,064	2,808,087	18,465,364	23,000,300
12/31/2011	14,922,825	966,815	2,945,777	18,835,417	23,571,160
09/30/2011	15,019,959	905,505	3,047,612	18,973,075	23,726,648
Financial Intermediation Activities (FIA) (d = a + b + c)					
09/30/2012	25,287,576	2,619,539	8,630,785	36,537,900	50,534,091
12/31/2011	25,457,184	2,644,925	8,913,398	37,015,507	52,011,047
09/30/2011	25,576,687	2,503,354	9,369,073	37,449,114	52,404,715

(1) Including income from insurance management

(2) Including profits from equity investments and disposal of investments.

(3) Carige Vita Nuova liabilities, designated at fair value and relating to products for which risk is borne by the insured, are not included in this table.

THE PARENT COMPANY AND SUBSIDIARIES

THE PARENT COMPANY: FINANCIAL STATEMENTS AND EXPLANATORY NOTES

Financial highlights

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	9/12 12/11	9/12 9/11
BALANCE SHEET (1)					
Total assets	41,191,504	38,475,355	36,148,820	7.1	13.9
Financial Intermediation Activities (FIA) (a+b)	45,070,653	46,181,236	46,378,765	-2.4	-2.8
- Direct deposits (a)	26,222,782	26,775,861	26,744,733	-2.1	-2.0
* Amounts owed to customers	14,315,510	13,966,699	13,913,806	2.5	2.9
* Securities in issue	11,060,217	11,906,543	11,569,807	-7.1	-4.4
* Liabilities at fair value	847,055	902,619	1,261,120	-6.2	-32.8
- Indirect deposits (b)	18,847,871	19,405,375	19,634,032	-2.9	-4.0
- Assets under management	7,902,562	7,863,223	8,187,432	0.5	-3.5
- Assets in custody	10,945,309	11,542,153	11,446,600	-5.2	-4.4
Loans to customers (2) (3)	24,783,755	23,722,184	23,309,352	4.5	6.3
Securities portfolio (4)	9,929,293	7,668,721	6,589,357	29.5	50.7
Capital and reserves	3,600,892	3,024,566	3,199,914	19.1	12.5
INCOME STATEMENT (1)					
Gross operating income	692,127	858,249	624,872		10.8
Net income from financial management	580,350	749,948	548,687		5.8
Operating profit from ordinary activities before taxes	186,480	237,350	154,663		20.6
Profit for the period	145,348	175,809	132,711		9.5
RESOURCES (5)					
Number of branches	560	560	559	-	0.2
Staff	4,547	4,577	4,613	-0.7	-1.4
FINANCIAL RATIOS					
Operating costs / Gross operating income	56.9%	59.7%	63.1%		
Operating profit from ordinary activities before taxes /Capital and reserves	5.2%	7.8%	4.8%		
ROE	4.0%	5.8%	4.1%		
ROE (6)	4.0%	5.4%	4.1%		
ROAE (7)	4.4%	5.3%	3.9%		
ROAE (6) (7)	4.2%	5.5%	4.1%		
REGULATORY RATIOS					
Core Tier 1 ratio	11.4%	9.2%	10.0%		
Tier1 ratio	12.4%	10.3%	11.1%		
Total capital ratio	15.3%	13.5%	14.6%		

(1) Figures in thousands of euro.

(2) Before value adjustments.

(3) Net of debt securities classified as L&R.

(4) The aggregate includes Balance Sheet items 20 (net of derivatives as at 30 September 2012), 30, 40, 60 (only the portion relating to L&R) and 70 (only the portion relating to L&R).

(5) Statistics of the end of period.

(6) Net of the AFS reserve (item 130 of balance sheet liabilities).

(7) Net profit on average shareholders' equity (Return On Average Equity).

1. Financial statements as at 30/09/2012

ASSETS (figures in thousands of euro)

	09/30/2012	12/31/2011	Change	
			absolute	%
10 · CASH AND CASH EQUIVALENTS	217,021	551,888	-334,867	-60.7
20 · FINANCIAL ASSETS HELD FOR TRADING	326,080	259,010	67,070	25.9
40 · AVAILABLE-FOR-SALE FINANCIAL ASSETS	8,130,629	6,036,795	2,093,834	34.7
60 · LOANS TO BANKS	3,828,854	3,819,310	9,544	0.2
70 · LOANS TO CUSTOMERS	24,067,778	23,119,985	947,793	4.1
80 · HEDGING DERIVATIVES	217,890	154,046	63,844	41.4
100 · EQUITY INVESTMENTS	1,170,177	1,163,171	7,006	0.6
110 · TANGIBLE ASSETS	680,656	676,948	3,708	0.5
120 · INTANGIBLE ASSETS	1,590,645	1,597,031	-6,386	-0.4
<i>of which:</i>				
- goodwill	1,526,407	1,526,407	-	-
130 · TAX ASSETS	683,649	704,565	-20,916	-3.0
a) <i>current</i>	105,272	59,659	45,613	76.5
b) <i>advanced</i>	578,377	644,906	-66,529	-10.3
150 · OTHER ASSETS	278,125	392,606	-114,481	-29.2
TOTAL ASSETS	41,191,504	38,475,355	2,716,149	7.1

LIABILITIES AND SHAREHOLDERS' EQUITY (figures in thousands of euro)

	09/30/2012	12/31/2011	Change	
			absolute	%
10 · AMOUNTS OWED TO BANKS	8,674,539	5,981,455	2,693,084	45.0
20 · AMOUNTS OWED TO CUSTOMERS	14,315,510	13,966,699	348,811	2.5
30 · SECURITIES IN ISSUE	11,060,217	11,906,543	-846,326	-7.1
40 · FINANCIAL LIABILITIES FROM TRADING	200,492	187,178	13,314	7.1
50 · FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	847,055	902,619	-55,564	-6.2
60 · HEDGING DERIVATIVES	1,317,872	1,087,832	230,040	21.1
80 · TAX LIABILITIES	328,069	270,013	58,056	21.5
(a) <i>current</i>	78,178	36,407	41,771	...
(b) <i>deferred</i>	249,891	233,606	16,285	7.0
100 · OTHER LIABILITIES	372,242	640,700	-268,458	-41.9
110 · STAFF TERMINATION INDEMNITY	60,021	60,818	-797	-1.3
120 · PROVISIONS FOR RISKS AND CHARGES:	269,247	271,123	-1,876	-0.7
a) <i>pensions and similar obligations</i>	250,143	250,143	-	0.0
b) <i>other provisions</i>	19,104	20,980	-1,876	-8.9
130 · VALUATION RESERVES	(42,862)	(224,540)	181,678	-80.9
150 · CAPITAL INSTRUMENTS	1,173	15,772	-14,599	-92.6
160 · RESERVES	453,024	429,665	23,359	5.4
170 · ADDITIONAL PAID-IN CAPITAL	1,020,314	1,013,277	7,037	0.7
180 · CAPITAL	2,177,219	1,790,392	386,827	21.6
190 · OWN SHARES	-7,976	-	-7,976	...
200 · PROFIT (LOSS) FOR THE PERIOD	145,348	175,809	-30,461	-17.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	41,191,504	38,475,355	2,716,149	7.1

INCOME STATEMENT (figures in thousands of euro)

	Change 9 months 2012 - 9 months 2011			
	9 months 2012	9 months 2011	absolute	%
10 - INTEREST INCOME AND SIMILAR REVENUES	858,799	731,738	127,061	17.4
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-493,489	-362,981	-130,508	36.0
30 . NET INTEREST INCOME	365,310	368,757	(3,447)	-0.9
40 - COMMISSION INCOME	237,099	209,543	27,556	13.2
50 - COMMISSION EXPENSES	-41,181	-23,685	-17,496	73.9
60 . NET COMMISSIONS	195,918	185,858	10,060	5.4
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	37,647	47,300	-9,653	-20.4
80 - NET INCOME FROM TRADING ACTIVITIES	9,684	17,656	-7,972	-45.2
90 - NET INCOME FROM HEDGING ACTIVITIES	4,799	(935)	5,734	...
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	73,475	4,095	69,380	...
a) loans	-898	-794	-104	13.1
b) available-for-sale financial assets	73,699	3,833	69,866	...
d) financial liabilities	674	1,056	-382	-36.2
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	5,294	2,141	3,153	...
120 . GROSS OPERATING INCOME	692,127	624,872	67,255	10.8
130 - NET VALUE ADJUSTMENTS DUE TO IMPAIRMENT OF:	-111,777	-76,185	-35,592	46.7
a) loans	-95,933	-69,955	-25,978	37.1
b) available-for-sale financial assets	-18,060	-4,064	-13,996	...
d) other financial assets	2,216	-2,166	4,382	...
140 . NET INCOME FROM FINANCIAL MANAGEMENT	580,350	548,687	31,663	5.8
150 - ADMINISTRATIVE COSTS:	-401,311	-420,211	18,900	-4.5
a) staff costs	-247,199	-252,208	5,009	-2.0
b) other administrative costs	-154,112	-168,003	13,891	-8.3
160 - NET PROVISIONS FOR RISKS AND CHARGES	-439	-481	42	-8.7
170 - DEPRECIATION/WRITE-BACKS OF TANGIBLE ASSETS	-13,719	-13,278	-441	3.3
180 - DEPRECIATION/WRITE-BACKS OF INTANGIBLE ASSETS	-20,943	-20,325	-618	3.0
190 - OTHER OPERATING EXPENSES AND REVENUES	42,544	60,126	-17,582	-29.2
200 . OPERATING COSTS	-393,868	-394,169	301	-0.1
210 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	137	-137	-100.0
240 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-2	8	-10	...
250 . OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	186,480	154,663	31,817	20.6
260 - INCOME TAXES FOR THE PERIOD	-41,132	-21,952	-19,180	87.4
270 . OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	145,348	132,711	12,637	9.5
290 . PROFIT (LOSS) FOR THE PERIOD	145,348	132,711	12,637	9.5

STATEMENT OF COMPREHENSIVE INCOME

	09/30/12	09/30/11	Change 09/12 - 09/11	
			absolute	%
10 NET INCOME (LOSS)	145,348	132,711	12,637	9.5
Other comprehensive income (net of tax)				
20 Financial assets available-for-sale	215,570	(448,717)	664,287	...
60 Cash flow hedges	(33,891)	(42,303)	8,412	19.9
110 Total other comprehensive income (net of tax)	181,679	(491,020)	672,699	...
120 TOTAL COMPREHENSIVE INCOME (captions 10 + 110)	327,027	(358,309)	685,336	...

Thousands of euro

2. Trading activities

In examining the figures regarding the financial intermediation activities of the Parent Company, consider that in accordance with Law 262/2005, starting from 2006 Banca Carige decided to be the unique issuer of the Group, entrusting the placement activity to all the subsidiaries; subsequently, to avoid problems

connected with maturity transformation, Carige's Board of Directors decided to hedge the medium/long-term financial requirements of subsidiary banks through the issue of its bonds by the subsidiaries, subscribed by Carige.

FINANCIAL INTERMEDIATION ACTIVITIES (thousands of euro)

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
Total (A+B)	45,070,653	46,181,236	46,378,765	-2.4	-2.8
Direct deposits (A)	26,222,782	26,775,861	26,744,733	-2.1	-2.0
<i>% on Total</i>	58.2	58.0	57.7		
Due to customers	14,315,510	13,966,699	13,913,806	2.5	2.9
current accounts and free deposits	11,197,825	11,046,822	11,109,774	1.4	0.8
repurchase agreements	2,760,942	2,486,693	2,380,788	11.0	16.0
term deposits	25,586	9,492	4,296	...	...
loans	4,737	2,255	2,277	...	...
funds managed on behalf of third parties	-	-	-	...	...
other deposits	326,420	421,437	416,671	-22.5	-21.7
Securities issued	11,060,217	11,906,543	11,569,807	-7.1	-4.4
bonds	10,990,769	11,822,269	11,481,173	-7.0	-4.3
other securities	69,448	84,274	88,634	-17.6	-21.6
Liabilities at fair value	847,055	902,619	1,261,120	-6.2	-32.8
bonds	847,055	902,619	1,261,120	-6.2	-32.8
short term	14,186,878	13,824,646	13,764,170	2.6	3.1
<i>% on Total</i>	54.1	51.6	51.5		
medium-long term	12,035,904	12,951,215	12,980,563	-7.1	-7.3
<i>% on Total</i>	45.9	48.4	48.5		
Indirect deposits (B)	18,847,871	19,405,375	19,634,032	-2.9	-4.0
<i>% on Total</i>	41.8	42.0	42.3		
Assets under management	7,902,562	7,863,223	8,187,432	0.5	-3.5
Mutual funds	3,750,094	3,771,181	3,981,938	-0.6	-5.8
Assets management	400,101	399,100	433,755	0.3	-7.8
Bancassurance products	3,752,367	3,692,941	3,771,738	1.6	-0.5
Assets under custody	10,945,309	11,542,153	11,446,600	-5.2	-4.4
Government securities	4,479,476	4,422,768	4,215,588	1.3	6.3
Bonds	1,380,583	1,569,449	1,652,379	-12.0	-16.4
Shares	1,097,263	1,440,776	1,450,640	-23.8	-24.4
Other	3,987,987	4,109,160	4,127,993	-2.9	-3.4

The aggregate of the Financial Intermediation Activities on behalf of customers – direct and indirect deposits – totalled € 45,070.7 million, down by 2.4% and 2.8% in the nine-month and twelve-month periods, respectively. Excluding bonds issued by the Bank and placed by the subsidiaries, FIAs decreased by 2.6% since December and by 3% since September 2011.

Direct deposits fell by 2.1% from December and 2% from September 2011. Excluding bonds issued by the Bank and placed by the subsidiaries, direct deposits decreased by 2.3% in nine and twelve months.

The short-term component, accounting for 54.1% of the total, amounts to € 14,186.9 million, up 2.6% from the start of the year and

3.1% in twelve months. Medium/long-term deposits, equal to € 12,035.9 million, fell by 7.1% in nine months and 7.3% in the year, accounting for 45.9% of the total (48.4% as at December and 48.5% as at September 2011).

Within direct deposits, due to customers totalled €14,315.5 million (+2.5% and +2.9% in nine and twelve months respectively). Bonds (down 7.1% in nine months due to the conversion, in March 2012, of € 394 million of the "Banca Carige 4.75% 2010-2015 convertible bond with option of redemption in shares" ("Banca Carige 4,75% 2010-2015 convertibile con facoltà di rimborso in azioni"; -4.3% over twelve months) accounted for almost all securities issued, totalling €11,060.2 million (down 7.1% and 4.4% respectively in nine and twelve months).

Financial liabilities designated at fair value through profit and loss (€847.1 million) fell by 6.2% from the start of the year and 32.8% YoY. Indirect deposits totalled € 18,847.9 million, a decrease of 2.9% in nine months and 4% and over the twelve-month period.

Assets under management amounted to € 7,902.6 million, an increase of 0.5% compared to December 2011, mainly due to the trend in Bancassurance products (+1.6% to € 3,752.4 million) and, to a lesser extent, asset management (+0.3% to €400.1 million) which more than offset the fall in mutual funds (-0.6% to €3,750.1 million). The total fell by 3.5% over September 2011, largely due to the fall in mutual funds (down -5.8%).

Assets under administration amounted to € 10,945.3 million, down 5.2% in nine months and 4.4% in the year, due in particular to the trend in shares (€1,097.3 million; -23.8% and -24.4% in nine and twelve months) and bonds (€ 1,380.6 million; -12% and -16.4% respectively), despite the growth in government securities (€ 4,479.5 million; +1.3% and +6.3% in nine and twelve months). The "Other" component, equal to €3,988 million, refers almost entirely to the assets under administration of insurance companies and is down in both the nine-month period (-2.9%) and in the twelve-month period (-3.4%).

LOANS (1) (thousands of euro)

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
Loans to customers (A)	24,011,236	23,053,175	22,668,897	4.2	5.9
-Gross exposure (2)	24,783,755	23,722,184	23,309,352	4.5	6.3
current accounts	2,716,837	2,729,169	2,615,420	-0.5	3.9
repurchase agreements	2,502,773	1,457,057	1,266,421	71.8	97.6
mortgage loans	12,189,687	12,226,907	12,023,741	-0.3	1.4
credit cards, personal loans and salary-backed loans	112,665	135,108	144,905	-16.6	-22.2
leasing	836,256	826,925	818,334	1.1	2.2
factoring	171,305	188,780	188,757	-9.3	-9.2
other loans	3,470,520	3,940,542	4,040,883	-11.9	-14.1
impaired assets	2,783,712	2,217,696	2,210,891	25.5	25.9
-short term	7,411,637	6,348,939	6,075,492	16.7	22.0
% on nominal value	29.9	26.8	26.1		
-medium/long term	15,964,245	16,195,944	16,088,645	-1.4	-0.8
% on nominal value	64.4	68.3	69.0		
- bad loans	1,407,873	1,177,301	1,145,215	19.6	22.9
% on nominal value	5.7	5.0	4.9		
-Value adjustments (-)	772,519	669,009	640,455	15.5	20.6

(1) Net of debt securities classified as L&R, amounting to 56,542 thousands of euro as at 30 September 2012.

(2) Before value adjustments.

Cash loans to customers, net of value adjustments of €772.5 million, amounted to € 24,011.2 million, up by 4.2% compared to December 2011 (and +5.9% in twelve months). This figure does not include debt securities classified as L&R.

Before adjustments, the aggregate amounted to €24,783.8 million, marking a 4.5% increase in nine months and up 6.3% in twelve months.

Net of repurchase agreements with financial businesses (in September 2012 equal to € 2,502.8 million against € 1,457.1 million in

December and €1,266.4 million in September 2011), the total comes to €22,281 million, stable in the nine-month period but up 1.1% over twelve months. The growth in loans to customers confirms the traditional support both to businesses and to households, in whose favour the Bank has also undertaken significant steps aimed at overcoming the challenging economic situation.

Personal loans (25.2% of total loans) fell by 2.3% in nine and twelve months; loans to companies amounted to 55.2% of the total and, compared with December 2011, increased by 1.9% (+3.5% in twelve months).

The short-term component, equal to 29.9% of the total, amounted to €7,411.6 million, up by 16.7% in nine months and 22% in twelve months. In particular, current accounts amounted to €2,716.8 million (-0.5% from the start of the year and up 3.9% in the year).

The medium-long term component amounted to €15,964.2 million (-1.4% since December and -0.8% since September 2011) and accounts for 64.4% of the total. Within this component, mortgage loans stood at €12,189.7 million (essentially stable when compared to December and up 1.4% since September 2011).

The trend in consumer credit – credit cards, personal loans and salary-backed loans – felt the effects, as of 1 July 2008, of the placement activities of subsidiary Creditis Servizi Finanziari SpA; if we include loans granted by Creditis, consumer credit rises by 10.7% in the nine months and by 14.6% in twelve months.

Bad loans totalled €1,407.9 million (+19.6% since December and +22.9% in twelve months) accounting for 5.7% of total loans, higher than the 5% recorded in December and 4.9% in September 2011; this trend is essentially in line with that of the banking System.

CREDIT QUALITY (1) (thousands of euro)

	09/30/12				12/31/11			
	Gross exposure (a)	Value adjustments (b)	Net exposure (a-b)	% b/a	Gross exposure (a)	Value adjustments (b)	Net exposure (a-b)	% b/a
Cash loans								
Bad loans	1,407,873	621,171	786,702	44.1	1,177,301	535,450	641,851	45.5
- customers	1,407,873	621,171	786,702	44.1	1,177,301	535,450	641,851	45.5
Watchlist loans	810,307	82,041	728,266	10.1	695,392	69,269	626,123	10.0
- banks	17,134	872	16,262	5.1	16,691	872	15,819	5.2
- customers	793,173	81,169	712,004	10.2	678,701	68,397	610,304	10.1
Rescheduled loans	135,235	10,080	125,155	7.5	123,238	2,824	120,414	2.3
- customers	135,235	10,080	125,155	7.5	123,238	2,824	120,414	2.3
Past due loans	447,431	8,990	438,441	2.0	238,456	6,647	231,809	2.8
- customers	447,431	8,990	438,441	2.0	238,456	6,647	231,809	2.8
Total Impaired loans	2,800,846	722,282	2,078,564	25.8	2,234,387	614,190	1,620,197	27.5
Performing loans	24,144,561	51,109	24,093,452	0.2	23,807,958	55,691	23,752,267	0.2
- banks	2,144,518	-	2,144,518	-	2,303,470	-	2,303,470	-
- customers	22,000,043	51,109	21,948,934	0.2	21,504,488	55,691	21,448,797	0.3
Total cash loans	26,945,407	773,391	26,172,016	2.9	26,042,345	669,881	25,372,464	2.6
- banks	2,161,652	872	2,160,780	0.0	2,320,161	872	2,319,289	0.0
- customers	24,783,755	772,519	24,011,236	3.1	23,722,184	669,009	23,053,175	2.8
Endorsement loans								
Impaired	26,043	4,804	21,239	18.4	22,020	5,222	16,798	23.7
- customers	26,043	4,804	21,239	18.4	22,020	5,222	16,798	23.7
Other loans	1,511,136	4,546	1,506,590	0.3	1,602,126	6,344	1,595,782	0.4
- banks	45,210	-	45,210	-	46,776	-	46,776	-
- customers	1,465,926	4,546	1,461,380	0.3	1,555,350	6,344	1,549,006	0.4
Total endorsement loans	1,537,179	9,350	1,527,829	0.6	1,624,145	11,566	1,612,579	0.7
- banks	45,210	-	45,210	-	46,775	-	46,775	-
- customers	1,491,969	9,350	1,482,619	0.6	1,577,370	11,566	1,565,804	0.7
Total	28,482,586	782,741	27,699,845	2.7	27,666,490	681,447	26,985,043	2.5
- banks	2,206,862	872	2,205,990	0.0	2,366,936	872	2,366,064	0.0
- customers	26,275,724	781,869	25,493,855	3.0	25,299,554	680,575	24,618,979	2.7

(1) Net of debt securities classified as L&R, amounting as at 30 September 2012 to 1,668,073 thousands of euro (due from banks) and to 56,542 thousands of euro (loans to customers).

Impaired cash and endorsement loans amounted to €2,826.9 million, up by 25.3% from December. A total of 99.4% of these relate to ordinary customers; the corresponding value adjustments stand at €727.1 million (+17.4% in nine months), representing a coverage level of about 25.8%.

Cash loans to customers stood at €2,783.7 million (+25.5% since December). Endorsement loans equalled €26 million (+18.3% in the nine-month period).

As regards cash loans to customers, the following should be highlighted:

- bad loans came to €1,407.9 million, up by 19.6% in nine months; these were written down by 44.1%;
- watchlist loans totalled €793.2 million, up by 16.9% from the start of the year. They were written down by 10.2%;
- rescheduled loans amounted to €135.2 million, up by 9.7% in the nine months. They were written down by 7.5%;

- past due loans amounted to €447.4 million, up 87.6% compared to December 2011; given that the majority of these relate to loans secured by mortgage guarantees, the increase recorded was largely due to the elimination, effective as of 1 January 2012, of the 180 day limit for the classification in the aggregate of unsecured past due or borderline loans, whose qualification threshold was lowered to 90 days of continuous delay. These positions were written down by 2%.

Impaired endorsement loans amounted to €26 million, up by 18.3% in nine months; these were written down by 18.4%.

Overall, value adjustments on cash and endorsement loans amounted to €781.9 million, €772.5 million of which refers to cash loans and €9.4 million to endorsement loans.

SECURITIES PORTFOLIO *(thousands of euro)*

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
Debt securities	8,777,640	6,558,115	5,473,140	33.8	60.4
<i>Held for trading</i>	45,392	51,222	114,059	-11.4	-60.2
<i>Available for sale</i>	7,007,633	4,940,062	3,918,706	41.9	78.8
<i>Loans & Receivable</i>	1,724,615	1,566,831	1,440,375	10.1	19.7
Equities	1,037,460	1,006,320	1,013,565	3.1	2.4
<i>Held for trading</i>	-	4	3	-100.0	-100.0
<i>Available for sale</i>	1,037,460	1,006,316	1,013,562	3.1	2.4
Shares in CIS	114,193	104,286	102,652	9.5	11.2
<i>Held for trading</i>	28,657	13,869	13,559	...	...
<i>Available for sale</i>	85,536	90,417	89,093	-5.4	-4.0
Total (1)	9,929,293	7,668,721	6,589,357	29.5	50.7
<i>of which:</i>					
<i>Held for trading</i>	74,049	65,095	127,621	13.8	-42.0
<i>Available for sale</i>	8,130,629	6,036,795	5,021,361	34.7	61.9
<i>Loans & Receivable</i>	1,724,615	1,566,831	1,440,375	10.1	19.7

(1) Balance sheet items 20 (net of derivatives, amounting to 229,863 thousands of euro as at 30 June 2012), 30, 40, 60 (only for the part relative to L&Rs, amounting to 1,668,073 thousands of euro) and 70 (only for the part relative to L&Rs, amounting to 56,542 thousands of euro) are included in the aggregate.

The securities portfolio amounted to €9,929.3 million, up by 29.5% since December and 50.7% in the twelve-month period, also by virtue of the purchases of Government bonds. The portfolio is made up by around 88.4% of debt securities, up by 33.8% since December and 60.4% in the twelve-month period, primarily due to investments made in Italian Government bonds classified as “available for sale”. Equities rose by 3.1% from December and 2.4% in the twelve-month period; shares in UCITS grew by 9.5% in the nine-month period and 11.2% in the twelve-month period. Equities available for

sale included the 3.96% equity investment in the Bank of Italy, accounted for at €875.5 million; this figure results from a valuation at fair value - using shareholders’ equity as the most reliable proxy of fair value – performed on the basis of the balance sheet data of the Bank of Italy as at 31 December 2011 (last approved financial statements), consistent with the accounting principle adopted for the preparation of the financial statements of the Bank and of the consolidated financial statements of the Banca Carige Group as at 31 December 2011. The effects of said valuation at fair value were

sterilised by a valuation reserve of the same amount, net of deferred taxes.

As regards the breakdown set forth by international accounting standards (IAS/IFRS), Available-for-sale securities (AFS) stood at € 8,130.6 million, accounting for 81.9% of the portfolio, up 34.7% in nine months and 61.9% in twelve months; securities held for trading (HFT) totalled €74 million, accounting for 0.7% of the portfolio.

Within the AFS securities, the Italian Government Bonds amounted to € 6,445.4

million, equal to 79.3% of the aggregate; more specifically, treasury bills came to € 221.1 million, long-term treasury bonds amounted to € 5,596.3 million and treasury credit certificates totalled €507.9 million.

Assets deriving from Loans and Receivables (L&R) amounted to €1,724.6 million and grew by 10.1% compared to December 2011 and 19.7% over the figure recorded in September 2011.

3. Income statement results

As at 30 September 2012, the income statement posted a net profit of €145.3 million, against €132.7 million for the third quarter of 2011 (up 9.5%). This increase was determined by the rise in the interest margin, net commissions and profits generated by the sale of available-for-sale financial assets constituted by Government bonds, while adjustments to both loans and financial assets rose, as a result of the persistence of the crisis in the real economy.

The interest margin amounted to €365.3 million, marking a 0.9% decrease.

More specifically, interest and similar income grew by 17.4% to €858.8 million. The component regarding the interest accrued on loans to customers is up 7% to €617.1 million and that regarding receivables due from banks

increased from €34.1 million in September 2011 to €38.6 million in September 2012 (+13.1%). Interest income on the securities component (AFS, HFT) amounted to €198.7 million, almost double the figure recorded in September 2011.

Interest and similar expense (€493.5 million), registered an increase of 36% in relation, in particular, to the increase in due to customers (+55.4%), due to banks (up from €32.3 million in September 2011 to €62 million in September 2012) and securities issued (up 13.5% to €280.8 million).

INTEREST AND SIMILAR INCOME (thousands of euro)

	09/30/12	2011	09/30/11	Change 09/12 - 09/11	
				absolute	%
Financial assets held for trading	1,343	5,437	4,921	-3,578	-72.7
Financial assets available-for-sale	198,681	159,631	111,313	87,368	78.5
Due from banks (1)	38,589	47,067	34,106	4,483	13.1
Loans to customers (1)	617,065	788,103	576,804	40,261	7.0
Other assets	3,121	7,782	4,594	-1,473	-32.1
Total interest and similar income	858,799	1,008,020	731,738	127,061	17.4

(1) This item includes interest income on the L&R credit component.

INTEREST AND SIMILAR EXPENSE (thousands of euro)

	09/30/12	2011	09/30/11	Change 09/12 - 09/11	
				absolute	%
Due to banks	61,999	45,194	29,748	32,251	...
Due to customers	103,286	96,444	66,453	36,833	55.4
Securities issued	280,805	343,310	247,427	33,378	13.5
Financial liabilities designated at fair value through profit and loss	13,948	20,255	15,118	-1,170	-7.7
Other liabilities	1,308	484	268	1,040	...
Hedging derivatives	32,143	11,460	3,967	28,176	...
Total interest and similar expense	493,489	517,147	362,981	130,508	36.0

Net fee and commission income amounted to €195.9 million, an increase of 5.4% over the year.

Fee and commission income amounted to €237.1 million, up 13.2% over September 2011, mainly due to the trend in fee and commission income from the maintenance and management of current accounts, which more than offset the negative trend in commissions relating to the distribution of insurance products.

Fee and commission expense, standing at €41.2 million, rose by 73.9%, due in particular to the guarantees received component, which rose from €367 thousand to €15.4 million. The increase is attributable to the guarantee received by the Italian Government on liabilities issued by the Bank and repurchased for the purposes of LTRO transactions with the ECB.

FEE AND COMMISSION INCOME (thousands of euro)

	09/30/12	2011	09/30/11	Change 09/12 - 09/11	
				absolute	%
Guarantees issued	13,103	15,779	11,012	2,091	19.0
Management, intermediation and consultancy services:	58,604	82,687	61,797	-3,193	-5.2
1. Financial instruments trading	831	827	598	233	39.0
2. Currency trading	1,755	2,704	2,071	-316	-15.3
3. Assets management	3,098	4,818	3,314	-216	-6.5
4. Securities custody and administration	1,872	2,417	1,677	195	11.6
6. Placement of securities	23,006	30,800	23,661	-655	-2.8
7. Collection of orders	6,264	8,988	6,311	-47	-0.7
8. Consultancy services	2	12	9	-7	-77.8
9. Distribution of third-party services	21,776	32,121	24,156	-2,380	-9.9
- portfolio management	1,093	1,303	974	119	12.2
- insurance products	8,712	14,712	11,274	-2,562	-22.7
- other products	11,971	16,106	11,908	63	0.5
Collection and payment services	41,609	55,485	40,983	626	1.5
Servicing for securitizations	2,643	3,012	2,091	552	26.4
Factoring services	1,174	2,004	1,456	-282	-19.4
Maintenance and management of the current accounts	95,011	94,627	72,564	22,447	30.9
Other services	24,955	28,724	19,640	5,315	27.1
Total fee and commission income	237,099	282,318	209,543	27,556	13.2

FEE AND COMMISSION EXPENSE (thousands of euro)

	09/30/12	2011	09/30/11	Change 09/12 - 09/11	
				absolute	%
Guarantees received	15,364	514	367	14,997	...
Management and intermediation services	5,672	5,199	3,671	2,001	54.5
1. Financial instruments trading	109	97	88	21	23.9
3. Portfolio management	623	1,080	642	-19	-3.0
4. Securities custody and administration	929	1,285	896	33	3.7
5. Placement of financial instruments	4,011	2,737	2,045	1,966	96.1
Collection and payment services	13,025	16,625	12,215	810	6.6
Other services	7,120	9,779	7,432	-312	-4.2
Total fee and commission expense	41,181	32,117	23,685	17,496	73.9

Dividend and other similar income totalled € 37.6 million (-20.4%). The profit on trading was € 9.7 million, compared with a € 17.7 million recorded in September 2011.

The positive impacts on debt securities should be noted.

PROFIT (LOSSES) ON TRADING (thousands of euro)

	09/30/12	2011	09/30/11	Change 09/12 - 09/11	
				absolute	%
Debt securities	3,595	2,322	1,490	2,105	...
Equities & collective investment schemes	1,309	137	(174)	1,483	...
Total equities, debt securities & collective investment schemes	4,904	2,459	1,316	3,588	...
Financial derivatives	(21,817)	11,130	19,414	(41,231)	...
Credit derivatives	(2,200)	1,120	1,928	(4,128)	...
Currency differences	26,312	9,039	(8,058)	34,370	...
Other financial assets/liabilities from trading	2,485	3,091	3,056	(571)	-18.7
Total profit (losses) on trading	9,684	26,839	17,656	(7,972)	-45.2

Profit/loss from the disposal or repurchase of loans and financial assets/liabilities came to € 73.5 million (€ 4.1 million as at 30 September 2011), due primarily to the profits generated by the sale of financial assets available-for-sale. Net interest and other banking income amounted to € 692.1 million, an increase of 10.8%, compared to September 2011.

Net losses on impairment of loans and other financial items totalled € 111.8 million, up by 46.7% over September 2011. This item includes losses on impairment of loans of € 95.9 million, up by 37.1% over September 2011, and those on financial assets available-for-sale amounted to € 18.1 million.

NET LOSSES/RECOVERIES ON IMPAIRMENT OF LOANS AND OTHER FINANCIAL ITEMS (thousands of euro)

	09/30/12	2011	09/30/11	Change 09/12 - 09/11	
				absolute	%
Loans to banks	-	(4)	(4)	4	-100.0
Loans to customers	95,933	92,821	69,959	25,974	37.1
Credit commitments (other financial transactions)	(2,216)	2,246	2,166	-4,382	...
Financial assets available-for-sale	18,060	13,238	4,064	13,996	...
Total net losses/recoveries on impairment of loans and other financial items	111,777	108,301	76,185	35,592	46.7

The net income from banking activities amounted to €580.4 million, up by 5.8% in the twelve-month period.

Operating expenses stood at €393.9 million, essentially stable with respect to September 2011.

In detail, administrative expenses amounted to €401.3 million, down by 4.5% over the twelve-month period and these included:

- personnel costs fell by 2% to €247.2 million;
- other administrative expenses amounted to €

154.1 million (-8.3%), due to the fact that the first nine months of 2011 included the substitute tax on leasing contracts whose recovery from customers is shown under item 190 "Other operating income expenses" (tax no longer present in 2012).

Net provisions for risks and charges amounted to €0.4 million, down 8.7% compared to September 2011.

Net losses on property and equipment and on intangible assets amounted to €34.7 million, an increase of 3.2% in the twelve-month period.

OPERATING EXPENSES (thousands of euro)

	09/30/12	2011	09/30/11	Change 09/12 - 09/11	
				absolute	%
Personnel costs	247,199	321,986	252,208	-5,009	-2.0
Other administrative expenses	154,112	219,404	168,003	-13,891	-8.3
- general expenses	117,553	161,956	122,124	-4,571	-3.7
- indirect taxes	36,559	57,448	45,879	-9,320	-20.3
Net provisions for risks and charges	439	812	481	-42	-8.7
Net losses/recoveries on:	34,662	45,674	33,603	1,059	3.2
- intangible assets	20,943	28,064	20,325	618	3.0
- property and equipment	13,719	17,610	13,278	441	3.3
Other operating expenses (income)	(42,544)	(75,330)	(60,126)	17,582	-29.2
Total operating expenses	393,868	512,546	394,169	-301	-0.1

Other operating income fell by 29.2%, amounting to €42.5 million, given that the first nine months of 2011 also included recoveries of

substitute tax paid on leasing contracts whose cost was shown under item 150 b "Other administrative expenses".

OTHER OPERATING EXPENSES (INCOME) (thousands of euro)

	09/30/12	2011	09/30/11	Change 09/12 - 09/11	
				absolute	%
Lease income and rent	4,114	5,322	4,105	9	0.2
Charges to third parties:	29,155	51,010	40,017	-10,862	-27.1
recovery of taxes	29,117	50,957	39,977	-10,860	-27.2
customer insurance premiums	38	53	40	-2	-5.0
Other income	24,467	35,194	24,899	-432	-1.7
Total other income	57,736	91,526	69,021	-11,285	-16.4
Operating expenses on financial leases	(3,556)	(1,106)	(794)	-2,762	...
Ordinary maintenance expenses on investment property	(508)	(756)	(569)	61	-10.7
Expenses for improvement of third parties' assets	(509)	(657)	(460)	-49	10.7
Other expenses	(10,619)	(13,677)	(7,072)	-3,547	50.2
Total other expenses	(15,192)	(16,196)	(8,895)	-6,297	70.8
Total net operating expenses (income)	42,544	75,330	60,126	-17,582	-29.2

Taking into account taxes on income from continuing operation of €41.1 million, net profit stood at €145.3 million, up 9.5% compared to €132.7 million in the third quarter of 2011.

Tax expenses for the period, totalling € 41.1 million (theoretical rate of 22.1%), felt the effects of the recognition of positive components amounting to € 20.6 million: around € 14 million deriving from the deductibility from IRES of the portion of IRAP relating to the personnel costs not deducted for the 2007-2011 tax years (the request for reimbursement to be presented for previous years was provided for under art. 4, paragraph 12 of Decree Law 16/2012); roughly € 6.6 million relating to the net benefit of the redemption of the goodwill on the equity investment in Banca Cesare Ponti recorded in the consolidated financial statements for the year ended as at 31/12/2011.

The total comprehensive income, which includes income components charged directly to shareholders' equity, stood at € 327 million (compared to a negative €358.3 million as at September 2011). The rise is mainly a result of the increase in the fair value of available-for-sale financial assets, with particular reference to debt securities issued by the Italian Government and, to a lesser extent, (€25.8 million), to the revaluation of the equity investment in the Bank of Italy.

4. Regulatory capital

REGULATORY CAPITAL AND SOLVENCY RATIOS

(thousands of euro)

	Situation as at		
	09/30/12	12/31/11	09/30/11
Regulatory capital			
Core Tier 1 Capital	1,838,460	1,406,247	1,490,751
Tier 1 capital	1,998,360	1,566,147	1,650,651
Tier 2 capital	813,662	835,641	866,531
less: deductions	-334,730	-339,213	-340,485
Total capital	2,477,292	2,062,575	2,176,697
Tier 3 capital	-	-	-
Tier 3 calculable portion	-	-	-
Regulatory capital including Tier 3	2,477,292	2,062,575	2,176,697
Weighted assets			
Credit risk	19,779,850	18,502,868	17,988,450
Market risk	177,851	217,483	246,533
Operational risk	1,594,690	1,594,690	1,581,444
Other prudential requirements	-	-	-
Total weighted assets	21,552,391	20,315,041	19,816,427
Capital requirements			
Credit risk	1,582,388	1,480,229	1,439,076
Market risk	14,228	17,399	19,723
Operational risk	127,575	127,575	126,516
Other prudential requirements	-	-	-
Capital reduction by 25%	431,048	406,301	396,329
Total requirements	1,293,143	1,218,902	1,188,986
Surplus capital	1,184,149	843,673	987,712
Ratios			
Core Tier 1/ 75% Total weighted assets	11.4%	9.2%	10.0%
Tier 1 capital/ 75% Total weighted assets	12.4%	10.3%	11.1%
Regulatory capital including Tier 3 capital/ 75% Total weighted assets	15.3%	13.5%	14.6%

SUBSIDIARY BANKS

It should be noted that, in 2006, the Parent Company decided to be the only bond issuer, leaving only placement activity to the other banks of the Group: consequently, subsidiary banks do not account for bonds placed with customers in direct deposits, but in indirect

deposits and, in assets under administration in particular.

In this context, in order to maintain a balanced distribution of maturities, subsidiary banks issue bonds fully subscribed by the Parent Company and recognised in direct deposits.

For subsidiary banks, these transactions resulted in a higher amount of assets under administration and bonds and a decrease in interbank liabilities.

CASSA DI RISPARMIO DI SAVONA (thousands of euro)

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
BALANCE SHEET					
Total assets	1,927,312	1,914,913	1,800,430	0.6	7.0
Direct deposits (a)	1,498,598	1,386,240	1,412,104	8.1	6.1
Indirect deposits (b)	1,781,388	1,804,439	1,805,889	-1.3	-1.4
- Assets under management	657,695	646,864	667,890	1.7	-1.5
- Assets under administration	1,123,693	1,157,575	1,138,000	-2.9	-1.3
Financial Intermediation Activities (FIA) (a+b)	3,279,986	3,190,679	3,217,993	2.8	1.9
Loans to customers (1)	1,573,920	1,506,796	1,491,967	4.5	5.5
Securities portfolio	267,359	310,770	197,756	-14.0	35.2
Share capital and reserves	178,812	176,369	175,486	1.4	1.9
INCOME STATEMENT					
Net interest and other banking income	57,137	66,976	48,437		18.0
Net income from banking activities	50,893	60,151	43,586		16.8
Income (loss) before tax from continuing operations	23,227	21,187	14,649		58.6
Net income (loss) for the period	15,546	13,254	9,039		72.0
RESOURCES					
Number of branches	50	50	50	-	-
Staff	332	334	340	-0.6	-2.4

(1) Before value adjustments.

The aggregate of Financial Intermediation Activities on behalf of the customers (FIA) – direct and indirect deposits – amounted to € 3,280 million, up by 2.8% compared to December and by 1.9% compared to September 2011. As regards FIA, direct deposits totalled € 1,498.6 million, up 8.1% in nine months and 6.1% in twelve months, while indirect deposits amounted to € 1,781.4 million, down 1.3% compared to December 2011 and -1.4% over September 2011. If we include Banca Carige bonds placed with the Bank's customers and exclude bonds fully subscribed by the Parent Company, indirect deposits register a decrease of 1.4% and 2.2% respectively. In terms of the contractual duration, short-term deposits totalled € 818.9 million, down 3.6% over December and down 6.5% over September 2011; the medium/long-term component totalled € 679.7 million (+26.5% and +26.8% respectively). As regards indirect deposits, assets under management came to € 657.7 million, up 1.7% over December 2011 and down 1.5% in twelve months, while assets under administration totalled € 1,123.7 million, -2.9% over nine months and -1.3% in the twelve-month period. If we exclude Banca Carige bonds placed with the Bank's customers, indirect deposits fall by 3.3% and 4.6% in nine and twelve months. Loans to customers, before value adjustments, amounted to € 1,573.9 million, up 4.5% in nine

months, and 5.5% in the year. The gross bad loans/loans ratio was equal to 3.2%.

The securities portfolio amounted to € 267.4 million, down by 14% in nine months but up 35.2% over the course of the year.

The income statement posted a net profit of € 15.5 million, up 72% compared to the first nine months of 2011, mainly thanks to the trend in interest margin and net commissions.

The cost/income ratio fell in the first nine months of 2011, down from 59.7% to 48.4%.

The interest margin grew by 18.6% to € 35.8 million; net fee and commissions grew by 17.3% to € 20.3 million; the profit on trading was € 1 million, compared to € 0.6 million in the first nine months of 2011; net interest and other banking income rose by 18%, reaching € 57.1 million. Net losses on impairment of loans and other financial items amounted to € 6.2 million, versus € 4.9 million in September 2011. Operating expenses totalled € 27.7 million, down by 4.4%. The income before tax from continuing operations amount to € 23.2 million (€ 14.6 million in September 2011). Net of tax on income from continuing operations, amounting to € 7.7 million, the profit for the year therefore totalled € 15.5 million.

Personnel numbered 332 units in the first nine months.

BANCA DEL MONTE DI LUCCA *(figures in thousands of euro)*

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
BALANCE SHEET					
Total assets	1,021,917	1,019,642	1,015,876	0.2	0.6
Direct deposits (a)	883,535	869,455	872,670	1.6	1.2
Indirect deposits (b)	532,402	535,684	535,309	-0.6	-0.5
- Assets under management	125,027	117,237	124,792	6.6	0.2
- Assets under custody	407,375	418,447	410,517	-2.6	-0.8
Financial Intermediation Activities (FIA) (a+b)	1,415,937	1,405,139	1,407,979	0.8	0.6
Loans to customers (1)	931,385	931,144	932,893	0.0	-0.2
Securities portfolio	56,269	43,911	36,205	28.1	55.4
Capital and reserves	81,084	80,904	80,874	0.2	0.3
INCOME STATEMENT					
Net interest and other banking income	24,983	31,822	23,685		5.5
Net income from banking activities	20,196	25,164	19,048		6.0
Income (loss) before tax from continuing operations	5,116	5,273	3,942		29.8
Profit for the period	3,427	2,511	1,910		79.4
RESOURCES)					
Number of branches	23	23	22	-	4.5
Staff	168	168	168	-	-

(1) Before value adjustments.

The aggregate of Financial Intermediation Activities on behalf of customers (FIA) – direct and indirect deposits – amounted to €1,415.9 million, up by 0.8% in nine months and 0.6% in twelve months. Within FIA, direct deposits stood at €883.5 million, up 1.6% in nine months and 1.2% in twelve months, while indirect deposits came to €532.4 million, down by 0.6% from the start of the year and 0.5% in twelve months. If we include Banca Carige bonds placed with the Bank's customers and exclude bonds fully subscribed by the Parent Company, indirect deposits register an increase of 0.3% and 1.4% respectively. As regards maturities, the performance of short-term deposits was essentially in line with December (-0.1%) and September 2011 (-0.3%); the medium/long-term component recorded an increase of 3.2% in nine months and 2.6% in the year. As regards indirect deposits, assets under management came to €125 million, up 6.6% over December 2011 and up 0.2% in twelve months, while assets under administration fell 2.6% in nine months and 0.8% in the twelve-month period. If we exclude Banca Carige bonds placed with the Bank's customers, indirect deposits fall by 2.4% and 3% respectively.

Loans to customers, before value adjustments, amounted to €931.4 million, stable over nine months, and down slightly in the year (-0.2%). The gross bad loans/loans ratio stood at 9.3%, in line with the banking system value in the province of Lucca.

The securities portfolio totalled €56.3 million, up when compared to both December (€43.9 million; up 28.1%) and September 2011 (€36.2 million, +55.4%).

The income statement highlights a net profit of €3.4 million, up compared to €1.9 million in September 2011. In particular, net fee and commission income registered growth and the interest margin and operating costs were essentially stable.

The cost/income ratio fell from 63.8% to 60.4% in September 2011.

The interest margin amounted to €16.1 million, essentially in line with the figure recorded in September 2011 (-0.4%). Net fee and commission income recorded growth of 16.3%, amounting to €8.3 million (up €1.2 million over the same period in 2011). Net interest and other banking income reached €25 million, an increase of 5.5%. Net losses on impairment of loans and other financial items totalled €4.8 million, up by 3.2%. Operating expense amounted to €15.1 million, essentially in line with the figure recorded in September 2011 (-0.2%). Operating profit stood at €5.1 million (€3.9 million in September 2011). Against provisions for income taxes of €1.7 million, net profit stood at €3.4 million, compared to €1.9 million in September 2011.

Personnel numbered 168 units in the first nine months.

CASSA DI RISPARMIO DI CARRARA *(figures in thousands of euro)*

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
BALANCE SHEET					
Total assets	1,386,107	1,413,118	1,338,330	-1.9	3.6
Direct deposits (a)	1,114,388	1,022,977	1,058,712	8.9	5.3
Indirect deposits (b)	1,038,608	1,059,322	1,046,219	-2.0	-0.7
- Assets under management	321,235	318,707	338,125	0.8	-5.0
- Assets under custody	717,373	740,615	708,094	-3.1	1.3
Financial Intermediation Activities (FIA) (a+b)	2,152,996	2,082,299	2,104,931	3.4	2.3
Loans to customers (1)	1,063,738	1,092,105	1,094,791	-2.6	-2.8
Securities portfolio	169,102	241,074	150,514	-29.9	12.3
Capital and reserves	120,138	119,163	118,537	0.8	1.4
INCOME STATEMENT					
Net interest and other banking income	41,550	46,761	34,390		20.8
Net income from banking activities	38,157	40,624	29,810		28.0
Income (loss) before tax from continuing operations	12,567	9,166	5,419		...
Profit for the period	8,544	4,943	2,760		...
RESOURCES)					
Number of branches	37	37	36	-	2.8
Staff	313	319	321	-1.9	-2.5

(1) Before value adjustments.

Financial Intermediation Activities on behalf of customers (FIA) of Cassa di Risparmio di Carrara SpA totalled € 2,153 million (+3.4% and +2.3% over nine and twelve months). As regards FIA, direct deposits totalled € 1,114.4 million, up 8.9% in nine months and 5.3% in twelve months; if we include Banca Carige bonds placed with the Bank's customers and exclude bonds fully subscribed by the Parent Company, direct deposits register an increase of 1% in nine months but a decrease of 0.9% in twelve months. Short-term deposits, at € 666.7 million, were stable over nine months and fell 5.1% over twelve months. The medium/long-term component, at € 447.7 million, increased by 25.7% in nine months and by 25.8% in twelve months.

Indirect deposits came to € 1,038.6 million, down by 2% in nine months and down 0.7% in twelve months; within this component, assets under administration totalled € 717.4 million (down 3.1% over December but up 1.3% over September 2011) and assets under management amounted to € 321.2 million (up 0.8% and down 5% over December and September 2011). If we exclude Banca Carige bonds placed with the Bank's customers, indirect deposits fall by 5.8% and 6.1% in nine and twelve months.

Loans to customers, before value adjustments, amounted to € 1,063.7 million, down 2.6% in nine months, and down 2.8% in the year. The gross bad loans/loans ratio was equal to 6.4%. The securities portfolio amounted to € 169.1

million, down by 29.9% compared to December, and increased by 12.3% over September 2011.

The income statement posted a net profit of € 8.5 million, more than treble the figure recorded in the first nine months of 2011, thanks to the trend in the interest margin and net commissions.

The cost/income ratio fell in the first nine months of 2011, down from 70.9% to 61.6%.

The interest margin amounted to € 25.6 million (+13.9%); net fee and commissions stood at € 14.5 million (+19.1%); profit on trading was € 1.4 million (negative € 290 thousand in September 2011), in relation to the capital gain on the assets underlying the pension funds, sterilised at comprehensive income level by a corresponding increase in personnel expenses. Net interest and other banking income rose by 20.8% to € 41.6 million. Net losses on impairment of loans and of other financial assets totalled € 3.4 million (€ 4.6 million as at September 2011). Operating expenses totalled € 25.6 million (+4.9); personnel expenses increased by 7.4% compared to September 2011 (due to the above effect).

The income before tax from continuing operations amount to € 12.6 million (€ 5.4 million in September 2011). Net of tax on income from continuing operations of around € 4 million, profit came to € 8.5 million, against € 2.7 million in September 2011.

The Bank employed 313 staff, down 6 units in the nine months.

BANCA CESARE PONTI (figures in thousands of euro)

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
BALANCE SHEET					
Total assets	784,660	719,528	588,786	9.1	33.3
Direct deposits (a)	372,130	371,498	418,585	0.2	-11.1
Indirect deposits (b)	1,970,996	1,898,667	1,803,670	3.8	9.3
- Assets under management	821,313	577,308	574,747	42.3	42.9
- Assets under custody	1,149,683	1,321,359	1,228,923	-13.0	-6.4
Financial Intermediation Activities (FIA) (a+b)	2,343,126	2,270,165	2,222,255	3.2	5.4
Loans to customers (1)	114,158	114,443	122,718	-0.2	-7.0
Securities portfolio	558,198	490,710	278,862	13.8	...
Capital and reserves	62,070	57,260	57,259	8.4	8.4
INCOME STATEMENT					
Net interest and other banking income	16,722	18,050	11,853		41.1
Net income from banking activities	15,979	17,648	11,650		37.2
Income (loss) before tax from continuing operations	5,628	5,462	2,348		...
Profit for the period	3,408	9,681	7,793		-56.3
RESOURCES)					
Number of branches	7	7	7	-	-
Staff	80	81	79	-1.2	1.3

(1) Before value adjustments.

Financial intermediation activities (FIA) on behalf of the customers of Banca Cesare Ponti SpA totalled € 2,343.1 million (+3.2% in nine months and up 5.4% in the year), due, in particular, to the managed component of indirect deposits. As regards financial intermediation activities, direct deposits came to € 372.1 million (+0.2% in nine months and down 11.1% over twelve months) and indirect deposits totalled €1,971 million (+3.8% in nine months and +9.3% in the year); within the latter component, assets under management amounted to € 821.3 million (+42.3% and +42.9% respectively); assets under administration totalled €1,149.7 million, down 13% in nine months and 6.4% in the year. Short-term deposits, at €371.3 million, showed an increase of 4.4% in nine months, but a decrease of 7.8% in the year.

Loans to customers, before value adjustments, amounted to €114.2 million (stable over nine months and down 7% in the year). The bad loans/gross loans ratio was equal to 1.5% (0.2% in December 2011 and in September 2011). The securities portfolio amounted to € 558.2 million (€490.7 million as at December and €278.9 million as at September 2011).

The income statement shows a net profit of € 3.4 million. The cost/income ratio fell to 61.9% (78.5% in September 2011).

The interest margin stood at €9 million (€6.3 million in September 2011). Net fee and commissions stood at €6.7 million (up 21.4%). Net interest and other banking income is therefore €16.7 million (+41.1%). Losses on impairment of loans and other financial assets amounted to €743 thousand; virtually all of these on loans. Operating expenses stood at €10.4 million (+11.3%), of which €6 million in personnel costs and €4.9 million in other administrative expenses. Income before tax from continuing operations amounted to €5.6 million. Net of taxes on income from continuing operations amounting to €2.2 million, the profit for the year totalled €3.4 million. The income in the first nine months of 2011, totalling €7.8 million, benefitted from the option of tax release of goodwill (€6.6 million) recorded under assets following the transfer of the business unit by the Parent Company at the start of 2011.

Bank personnel numbered 80 units in the first nine months.

INSURANCE SUBSIDIARIES

The results of the two insurance companies of the Group (Carige Assicurazioni SpA and Carige Vita Nuova SpA) are presented below, prepared in accordance with the applicable provisions of the Italian Civil Code and with the specific provisions of the insurance industry in Italy (Legislative Decree 173/1997, Legislative Decree 209/2005, ISVAP Regulation No. 22/2008 amended and supplemented by ISVAP Provision 2771 dated 29 January 2010 and by ISVAP Provision No. 2845 dated 17 November 2010).

CARIGE ASSICURAZIONI (thousands of euro)

	Situation as at			Change %	
	30/09/12	31/12/11	30/09/11	09/12 12/11	09/12 09/11
Recognised gross premiums	464,269	673,688	477,118		-2.7
Premiums excluding reinsurance	466,864	616,266	467,452		-0.1
Claims incurred and settled net of reinsurance	366,942	474,878	350,330		4.7
Operating costs	108,116	154,839	115,424		-6.3
Profit/loss from technical account	-10,874	-9,480	143		...
Profit for the period	-13,213	-9,404	-2,009		...
Investments (1)	766,050	782,922	809,862	-2.2	-5.4
Technical reserves net of reinsurance	781,017	796,498	782,394	-1.9	-0.2
Shareholders' equity with income	114,464	127,677	135,072	-10.3	-15.3
Insurance agencies	419	421	423	-0.5	-0.9
Staff	376	375	380	0.3	-1.1

(1) Included cash equivalents.

The shareholders' equity of Carige Assicurazioni SpA as at 30 September 2012 (operating in the non-life segment) amounted to €114.5 million; technical reserves net of the reinsurance amount, in the first nine months, decreased by 1.9%, while investments decreased by 2.2% and stood at €766.1 million.

The first nine months of 2012 closed with a loss of €13.2 million, against a loss of €2.0 million in the same period in 2011. A worsening was recorded in the technical account, which decreased from a neutral value in September 2011 to €-10.9 million in 2012. The result was determined by an increase in claims paid, including the claims of previous years, net of the reinsurance amount (+4.7% to €366.9 million), the trend in premiums for the period net of the reinsurance amount (-0.1% to €466.9 million), the reduction in operating costs (down 6.3% to €108.1 million) and the transfer of the share of profits from investments equalling €6.2 million,

It should be noted that such results are different from those reported in the section "Insurance activities" of this Report in which the information, gathered from the so-called reporting packages, is prepared by the companies based on the joint provisions of Bank of Italy Instruction no. 262 dated 22/12/2005, ISVAP Regulation no. 7 dated 13 July 2007 amended by ISVAP Provision No. 2784/2010 and consistent instructions from the Parent Company.

compared to €5.9 million in the previous year. The income statement consolidates the effects of the issuing, by ISVAP, of Regulation no. 43 of 12 July 2012 which limited, with respect to Regulation no. 28 previously in force, the possibility of the sterilisation of capital losses from the market alignment of solely Government bonds issued or secured by EU Member States. Due to the adoption of the new above-mentioned provisions, capital losses of around €8.1 million were booked to the income statement, relating to bonds that do not fall within the field of application of ISVAP Regulation no. 43. The undistributable reserve as at 30 September 2012, calculated on the basis of new Regulation no. 43, amounted to €8.6 million.

CARIGE VITA NUOVA SPA (thousands of euro)

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
Recognised gross premiums	326,056	596,432	502,392		-35.1
Premiums excluding reinsurance	322,429	588,456	497,154		-35.1
Claims incurred and settled net of reinsurance (1)	299,950	369,752	269,846		11.2
Operating costs	17,466	26,456	19,903		-12.2
Profit/loss from technical account	23,731	-3,182	16,401		44.7
Profit for the period	24,355	4,349	16,000		52.2
Investments (2)	4,258,111	4,109,394	4,075,632	3.6	4.5
Technical reserves net of reinsurance (2)	4,044,483	3,925,513	3,911,332	3.0	3.4
Shareholders' equity with income	243,500	219,145	230,797	11.1	5.5
Insurance agencies	304	306	304	-0.7	-
Staff	115	118	116	-2.5	-0.9

(1) The item includes the amounts paid net of reinsurance ceded.

(2) Including cash equivalents and the investments where risk is borne by the insured and pension funds. These are mainly investments in index- and unit-linked products.

The shareholders' equity as at 30 September 2012 of Carige Vita Nuova SpA (operating in the life insurance industry) amounted to €243.5 million; investments and technical reserves rose by 3.6% to €4,258 million and by 3.0% to €4,045 million in the first nine months respectively.

The result for the first nine months of 2012 was a positive €24.4 million, against a profit of €16 million in September 2011.

An improvement was registered in income from technical management, up from €16.4 million in September 2011 to €23.7 million in September 2012. It should be noted that as regards the close of the first nine months of 2012, the income statement consolidates the effects of the issuing, by ISVAP, of Regulation no. 43 of 12 July 2012 which limited the possibility of the sterilisation of capital losses from the market alignment of solely Government bonds issued or secured by EU Member States. In fact, capital losses of around €3.2 million were booked to the income statement, relating to bonds that do not fall within the field of application of ISVAP Regulation no. 43. The undistributable reserve as at 30 September 2012, calculated on the basis of new Regulation no. 43, amounted to €11.6 million.

In 2012, charges were also accounted for deriving from the adhesion to the proposed exchange of Greek securities, so-called PSI (Private Sector Involvement), with a negative

effect of around €7 million (at consolidated level according to IAS, the effect stands at a negative €28 million), which is offset by capital gains from sales on the securities portfolio.

Premiums issued registered a decrease of 35.1%, from €502.4 million to €326.1 million. The highest loss was recorded in the Bank channel, with a decrease of 35.5%, attributable almost entirely to "traditional" individual products. It should be noted that the new market production in August 2012, as regards the latest figure available, recorded a decrease of 23% over 2011.

The decrease in premiums issued had no significant effects on the result for the year, as charges related to products currently traded in the subscription year do not generate any significant profits.

The charges for claims paid (net of reinsurance ceded), which also includes redemptions and expirations, amount to €299.9 million, up by 11.2% over the same period last year. This increase is due mainly to the higher amount of redemptions, equal to €144 million as at September 2012, compared to €114.7 million in September 2011, and to the lower impact of expirations (down €14.1 million compared to September 2011), which offset the increase in claims (up €15.1 million over September 2011).

FINANCIAL SUBSIDIARIES

CARIGE A.M. SGR (thousands of euro)

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
DEALING					
Assets under management	4,359,590	4,434,841	4,667,761	-1.7	-6.6
- Mutual funds	3,422,849	3,548,804	3,774,365	-3.5	-9.3
- Assets management (customer assets)	418,268	417,832	444,497	0.1	-5.9
- Insurance products (customer assets)	158,048	153,876	148,171	2.7	6.7
- Pension funds	360,426	314,328	300,728	14.7	19.9
Total assets	16,396	17,854	17,236	-8.2	-4.9
Share capital and reserves	7,421	7,445	7,434	-0.3	-0.2
INCOME STATEMENT					
Net fee and commission income	5,876	8,734	6,475		-9.3
Administrative expenses	5,113	6,789	5,172		-1.1
Operating income	802	1,935	1,314		-39.0
Profit for the period	538	1,145	770		-30.1
RESOURCES)					
Staff (1)	33	33	33	-	-

(1) Seconded Parent Company personnel.

Carige AM SGR SpA manages 15 mutual Funds (of which 14 targeted at retail customers and one reserved for institutional investors), the 4 sub funds of the Fondo Pensione Aperto Carige, as well as the portfolios of products for which Group companies delegated the management of the related financial resources; specifically, individual asset management lines of the Parent Company, internal lines of the Gestilink insurance fund and the insurance product Rosa dei Venti.

Overall, assets under management came to € 4.4 billion, down 1.7% from the start of the year. The trend confirms the solid progress of the Fondo Pensione Aperto (+14.7%), but also the slowdown in the volumes of mutual funds (down -3.5%). As regards the products managed by virtue of delegation, Assets under

Management recorded an increase of 0.1% from the end of December 2011, while the insurance segments recorded growth of 2.7%.

Profit amounted to € 538 thousand, down € 232 thousand compared to the first nine months of the previous year, due to the constant decrease in assets managed which led to lower net commissions of € 599 thousand, resulting from commission income of €25.9 million and commission expense of €20 million. Net interest and other banking income totalled €5.9 million and operating and running costs totalled €5.1 million; therefore, the result from operations came to €802 thousand.

After income tax, equal to €264 thousand, the net profit was €538 thousand.

Carige AM SGR has 33 employees, all seconded from the Parent Company.

CREDITIS SERVIZI FINANZIARI *(thousands of euro)*

	Situation as at			Change %	
	09/30/12	12/31/11	09/30/11	09/12 12/11	09/12 09/11
DEALING					
Loans to customers (1)	526,720	489,192	476,512	7.7	10.5
- Personal loans (1)	410,683	400,387	394,571	2.6	4.1
- Revolving credit cards (1)	20,700	19,433	18,788	6.5	10.2
- Salary-backed loans (1)	95,337	69,372	63,153	37.4	51.0
Total assets	567,466	524,520	506,262	8.2	12.1
Share capital and reserves	39,830	38,680	39,293	3.0	1.4
INCOME STATEMENT					
Net interest income	18,103	20,712	15,139		19.6
Net commissions	2,604	3,458	2,719		-4.2
Administrative expenses	7,214	9,029	6,687		7.9
Operating income	10,047	12,577	9,187		9.4
Profit for the period	6,433	8,070	5,772		11.5
RESOURCES)					
Staff (2)	36	38	38	-5.3	-5.3

(1) Before value adjustments.

(2) Seconded Parent Company personnel.

Creditis Servizi Finanziari SpA, operating since 2008, continued to consolidate its activities.

Loans to customers reached € 526.7 million, compared to € 489.2 million at the end of 2011. From the beginning of the year to the end of the quarter, more than € 11 thousand in personal loans was granted, for a total financed amount of € 119.4 million, and more than 2,500 salary-backed loans, for a financed amount of € 35.9 million. In the same period, more than 4 thousand instalment-based credit cards were issued and around 1,000 were activated by customers; there were 106 thousand uses for a total of € 11.2 million. A total of 7 thousand instant credit contracts were agreed (revolving credit lines used by the insurance network to divide the third party motor liability policies into instalments when subscribing to the policy or renewing it) by the 222 insurance agents with arrangements with the company, for a financed amount of € 4.5 million.

From a financial perspective, the first nine months of 2012 closed with a profit of € 6.4

million. The interest margin stood at € 18.1 million. Interest margin, at € 28.3 million, was made up mainly by interest on personal loans (€ 22.2 million). Interest payable amounts to € 10.1 million and was generated by loans granted by the Parent Company. Commission income amounted to € 3.4 million, of which € 2.3 million in commission from insurance companies for the distribution of policies. Commission expense amounted to € 0.8 million, of which € 0.4 million in bank commissions paid to the Parent Company. Value adjustments for impairment losses on loans amount to € 3.4 million. In terms of expenses, costs for staff, fully seconded by the Parent Company, amounted to € 2.6 million. Other administrative costs, including amortisation and depreciation, total € 5.1 million. The pre-tax result was a positive € 10 million; net of income taxes of € 3.6 million, a profit of € 6.4 million was generated.

Argo Finance One Srl, vehicle company in the securitisation of bad loans, carried out by Banca Carige at the end of 2000, recorded takings € 1.9 million in the first 9 months of 2012. Against a net value from disposal of loans of € 165.3 million, collections from the start of the operation amounted to €229.6 million. A total of € 15.2 million in class C securities entirely subscribed by Carige remain to be paid.

Priamar Finance Srl, special purpose vehicle for the securitisation of bad loans established by Cassa di Risparmio di Savona at the end of 2002, collected € 0.5 million in the first 9 months of 2012. Against a net value from disposal of loans of € 28 million, collections from the start of the operation amounted to € 41.1 million. A total of €3.5 million in class B securities entirely subscribed by subsidiary Cassa di Risparmio di Savona remain to be paid.

Argo Mortgage Srl, a special purpose vehicle for the securitisation of private mortgage loans established by Banca Carige at the end of 2001, recorded takings for a total of €582.2 million, of which €9.9 million in the first nine months of 2012. As at 30 September 2012, the following securities were issued:

- €8.1 million in class A securities;
- €22.0 million in class B securities;
- €11.5 million in class C securities;
- €9.2 million in class D securities.

On 25 October 2012, the remaining securitised assets were sold, effective as of 1 October 2012, to the originator Banca Carige SpA and then, on 29 October 2012, all securities issued were redeemed, thus closing the securitisation transaction.

Argo Mortgage 2 Srl, a special purpose vehicle in the securitisation of mortgage loans to private customers, established by Banca Carige in June 2004, registered overall collections of €857.4 million, €34.9 million of which in the first nine months of 2012. As at 30 September 2012, the following securities were issued:

- €125.1 million in class A securities;
- €26.8 million in class B securities;
- €29.3 million in class C securities.

Carige Covered Bond Srl is the special purpose vehicle used to carry out the medium/long-term deposit programme for a maximum of € 5

billion, to be implemented over a period of five years (2008-2013).

During 2012, two additional blocks of loans deriving from residential and commercial mortgages were disposed of, totalling €1,009.1 million, both in the first half of 2012. On the whole, as at 30 September 2012, the company purchased loans, originating not only from the Parent Company, Banca Carige SpA, but from the subsidiary banks Cassa di Risparmio di Savona SpA, Cassa di Risparmio di Carrara SpA and Banca del Monte di Lucca SpA. Loans transferred from Banca Carige Group to the special purpose vehicle totalled € 6,480.5 million which, as at 30 September 2012, presented a residual debt of €5,086.3 million. Covered bank bonds issued as part of this programme and still not paid as at 30 September 2012 amounted to € 3,323.5 million, of which €180 million represent bonds issued in the first half of 2012; bonds used by the Parent Company for medium and long-term refinancing operations at the ECB amounted to €850 million.

Carige Covered Bond 2 Srl is the special purpose vehicle for the medium-/long-term deposit programme for a maximum of € 5 billion, to be implemented over a period of five years (2011-2016).

During 2012, two transfers of commercial mortgages were completed, amounting to € 1,029.9 million, originated not only by the Parent Company Banca Carige SpA, but also subsidiary banks Cassa di Risparmio di Savona SpA, Cassa di Risparmio di Carrara SpA and Banca del Monte di Lucca SpA., both in the first half of 2012. As at 30 September 2012, the residual debt was €906.5 million.

In the first nine months of 2012, a first tranche of covered bank bonds of € 800 million was issued, used by the Parent Company for medium and long-term refinancing operations at the ECB.

THE OTHER MAIN SUBSIDIARIES

Columbus Carige Immobiliare SpA closed the first nine months of 2012 with a loss of roughly € 32 thousand (the loss in the same period in 2011 was around €189 thousand), mainly due to a lack of property sales in the first nine months of the year and the increase in municipal property tax rates.

Immobiliare Carisa Srl closed the first nine months of 2012 with a loss of €15 thousand, compared to a loss of around €8 thousand in the same period in 2011; the negative result is due mainly to the continued lack of property sales, the increase in the tax burden relating to the introduction of the municipal property tax (IMU) and decrease in lease revenues.

Centro Fiduciario C.F. SpA closed the third quarter of 2012 with a net profit of € 317 thousand, down 6.9% compared to the corresponding period in 2011, a result achieved by charging taxes of €163 thousand.

Production revenues stood at € 1 million, a reduction of 7.3% on the previous year, as a result of the decrease in both fiduciary commissions (-3.5%), and, to a greater extent, amounts paid by the Parent Company for the provision of fiduciary services (-12.1%).

The decrease recorded by the main revenue items is due largely to the unfavourable economic-financial situation, rather than the loss of competitiveness of the company which, on the contrary, recorded solid growth in fiduciary volumes of more than € 12.2 million as at 31/8/2012, compared to the end of 2011 (+2.3%, for total administered volumes of more than €540.3 million).

Ordinary operating costs totalled € 630 thousand, down slightly compared to 2011 (-0.1%).

The ordinary operating profit amounted to € 405 thousand, a decrease of 16.7%.

The decrease recorded by the ordinary operating profit was largely contained thanks to the positive result of extraordinary operations which recorded a surplus of € 76 thousand, marking growth of more than € 40 thousand compared to the previous year.

Genoa, 12 November 2012

**DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING THE
COMPANY'S FINANCIAL REPORTS PURSUANT TO PARAGRAPH 2 OF
ART. 154-BIS OF THE CONSOLIDATED LAW OF FINANCE**

I the undersigned Daria Bagnasco, Deputy General Manager (Governance and Control) of Banca CARIGE S.p.A., in my capacity as Manager responsible for preparing the Company's financial reports

declare

that the accounting information contained in the Interim report on operations of the Banca CARIGE Group as at 30 September 2012 corresponds to the document results, books and accounting records.

Genoa, 12 November 2012

The Manager responsible
for preparing the Company's financial reports
Daria Bagnasco

[signed on the original]