

issued by the  
External Communication and Press Relations Office  
Tel. +39 010 579 2697  
Fax +39 010 579 2731  
e-mail: [relazioni.esterne@carige.it](mailto:relazioni.esterne@carige.it)



### **CARIGE GROUP: RESULTS FOR THE FIRST HALF OF 2013 APPROVED**

- **direct retail deposits hold firm (+1% in the half), indirect deposits stable (-0.4%), assets under management record growth (+3.2%)**
- **slight decrease (-2.5% in the half) in customer loans**
- **positive trend in commercial activity with the opening of more than 40,000 current accounts (an increase of 7,500) and growth in the product ownership index (cross-selling) from 3.98 to 4.01 products per customer**
- **low interest rates have led to a decrease in the interest margin (-25.7% compared to the first half of 2012)**
- **net interest and other banking income records good staying power (-3.8% over the first half of 2012), with the commission component amounting to € 153.4 million (-3%) and financial items up from €30.6 million to €123.5 million**
- **operating costs are down 12.2%, with a positive impact (4%) on the efficiency ratio (cost/income ratio), down to 50.9%**
- **extension also to performing loans of the more restrictive qualification and write-down criteria already used at the end of 2012 for impaired loans, with subsequent value adjustments of € 240.7 million and a bad loans coverage level of 49.7% (+450 bps compared to June 2012)**
- **net of income taxes for the year of € 13.8 million, the year closes with a loss of € 29.4 million**
- **positive contribution from insurance companies: statutory profit of €8.2 million for Carige Assicurazioni and €30.1 million for Carige Vita Nuova**

*Genoa, 31 July 2013* – The Board of Directors of Banca Carige S.p.A., chaired by Giovanni Berneschi, unanimously approved the Half-yearly Financial Report as at 30 June 2013, illustrated by the General Manager, Ennio La Monica.

In the first half of the year, the economic situation in Italy was particularly severe, in which the change in GDP remained negative. The fall in production and the decrease in household disposable income also affected the banking system.

In particular, banks that focus on traditional intermediation, which use funds collected from customers to finance economic activities in the area, were particularly affected by the spread to the real economy of the financial crisis which started in 2007. In fact, difficulties in the macroeconomic context led to a reduction in intermediation volumes and margins, while the deterioration in asset quality and the necessary adoption of more prudential criteria consistent with increased risk translated to higher provisions and write-downs of financial statement items.

Within this context, Carige Group intermediation performed steadily in terms of the retail component of direct deposits,<sup>1</sup> amounting to €21 billion (+3.8% in the year and +1% in the half) and indirect deposits, which remained stable at €22.5 billion (-1.6% in the year; -0.4% in the half), with the assets under management component up in both the year (+7%) and in the half (+3.2%) to €10.3 billion. This allowed the Group to continue to finance loans to customers<sup>2</sup> totalling €24.7 billion, even if down 2.1% in the year and 2.5% in the half.

A positive trend was also recorded in commercial activity with the opening of more than 40,000 current accounts (a net increase of 7,500) and growth in the product ownership index (cross-selling from 3.98 to 4.01 products per customer, equal to around 35,000 new products placed in the half).

Despite the essentially positive performance of traded volumes and commercial activities, the heavy reduction in spreads compressed the interest margin, equal to €313.4 million (-25.7% compared to the first half of 2012) while service revenues<sup>3</sup> rose by 44.7% to €276 million, with the commission component<sup>3</sup> standing at €153.4 million (-3%) and financial items up from €30.6 million to €123.5 million. Net interest and other banking income<sup>3</sup> (€589.5 million) recorded a modest decrease (-3.8%).

The continuation of the operating cost<sup>4</sup> reduction strategy (€291.8 million) and the pursuit of operating efficiency allowed the Group to achieve significant savings (-12.2%), on one hand, improving the cost/income ratio by 4%, down to 50.9% and, on the other, mitigating the negative impact on the accounts of loan adjustments, amounting to €240.7 million.

The latter amount was determined by the extension to the portfolio of performing loans of more restrictive qualification and write-down criteria already used starting from the 2012 financial statements for impaired loans, including the valuation of mortgage guarantees in line with the most recent instructions from the Supervisory Body. The rate of coverage of bad loans, equal to 49.7%, rose by 450 bps over June 2012.

Net of income taxes for the year of €13.8 million, the half closed with a loss of €29.4 million. This result does not take into account the effects of the transfer of assets undergoing disposal, particularly the capital gain that should be generated by the impending closure of exclusive negotiations with ARCA SGR for the transfer of the equity investment in Carige AM SGR.

The insurance segment, after major strengthening of the reserves for non-life insurance claims at the end of 2012, recorded positive statutory profit, amounting to €8.2 million for Carige Assicurazioni and €30.1 million for Carige Vita Nuova, with prospects for further improvement in the current year.

“We’ve closed six challenging months, especially in consideration of the difficult period the economy is experiencing, convinced that the close relationship to companies and households, throughout the ongoing crisis, also involves the assumption of responsibility by banks – states Banca Carige Chairman, Giovanni Berneschi. We are confident that our Group’s focus on people and companies can help to overcome these problems in the areas in which we operate. The figures from the financial statements, therefore, are proof of the traditional support provided to the real economy by the Group, which is reinforcing its prudential controls also to bring itself into line with the new transnational regulations, moving forward the strengthening process started last March. We should shortly conclude, in a more than satisfactory manner, the disposal of the first of the assets identified by the Board of Directors, Carige A.M. SGR”.

---

<sup>1</sup> Total direct deposits stand at €26.6 billion (-3.8% in the year; -6.9% in the half).

<sup>2</sup> Total gross loans stand at €28.6 billion (+4.1% in the year and -8.6% in the half).

<sup>3</sup> Includes fast-track facility fee accounted for under the item “Other operating income and expenses”.

<sup>4</sup> Excludes fast-track facility fee: 308.4; - 9.2% per year

“The financial statements for the first six months of 2013 highlight the positive performance of the commercial activities of the Banca Carige Group, which consolidates the fundamental aspects of our business model – states the General Manager of Banca Carige, Ennio La Monica. We are increasing deposits and the number of customers, whilst we are witnessing a slight slowdown in loans. We are talking about a natural decrease, after years of growth even during the recession, due to the persistence of the effects of the crisis which depressed company investments, household spending and the real estate market.

The figures highlight the continuation of the cost reduction policy and the maintenance of a careful and prudent approach to risk, especially as regards its evaluation. Indeed, this prudence, combined with extremely low spreads between interest rates, explain why the half closed with a loss of €29.4 million. In particular, provisions for credit risk were made according to increasingly more stringent and prudential criteria, in line with the most recent instructions from the Supervisory Bodies, also regarding the evaluation of guarantees. We are confident that the loosening of the recession’s grip in the latter part of the year, together with careful cost and risk management, will allow an improvement in the trend in operating variables, which may also benefit from capital gains resulting from the realisation of extraordinary equity strengthening transactions which are underway.

Therefore, Banca Carige confirms itself as an area bank, geared towards traditional intermediation, but with an intense use of the most innovative tools and technologies, and maintains, despite a generally difficult economic context, a key role in the recovery and development of the real economy”.

\*\*\*

In conformity with the requirements of art. 154-ter, par. 5 of Italian Legislative Decree no. 58/1998, the file containing the half-year report as at 30 June 2013 of the Banca Carige Group will be placed at the public's disposal within the terms set forth by law at the registered office of the Bank and at Borsa Italiana S.p.A., and will be available on the website [www.gruppocarige.it](http://www.gruppocarige.it). A special notice will be published in the daily newspaper "Il Sole 24 Ore" and made available on the same date on the website [www.gruppocarige.it](http://www.gruppocarige.it).

\*\*\*\*\*

***Declaration of the manager responsible for preparing the company’s financial reports pursuant to paragraph 2 of art. 154 bis of Legislative Decree 58/1998 (Consolidated Law on Finance)***

*The manager responsible for preparing the Company’s financial reports, Ms. Daria Bagnasco, Deputy General Manager (Governance and Control) of Banca Carige S.p.A., declares, pursuant to paragraph 2 of art. 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.*

\*\*\*\*\*

**INVESTOR RELATIONS**

Via Cassa di Risparmio 15  
16123 GENOVA GE  
tel. +39 010 579 4877  
fax +39 010 579 2443  
e-mail: [investor.relations@carige.it](mailto:investor.relations@carige.it)

**FINANCIAL STATEMENTS  
OF THE BANCA CARIGE GROUP**

## CONSOLIDATED FINANCIAL HIGHLIGHTS

	Situation as at			Change %	
	30/06/2013	31/12/2012	30/06/2012	06/2013	06/2013
				12/2012	06/2012
<b>BALANCE SHEET (1)</b>					
Total assets	46,638,183	49,325,833	47,314,048	-5.4	-1.4
Funding	34,971,152	37,031,911	36,246,804	-5.6	-3.5
- Direct deposits (a)	26,585,012	28,545,184	27,630,325	-6.9	-3.8
* Amounts owed to customers	15,491,580	16,729,803	16,104,290	-7.4	-3.8
* Securities in issue	10,075,057	11,022,540	10,668,463	-8.6	-5.6
* Liabilities at fair value (2)	1,018,375	792,841	857,572	28.4	18.8
- Amounts owed to banks	8,386,140	8,486,727	8,616,479	-1.2	-2.7
Indirect deposits (b)	22,511,541	22,596,938	22,868,695	-0.4	-1.6
- Assets under management	10,337,190	10,020,757	9,659,963	3.2	7.0
- Assets in custody	12,174,351	12,576,181	13,208,732	-3.2	-7.8
Financial Intermediation Activities (FIA) (a+b)	49,096,553	51,142,122	50,499,020	-4.0	-2.8
Investments	42,392,872	44,520,479	42,810,901	-4.8	-1.0
- Loans to customers (3) (4)	28,571,237	31,272,746	27,450,266	-8.6	4.1
- Loans to banks (3) (4)	1,444,269	1,957,909	1,914,992	-26.2	-24.6
- Securities portfolio (5)	12,377,366	11,289,824	13,445,643	9.6	-7.9
Capital and reserves	3,827,829	3,689,130	3,282,469	3.8	16.6

	Situazione al			Variazione %	
	30/06/2013	31/12/2012	30/06/2012	06/2013	06/2012

### INCOME STATEMENT (1) (6)

Gross operating income	572,800	1,230,973	605,222	-5.4
Net income from financial and insurance management	270,937	325,829	455,868	-40.6
Operating profit from ordinary activities before taxes	-17,297	-344,965	125,965	...
Profit for the period	-29,394	-63,207	90,230	...

### RESOURCES (7)

				Variazione %	
Number of branches	678	677	677	0.1	0.1
Insurance agencies	401	417	437	-3.8	-8.2
Number of bank employees	5,388	5,434	5,443	-0.8	-1.0
Number of bank and insurance employees	5,855	5,914	5,941	-1.0	-1.4

### FINANCIAL RATIOS

Operating costs / Gross operating income	50.9%	54.8%	54.9%
Operating profit from ordinary activities before taxes / Capital and reserves	-0.5%	-9.4%	3.8%
ROE	-0.8%	-1.7%	2.7%
ROE (8)	-0.8%	-1.8%	2.5%
ROAE (9)	-0.8%	-2.0%	3.0%
ROAE (8) (9)	-0.8%	-1.9%	2.7%
Earnings per share (in Euro)			
- basic	-0.007	-0.030	0.044
- diluted	-0.007	-0.030	0.044

### REGULATORY RATIOS (10) (11)

Total weighted asset (1)	24,047,788	24,234,063	23,743,100	-0.8	1.3
Core Tier1 ratio	6.2%	6.8%	6.7%		
Tier 1 ratio	6.9%	7.4%	7.4%		
Total capital ratio	9.6%	9.9%	9.9%		

(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) The data relating to the first half of 2012 were reclassified following the clarification provided by the Bank of Italy, with the so-called "Roneata" letter of 15 January 2013, which clarified that the "Fast-track facility fee" is intended for expense recovery and must therefore be recognised under item 220 "Other operating expenses (income)" and not under item 40 "Fee and commission income". The reclassification was equal to €7,589 thousand.

(7) Statistics of the end of period.

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

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

(10) The figures as at 30/06/2013 result from accounting and management estimates pending the consolidated official disclosure.

(11) Starting from 1/1/2013, in accordance with Basel 2, participations in insurance companies and subordinated instruments issued by such companies purchased by banks before 20/7/2006, are no longer deducted from the total Tier 1 and Tier 2, but are deducted 50% from Tier 1 and 50% from Tier 2 capital.

## BALANCE SHEET

### ASSETS (figures in thousands of euro)

	30/06/2013	31/12/2012	Change	
			absolute	%
<b>10 · CASH AND CASH EQUIVALENTS</b>	289,989	376,709	(86,720)	-23.0
<b>20 · FINANCIAL ASSETS HELD FOR TRADING</b>	141,119	194,962	(53,843)	-27.6
<b>30 · FINANCIAL ASSETS DESIGNATED AT FAIR VALUE</b>	312,766	457,561	(144,795)	-31.6
<b>40 · AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>	11,780,800	9,833,217	1,947,583	19.8
<b>50 · FINANCIAL ASSETS HELD TO MATURITY</b>	0	602,777	(602,777)	-100.0
<b>60 · LOANS TO BANKS</b>	1,572,638	2,165,106	(592,468)	-27.4
<b>70 · LOANS TO CUSTOMERS</b>	27,175,314	30,142,748	(2,967,434)	-9.8
<b>80 · HEDGING DERIVATIVES</b>	178,022	217,594	(39,572)	-18.2
<b>100 · EQUITY INVESTMENTS</b>	89,454	90,164	(710)	-0.8
<b>110 · TECHNICAL RESERVES CHARGED ON REINSURERS</b>	175,330	195,471	(20,141)	-10.3
<b>120 · TANGIBLE ASSETS</b>	1,212,191	1,208,678	3,513	0.3
<b>130 · INTANGIBLE ASSETS</b>	1,860,205	1,869,051	(8,846)	-0.5
of which:				
- goodwill	1,779,487	1,779,487	-	-
<b>140 · TAX ASSETS</b>	1,461,662	1,442,153	19,509	1.4
a) current	207,994	146,108	61,886	42.4
b) advanced	1,253,668	1,296,045	(42,377)	-3.3
b1) pursuant to Law 214/2011	816,164	786,629	29,535	3.8
<b>160 · OTHER ASSETS</b>	388,693	529,642	(140,949)	-26.6
<b>TOTAL ASSETS</b>	<b>46,638,183</b>	<b>49,325,833</b>	<b>(2,687,650)</b>	<b>-5.4</b>

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

	30/06/2013	31/12/2012	Change	
			absolute	%
<b>10 · AMOUNTS OWED TO BANKS</b>	8,386,140	8,486,727	(100,587)	-1.2
<b>20 · AMOUNTS OWED TO CUSTOMERS</b>	15,491,580	16,729,803	(1,238,223)	-7.4
<b>30 · SECURITIES IN ISSUE</b>	10,075,057	11,022,540	(947,483)	-8.6
<b>40 · FINANCIAL LIABILITIES FROM TRADING</b>	24,727	21,379	3,348	15.7
<b>50 · FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE</b>	1,349,683	1,273,024	76,659	6.0
<b>60 · HEDGING DERIVATIVES</b>	1,151,467	1,548,821	(397,354)	-25.7
<b>80 · TAX LIABILITIES</b>	387,492	625,854	(238,362)	-38.1
(a) current	54,518	302,414	(247,896)	-82.0
(b) deferred	332,974	323,440	9,534	2.9
<b>100 · OTHER LIABILITIES</b>	672,002	766,418	(94,416)	-12.3
<b>110 · STAFF TERMINATION INDEMNITY</b>	84,035	91,652	(7,617)	-8.3
<b>120 · PROVISIONS FOR RISKS AND CHARGES:</b>	367,283	363,308	3,975	1.1
a) pensions and similar obligations	338,188	334,237	3,951	1.2
b) other provisions	29,095	29,071	24	0.1
<b>130 · TECHNICAL RESERVES</b>	4,784,834	4,717,735	67,099	1.4
<b>140 · VALUATION RESERVES</b>	341,852	136,888	204,964	...
<b>160 · CAPITAL INSTRUMENTS</b>	1,173	1,173	0	0.0
<b>170 · RESERVES</b>	308,700	372,089	(63,389)	-17.0
<b>180 · ADDITIONAL PAID-IN CAPITAL</b>	1,020,020	1,020,020	0	0.0
<b>190 · CAPITAL</b>	2,177,219	2,177,219	0	0.0
<b>200 · OWN SHARES</b>	(21,135)	(18,259)	(2,876)	15.8
<b>210 · MINORITY INTERESTS (+/-)</b>	65,448	52,649	12,799	24.3
<b>220 · PROFIT (LOSS) FOR THE PERIOD (+/-)</b>	(29,394)	(63,207)	33,813	-53.5
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>46,638,183</b>	<b>49,325,833</b>	<b>(2,687,650)</b>	<b>-5.4</b>

# INCOME STATEMENT

(figures in thousands of euro)

	1st H 2013	1st H 2012	Change 06/13 - 06/12	
			absolute	%
10 - INTEREST INCOME AND SIMILAR REVENUES	603,240	753,468	- 150,228	- 19.9
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-289,801	-331,376	41,575	- 12.5
<b>30 · NET INTEREST INCOME</b>	<b>313,439</b>	<b>422,092</b>	<b>-108,653</b>	<b>- 25.7</b>
40 - COMMISSION INCOME (1)	163,441	177,136	- 13,695	- 7.7
50 - COMMISSION EXPENSES	- 26,690	- 26,551	- 139	0.5
<b>60 · NET COMMISSIONS</b>	<b>136,751</b>	<b>150,585</b>	<b>-13,834</b>	<b>- 9.2</b>
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	4,250	5,991	-1,741	- 29.1
80 - NET INCOME FROM TRADING ACTIVITIES	13,799	-504	14,303	...
90 - NET INCOME FROM HEDGING ACTIVITIES	-610	-1,942	1,332	- 68.6
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	79,122	27,148	51,974	...
a) loans	-913	1,912	-2,825	...
b) available-for-sale financial assets	57,534	23,883	33,651	...
d) other financial assets	1,240	1,353	-113	- 8.4
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	26,049	1,852	24,197	...
<b>120 · GROSS OPERATING INCOME</b>	<b>572,800</b>	<b>605,222</b>	<b>-32,422</b>	<b>- 5.4</b>
130 - NET VALUE ADJUSTMENTS DUE TO IMPAIRMENT OF:	-252,651	-93,539	-159,112	...
a) loans	-240,694	-74,066	-166,628	...
b) available-for-sale financial assets	-6,370	-19,535	13,165	- 67.4
d) other financial assets	-5,587	62	-5,649	...
<b>140 · NET INCOME FROM FINANCIAL MANAGEMENT</b>	<b>320,149</b>	<b>511,683</b>	<b>-191,534</b>	<b>- 37.4</b>
150 - NET PREMIUMS	567,223	513,527	53,696	10.5
160- BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-616,435	-569,342	-47,093	8.3
<b>170 · NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT</b>	<b>270,937</b>	<b>455,868</b>	<b>-184,931</b>	<b>- 40.6</b>
180 - ADMINISTRATIVE COSTS:	-323,053	-339,591	16,538	- 4.9
a) staff costs	-192,944	-208,915	15,971	- 7.6
b) other administrative costs	-130,109	-130,676	567	- 0.4
190 - NET PROVISIONS FOR RISKS AND CHARGES	-2,591	-621	-1,970	...
200 - DEPRECIATION OF TANGIBLE ASSETS	-14,126	-13,560	-566	4.2
210 - DEPRECIATION OF INTANGIBLE ASSETS	-17,789	-16,700	-1,089	6.5
220 - OTHER OPERATING EXPENSES AND REVENUES (1)	65,809	38,205	27,604	72.3
<b>230 · OPERATING COSTS</b>	<b>-291,750</b>	<b>-332,267</b>	<b>40,517</b>	<b>- 12.2</b>
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	3,512	2,366	1,146	48.4
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	4	-2	6	...
<b>280 · OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>-17,297</b>	<b>125,965</b>	<b>-143,262</b>	<b>...</b>
290 - INCOME TAXES FOR THE PERIOD	-13,849	-33,407	19,558	- 58.5
<b>300 · OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES</b>	<b>-31,146</b>	<b>92,558</b>	<b>-123,704</b>	<b>...</b>
<b>320 · PROFIT (LOSS) FOR THE PERIOD</b>	<b>-31,146</b>	<b>92,558</b>	<b>-123,704</b>	<b>...</b>
330 - MINORITY INTERESTS	-1,752	2,328	-4,080	...
<b>340 · PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK</b>	<b>-29,394</b>	<b>90,230</b>	<b>-119,624</b>	<b>...</b>
Earnings per share (in Euro)				
- Basic	-0.007	0.044		
- Diluted	-0.007	0.044		

(1) The data relating to the first half of 2012 were reclassified following the clarification provided by the Bank of Italy, with the so-called "Roneata" letter of 15 January 2013, which clarified that the "Fast-track facility fee" is intended for expense recovery and must therefore be recognised under item 220 "Other operating expenses (income)" and not under item 40 "Fee and commission income". The reclassification was equal to €7,589 thousand.