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Analysis

ITALY
Europe/M.East/Africa

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Banca Carige S.p.A.

The A2/P-1/C+ ratings of Banca Carige SpA (Carige) reflect the bank's strong franchise in the north-western Italian region of Liguria, where it has a market share of around 30% and 25% for deposits and loans, respectively, its satisfactory financial fundamentals as well as ongoing integration challenges.

Franchise

FROM A STRONG REGIONAL RETAIL FRANCHISE IN THE NORTH-WESTERN REGION OF LIGURIA...

With €23.5 billion of assets as at June 2005, Banca Carige is the largest retail banking group in the region of Liguria, in north-western Italy, where it enjoys leading market shares of around 30% and 25% for deposits and loans, respectively. These market shares have declined only slightly in recent years. Despite stronger competition from larger banking groups that have entered the region in recent years, we believe that Carige should be able to defend its franchise thanks to a wide product range and a multi-channel distribution approach.

...TO A MID-SIZED MULTI-REGIONAL BANKING GROUP...

In the past few years, Carige has gradually expanded into other Italian regions via small acquisitions or through the purchase of branch networks. As a result, the region of Liguria now accounts for 56% of the bank's lending portfolio compared to around 70% in 2001.

In 2000, Carige acquired 21 branches from Banco di Sicilia mainly located in the southern Italian region of Sicily, and in 2001, it acquired a further 61 branches from Banca Intesa located in several Italian regions. It has also extended its geographical coverage to two new regions, Lazio and Apulia. In 2003, Carige acquired 42 branches, mainly in the regions of Lazio and Sicily, from Capitalia and has also entered the regions of Marche (where it has three branches) and Umbria (a single branch).

During 2004, Banca Carige completed the acquisition of a 90% stake in Cassa di Risparmio di Carrara, a small retail bank based in Tuscany with 31 branches, for around €171 million, with the remaining 10% being owned by the Fondazione Cassa di Risparmio di Carrara. Despite being a small entity with weak financials, we believe that Cassa di Risparmio di Carrara's operating environment represents a good geographical extension of Carige's current branch network in the Tuscany region.

Going forward, the bank plans to open 82 new branches by 2009, mainly in selected provinces of the neighbouring and wealthy northern regions of Piedmont, Lombardy, Tuscany and Emilia Romagna. The aim is to have a more closely knit branch network with a minimum market share in terms of branches of 5%, which management believes would generate a 6-7% market share in terms of volumes.

We view the bank's prudent external growth strategy positively, given its aim of diversifying Carige's geographical presence and increasing its size in a consolidating operating environment. However, it will remain important for any acquisitions to be firmly integrated into the group and for appropriate control procedures to be put in place, and we believe that the bank is now making progress in this respect.

...WITH REGAINED APPETITE FOR ACQUISITIONS

After years of consolidating local banks that it has acquired, Banca Carige is open to further growth through acquisitions outside its home territory in Liguria, focusing particularly on central Italy. Banca Carige is applying the federal banking system, which retains the local banks' brands and autonomy, while leveraging on synergies by rationalising certain functions at a group level. Acquisitions are likely to target small savings banks in central Italy, if valuations are considered reasonable, although Carige does not rule out a merger of equals with a medium-sized group.

We view the strategy to keep the local banks' identity as valid, given their expertise and recognition in their local markets. However, we caution that expansion could potentially weigh on Carige's risk and financial profile and we will therefore continue to monitor the bank's expansion activity closely. We also believe there is scope for still further integration of previously acquired banks, which should help to decrease Carige's cost structure and improve profitability. That said, the process of integration of past acquisitions has been well executed, without any indication of significant risks.

ACQUISITION OF A CONTROLLING STAKE IN BANCA CESARE PONTI COULD STRENGTHEN CARIGE'S POSITION IN PRIVATE BANKING

At the end of 2004, Banca Carige finalised the acquisition of a controlling stake in Banca Cesare Ponti, a small Milan-based private bank, at a cost of around €30 million. Banca Cesare Ponti's position in private banking may be of value in developing Carige's wealth and asset management activities, and in the long term it could serve as Carige's central private banking institution.

In the first six months of 2005, Banca Cesare Ponti reported a profit of €900,000 after booking net losses at year-end 2003 and 2004. The private bank significantly reduced its cost structure, adopting Carige's IT system and centralising several administration services at group level.

Ownership

PRESENCE OF TWO FOREIGN SHAREHOLDERS GIVES BANCA CARIGE ACCESS TO EXPERTISE AND A WIDER RANGE OF PRODUCTS

In recent years the bank has also been able to expand its product range through the support of its two foreign shareholders. We see some value in these alliances, which provide knowledge and expertise.

As the charitable foundation (Fondazione Cassa di Risparmio di Genova, owning 43.4%) is only a financial shareholder, Carige's reference shareholder is the French CNCE group¹ (rated Aa2), with an 11.8% stake.

CNCE provides its expertise in asset management, securitisations, local governments and consumer credit. Regarding the latter, in particular, management recognises the need for development, as the bank lags behind specialised operators. The development of revolving credit cards with a foreign partner is being considered, albeit after 2006. In addition, Moody's expects that CNCE would provide its ample capital to grow in the Italian market through Carige.

The other industrial shareholder is the German WestLB (rated Aa2) with a 5.8% stake, which collaborates in the fields of project finance, infrastructures and asset management. In partnership with CNCE and WestLB, Carige also set up a company called ILI SpA, to carry out project finance activity in order to provide funding for the construction of Italian public infrastructures (e.g., motorways).

Banca Carige is planning a capital increase of around €215 million to be finalised in the first half of 2006, with a view to financing the opening of new branches and acquiring small banks or branches.

1. CNCE: Caisse Nationale des Caisses d'Épargne et de Prévoyance (see Related Research)

Strategy

NEW STRATEGIC PLAN SEEKS TO CONSOLIDATE PAST INVESTMENTS

In November 2005, Banca Carige updated its strategic plan, covering the period to 2008 and incorporating a weaker economic scenario than previously anticipated. The plan is based on the previous business plan and continues to focus on consolidation of past acquisitions, and improvement of performance and efficiency of the group. This also implies that the bank will continue to pursue a standalone strategy, and while acquisition activity appears secondary to organic growth, Carige continues to see itself as an "aggregating" group for small banks, seeking to maintain a meaningful position in the Italian banking sector. The focus remains on the retail segment which is consistent with Carige's size.

The business plan also included recent events, such as the above-mentioned capital increase and the acquisition of Banca Cesare Ponti, as well as a new branch plan envisioning the opening of 50 new branches within the next two years.

LEVERAGING ON ITS INSURANCE COMPANIES PROVIDES GROWTH POTENTIAL

Carige owns almost 100% of two insurance companies, Carige Nuova Vita SpA (life insurer) and Carige Assicurazioni SpA (property & casualty insurer), which together have a client base of around 700,000. The bank's strategy of leveraging on its insurance companies provides good potential in the cross-selling of its banking products, further supported by the Internet (Carige ranks sixth in e-banking in Italy, with a 4.1% share).

We regard this integration between the insurance and retail banking businesses positively, and we take a similar view of the bank's use of a multi-channel distribution system which provides opportunities for the increase of the bank's revenues. In the Italian bancassurance market, banking channels now account for around 70% of new life insurance business. We caution, however, on the implementation of the integration of insurance branches, which we view as challenging in view of the different procedural and cultural approaches of the two networks.

Cross-selling with the bank's one million clients is still very limited (30,000 clients); however, the bank staff are proposing visits by insurance agents to clients with an encouraging success rate (11%) and vice versa (3% success rate for insurance agents proposing visits by bank staff). Carige tries to bundle simple banking and insurance products in packages (e.g., mortgages plus fire insurance) while more tailor-made corporate insurance requires agent intervention.

The life company's volumes are still lower than those of peers, while the P&C company reduced risky lines and the number of motor insurance agents, which is compensated by more profitable policies such as real estate civil liability. A more significant contribution to profitability is expected from 2007, when the effects of an expensive reinsurance contract on the P&C company terminate and the life company should align performance with peers.

Insurance activities should enable Carige to strengthen revenues and deepen client relationships, without incurring significant financial risks. We see the Italian bancassurance market as offering strong long-term growth potential.

Financial Fundamentals

INTEGRATION OF PAST ACQUISITIONS SUPPORTS IMPROVED PROFITABILITY AND EFFICIENCY

After years of integrating its local banks — Banca del Monte di Lucca, Cassa di Risparmio di Savona and Cassa di Risparmio di Carrara — Carige is beginning to derive economies of scale and to record an improvement in cost and revenue measures (cost-to-income improved to a still high 68% in 2004 from 72% in 2003).

Carige's profitability has also improved, thanks to revenue growth from higher volumes and increased cross-selling (from the moderate 2.6 products per client in Liguria), outstripping cost growth — with recurring earning power increasing to a slightly below average 1.62% in 2004 from 1.36% in 2003. The strategic plan targets a 55% cost-to-income in 2008, mainly thanks to a modest increase of personnel expenses and higher commissions. The new strategy may address issues relating to Carige's limited economies of scale and the continuous need for investments, and successful implementation of this is an important element for the bank.

In this respect, the bank is implementing a series of projects targeting both revenues and costs. On the revenues side, the bank is targeting its less efficient branches outside Liguria. Some small branches will be closed, retaining only

ATM functionalities. About 90 branches, evenly split between Lazio, Sicily/Apulia and the north of Italy, are targeting clients with the assistance of a centralised call centre (receiving inputs from head office), a business developer for new clients (with a 5% success rate currently) and a member of staff dedicated to cross-selling, which remains unsatisfactory (despite a 24% success rate). Ultimately, the branch manager can be replaced. These branches are now growing revenues at a higher rate (9%) than the well-performing branches in Liguria (6%), reducing their cost-to-income by 8 percentage points.

Clients are being segmented into corporate, small businesses, private, affluent and mass market (the core market for Banca Carige), with personal financial planning centralised at head office. The bank is targeting immigrants (in line with some peers), if integrated in the local economy, and plans to offer money transfer services in collaboration with a specialised operator from 2006.

The bank is also implementing Basel II for commercial purposes: it is developing 20 commercial strategies based on Probability of Default (PD), e.g., reviewing pricing if too low or developing the business when PD is low.

On the cost side, the bank has centralised and renegotiated its contracts with suppliers (anticipated to generate yearly savings of €10 million) and reduced to three the number of contractors for servicing of real estate outside Liguria, after a bid.

An external consultant is advising on the possible centralisation of branch back office functions (in line with what is being implemented by some peers) in 2006, which would release personnel for front office roles. In any case, the industrial plan envisages an increase of only 90 employees by 2008 (for example, the local branch managers necessary in new branches).

We also note the progress already made in terms of group integration, with the bank's two subsidiaries Cassa di Risparmio di Savona and Banca del Monte di Lucca now being fully integrated. The integration of Cassa di Risparmio di Carrara was delayed by about six months due to negotiations with the unions; however, Carige is now applying the measures used on its underperforming branches to exploit Cassa di Risparmio di Carrara's potential on the mass market.

The cost synergies from the integration of Banca Cesare Ponti should become evident from 2006; however, already in 2005 the bank integrated the IT system and services (at subsidiaries such as Cassa di Risparmio di Carrara), increased its collection of savings and generated a small profit.

ASSET QUALITY REMAINS MODEST AFTER IMPACT OF A MAJOR PROBLEM LOAN IN 2004

The bank's loan portfolio shows a good level of diversification, although with some concentration in construction. The overall concentration in Liguria has declined in recent years but remains significant, accounting for 56% of the loan portfolio.

Management is aware of the need to diversify from Liguria where the economy is expected to remain stagnant, unless there are public investments in infrastructures (particularly the railway linking the ports of Genoa and Rotterdam by tunnel via Switzerland). Currently there is a recovery of commercial shipping (ferries, oil and chemical tankers), also thanks to integration with North Africa; however, tourism and industrial activities (generally small companies) are still weak.

Non-performing loans (NPLs) grew in 2004 due to the default of Festival Crociere SpA (a cruise line) and another correlated client, in addition to the 'clean-up' of the loan book before the introduction of IFRS. New NPL levels for 2005 are considered by management to be more psychological, and the bank does not plan to offer loans to the cruise segment in the future.

Although the stock of NPLs appears to be the highest of the peer group at 4.66% of loans in 2004 (or 4.1% pro forma IFRS) and the reserve coverage the lowest at 40%, this is partly explained by the preponderance of mortgages (inherited from the past incorporation of two medium-term corporate lenders), assisted by real estate collateral. The real estate sector is currently performing well in Liguria, and the bank is mainly lending to retail clients or small initiatives on the coast. Given the above, the bank is confident that either a possible sale of NPLs in 2006 or the continuing management of the NPL portfolio would generate capital gains.

NPLs have since stabilised as a percentage of gross loans and recently improved under IFRS to 3.8% in H1 2005. We, nonetheless, recognise that Carige successfully managed the impact of Festival Crociere SpA, without materially affecting its profitability or coverage measures. A sharp reduction in its loan-loss charges is expected in FYE 2005.

Securitisation of NPLs has resulted in some economic risk through the subscription of the subordinated tranches. Management, however, expects some capital gains from the past real estate bad loans securitisation.

FUNDING PROFILE IMPROVED AND WELL DIVERSIFIED, WITH SECURITISATIONS RELIEVING PRESSURE ON LIQUIDITY

The group's funding has improved and is well diversified, lowering its dependence on interbank funds. After a net decrease in 2003, Carige reported a strong increase (+23%) in customer deposits at year-end 2004, which accounted for 54% of funding. This derived mainly from customers' preference for liquidity, which had a positive effect on deposits, but also from the deposits related to the branch network acquisitions. The bank also issues bonds, some offering a minimum guaranteed return with capital protection, which are increasingly placed with its retail customers. Carige has also started using securitisations, which are helping to diversify the bank's funding sources.

Although funding needs are mainly covered by retail clients, the bank plans to tap the institutional market in 2006 so as to maintain access to this diversified source of funding.

DESPITE REDUCTION, CAPITALISATION IS STILL SATISFACTORY AND EXPECTED TO INCREASE

Despite recent acquisitions, with a Tier 1 ratio of 6.8% in September 2005 under IFRS (although expected to decrease to 5.8% by year-end 2005), capital adequacy was above peer average. Under Carige's new strategic plan, this ratio is expected to improve to 8.2% by 2008, also following a €200 million capital increase planned in H1 2006.

The revaluation of Carige's stake in Banca d'Italia contributed (together with the revaluation of real estate) to an increase of estimated total capital ratio in June 2005 to 12% from 9.7% pre-IFRS. Banca d'Italia subsequently clarified that the stake cannot be revalued but has to be reported at cost. Consequently, Carige will have to revert its revaluation and reduce total capital ratio accordingly. Without this revaluation, equity was effectively unchanged by the first-time adoption of IFRS.

Related Research

Banking System Outlook:

[Italy, November 2005 \(95379\)](#)

Banking Statistical Supplement:

[Italy, September 2005 \(94223\)](#)

Rating Methodology:

[Bank Credit Risk: \(An Analytical Framework for Banks in Developed Markets\), April 1999 \(44246\)](#)

Bank Analysis:

[Caisse Nationale des Caisses d'Épargne et de Prévoyance \(CNCE\), July 2004 \(87522\)](#)

Sub-sovereign Analyses:

[Piedmont, Region of, March 2006, \(96884\)](#)

[Lazio, Region of, February 2006 \(96833\)](#)

[Sicily, Region of, August 2005 \(93816\)](#)

[Emilia Romagna, Region of, August 2005 \(94065\)](#)

[Lombardy, Region of, July 2005 \(93539\)](#)

[Marche, Region of, March 2005 \(91908\)](#)

[Liguria, Region of, February 2005 \(91665\)](#)

[Tuscany, Region of, December 2004 \(90659\)](#)

[Umbria, Region of, March 2003 \(77532\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Banca Carige S.p.A. (Consolidated)

31/12/2004 31/12/2003 31/12/2002 31/12/2001 31/12/2000

Summary Balance Sheet (EUR million)

Cash & central bank	190	193	197	186	130
Due from banks	1,567	918	1,320	1,168	992
Securities	3,053	2,564	2,388	2,801	2,990
Gross loans	10,799	9,582	8,881	7,889	7,190
Loan loss reserves (LLR)	-200	-160	-134	-166	-166
Insurance assets	0	0	0	0	0
Fixed assets	1,176	1,020	967	803	687
Other assets	1,890	1,802	1,770	1,280	979
Total assets	18,475	15,918	15,389	13,962	12,801
Total assets (USD million) [1]	25,208	19,981	16,129	12,367	12,054
Total assets (EUR million)	18,475	15,918	15,389	13,962	12,801
Demand deposits	8,030	6,595	6,239	5,209	4,413
Savings deposits [2]	387	266	661	629	598
Due to banks	979	1,006	1,466	1,439	2,213
Market funds	5,332	4,513	3,657	3,539	3,120
Insurance liabilities	0	0	0	0	0
Other liabilities	1,549	1,380	1,540	1,353	1,096
Total liabilities	16,277	13,760	13,564	12,170	11,441
Subordinated debt	520	517	400	400	0
Shareholders' equity	1,601	1,589	1,402	1,368	1,337
Total capital funds	2,198	2,158	1,825	1,792	1,361
Total liabilities & capital funds	18,475	15,918	15,389	13,962	12,801
Derivatives - notional amount	6,814	6,814	5,965	4,038	3,760
Derivatives - replacement value	—	—	—	—	—
Contingent liabilities	2,684	2,326	2,213	1,951	2,011
Risk weighted assets (RWA)	12,440	11,254	10,164	9,231	7,977
Assets under management (EUR million) [3]	8,407	7,437	6,843	5,672	5,317
Number of employees	4,787	4,354	4,104	3,899	3,696

Summary Income Statement

=+Interest income	695	614	635	683	614
=-Interest expense	290	238	280	324	275
=Net interest income	405	375	355	359	339
=+Trading income	23	11	-6	4	11
=+Fee & Commission income	206	188	171	154	159
=+Insurance income (Net)	0	0	0	0	0
=+Dividend income and other operating income	247	186	167	171	136
=operating income	881	760	686	688	646
=-Personnel expenses	292	268	233	226	206
=-other operating expenses	189	158	152	141	131
= operating funds flow	400	334	301	321	309
=-Amortisation/depreciation	122	121	123	115	98
(Total operating expenses)	603	547	508	482	435
=Preprovision income (PPI)	278	213	178	206	211
=-Loan loss provisions	144	81	71	48	50
+Impairment of goodwill, fixed assets and investments [4]	-24	-15	5	5	-5
=+Result of subsidiaries and associates	24	10	0	0	0
=+Non-recurring items	17	35	16	15	8
=Pretax income	151	161	128	178	164
=-Taxes	47	75	61	81	83
=Net income	104	87	68	97	81
=-Minority interests	3	2	1	1	1
=Net income (group share)	100.94	84.74	66.17	96.06	80.26

Growth Rates (%)

Gross loans	12.71	7.89	12.57	9.73	27.57
Total assets	16.06	3.44	10.22	9.06	22.26
Customer deposits (demand and savings)	22.67	-0.57	18.2	16.51	25.53
Net interest income	7.96	5.73	-1.12	5.89	30.14
Fee and commission income	9.61	10.3	11.06	-3.27	19.34
Operating expenses	10.14	7.71	5.48	10.84	22.23
Preprovision income	30.96	19.55	-13.53	-2.43	15.4
Net income	19.11	28.07	-31.12	19.69	21.79

Income Statement in % Average Risk Weighted Assets

Net interest income	3.42	3.5	3.66	4.17	4.72
Trading income	0.19	0.1	-0.06	0.05	0.16
Fee and commission income	1.74	1.76	1.76	1.78	2.21
Insurance income	—	—	—	—	—
Operating income	7.44	7.1	7.07	7.99	8.99
Operating expenses	5.09	5.11	5.24	5.6	6.05
Preprovision income	2.35	1.99	1.83	2.39	2.94
Loan loss provisions	1.21	0.76	0.73	0.56	0.7
Extraordinary profit	0.15	0.33	0.17	0.18	0.11
Net income	0.88	0.81	0.7	1.13	1.13

Banca Carige S.p.A. (Consolidated)

31/12/2004 31/12/2003 31/12/2002 31/12/2001 31/12/2000

Liquidity, Funding (including sub debt) & Balance Sheet Composition

Avg. liquid assets % avg. total assets	24.67	24.21	27.46	30.89	32.01
Avg. gross loans % avg. total assets	59.26	58.97	57.14	56.34	55.11
Avg. customer deposits % avg. total funding	54.28	54.35	53.88	50.32	48.64
Avg. interbank funds % avg. total funding	7.05	9.76	12.29	16.94	20.4
Avg. market funds (excl. interbank) % avg. total funding	34.98	32.27	30.44	30.89	30.96
Avg. sub debt % avg. total funding	3.68	3.62	3.38	—	—
Avg. liquid assets % avg. customer deposits	55.53	55.08	63.27	76.19	82.75
Avg. gross loans % avg. customer deposits	133.4	134.16	131.65	138.99	142.46
Avg. market funds reliance [5]	6.74	2.96	-5.27	-10.69	-13
Avg. RWA % avg. total assets	68.89	68.41	66.08	64.3	61.72

Breakdown of Operating Income in %

Net interest income % operating income	45.96	49.37	51.72	52.2	52.51
Trading income % operating income	2.6	1.4	-0.85	0.64	1.78
Fee & commission income % operating income	23.39	24.75	24.85	22.33	24.59
Insurance income % operating income	0	0	0	0	0
Other operating income % operating income	28.04	24.48	24.28	24.82	21.12

Profitability

Yield on avg. earning assets (%)	4.81	4.83	5.09	5.82	5.96
Cost of interest bearing liabilities (%)	2.06	1.88	2.37	3.01	2.97
Net interest margin (%) [6]	2.82	3.01	2.85	3.06	3.29
Recurring earning power (Pre-prov. inc. [PPI] % avg. assets)	1.62	1.36	1.21	1.54	1.81
Risk-weighted recurring earning power (PPI % avg. RWA)	2.35	1.99	1.83	2.39	2.94
Post-provision income % avg. assets	0.78	0.84	0.73	1.18	1.38
Post-provision income % avg. risk weighted assets	1.14	1.23	1.1	1.83	2.23
Return on average assets (%)	0.61	0.55	0.46	0.73	0.7
Return on avg. RWA (%)	0.88	0.81	0.7	1.13	1.13
Post-provision income % tier 1 capital	14.67	13.58	14.72	19.62	15.38
Return on equity (period end) (%)	6.31	5.33	4.72	7.02	6
Net interest income coverage of loan loss provisions	2.82	4.63	4.99	7.48	6.72
Loan loss provisions % preprovision income	51.64	38.12	40.01	23.32	23.93
Pre-tax income % operating income	17.18	21.25	18.72	25.89	25.34
Internal capital growth (%)	1.09	0.08	1.8	1.67	0.48
Dividend payout ratio (%)	82.82	98.61	62.72	76.81	91.91

Efficiency

Cost/income ratio (op. expenses % op. income) [7]	68.41	72.03	74.08	70.08	67.34
Adjusted cost/income ratio (incl. non-operating items)	69.17	69.41	70.91	67.13	66.85
Operating expenses % average assets	3.51	3.5	3.46	3.6	3.74
Operating income / employee (EUR thousand)	184.11	174.56	167.18	176.33	174.65
Operating expenses / employee (EUR thousand)	125.95	125.73	123.85	123.58	117.61
PPI / employee (EUR thousand)	58.16	48.83	43.33	52.75	57.04

Asset Quality and Risk Measurement

Problem loans % gross loans	4.66	3.5	3	3.82	3.55
LLR % problem loans	39.67	47.64	50.43	54.99	65.04
LLR % gross loans	1.85	1.67	1.51	2.1	2.31
Loan loss provisions % gross loans	1.33	0.85	0.8	0.61	0.7
Problem loans % (shareholders' equity + LLR)	27.94	19.18	17.33	19.65	16.99
Replacement value % shareholder's equity	—	—	—	—	—

Capital Adequacy (Period End)

Tier 1 ratio (%)	7.38	8.61	7.13	8.71	13.07
Total capital ratio (%)	8.61	11.67	9.01	12.56	12.39
Shareholders' equity % total assets	8.66	9.98	9.11	9.8	10.44
Equity participations % shareholders' equity	19.86	15.74	18.26	16.59	16.68

[1] Historical exchange rates are applied accordingly for USD and EUR figures.

[2] Full disclosure may not be available for all years. The amount is then included in "demand deposits".

[3] As reported by the bank

[4] Includes goodwill amortisation (pre-IFRS).

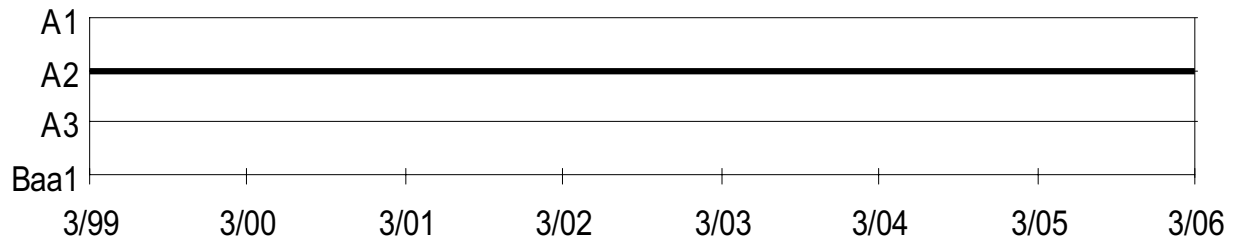
[5] Avg. [(market funds-liquid assets) % (earning assets-liquid assets)]

[6] Although not part of net interest income calculation, the NIM includes dividend income.

[7] Cost/income ratio excludes goodwill amortisation, which is included together with net non-operating income in the adjusted cost/income ratio.

Rating History

Long-term Bank Deposits



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