

PRESS RELEASE



BANCA CARIGE HALF-YEAR RESULTS FOR 2002: NET PROFIT NEAR THE €55 MILLION MARK

Despite the volatility on financial markets that marked the first six months of 2002, Banca Carige achieved not only growth in volumes handled but encouraging results in its income aggregates.

On 12th September 2002 in Genoa the Board of Directors of Banca Carige SpA, chaired by Professor Fausto Cuocolo, approved the half year report 2002 presented to them by Carige's CEO, Mr. Giovanni Berneschi.

Results for Banca Carige were extremely encouraging during the first half of 2002, all the more so when the climate of economic and financial uncertainty that marked the period is taken into account. The first six months of the year coincided also with considerable investments on the part of the Bank in line with its strategic objectives of future growth.

Income from ordinary activities recorded a 5.8% rise to 91 million euros that helped to offset goodwill charges for the period of around 8.5 million stemming from the purchase of branches from Banco di Sicilia and the IntesaBci Group. **Extraordinary aggregates** pulled **net income** slightly back from the result recorded the previous year, which benefited from the extraordinary contribution of 9 million stemming from the sale of some branches in the province of Savona.

Headline results for Banca Carige at 30th June 2002 are as follows:

1H 2002 in millions of euros	Absolute values	Percentage variation over 1H 2001
Total customer deposits	20,373.9	+15.5%
Lending to customers	7,614.8	+9.3%
Operating income	116.6	+5.6%
Net ordinary income	91.0	+5.8%
Net profit	54.9	-5.1%

Net profits for the banking subsidiaries *Cassa di Risparmio di Savona* and *Banca del Monte di Lucca* were in the order of 6.3 m and 0.8 m, respectively. Turning to the Group's insurance providers, *Carige Nuova Italia* recorded a half year profit of 800,000 euros whilst *Levante Norditalia*'s result was 1,164,000 euros. These figures represent an encouraging return on the investments made in strengthening the companies and also confirm the effectiveness of the search for heightened operating synergies throughout the Group which has been a key point of Carige policy over the last few years.

Strategy:

The following steps were taken during the period in order to achieve Banca Carige's overall strategic objectives:

- consolidation of the process of integrating the organisation and IT&C systems of the branches acquired (82 branches distributed over 8 Italian regions);
- strengthening and rationalisation of the insurance subsidiaries *Carige Vita Nuova* and *Levante Norditalia*;
- further segmentation of the Bank's clients both with regards to high net-worth private clients also outside Liguria, and to Carige's corporate client portfolio in Liguria;
- implementation of on line banking services (e-banking and call centre);
- development of mobile distribution channels (insurance agents and affiliated estate agents);
- heightened organisational efficiencies of head office functions.

This phase of reorganisation, which is carried out in order to govern the present expansion process more effectively, will be supplemented by rigorous organisational and technological assessments that are complementary to Carige's mid-term strategic objectives. These assessments aim at:

- strengthening the Bank's distribution network outside its traditional stronghold of Liguria by exploiting to the full the potential commercial synergies existing between the Group's banking outlets and insurance offices;
- increasing opportunities of cross selling also by means of putting into place new instruments in support of sales, as well as utilising the network of private and corporate banking consultants set up within the confines of the segmentation of the Bank's client base;
- achieving greater efficiencies in back office activities carried out both at head office and in the network as a whole by means also of greater use of outsourcing solutions;
- enhancing infrastructure technologies (architecture systems and data models) to state of the art levels by development and acquisition where necessary.

Results

Financial markets during the first six months of the year were marked by persisting negative performances with falls of 22.06% on the Italian general share index MIBTEL and 24.15% on the MIB banking index. In spite of this difficult scenario, the price of Carige shares rose by 6.14%, so confirming it as a valid instrument for portfolio diversification.

The upside for the Bank during the first half of 2002 was to be found certainly in **total customer deposits** (total financial intermediation activities), which at 30/6/02 reached 20,373.9 million, a rise of 4.8% over 31st December 2001 and 15.5% in comparison to the end of June 2001 (excluding the contribution of branches acquired from the IntesaBci Group, this increase is 6.9%). Direct deposits, in particular, recorded a 5.7% in 1H 2002, totalling 8,559.4 million. Indirect deposits rose 4.1% in the same period to 11,814.5 million. In annual terms there was an increase in direct deposits of 22.4% (+12.3% excluding the ex-IntesaBci branches) whilst indirect deposits rose 11% (+3.4% excluding the ex-IntesaBci branches).

Lending to customers reached 7,614.8 million, an increase of 1.9% since 31/12/01. If the securitisation of mortgage loans carried out at the end of last year were not taken into account, expansion in lending for the first half of 2002 would be +9.4%. Over twelve months the rise in lending is +9.3%. Excluding the lending portfolio of the branches acquired and ignoring the bundle of loans securitised, the rise for this aggregate is just over 7%. There was a generalised increase in lending over the full range of the Bank's credit products with particular growth in the mid/long-term segment connected to mortgages and parabanking (leasing, factoring, consumer credit).

Headline figures from the Profit & Loss account including revenues and costs relating to the 61 branches acquired can be summarised as follows:

- **Net interest income** at 30th June 2002 amounted to 148.2 million, substantially unchanged over the first six months of 2001 (30/6/01: 149.2 million; -0.7%);
- **Non-interest income** recorded a 25.3% rise in comparison to the same period of the previous year to reach 176.3 million. This positive result was aided by increased flows in commission income that totalled 80 million (+16.8%), other operating income (57 million; +22.9%), and dividends (52.9 million; +93.3%);
- **Operating costs** rose 15.8% over June 2001 to 207.9 million. This increase was due principally to: personnel charges, the 321 new members of staff previously employed by the IntesaBci Group, provisions, expansion in lease lending, amortisation charges for the period relating to goodwill stemming from the purchase of branches from IntesaBci and related premises, furniture and fittings.
- **Provisions and writedowns** amounted to 25.6 million, up 4.7% over June 2001;
- **Income from ordinary activities** recorded an increase of 5.8% in comparison to the first half of last year (30/6/02: 91 million; 30/6/01: 86 million);
- **Net extraordinary income** was down to 2.2 million over the figure recorded for the first six months of 2001 (11,1 million), an accounting period that benefited from the recording of 9 million stemming from the sale of three branches in the province of Savona to *Banca di Genova e San Giorgio*;
- **Net income** was therefore slightly down (-5.1%) to 54.9 million.

There was continued expansion in Carige's **branch network** in the first six months of the year (from 345 to 349), distributed over 10 regions and 42 provinces. During the year Carige opened two new branches in Genoa, and new outlets in the Milan suburbs (Cologno Monzese), in Sardinia (Nuoro) and in Rome. Remote distribution channels include a network of 406 ATM cash dispensers, 90 more than at June 2001; the number of POS terminals installed in retail outlets grew considerably from 7,150 in June 2001 to 8,872 at 30th June 2002 (a 9.5% increase since the beginning of the year).

Banca Carige's internet services, part of the Bank's integrated multi-channel distribution, rose both in the number of contracts (+52.2% in comparison to June 2001) and the number of users (+47%).

The total of Banca Carige **employees** at 30/6/02 reached 3,517 (June 2001: 3,506).

Reserve volumes rose during the year from 1,332.8 million at 31/12/01 to 1,366.3 million.

Core capital totalled 1,388 million, an increase of 2.3% in comparison to the end of 2001. The Bank's solvability ratio – 17.78% - continues to be well above the minimum level fixed by the Bank of Italy of 7%. Banca Carige is line with all the indicators presently in force fixed by the Bank of Italy and the Italian Interbank Deposit Protection Fund (FITD).

The Group's total assets at 31/6/02 reached 13,829.7 million; **total financial intermediation activities** (TFA) rose 13.4% to 23,200.4 million whilst **loans to customers** amounted to 8,509.2 million, up 8.6% in annual terms. **Consolidated net profit** for the Banca Carige Group at 30th June 2002 totalled 29.6 million.

Against a backdrop of gradual improvement on financial markets, Banca Carige is confident that results for 2002 will be in line with those recorded at 31st December 2001.

The half year report 2002 will be available at www.carige.it.

FINANCIAL HIGHLIGHTS

	30/6/02	31/3/02	31/12/01	30/6/01	Change %	
					6/02-12/01	6/02-6/01
BALANCE SHEET (1)						
Total assets	12,801.5	12,499.9	12,835.5	11,481.0	- 0.3	11.5
Funding	10,157.6	9,943.8	10,151.6	9,052.4	0.1	12.2
– Customer Deposits	8,559.4	8,322.1	8,099.3	6,994.1	5.7	22.4
– Amounts owed to customers	5,084.5	4,987.4	4,863.1	3,963.5	4.6	28.3
– Debts evidenced by certificates	3,474.9	3,334.7	3,236.2	3,030.6	7.4	14.7
– Deposits from Banks	1,197.8	1,221.4	1,652.0	2,057.9	- 27.5	- 41.8
– Funds managed on behalf of third parties	0.3	0.3	0.3	0.3	- 1.0	- 4.2
– Subordinated loans	400.0	400.0	400	0.0	-	...
Other Financial Intermediation Activities (OFIA)	11,814.5	11,740.4	11,348.9	10,642.0	4.1	11.0
– Assets Under Management	5,618.2	5,695.8	5,671.8	5,160.1	- 0.9	8.9
– Assets in Custody	6,196.3	6,044.6	5,677.1	5,481.9	9.1	13.0
Total Financial Intermediation Activities (TFIA)	20,373.9	20,062.5	19,448.2	17,636.1	4.8	15.5
Lending (2) (3)	10,945.5	10,749.7	11,026.8	10,159.5	- 0.7	7.7
– Loans to Customers (2) (3)	7,614.8	7,398.0	7,471.2	6,964.4	1.9	9.3
– Loans to Banks (2)	808.3	585.4	1,122.3	486.8	- 28.0	66.1
– Securities	2,522.4	2,766.3	2,433.3	2,708.4	3.7	- 6.9
– Investment securities	316.7	387.1	441.3	441.5	- 28.2	- 28.3
– Trading securities	2,205.7	2,379.2	1,992.0	2,266.8	10.7	- 2.7
Shareholders' Equity (4)	1,366.3	1,334.7	1,332.8	1,329.2	2.5	2.8
INCOME STATEMENT (1)						
Operating Income	116.6	54.2	219.1	110.4		5.6
Income from Ordinary Activities	91.0	42.2	171.6	86.0		5.8
Income before Taxation	93.2	42.9	184.5	97.1		- 4.1
Net Income	54.9	24.9	103.5	57.8		- 5.1
RESOURCES (5)						
Number of branches	349	348	345	281	1.2	24.2
Number of employees	3,517	3,527	3,506	3,132	0.3	12.3
FINANCIAL RATIOS						
Non interest income						
/ Gross operating income	54.33%	50.83%	48.59%	48.53%		
Operating costs						
/ Gross operating income	64.08%	64.54%	63.53%	61.91%		
Income before Taxation						
/ Shareholders' Equity	6.82%	3.21%	13.84%	7.31%		
ROE	4.02%	1.87%	7.77%	4.35%		
ROAE (6)	4.06%	1.87%	7.86%	4.40%		
SOLVENCY RATIOS						
Risk-Weighted Assets (RWA) (1)	7,808.8	7,282.2	7,459.7	6,585.5	4.7	18.6
Tier 1% of RWA	12.91%	13.79%	13.08%	18.95%		
Total Capital % of RWA	17.78%	19.03%	18.19%	18.60%		

(1) Millions of Euro.

(2) Gross of allowance for credit risks.

(3) Including leased fixed assets.

(4) Including reserves for general banking risks.

(5) Statistics at the end of period.

(6) Net income on average shareholders' equity (Return On Average Equity).

BALANCE SHEET

ASSETS	Change %				
(Thousands Euro)	30/6/02	31/12/01	30/6/01	6/02-12/01	6/01-12/00
10 CASH IN HAND, BALANCES WITH CENTRAL BANKS AND POST OFFICES	138,947	164,675	83,882	- 15.6	- 25.1
20 TREASURY CERTIFICATES AND OTHER BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	363,325	418,493	400,354	- 13.2	- 7.6
30 LOANS AND ADVANCES TO CREDIT INSTITUTIONS:	801,289	1,114,875	479,995	- 28.1	- 50.1
(a) repayable on demand	292,326	262,254	61,949	11.5	- 87.8
(b) other loans and advances	508,963	852,620	418,046	- 40.3	- 8.2
40 ACCRUED INCOME AND PREPAID EXPENSES:	7,057,013	6,982,175	6,538,107	1.1	4.1
including:					
– loans using funds managed on behalf of third parties	160	188	188	- 14.9	17.9
50 BONDS AND OTHER FIXED-INCOME SECURITIES:	1,986,169	1,921,680	2,198,014	3.4	10.0
(a) issued by public bodies	1,144,007	989,111	1,178,346	15.7	0.9
(b) issued by banks	551,302	577,786	616,098	- 4.6	26.3
including:					
– own securities	51,926	53,059	46,667	- 2.1	- 17.1
(c) issued by financial institutions	211,561	250,511	325,267	- 15.5	28.1
including:					
– own securities					
(d) issued by others	79,299	104,272	78,304	- 23.9	- 11.4
60 SHARES, QUOTAS AND OTHER EQUITY SECURITIES	172,949	93,181	109,994	85.6	- 22.1
70 EQUITY INVESTMENTS	58,033	57,720	57,143	0.5	5.7
80 INVESTMENTS IN GROUP COMPANIES	581,100	561,085	561,079	3.6	0.0
90 INTANGIBLE FIXED ASSETS	349,142	357,298	85,140	- 2.3	- 0.2
including:					
– start-up costs	2,089	3,131	3,478	- 33.3	- 23.6
– goodwill	322,477	330,912	60,397	- 2.5	- 5.1
100 TANGIBLE FIXED ASSETS	687,462	627,510	574,993	9.6	9.8
including:					
– leasing	443,076	380,268	331,200	16.5	18.4
120 OWN SHARES	19,132	21,838	9,014	- 12.4	- 48.9
(nominal value: Lit. 9,650)					
130 OTHER ASSETS	499,078	428,107	295,295	16.6	- 20.9
140 ACCRUED INCOME AND PREPAID EXPENSES:	87,856	86,837	87,959	1.2	- 3.1
(a) accrued income	74,447	78,310	81,718	- 4.9	- 3.6
(b) prepaid expenses	13,409	8,527	6,241	57.3	4.2
including:					
– discount on bonds issued	4,938	2,159	1,022	...	- 17.5
TOTAL ASSETS	12,801,495	12,835,474	11,480,969	- 0.3	- 1.3

LIABILITIES AND STOCKHOLDERS' EQUITY

(Thousands Euro)	30/6/02	31/12/01	30/6/01	Change %	
				6/02-12/01	6/01-12/00
10 - AMOUNTS OWED TO CREDIT INSTITUTIONS:	1,197,827	1,651,997	2,057,944	- 27.5	- 11.9
(a) repayable on demand	188,793	62,726	52,550	...	- 61.6
(b) with agreed maturity dates or periods of notice	1,009,034	1,589,271	2,005,394	- 36.5	- 8.8
20 AMOUNTS OWED TO CUSTOMERS:	5,084,521	4,863,055	3,963,493	4.6	- 3.1
(a) repayable on demand	4,488,837	4,495,688	3,557,690	- 0.2	- 4.8
(b) with agreed maturity dates or periods of notice	595,684	367,366	405,803	62.1	14.5
30 DEBTS EVIDENCED BY CERTIFICATES:	3,474,918	3,236,263	3,030,634	7.4	7.2
(a) bonds	2,970,109	2,691,729	2,542,813	10.3	12.3
(b) certificates of deposits	427,997	474,394	430,969	- 9.8	- 11.9
(c) other	76,812	70,140	56,852	9.5	- 21.1
40 FUNDS MANAGED ON BEHALF OF THIRD PARTIES	297	298	316	- 0.3	36.0
50 OTHER LIABILITIES	633,524	615,210	473,604	3.0	30.0
60 ACCRUED EXPENSES AND DEFERRED INCOME:	143,199	132,066	133,662	8.4	- 9.3
(a) accrued expenses	89,314	91,045	95,842	- 1.9	- 14.9
(b) deferred income	53,885	41,021	37,820	31.4	8.8
70 RESERVE FOR TERMINATION INDEMNITIES	72,162	71,068	62,455	1.5	0.9
80 RESERVES FOR RISKS AND CHARGES	368,704	423,974	366,707	- 13.0	- 9.8
(a) reserves for pensions and similar commitments	296,803	297,736	297,800	- 0.3	0.1
(b) reserves for taxation	54,639	98,069	53,071	- 44.3	- 38.4
(c) other reserves	17,262	28,169	15,836	- 38.7	- 30.8
90 RESERVES FOR LOAN LOSSES	5,165	5,165	5,165	-	-
100 RESERVES FOR GENERAL BANKING RISKS	5,165	5,165	5,165	-	-
110 SUBORDINATED LOANS	400,000	400,000	-	-	...
120 CAPITAL STOCK	1,020,550	1,017,510	1,017,510	0.3	-
130 ADDITIONAL PAID-IN CAPITAL	132,655	132,005	128,330	0.5	2.9
140 RESERVES	199,956	170,197	170,197	17.5	16.8
(a) legal reserve	56,869	46,515	46,515	22.3	26.8
(b) reserve for purchase of treasury stock	19,132	21,838	9,014	- 12.4	- 48.9
(c) statutory reserves	-	-	-	-	-
(d) other reserves	123,955	101,845	114,669	21.7	25.4
150 REVALUATION RESERVES	7,956	7,956	7,956	-	-
170 NET INCOME	54,896	103,545	57,831	- 47.0	- 41.1
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	12,801,495	12,835,474	11,480,969	- 0.3	- 1.3

GUARANTEES AND COMMITMENTS

10 GUARANTEES GIVEN	1,279,741	1,219,483	1,167,109	4.9	5.0
including:					
- acceptances	4,001	9,514	6,140	- 57.9	39.1
- other guarantees	1,275,740	1,209,969	1,160,969	5.4	4.9
20 COMMITMENTS	528,557	628,686	623,198	- 15.9	- 14.2
including:					
- repurchase agreements	-	-	-	-	-

INCOME STATEMENT

(thousands Euro)	30/6/02	31/12/01	30/6/01	Change %	
				6/02-6/01	6/01-6/00
10 - INTEREST INCOME AND SIMILAR REVENUES	275,216	608,987	308,367	- 10.8	28.0
including:					
– loans and advances to customers	212,989	452,528	226,570	- 6.0	28.1
– fixed-income securities	50,443	128,225	68,662	- 26.5	31.0
20 - INTEREST EXPENSE AND SIMILAR CHARGES	- 127,021	- 300,164	- 159,155	- 20.2	47.2
including:					
– amounts owed to customers	- 30,605	- 64,994	- 33,557	- 8.8	56.8
– securities issued	- 68,745	- 135,796	- 67,001	2.6	34.1
30 - DIVIDENDS AND OTHER REVENUES:	52,937	39,029	27,384	93.3	98.3
(a) from shares, quotas and other equity securities	2,660	2,858	1,629	63.3	51.4
(b) from equity investments	38,324	16,232	15,838	...	72.2
(c) from equity investments in group companies	11,953	19,939	9,917	20.5	...
40 - COMMISSION INCOME	79,990	144,204	68,467	16.8	- 3.2
50 - COMMISSION EXPENSES	- 5,546	- 12,019	- 5,470	1.4	16.8
60 - GAINS (LOSSES) FROM FINANCIAL TRANSACTIONS, NET	- 3,047	3,244	5,291	- 157.6	- 76.7
70 - OTHER OPERATING INCOME	57,010	121,702	46,405	22.9	17.4
80 - ADMINISTRATIVE COSTS:	- 158,969	- 301,550	- 142,840	11.3	9.2
(a) personnel	- 101,024	- 191,935	- 93,433	8.1	8.3
including:					
– wages and salaries	- 67,581	- 117,002	- 61,845	9.3	9.2
– social security costs	- 18,494	- 32,702	- 16,704	10.7	8.8
– termination indemnities	- 4,675	- 9,008	- 4,726	- 1.1	7.3
– pensions and similar commitments	- 6,114	- 11,899	- 5,560	10.0	0.1
(b) other administrative costs	- 57,945	- 109,615	- 49,407	17.3	10.9
90 - DEPRECIATION AND AMORTIZATION OF INTANGIBLE AND TANGIBLE FIXED ASSETS	- 48,950	- 80,087	- 36,645	33.6	16.2
100 - PROVISIONS FOR RISKS AND CHARGES	- 2,350	- 2,784	- 1,500	56.6	...
110 - OTHER OPERATING EXPENSES	- 5,059	- 4,227	- 1,394	...	- 6.7
120 - PROVISIONS FOR LOAN LOSSES AND FOR GUARANTEES AND COMMITMENTS	- 28,896	- 48,154	- 24,933	15.9	14.7
130 - RECOVERIES OF LOANS AND REVERSALS OF PROVISIONS FOR GUARANTEES AND COMMITMENTS	5,610	5,609	2,026	...	- 50.9
140 - ADDITIONAL PROVISIONS FOR LOAN LOSSES	-	- 2,433	-	-	-
150 - WRITE-DOWNS TO FINANCIAL FIXED ASSETS	- 11	- 26	- 15	- 27.6	- 14.3
160 - RECOVERIES OF FINANCIAL FIXED ASSETS	88	263	-	...	-
170 - INCOME FROM ORDINARY ACTIVITIES	91,002	171,594	85,987	5.8	- 7.2
180 - EXTRAORDINARY INCOME	3,742	15,469	13,018	- 71.3	...
190 - EXTRAORDINARY EXPENSES	- 1,548	- 2,589	- 1,872	- 17.3	- 21.7
200 - EXTRAORDINARY INCOME, NET	2,194	12,880	11,146	- 80.3	...
220 - INCOME TAXES	- 38,300	- 80,929	- 39,302	- 2.5	- 7.0
230 - NET INCOME	54,896	103,545	57,831	- 5.1	12.1

RECLASSIFIED INCOME STATEMENT

INCOME STATEMENT (thousands Euro)

	30/6/02	30/3/02	31/12/01	30/6/01	6/02-6/01	
					absolute	%
10 Interest income and similar revenues	275,216	138,383	608,987	308,367	-33,151	-10.8
20 Interest expense and similar charges	- 127,021	- 63,192	- 300,164	- 159,155	32,134	-20.2
NET INTEREST INCOME	148,195	75,191	308,823	149,212	-1,017	-0.7
40 Commission income	79,990	40,384	144,204	68,467	11,524	16.8
50 Commission expenses	- 5,546	- 1,953	- 12,019	- 5,470	-76	1.4
60 Gains (losses) from financial transactions	- 3,047	1,656	3,244	5,291	-8,338	-157.6
30 Dividends and other revenues	52,937	12,702	39,029	27,384	25,553	93.3
70 Other operating income	57,010	27,484	121,702	46,405	10,605	22.9
110 Other operating expenses	- 5,059	- 2,546	- 4,227	- 1,394	-3,665	262.9
NON INTEREST INCOME	176,285	77,727	291,933	140,682	35,603	25.3
GROSS OPERATING INCOME	324,480	152,918	600,756	289,894	34,586	11.9
80 Administrative costs	- 158,969	- 74,658	- 301,550	- 142,840	-16,129	11.3
– Personnel	- 101,024	- 51,508	- 191,935	- 93,433	-7,591	8.1
– Other administrative costs	- 57,945	- 23,150	- 109,615	- 49,407	-8,538	17.3
90 Depreciation and amortization of intangible and tangible fixed assets	- 48,950	- 24,032	- 80,087	-36,645	-12,305	33.6
OPERATING COSTS	-207,919	-98,690	-381,637	-179,485	-28,434	15.8
OPERATING INCOME	116,561	54,228	219,119	110,409	6,152	5.6
100 Provisions for risks and charges	-2,350	-1,426	-2,784	-1,500	-850	56.7
120 Provisions for loan losses and for guarantees and commitments	-28,896	-12,327	-48,154	-24,933	-3,963	15.9
130 Recoveries of loans and reversals of provisions for guarantees and commitments	5,610	1,715	5,609	2,026	3,584	176.9
140 Additional provisions for loan losses	-	-	-2,433	-	-	...
150 Write-downs to financial fixed assets	-11	-	-26	-15	4	-26.7
160 Recoveries of financial fixed assets	88	-	263	-	88	...
PROVISIONS AND WRITE-DOWNS	-25,559	-12,038	-47,525	-24,422	-1,137	4.7
170 INCOME FROM ORDINARY ACTIVITIES	91,002	42,190	171,594	85,987	5,015	5.8
180 Extraordinary income	3,742	1,650	15,469	13,018	-9,276	-71.3
190 Extraordinary expenses	- 1,548	- 940	- 2,589	-1,872	324	-17.3
200 EXTRAORDINARY INCOME, NET	2,194	710	12,880	11,146	-8,952	-80.3
INCOME BEFORE TAXATION	93,196	42,900	184,474	97,133	-3,937	-4.1
220 Income taxes	- 38,300	- 18,000	- 80,929	-39,302	1,002	-2.5
230 NET INCOME	54,896	24,900	103,545	57,831	-2,935	-5.1

CONSOLIDATED FINANCIAL HIGHLIGHTS

	30/6/02	31/3/02	31/12/01	30/6/01	Change %	
					6/01-12/01	6/02-6/01
BALANCE SHEET (1)						
Total assets	13,829.7	13,573.3	13,961.8	12,597.4	- 0.9	9.8
Funding	11,170.8	10,951.7	11,216.7	10,118.9	- 0.4	10.4
– Customer Deposits	9,830.8	9,584.2	9,377.2	8,222.7	4.8	19.6
– Amounts owed to customers	6,047.9	5,948.9	5,838.1	4,889.1	3.6	23.7
– Debts evidenced by certificates	3,782.9	3,635.3	3,539.1	3,333.6	6.9	13.5
– Deposits from Banks	939.7	967.2	1,439.2	1,895.9	- 34.7	- 50.4
– Funds managed on behalf of third parties	0.3	0.3	0.3	0.3	-	- 3.2
– Subordinated loans	400.0	400.0	400.0	-	-	...
Other Financial Intermediation Activities (OFIA)	13,369.6	13,313.8	12,884.8	12,234.7	3.8	9.3
– Assets Under Management	6,362.1	6,453.6	6,421.6	5,921.0	- 0.9	7.5
– Assets in Custody	7,007.5	6,860.2	6,463.2	6,313.7	8.4	11.0
Total Financial Intermediation Activities (TFIA)	23,200.4	22,898.0	22,262.0	20,457.4	4.2	13.4
Lending (2) (3)	12,176.1	11,991.4	12,317.2	11,447.1	- 1.1	6.4
– Loans to Customers (2) (3)	8,509.2	8,283.4	8,341.4	7,833.5	2.0	8.6
– Loans to Banks (2)	798.9	577.9	1,175.1	511.0	- 32.0	56.3
– Securities	2,868.0	3,130.1	2,800.7	3,102.7	2.4	- 7.6
– Investment Securities	335.7	405.3	460.1	462.6	- 27.0	- 27.4
– Trading Securities	2,532.3	2,724.8	2,340.6	2,640.1	8.2	- 4.1
Shareholders' Equity (4)	1,302.4	1,277.4	1,275.5	1,272.8	2.1	2.3
GROUP INSURANCE COMPANIES (1)						
Total premiums	337.9	155.2	668.3	343.1	- 1.5	
Damages paid-out	132.9	103.0	512.9	272.8	- 51.3	
INCOME STATEMENT (1)						
Operating Income	81.7	48.2	213.2	100.5	- 18.7	
Income from Ordinary Activities	54.9	36.1	162.6	74.8	- 26.7	
Income before Taxation	57.4	36.7	178.0	86.7	- 33.8	
Net Income	29.6	19.6	96.1	49.6	- 40.2	
RESOURCES (5)						
Number of branches	408	407	403	337	1.2	21.1
Number of employees	4,112	4,129	4,104	3,743	0.2	9.9
Insurance companies:						
- number of branches	455	470	482	525	- 5.6	- 13.3
- number of employees	406	405	408	405	- 0.5	0.2
FINANCIAL RATIOS						
Non interest income						
/ Gross operating income	48.16%	48.41%	47.64%	46.72%		
Operating costs						
/ Gross operating income	75.47%	71.46%	68.89%	69.21%		
Income before Taxation						
/ Shareholders' Equity (4)	4.41%	2.88%	13.96%	6.81%		
ROE	2.27%	1.53%	7.53%	3.90%		
ROAE (6)	2.30%	1.53%	7.58%	3.92%		
SOLVENCY RATIOS (7)						
Risk-Weighted Assets (RWA) (1)	8,229.8	7,753.3	7,909.0	6,995.9	4.1	17.6
Tier 1% of RWA	9.92%	10.68%	10.17%	15.35%		
Total Capital % of RWA	14.46%	15.26%	14.66%	14.60%		

(1) Billions of Italian Lire.

(2) Gross of allowance for credit risks.

(3) Including leased fixed assets.

(4) Including reserves for general banking risks.

(5) Statistics at the end of period.

(6) Net income on average shareholders' equity (Return On Average Equity).

(7) Ratios communicated to the Bank of Italy. Excluding ratios at 31/3/2002

CONSOLIDATED BALANCE SHEET

ASSETS	Change %				
(thousands Euro)	30/6/02	31/12/01	30/6/01	6/02-12/01	6/01-12/00
10 - CASH IN HAND, BALANCES WITH CENTRAL BANKS AND POST OFFICES	156,955	186,280	94,943	- 15.7	- 26.9
20 - TREASURY CERTIFICATES AND OTHER BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	492,911	576,767	558,712	- 14.5	- 13.4
30 - LOANS AND ADVANCES TO CREDIT INSTITUTIONS:	791,928	1,167,647	504,224	- 32.2	- 49.2
(a) repayable on demand	272,903	309,564	93,119	- 11.8	- 82.4
(b) other loans and advances	519,025	858,083	411,105	- 39.5	- 11.0
40 - ACCRUED INCOME AND PREPAID EXPENSES:	7,828,668	7,723,697	7,277,475	1.4	3.6
including:					
– loans using funds managed on behalf of third parties	160	188	188	- 14.9	17.9
50 - BONDS AND OTHER FIXED-INCOME SECURITIES:	2,198,644	2,125,965	2,428,665	3.4	10.5
(a) issued by public bodies	1,268,623	1,109,388	1,314,850	14.4	2.8
(b) issued by banks	623,020	642,805	694,270	- 3.1	22.8
including:					
– own securities	54,195	54,776	54,235	- 1.1	- 23.3
(c) issued by financial institutions	222,330	262,401	327,565	- 15.3	28.4
including:					
– own securities	-	-	-	-	-
(d) issued by others	84,671	111,371	91,980	- 24.0	- 6.2
60 - SHARES, QUOTAS AND OTHER EQUITY SECURITIES	176,425	97,938	115,301	80.1	- 21.7
70 - EQUITY INVESTMENTS	75,208	97,356	93,524	- 22.7	1.2
80 - INVESTMENTS IN GROUP COMPANIES	150,916	129,400	128,814	16.6	- 1.7
90 - POSITIVE DIFFERENCE ARISING FROM CONSOLIDATION	91,479	94,197	96,914	- 2.9	- 2.7
100 - POSITIVE DIFFERENCE ARISING FROM APPLICATION OF THE EQUITY METHOD	14,632	15,359	16,085	- 4.7	- 4.3
110 - INTANGIBLE FIXED ASSETS	349,927	358,201	86,113	- 2.3	0.2
including:					
– start-up costs	2,104	3,149	3,499	- 33.2	- 23.6
– goodwill	322,477	330,912	60,397	- 2.5	- 5.1
120 - TANGIBLE FIXED ASSETS	852,238	803,246	746,219	6.1	8.6
140 - OWN SHARES	33,127	35,832	23,008	- 7.5	- 27.2
(nominal value: Lit. 34,650)					
150 - OTHER ASSETS	517,927	450,477	323,282	15.0	- 20.0
160 - ACCRUED INCOME AND PREPAID EXPENSES:	98,738	99,446	104,114	- 0.7	- 0.5
(a) accrued income	84,697	90,315	97,015	- 6.2	- 1.1
(b) prepaid expenses	14,041	9,131	7,099	53.8	8.2
including:					
– discount on bonds issued	4,938	2,159	1,022	...	- 17.5
TOTAL ASSETS	13,829,723	13,961,808	12,597,393	- 0.9	- 1.5

LIABILITIES AND STOCKHOLDERS' EQUITY

				Change %	
(thousands Euro)	30/6/02	31/12/01	30/6/01	6/02-12/01	6/01-12/00
10 - AMOUNTS OWED TO CREDIT INSTITUTIONS:	939,683	1,439,221	1,895,933	- 34.7	- 14.3
(a) repayable on demand	90,070	86,041	57,028	4.7	- 63.5
(b) with agreed maturity dates or periods of notice	849,613	1,353,180	1,838,905	- 37.2	- 10.6
20 - AMOUNTS OWED TO CUSTOMERS:	6,047,909	5,838,151	4,889,080	3.6	- 2.4
(a) repayable on demand	5,192,118	5,208,676	4,203,662	- 0.3	- 4.7
(b) with agreed maturity dates or periods of notice	855,791	629,475	685,418	36.0	14.6
30 - DEBTS EVIDENCED BY CERTIFICATES:	3,782,914	3,539,076	3,333,578	6.9	6.8
(a) bonds	3,234,031	2,943,444	2,792,609	9.9	11.8
(b) certificates of deposits	464,126	515,059	477,383	- 9.9	- 11.7
(c) other	84,757	80,573	63,586	5.2	- 21.9
40 - FUNDS MANAGED ON BEHALF OF THIRD PARTIES	297	298	316	- 0.3	36.0
50 - OTHER LIABILITIES	691,744	684,111	530,241	1.1	24.0
60 - ACCRUED EXPENSES AND DEFERRED INCOME:	150,854	139,398	144,922	8.2	- 7.0
(a) accrued expenses	94,088	95,191	103,969	- 1.2	- 11.7
(b) deferred income	56,766	44,207	40,953	28.4	7.6
70 - RESERVE FOR TERMINATION INDEMNITIES	90,695	89,611	83,329	1.2	0.8
80 - RESERVES FOR RISKS AND CHARGES	365,792	433,199	373,230	- 15.6	- 9.9
(a) reserves for pensions and similar commitments	303,327	304,260	304,087	- 0.3	0.1
(b) reserves for taxation	38,728	94,234	46,915	- 58.9	- 38.2
(c) other reserves	23,737	34,705	22,228	- 31.6	- 24.7
90 - RESERVES FOR LOAN LOSSES	6,703	6,708	3,717	- 0.1	- 9.4
100 - RESERVES FOR GENERAL BANKING RISKS	5,165	5,165	5,165	-	-
110 - SUBORDINATED LOANS	400,000	400,000	-	-	-
130 - NEGATIVE DIFFERENCE ARISING FROM APPLICATION OF THE EQUITY METHOD	1,995	1,995	2,011	-	1.5
140 - MINORITY INTERESTS	19,151	18,507	18,692	3.5	1.6
150 - CAPITAL STOCK	1,020,550	1,017,510	1,017,510	0.3	-
160 - ADDITIONAL PAID-IN CAPITAL	132,655	132,005	128,330	0.5	2.9
170 - RESERVES	135,947	112,742	113,725	20.6	8.7
(a) legal reserve	56,869	46,515	46,515	22.3	26.1
(b) reserve for purchase of treasury stock	33,127	35,832	23,008	- 7.5	- 27.2
(c) statutory reserves	-	-	-	-	-
(d) other reserves	45,951	30,395	44,202	51.2	22.5
180 - REVALUATION RESERVES	8,050	8,050	8,050	-	-
200 - NET INCOME	29,619	96,061	49,564	- 69.2	- 38.2
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	13,829,723	13,961,808	12,597,393	- 0.9	- 1.5

GUARANTEES AND COMMITMENTS

10 - GUARANTEES GIVEN	1,353,145	1,292,422	1,243,102	4.7	5.4
including:					
- acceptances	4,172	9,514	6,961	- 56.1	57.7
- other guarantees	1,348,973	1,282,908	1,236,141	5.1	5.2
20 - COMMITMENTS	570,250	658,555	715,010	- 13.4	- 14.0
including:					
- repurchase agreements	-	-	-	-	-

CONDOLIDATED INCOME STATEMENT

<i>(thousands Euro)</i>	30/6/02	31/12/01	30/6/01	Change %	
				6/02-6/01	6/01-6/00
10 - INTEREST INCOME AND SIMILAR	308,013	682,992	346,699	- 11.2	25.8
including:					
– loans and advances to customers	238,734	506,940	254,550	- 6.2	26.6
– fixed-income securities	57,737	147,251	78,642	- 26.6	27.3
20 - INTEREST EXPENSE AND SIMILAR	- 135,343	- 324,108	- 172,869	- 21.7	43.8
including:					
– amounts owed to customers	- 38,592	- 86,084	- 45,054	- 14.3	45.2
– securities issued	- 73,908	- 147,215	- 72,595	1.8	32.0
30 - DIVIDENDS AND OTHER REVENUES:	8,235	9,348	8,072	2.0	...
(a) from shares, quotas and other equity securities	2,689	2,923	1,676	60.4	53.0
(b) from equity investments	5,546	6,425	6,396	- 13.3	60.7
(c) from equity investments in group companies	-	-	-
40 - COMMISSION INCOME	91,462	166,254	79,492	15.1	- 5.4
50 - COMMISSION EXPENSES	- 5,893	- 12,711	- 5,854	0.7	19.0
60 - GAINS (LOSSES) FROM FINANCIAL TRANSACTIONS, NET	- 3,237	4,427	5,569	...	- 73.6
70 - OTHER OPERATING INCOME	74,359	161,308	66,192	12.3	11.9
80 - ADMINISTRATIVE COSTS:	- 185,252	- 357,217	- 171,169	8.2	7.9
(a) personnel	- 117,724	- 225,839	- 110,183	6.8	7.2
including:					
– wages and salaries	- 78,351	- 139,232	- 72,898	7.5	7.7
– social security costs	- 21,550	- 39,131	- 19,775	9.0	8.4
– termination indemnities	- 5,714	- 11,068	- 5,821	- 1.8	2.9
– pensions and similar commitments	- 6,780	- 13,147	- 5,663	19.7	1.5
(b) other administrative costs	- 67,528	- 131,378	- 60,986	10.7	9.4
90 - DEPRECIATION AND AMORTIZATION OF INTANGIBLE AND TANGIBLE FIXED	- 66,127	- 114,903	- 54,645	21.0	9.6
100 - PROVISIONS FOR RISKS AND CHARGES	- 2,384	- 2,908	- 1,883	26.6	...
110 - OTHER OPERATING EXPENSES	- 6,459	- 9,720	- 3,337	93.6	17.1
120 - PROVISIONS FOR LOAN LOSSES AND FOR GUARANTEES AND COMMITMENTS	- 31,226	- 50,370	- 26,877	16.2	10.5
130 - RECOVERIES OF LOANS AND REVERSALS OF PROVISIONS FOR GUARANTEES AND COMMITMENTS	6,924	9,709	3,140	...	- 38.9
140 - ADDITIONAL PROVISIONS FOR LOAN	- 209	- 7,296	-
150 - WRITE-DOWNS TO FINANCIAL FIXED	- 25	- 57	- 16	56.3	- 16.2
160 - RECOVERIES OF FINANCIAL FIXED ASSETS	88	270	-
170 - PROFIT (LOSSES) ON INVESTMENTS CARRIED AT EQUITY	1,945	7,575	2,319	- 16.1	- 69.9
180 - INCOME FROM ORDINARY ACTIVITIES	54,871	162,593	74,833	- 26.7	- 14.7
190 - EXTRAORDINARY INCOME	6,099	18,997	14,036	- 56.5	...
200 - EXTRAORDINARY EXPENSES	- 3,572	- 3,585	- 2,138	67.1	- 19.8
210 - EXTRAORDINARY INCOME, NET	2,527	15,412	11,898	- 78.8	...
240 - INCOME TAXES	- 27,141	- 80,977	- 36,850	- 26.3	0.6
250 - MINORITY INTERESTS	- 638	- 967	- 317	...	- 15.8
260 - NET INCOME	29,619	96,061	49,564	- 40.2	- 9.0

RECLASSIFIED INCOME STATEMENT

INCOME STATEMENT (thousands Euro)

	30/06/02	30/03/02	31/12/01	30/06/01	6/02-6/01	
					absolute	%
10 Interest income and similar revenues	308,013	154,592	682,992	346,699	-38,686	-11.2
20 Interest expense and similar charges	-135,343	-67,445	-324,108	-172,869	37,526	-21.7
NET INTEREST INCOME	172,670	87,147	358,884	173,830	-1,160	-0.7
40 Commission income	91,462	45,977	166,254	79,492	11,970	15.1
50 Commission expenses	-5,893	-2,217	-12,711	-5,854	-39	0.7
60 Gains (losses)						
from financial transactions	-3,237	1,651	4,427	5,569	-8,806	...
30 Dividends and other revenues	8,235	2,773	9,348	8,072	163	2.0
170 Profit (losses) on investments carried at equity	1,945	248	7,575	2,319	-374	-16.1
70 Other operating income	74,359	36,257	161,308	66,192	8,167	12.3
110 Other operating expenses	-6,459	-2,906	-9,720	-3,337	-3,122	93.6
NON INTEREST INCOME	160,412	81,783	326,481	152,453	7,959	5.2
GROSS OPERATING INCOME	333,082	168,930	685,365	326,283	6,799	2.1
80 Administrative costs	-185,252	-87,619	-357,217	-171,169	-14,083	8.2
– Personnel	-117,724	-59,682	-225,839	-110,183	-7,541	6.8
– Other administrative costs	-67,528	-27,937	-131,378	-60,986	-6,542	10.7
90 Depreciation and amortization of intangible and tangible fixed assets	-66,127	-33,100	-114,903	-54,645	-11,482	21.0
OPERATING COSTS	-251,379	-120,719	-472,120	-225,814	-25,565	11.3
OPERATING INCOME	81,703	48,211	213,245	100,469	-18,766	-18.7
100 Provisions for risks and charges	-2,384	-1,458	-2,908	-1,883	-501	26.6
120 Provisions for loan losses and for guarantees and commitments	-31,226	-13,056	-50,370	-26,877	-4,349	16.2
130 Recoveries of loans and reversals of provisions for guarantees and commitments	6,924	2,392	9,709	3,140	3,784	120.5
140 Additional provisions for loan losses	-209	-5	-7,295	-	-209	...
150 Write-downs to financial fixed assets	-25	-	-57	-16	-9	56.3
160 Recoveries of financial fixed assets	88	-	270	-	88	...
PROVISIONS AND WRITE-DOWNS	-26,832	-12,127	-50,651	-25,636	-1,196	4.7
180 INCOME FROM ORDINARY ACTIVITIES	54,871	36,084	162,594	74,833	-19,962	-26.7
190 Extraordinary income	6,099	1,894	18,996	14,036	-7,937	-56.5
200 Extraordinary expenses	-3,572	-1,231	-3,585	-2,138	-1,434	67.1
210 EXTRAORDINARY INCOME, NET	2,527	663	15,411	11,898	-9,371	-78.8
INCOME BEFORE TAXATION	57,398	36,747	178,005	86,731	-29,333	-33.8
240 Income taxes	-27,141	-16,941	-80,977	-36,850	9,709	-26.3
250 Minority interests	-638	-248	-967	-317	-321	101.3
260 NET INCOME	29,619	19,558	96,061	49,564	-19,945	-40.2