

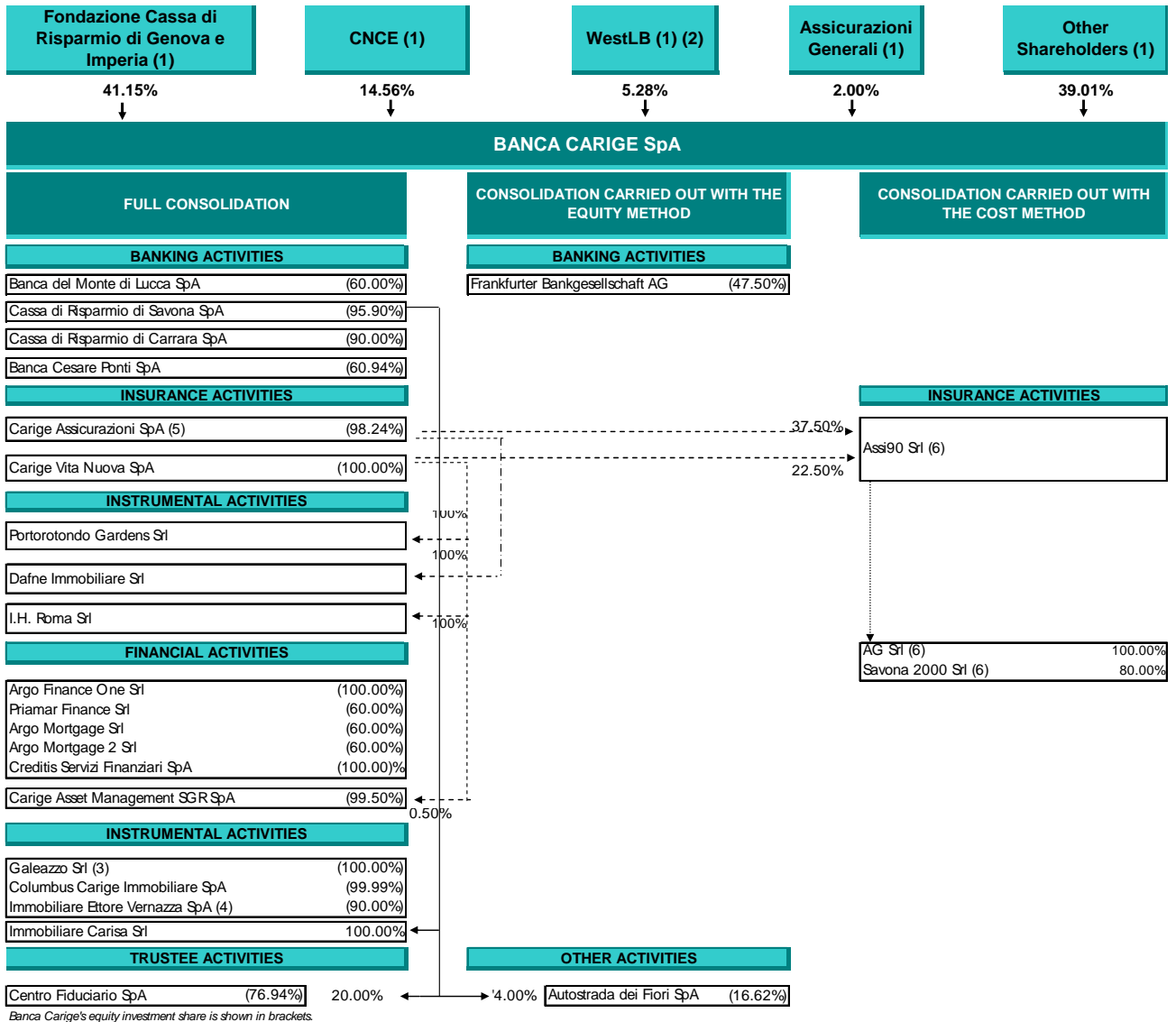


QUARTERLY REPORT

1st Quarter 2007



AREA OF CONSOLIDATION



(1) Quota calculated on the basis of ordinary shares only.

(2) This quota is held via the subsidiary WestLB (Italia) Finanziaria SpA.

(3) The company has a 0.01% holding in Columbus Carige Immobiliare SpA.

(4) The company holds 10% of its own shares.

(5) The company holds 1.273% of its own shares.

(6) Insurance instrumental companies (insurance agencies).

BANCA CARIGE GROUP

QUARTERLY REPORT AS AT 31 MARCH 2007

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CONSOLIDATED FINANCIAL HIGHLIGHTS

	Situation as at			Change %	
	31/03/2007	31/12/2006	31/03/2006	3/07 12/06	3/07 3/06
BALANCE SHEET (1)					
Total assets	25,565,285	25,287,094	23,647,741	1.1	8.1
Funding	18,320,929	18,213,546	16,981,316	0.6	7.9
- Direct Deposits (a)	16,794,118	16,313,159	15,133,902	2.9	11.0
* Amounts owed to customers	9,000,556	9,364,602	8,709,416	-3.9	3.3
* Securities in issue	7,235,930	6,395,131	5,920,297	13.1	22.2
* Liabilities at fair value	557,632	553,426	504,189	0.8	10.6
- Amounts owed to banks	1,526,811	1,900,387	1,847,414	-19.7	-17.4
Indirect deposits (b)	20,009,004	19,480,975	18,624,871	2.7	7.4
- Assets under management	10,192,493	10,242,164	9,806,586	-0.5	3.9
- Assets in custody	9,816,511	9,238,811	8,818,285	6.3	11.3
Financial Intermediation Activities (FIA) (a+b)	36,803,122	35,794,134	33,758,773	2.8	9.0
Investments (2)	22,841,716	22,469,221	20,556,793	1.7	11.1
- Loans to customers (2)	16,437,764	16,061,523	14,249,477	2.3	15.4
- Loans to banks (2)	888,876	1,101,039	1,227,382	-19.3	-27.6
- Securities portfolio (2)	5,515,076	5,306,659	5,079,934	3.9	8.6
Capital and reserves	2,738,642	2,553,817	2,292,663	7.2	19.5
INCOME STATEMENT (1)					
Gross operating income	241,289	874,110	207,320		16.4
Net income from financial and insurance management	227,593	734,034	201,369		13.0
Operating income from ordinary activities before taxes	104,008	239,175	80,743		28.8
Profit for the period	54,123	137,872	42,514		27.3
RESOURCES (3)					
Number of branches	512	512	497	-	3.0
Number of bank employees	4,675	4,669	4,720	0.1	-1.0
FINANCIAL RATIOS					
Operating costs					
/Gross operating margin (4)	50.70%	56.59%	57.53%		
Operating profit from ordinary activities before taxes					
/Capital and reserves	3.80%	9.37%	3.52%		
ROE	1.98%	5.40%	1.85%		
ROAE (5)	2.05%	5.88%	1.92%		
RISK ASSETS AND REGULATORY RATIOS (6)					
Total Risk-Weighted Assets (1)	16,612,701	16,107,913	15,250,601	3.1	8.9
Tier 1 capital / RWA	8.15%	8.30%	5.48%		
Regulatory capital / RWA	10.15%	10.49%	8.44%		

(1) Figures in thousands of €

(2) Before value adjustments.

(3) Statistics of the end of period.

(4) Net of provisions for risks and charges.

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

(6) Management data as at 31/3/2007 and 31/3/2006. Data as at 31/12/2006 are official and reported to the Bank of Italy. They differ from the management data shown in the 2006 financial statements. The ratios are calculated on the basis of supervisory regulations in force from time to time.

DIRECTORS AND OFFICERS OF THE PARENT BANK

BOARD OF DIRECTORS	Up to 30/04/07 GENERAL MANAGEMENT	Starting from 01/05/07 GENERAL MANAGEMENT	BOARD OF STATUTORY AUDITORS
CHAIRMAN Giovanni Berneschi*	GENERAL MANAGER Alfredo Sanguinetto	GENERAL MANAGER Alfredo Sanguinetto	CHAIRMAN Antonio Semeria
DEPUTY CHAIRMAN Alessandro Scajola *	DEPUTY GENERAL MANAGER (COMMERCIAL) Carlo Arzani	DEPUTY GENERAL MANAGER (COMMERCIAL) (1) Carlo Arzani	STANDING AUDITORS Massimo Scotton Andrea Traverso
DIRECTORS			SUBSTITUTE AUDITORS
Cesare Albani Castelbarco Andrea Baldini * Giorgio Binda Jean-Jacques Bonnaud Luca Bonsignore Remo Angelo Checconi * Maurizio Fazzari Luigi Gastaldi Pietro Isnardi Ferdinando Menconi Nicolas Mérindol Paolo Cesare Odone * Renata Oliveri * Jean-Marie Paintendre Vincenzo Roppo * Francesco Taranto	DEPUTY GENERAL MANAGER (ADMINISTRATION) Giovanni Poggio DEPUTY GENERAL MANAGER (CREDIT AND WEALTH MANAGEMENT) Achille Tori	DEPUTY GENERAL MANAGER (ADMINISTRATION) Giacomo Ottonello DEPUTY GENERAL MANAGER (CREDIT AND WEALTH MANAGEMENT) Mario Cavanna DEPUTY GENERAL MANAGER GOVERNANCE AND CONTROL Ennio La Monica	Adriano Lunardi Luigi Sardano AUDIT FIRM Deloitte & Touche SpA

**Member of Executive Committee*

The Board of Directors was appointed by the ordinary Shareholders' Meeting of 20 April 2006 for the financial years 2006-2007-2008. The ordinary Shareholders' Meeting of 27 April 2007 appointed Mr. Luigi Gastaldi – already co-opted by the Board of Directors on 11 December 2006 – and Mr. Cesare Albani Castelbarco, to replace the outgoing Mr. Raffaele Lauro and Mr. Flavio Repetto, as members of the Board of Directors with the same expiry of term in office as the other Board members.

The Executive Committee was appointed by the Board of Directors on 08 May 2006 with a duration of term until 31 October 2007.

The Bank's current organisational structure was approved by the Board of Directors on 02 August 2004, effective from 01 October 2004.

The Board of Statutory Auditors was appointed by the ordinary Shareholders' Meeting on 28 April 2005 for the financial years 2005-2006-2007.

The mandate to the Audit Firm was granted by the ordinary Shareholders' Meeting on 20 April 2006 for the financial years 2006-2007-2008-2009-2010-2011.

The new organisational structure was approved by the Board of Directors on 22 January 2007, effective from 01 May 07.

(1) With the role of Substitute Deputy General Manager.

AREA AND METHODS OF CONSOLIDATION

1. EQUITY INVESTMENTS IN WHOLLY-CONTROLLED SUBSIDIARIES AND SUBSIDIARIES SUBJECT TO JOINT CONTROL

Based on IAS/IFRS standards, the area of consolidation includes all subsidiaries, whether held directly or indirectly; therefore, even companies not classified as credit, financial or instrumental institutions (i.e. dissimilar activities) were consolidated on a line-by-line basis.

The concept of control applied is that outlined by IAS 27.

During the first quarter of 2007 there were no changes in the area of consolidation compared with the financial statements as at 31 December 2006.

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

Name of the companies	Head offices	Type of relationship ip (1)	Shareholding ratio		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 SpA	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	60.94	60.94	39.06
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	76.94		
			A1.2	20.00		
9. Argo Finance One Srl	Genoa	1	A1.1	100.00		
10. Priamar Finance Srl	Genoa	1	A1.1	60.00		
11. Argo Mortgage Srl	Genoa	1	A1.1	60.00		
12. Argo Mortgage 2 Srl	Genoa	1	A1.1	60.00		
13. Columbus Carige Immobiliare SpA	Genoa	1	A1.1	99.99		
			A1.14	0.01		
14. Galeazzo Srl	Genoa	1	A1.1	100.00		
15. Immobiliare Vernazza Srl (4)	Genoa	1	A1.1	90.00	100.00	
16. Immobiliare CARISA Srl	Savona	1	A1.2	100.00		
Insurance companies						
17. Carige Assicurazioni SpA (4)	Milan	1	A1.1	98.24	99.51	
18. Carige Vita Nuova SpA	Genoa	1	A1.1	100.00		
Other companies						
19. Dafne Immobiliare Srl	Milan	1	A1.17	100.00		
20. Portorotondo Gardens Srl	Milan	1	A1.18	100.00		
21. I.H. Roma Srl	Verona	1	A1.18	100.00		
A.2 Consolidated proportionally						

Key

(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 investment share as it includes the voting rights of shares received as a pledge (7.66%), on which the Bank has a call option (see section 10.4)

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

Key

(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 voting rights differs from the equity investment share because it is calculated on capital net of own shares in portfolio.

In terms of type of business, 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 companies (Carige Asset Management SGR SpA), financing companies (Creditis Servizi Finanziari SpA), trust companies (Centro Fiduciario SpA), companies for securitisation transactions (Argo Finance One Srl, Priamar Finance Srl, Argo Mortgage Srl, Argo Mortgage 2 Srl), insurance (Carige Vita Nuova SpA, Carige Assicurazioni SpA) and real estate (Immobiliare Ettore Vernazza Srl, Galeazzo Srl, Columbus Carige Immobiliare SpA, Immobiliare Carisa Srl, Portorotondo Gardens Srl, Dafne Immobiliare Srl e I.H. Roma Srl).

The consolidated financial statements were prepared using:

- draft financial statements of the Parent Bank and the other consolidated companies as at 31 March 2007, approved by their respective Boards of Directors and

prepared according to the IAS/IFRS approved and in force;

- reporting packages prepared by those companies that did not adopt IFRS/IAS 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 framework principles. All of the companies belonging to the banking group, the insurance companies and the three real estate companies classified as "Other companies" were considered significant subsidiaries. With regard solely to the other companies, those with balance sheet totals of less than € 10 million, with the total companies excluded not exceeding € 50 million, were classified as minor subsidiaries, in accordance with the Bank of Italy's thirteenth update of 25 January 2006 to its circular no. 115 of 7 August 1990.

Equity investments in subsidiary companies excluded from the line-by-line consolidation

Name of the companies	Head offices	Shareholding relationship		Availability of votes	
		Holding company	% Shareholding	Actual %	Potential %
1. Assi 90 Srl	Genoa	Carige Ass.ni SpA	37.50		
		Carige V. N. SpA	22.50		
2. AG Srl	Genoa	Assi 90 Srl	100.00		
3. Savona 2000 Srl	Savona	Assi 90 Srl	40.00		
		AG Srl	40.00		

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

2. OTHER INFORMATION

Associates, which are entities in which the Group has significant influence, were valued according to 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 SpA	16.62		
		Cassa di Risparmio di Savona SpA	4.00		
2. Frankfurter Bankgesellschaft AG	Frankfurt	Banca Carige SpA	47.50		

It should be mentioned that valuation of the Group's investment in Frankfurter Bankgesellschaft AG was performed on the basis of the company's financial statements as at 31 December 2005 which were prepared in accordance with German GAAP. A specific IAS/IFRS-compliant reporting package for the company was deemed unnecessary. The company has not yet approved its financial statements as at 31 December 2006. However, no significant impact on

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

the Group is foreseen from the financial statements.

With regards to Autostrada dei Fiori SpA, however, reference was made to the situation as at 31 December 2006 prepared in accordance with IAS/IFRS.

Even companies subject to significant influence were valued at cost, based on the general principles of the framework, when these were considered to be non-significant.

Name of the companies	Head offices	Shareholding relationship		Availability of votes	
		Holding company	% Shareholding	Actual %	Potential %
1. Assimilano Srl	Milan	Assi 90 Srl	44.00		
2. Assicentro Recina Servizi Srl	Rome	Assi 90 Srl	25.00		
3. B.D.A. SpA	Milan	Assi 90 Srl	20.00		
4. U.C. Sport e Sicurezza Srl	Milan	Carige Ass.ni SpA	25.00		
		Carige V. N. SpA	25.00		
5. Consorzio per il Giurista di Impresa Scrl	Genoa	Banca Carige SpA	25.00		
6. World Trade Center Genoa SpA in liquidation	Genoa	Banca Carige SpA	20.32		
7. Nuova Erzelli Srl	Genoa	Banca Carige SpA	40.00		

Features of the two consolidation methods used are outlined below.

Line-by-line consolidation method

The consolidated financial statements drafted using the line-by-line consolidation method show the financial position of the Group, intended as a single financial entity. In order to do this, four measures are necessary:

- adoption of a uniform set of accounting standards within the area of consolidation, making the

necessary adjustments if a component of the Group has used different standards from the ones used in the consolidated financial statements for similar transactions and circumstances;

- caption-by-caption aggregation of the Parent Bank's and subsidiaries' financial statements. Thus, assets, liabilities, shareholders' equity, costs and revenues are added;
- off-setting the value of equity investments in subsidiaries with the corresponding Group's share of the subsidiaries' shareholders' equity at

the date in which they were included in consolidated financial statements. Any positive difference is recorded, where possible, in the subsidiaries' balance sheet. The residual figure is defined as goodwill and entered under the caption Intangible Assets (under Goodwill). Since goodwill is an indefinite intangible asset, it is not amortised: however, its accounting value is checked annually, or whenever there is reason to believe there is an impairment, to ensure that it is higher than its recovery value (impairment test). Negative differences are charged to the income statement. The minority share of net assets and profit is recorded under specific captions;

- eliminate significant equity and financial transactions between companies consolidated on a line-by-line basis.

Goodwill entries arising from acquisitions prior to 2004 have not been restated, as foreseen by IFRS 1. With reference to the acquisitions of Cassa di Risparmio di Carrara SpA and Banca Cesare Ponti SpA, which occurred after 2004, goodwill and the minority share of net assets are restated at the fair value of the assets, liabilities and potential liabilities as at the acquisition date. Restatement at fair value, with the ensuing effect on goodwill and minority net assets, was carried out solely with regards to the significant elements acquired.

Consolidation according to the equity method

An equity investment accounted for by the equity method is initially recorded at cost and increased (or decreased) each year according to variations in the Group's share of the equity of the investee company. Variations in the Group's share of equity deriving from profits or losses of the investee company are recorded in the income statement under the caption "Profit (loss) from equity investments". The Group's share of variation to the shareholders' equity recorded in the financial statements of the investee company is carried to Reserves, without going through the income statement.

The difference between cost of the equity investment and share of shareholders' equity acquired is treated as in the line-by-line consolidation method, although if there is a positive residual difference (goodwill) it is not recorded on its own under intangible assets and, therefore, independently subjected to an impairment test, but remains under the caption Equity Investments.

The entire carrying value of the equity investment is tested for impairment (difference between the investment's recoverable value and carrying value) when there are indications that a reduction in value may have occurred. Significant intra-group profits are eliminated.

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2007

BALANCE SHEET

ASSETS (figures in thousands of €)

	31/3/07	31/12/06	31/3/06	Change %	
				3/07	3/07
10 - CASH AND CASH EQUIVALENTS	154,848	219,595	151,649	2.1	-29.5
20 - FINANCIAL ASSETS HELD FOR TRADING	3,025,860	2,850,206	3,338,898	-9.4	6.2
30 - FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	692,753	674,312	592,296	17.0	2.7
40 - AVAILABLE-FOR-SALE FINANCIAL ASSETS	1,941,716	1,875,721	1,192,330	62.9	3.5
50 - FINANCIAL ASSETS HELD TO MATURITY	2,609	2,615	2,860	-8.8	-0.2
60 - LOANS TO BANKS	888,385	1,100,548	1,227,137	-27.6	-19.3
70 - LOANS TO CUSTOMERS	16,023,338	15,647,004	13,895,072	15.3	2.4
80 - HEDGING DERIVATIVES	15,379	18,876	28,621	-46.3	-18.5
100 - EQUITY INVESTMENTS	66,878	66,844	69,925	-4.4	0.1
110 - TECHNICAL RESERVES CHARGED ON REINSURERS	160,381	165,468	175,441	-8.6	-3.1
120 - TANGIBLE ASSETS	1,171,521	1,179,260	1,069,011	9.6	-0.7
130 - INTANGIBLE ASSETS	693,891	689,899	678,874	2.2	0.6
including:					
- goodwill	659,850	659,850	654,352	0.8	0.0
140 - TAX ASSETS	313,547	260,117	323,291	-3.0	20.5
a) current	143,640	82,795	151,873	-5.4	73.5
b) advanced	169,907	177,322	171,418	-0.9	-4.2
160 - OTHER ASSETS	414,179	536,629	902,336	-54.1	-22.8
TOTAL ASSETS	25,565,285	25,287,094	23,647,741	8.1	1.1

LIABILITIES (figures in thousands of €)

	31/3/07	31/12/06	31/3/06	Change %	
				3/07	3/07
10 - AMOUNTS OWED TO BANKS:	1,526,811	1,900,387	1,847,414	-17.4	-19.7
20 - AMOUNTS OWED TO CUSTOMERS:	9,000,556	9,364,602	8,709,416	3.3	-3.9
30 - DEBT SECURITIES IN ISSUE	7,235,930	6,395,131	5,920,297	22.2	13.1
40 - FINANCIAL LIABILITIES FROM TRADING	184,083	131,787	108,150	70.2	39.7
50 - FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	1,294,952	1,269,993	1,096,486	18.1	2.0
60 - HEDGING DERIVATIVES	23,577	23,009	28,506	-17.3	2.5
80 - TAX LIABILITIES	422,338	299,613	359,067	17.6	41.0
(a) current	194,774	73,867	132,505	47.0	...
(b) deferred	227,564	225,746	226,562	0.4	0.8
100 - OTHER LIABILITIES	741,718	892,645	1,158,370	-36.0	-16.9
110 - STAFF TERMINATION INDEMNITY	124,388	125,653	129,906	-4.2	-1.0
120 - PROVISIONS FOR RISKS AND CHARGES:	372,923	368,694	384,677	-3.1	1.1
a) pensions and similar obligations	321,612	321,750	319,756	0.6	-0.0
b) other provisions	51,311	46,944	64,921	-21.0	9.3
130 - TECHNICAL RESERVES	1,814,369	1,794,516	1,541,940	17.7	1.1
140 - VALUATION RESERVES	671,827	658,249	722,714	-7.0	2.1
160 - CAPITAL INSTRUMENTS	1,596	5,228	7,586	-79.0	-69.5
170 - RESERVES	215,650	77,778	161,354	33.7	...
180 - ADDITIONAL PAID-IN CAPITAL	460,127	438,103	278,919	65.0	5.0
190 - CAPITAL	1,389,442	1,374,459	1,122,090	23.8	1.1
200 - OWN SHARES (-)	-	-	-	...	...
210 - MINORITY INTERESTS (+/-)	30,875	29,375	28,335	9.0	5.1
220 - PROFIT (LOSS) FOR THE PERIOD (+/-)	54,123	137,872	42,514	27.3	-60.7
TOTAL LIABILITIES	25,565,285	25,287,094	23,647,741	8.1	1.1

INCOME STATEMENT

INCOME STATEMENT (figures in thousands of €)

	31/3/07	28/6/05	31/3/06	Change % 3/07 3/06
10 - INTEREST INCOME AND SIMILAR REVENUES	280,021	944,433	202,106	38.6
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-123,415	-386,368	-75,667	63.1
30 - NET INTEREST INCOME	156,606	558,065	126,439	23.9
40 - COMMISSION INCOME	73,431	290,151	70,618	4.0
50 - COMMISSION EXPENSES	-8,687	-36,919	-8,167	6.4
60 - NET COMMISSIONS	64,744	253,232	62,451	3.7
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	70	24,065	160	-56.3
80 - NET INCOME FROM TRADING ACTIVITIES	17,839	31,247	18,190	-1.9
90 - NET INCOME FROM HEDGING ACTIVITIES	-115	-3,912	-2,012	-94.3
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	2,394	10,523	1,613	48.4
a) loans	26	1,528	302	-91.4
b) available-for-sale financial assets	3,020	6,176	714	...
c) financial assets held to maturity	-	-	96	-100.0
d) financial liabilities	-652	2,819	501	...
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-249	890	479	...
120 - GROSS OPERATING INCOME	241,289	874,110	207,320	16.4
130 - NET VALUE ADJUSTMENT ON:	-11,635	-89,129	-8,861	31.3
a) loans	-13,102	-86,323	-9,155	43.1
b) available-for-sale financial assets	-	-2,999	-	...
d) other financial assets	1,467	193	294	...
140 - NET INCOME FROM FINANCIAL MANAGEMENT	229,654	784,981	198,459	15.7
150 - NET PREMIUMS	149,278	706,794	152,237	-1.9
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-151,339	-757,741	-149,327	1.3
170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT	227,593	734,034	201,369	13.0
180 - ADMINISTRATIVE COSTS:	-130,717	-520,418	-125,434	4.2
a) staff costs	-78,464	-312,700	-80,207	-2.2
b) other administrative costs	-52,253	-207,718	-45,227	15.5
190 - NET PROVISIONS FOR RISKS AND CHARGES	-1,208	-8,422	-1,357	-11.0
200 - DEPRECIATION OF TANGIBLE ASSETS	-4,364	-18,267	-4,173	4.6
210 - AMORTIZATION OF INTANGIBLE ASSETS	-2,908	-10,760	-2,432	19.6
220 - OTHER OPERATING EXPENSES AND REVENUES	15,659	54,811	12,762	22.7
230 - OPERATING COSTS	-123,538	-503,056	-120,634	2.4
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	4	6,329	-	...
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-51	1,868	8	...
280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	104,008	239,175	80,743	28.8
290 - INCOME TAXES FOR THE PERIOD	-48,420	-96,233	-37,044	30.7
300 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	55,588	142,942	43,699	27.2
310 - PROFIT (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAXES	-	-	-	...
320 - PROFIT (LOSS) FOR THE PERIOD	55,588	142,942	43,699	27.2
330 - MINORITY INTERESTS	1,465	5,070	1,185	23.6
340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK	54,123	137,872	42,514	27.3

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Balance as at 31/12/2006 - group		Change in opening balances	Balance as at 1/1/2007 - group		Allocation of profits/ losses previous year			Changes in the year										/ Shareholders' equity as at 31/03/2007 - group	Shareholders' equity as at 31/03/2007 - minority interests			
	Balance as at 31/12/2006 - group	Balance as at 31/12/2006 - minority interests		Balance as at 1/1/2007 - group	Balance as at 1/1/2007 - minority interests	Reserves - group	Reserves - minority interests	Dividends and other allocations	Changes in reserves - group	Changes in reserves - minority interests	Transactions on shareholders' equity						Profit (Loss) for the period as at 31/3/2007 - group	Profit (Loss) for the period as at 31/3/2007 - minority interests					
											New share issues - group	New share issues - minority interests	Own shares acquisitions - group	Own shares acquisitions - minority interests	Extraordinary distribution of dividends	Changes in capital instruments					Own shares derivatives	Stock options	
Capital:	1,374,459	10,234	-	1,374,459	10,234				(3)	14,983											1,389,442	10,231	
a) ordinary shares	1,199,111	10,234		1,199,111	10,234				(3)	14,983												1,214,094	10,231
b) other shares	175,348			175,348																		175,348	
Additional paid-in capital	438,103	4,059		438,103	4,059				(10)	22,024												460,127	4,049
Reserves:	77,778	5,916	-	77,778	5,916	137,872	5,070	-	-	-	-	-	-	-	-	-	-	-	-	-	-	215,650	10,986
a) profits	48,848	5,916	-	48,848	5,916	137,872	5,070	-	-	-	-	-	-	-	-	-	-	-	-	-	-	186,720	10,986
b) other	28,930		-	28,930																		28,930	
Valuation reserves:	658,249	4,113	-	658,249	4,113				15,451	48	(1,873)											671,827	4,161
a) available for sale	630,179	624	-	630,179	624				12,929	51												643,108	675
b) hedging of cash flows	(802)	(116)	-	(802)	(116)				2,522	(3)												1,720	(119)
d) special revaluation laws	28,872	3,605		28,872	3,605				-	-	(1,873)											26,999	3,605
Capital instruments	5,228		-	5,228							(3,632)											1,596	
Own shares	-	(17)		-	(17)																	-	(17)
Profit (Loss) for the period	137,872	5,070		137,872	5,070	(137,872)	(5,070)	-										54,123	1,465			54,123	1,465
Shareholders' equity	2,691,689	29,375	-	2,691,689	29,375				15,451	35	31,502							54,123	1,465			2,792,765	30,875

	Balance as at 31/12/2005 - group				Allocation of profits/losses previous year	Changes in the year											Shareholders' equity as at 31/12/2006 - group	Shareholders' equity as at 31/12/2006 - minority interests		
	Balance as at 31/12/2005 - minority interests					Reserves - group	Reserves - minority interests	Dividends and other allocations	Changes in reserves - group	Changes in reserves - minority interests	Transactions on shareholders' equity								Profit (Loss) for the period as at 31/12/2006 - group	Profit (Loss) for the period as at 31/12/2006 - minority interests
	Change in opening balances										New share issues - group	New share issues - minority interests	O wn shares acquisitions - group	O wn shares acquisitions - minority interests	Extraordinary distribution of dividends	Changes in capital instruments					O wn shares derivatives	Stock options
Capital:	1,113,327	10,192	-	1,113,327	10,192				42	261,132								1,374,459	10,234	
a) ordinary shares	959,898	10,192		959,898	10,192				42	239,213								1,199,111	10,234	
b) other shares	153,429			153,429						21,919								175,348		
Additional paid-in capital	263,211	3,831		263,211	3,831				228	171,239				3,653				438,103	4,059	
Reserves:	26,558	5,608	-	26,558	5,608	43,436	327	-	231	(19)			7,553					77,778	5,916	
a) profits	(2,372)	5,608	-	(2,372)	5,608	43,436	327		231	(19)			7,553					48,848	5,916	
b) other	28,930			28,930														28,930	-	
Valuation reserves:	721,982	3,979	-	721,982	3,979				98,468	134	(162,201)							658,249	4,113	
a) available for sale	532,357	496	-	532,357	496				97,822	128								630,179	624	
b) hedging of cash flows	(1,448)	(122)	-	(1,448)	(122)				646	6								(802)	(116)	
d) special revaluation laws	191,073	3,605		191,073	3,605				-	-	(162,201)							28,872	3,605	
Capital instruments	11,517		-	11,517										(6,289)				5,228		
Own shares	-	(17)		-	(17)													-	(17)	
Profit (Loss) for the period	131,437	3,626		131,437	3,626	(43,436)	(3,626)	(88,001)										137,872	5,070	
Shareholders' equity	2,268,032	27,219	-	2,268,032	27,219	-	(3,299)	(88,001)	98,699	385	270,170	-	7,553	-	(2,636)	-	-	137,872	5,070	

(figures in thousands of €)

CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT Direct method

	Amount		
	31/03/07	31/12/06	31/03/06
A. OPERATING ACTIVITIES			
1. Management	100,114	547,332	118,096
- interest income received (+)	193,078	832,822	275,171
- interest expenses paid (-)	(145,503)	(376,520)	(182,944)
- dividends and similar revenues (+)	70	20,960	160
- net commissions (+/-)	64,744	253,232	62,451
- staff costs (-)	(63,451)	(277,458)	(69,003)
- net premiums collected	149,278	706,794	152,237
- other insurance revenues and expenses (-)	(136,574)	(446,733)	(100,869)
- other costs (-)	(67,837)	(318,899)	(137,387)
- other revenues (+)	107,006	226,837	123,285
- taxes and duties (-)	(697)	(73,703)	(5,004)
- costs/revenues from discontinued group assets and net of tax effect (+/-)	-	-	-
2. Liquidity generated/absorbed by financial assets	(264,463)	(2,064,253)	(744,390)
- financial assets held for trading	(192,118)	512,469	(25,412)
- financial assets designated at fair value	(18,441)	(45,831)	37,132
- available-for-sale financial assets	(50,071)	(592,426)	(5,510)
- loans to customers	(317,066)	(2,075,229)	(257,103)
- loans to banks: at sight	173,322	(184,330)	(11,666)
- loans to banks: other loans	41,863	17,328	(408,964)
- other assets	98,048	303,766	(72,867)
3. Cash generated/absorbed by financial liabilities	103,208	1,580,052	594,713
- amounts owed to banks: at sight	(35,630)	804,323	59,742
- amounts owed to banks: other	(335,965)	(19,408)	687,488
- amounts owed to customers	(340,852)	716,400	57,665
- securities in issue	867,447	94,925	(313,676)
- financial liabilities from trading	51,356	(14,850)	(8,905)
- financial liabilities designated at fair value	20,355	181,529	10,648
- other liabilities	(123,503)	(182,867)	101,751
Net liquidity generated/absorbed by operating activities	(61,141)	63,131	(31,581)
B. INVESTING ACTIVITIES			
1. Liquidity generated by	4,894	46,861	59
- equity investment disposals	10	-	-
- dividends received on equity investments	-	11,175	-
- disposal/reimbursement of financial assets held to maturity	4,884	149	-
- tangible asset disposals	-	35,537	60
- intangible asset disposals	-	-	-
- business unit disposals	-	-	-
2. Liquidity absorbed by	(8,500)	(207,437)	(8,368)
- equity investment acquisitions	(40)	(13)	(9)
- acquisitions of financial assets held to maturity	-	-	-
- tangible asset acquisitions	(1,560)	(160,206)	(2,245)
- intangible asset acquisitions	(6,900)	(16,259)	(1,135)
- business unit acquisitions	-	(30,959)	(4,979)
Net liquidity generated/absorbed by investing activities	(3,606)	(160,576)	(8,309)
C. FUNDING ACTIVITIES			
- own share issues/acquisitions	-	76,765	-
- additional paid-in capital	-	135,354	-
- capital instrument issues/acquisitions	-	-	(3,931)
- dividend distribution and others	-	(90,549)	-
Net liquidity generated/absorbed by funding activities	-	121,570	(3,931)
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	(64,747)	24,125	(43,821)

KEY: (+) generated; (-) absorbed

(+) generated

(-) absorbed

Figures in thousands of €

RECONCILIATION

	Amount		
	31/03/07	31/12/06	31/03/06
Balance sheet items			
Cash and cash equivalents at the beginning of the period	219,595	195,470	195,470
Total net liquidity generated/ absorbed during the period	(64,747)	24,125	(43,821)
Cash and cash equivalents: effect of exchange rate differences	-	-	-
Cash and cash equivalents at period end	154,848	219,595	151,649

ACCOUNTING POLICIES

This quarterly report as at 31 March 2007 of the Banca Carige Group was prepared in accordance with IAS 34 (interim financial reporting). The IAS/IFRS international accounting standards and related interpretations (SIC/IFRIC), formally approved by the European Union, were applied in the valuation and measurement of the accounting figures, in addition to the relevant guidelines set forth in Bank of Italy Circular no. 262 of 22 December 2005 (Bank Financial Statements: formats and drafting rules). For preparation of the financial statements, the accounting standards applied are the same as those applied to the consolidated financial statements as at 31 December 2006 of the Banca Carige Group.

This quarterly report, which is not subject to audit review, should be read and analysed along with the consolidated financial statements as at 31 December 2006, that were audited by the company Deloitte & Touche S.p.A., as per the appointment assigned pursuant to art. 159 of Legislative Decree 58/1998 and subsequent amendments and additions resulting from art. 18 of Law 262/2005, by the Shareholders' Meeting of 20 April 2006, for the six-year period 2006-2011. In particular, the following are highlighted:

- Quarterly financial statements. The financial statements – specifically the balance sheet and income statements – do not include items for which figures were not provided either for the reference period of this quarterly report or for the corresponding period of the previous financial year.
- Unit of account and rounding off. Amounts presented in the quarterly report are expressed in thousands of euro.
- Cash flow statement.

The Cash Flow Statement as at 31 March 2007 was prepared using the direct method.

- Going concern. The quarterly report was drafted in the prospective of continuing company operations: therefore, the assets, liabilities and off-balance sheet transactions were valued according to operating values.

- Accrual basis of accounting. Costs and revenues are recognised, regardless of the moment of monetary settlement, on an accruals basis and based on the matching principle.

- Consistency of presentation. The presentation and classification of captions are kept from one period to another in order to ensure comparison of information, unless a change is required by an international accounting standard or by an interpretation or unless it is clear that another presentation or classification is more appropriate in terms of relevance or reliability in providing information. When the presentation or classification of financial statement captions changes, the comparative amounts are reclassified, where feasible, indicating the nature and reasons for the reclassification.

- Materiality and aggregation. Each relevant class of similar captions is listed separately in the financial statements. Dissimilar captions are presented distinctly, unless they are irrelevant.

- Netting. Assets, liabilities, costs and revenues are offset and the net amount reported only if allowed for under IFRS or IFRIC or if expressly provided for in financial statement formats specific to banks.

- Comparative figures. Comparative information is provided for the previous period for all data listed in the financial statements, except when an

international accounting standard or interpretation allows otherwise.

The accounting standards adopted in preparing the quarterly report as at 31 March 2007 are described below.

1. FINANCIAL ASSETS HELD FOR TRADING

This category includes debt securities, equities and derivative contracts held for trading and with a positive value.

Derivative contracts include those linked to fair value options or to hedges on financial assets and liabilities held for trading.

Financial assets held for trading are:

- initially recorded at fair value, excluding directly related transaction costs or revenues.

Debt securities and equities are recorded at the date of settlement, whilst derivatives are recorded at the date of subscription;

- after initial recognition, designated at fair value through profit and loss.

The fair value designation is:

- a) for financial instruments listed on active markets, based on prices determined by the given market. If the prices are not considered significant, sub b) is applied;

- b) for unlisted financial instruments, calculated based on measurement methods and valuation models developed internally according to best practices adopted by market participants;

- cancelled when the asset in question is sold, transferring all the related risks and benefits, or when the right to receive cash flows have expired.

2. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Classified under this category are non-derivative financial assets and those not classed as Financial assets held for trading, Financial assets held to maturity, Loans to banks and Loans to customers.

In particular, the category includes equity investments other than those in subsidiaries or associates.

Available-for-sale financial assets are:

- initially recorded at fair value including direct instrument-related transaction costs or revenues, with the exception of unlisted equities – for which fair value cannot be

reliably assessed - which are recognised at purchase cost.

Debt securities and equities are recorded at the date of settlement;

- after initial recognition, recorded at fair value, with the exception of unlisted equities – for which fair value cannot be reliably assessed – which are recognised at purchase cost.

Profit or loss arising from changes in fair value are recorded in a specific reserve in shareholders' equity, net of tax. On disposal of the financial asset, the accrued gains or losses from disposal are recorded in the Income Statement. Impairment and exchange gains or losses are an exception to this, as they are immediately recorded in the Income Statement.

Permanent impairment losses are recorded in the Income Statement under "Net value adjustments for impairment of available-for-sale financial assets".

If the reasons for permanent impairment cease to exist as a result of an event after the date of recognition, value write-backs are performed which impact the income statement, in the case of debt securities, and shareholder's equity in the case of equities at fair value.

Equities assessed at cost are an exception, as their impairment cannot be recovered.

Impairment testing is performed at the end of each accounting period (annual or interim);

- cancelled when the asset in question is sold, transferring all the related risks and benefits, or when the right to receive cash flows have expired.

3. FINANCIAL ASSETS HELD TO MATURITY

Classified under this category are debt securities with fixed or calculable payments and fixed maturities that the Bank intends and is able to hold to maturity.

When the investment is judged no longer appropriate for HTM status, it is reclassified as an available-for-sale financial asset .

Financial assets held to maturity are:

- initially recognised at cost, including any costs or revenues directly attributable to the instrument . If the financial assets were previously categorised as available for sale, the fair value at the moment of reclassification to this category represents the new amortised cost.

Financial assets are initially recorded at the date of settlement;

- after initial recognition, valued at amortised cost using the effective interest method.

Profit and losses on HTM assets are recorded in the income statement at the time of cancellation or impairment, as well as through the amortisation process.

Impairment testing is performed at the end of each accounting period (annual or interim).

The impairment amount – recorded in the income statement – is calculated as the difference between the carrying amount of the asset and the current value of future cash flows estimated according to the original effective interest rate.

If the reasons for impairment cease to exist as a result of an event after impairment recognition, a write-back is recorded in the income statement;

- cancelled when the asset in question is sold, transferring all the related risks and benefits, or when the right to receive cash flows have expired.

4. LOANS

Classified under this category are all forms of lending with customers and banks, trade credit, repurchase agreements, loans originating from financial leasing transactions, factoring and insurance business.

Loans are non-derivative financial assets with fixed or determinable payments which are unlisted and which have at no time been classified as available-for-sale financial assets.

Loans are recognised at the moment in which the Carige Group becomes the contractual counterpart. The loan must be unconditional.

Loans are initially recorded at fair value, which corresponds to the amount disbursed or the subscription price, plus directly attributable transaction costs and revenues.

If the amount disbursed and its fair value do not correspond, the loan is initially recorded at an amount corresponding to future cash flows discounted at an appropriate rate, and the difference is recorded in the income statement.

Loans are subsequently valued, after initial recognition, at amortised cost, where applicable. The amortised cost criteria is not applied to short-term loans - 18-month expiry or less - as the effects of such application are insignificant.

The amortised cost is the initial recognition value, decreased or increased by capital repayments, value adjustments and writebacks, and amortisation - calculated using the effective interest method – of the difference between the total amount disbursed and the amount repayable on expiry.

The effective interest rate is the rate that equates the current rate of future cash flows generated from the amount granted (on capital and interest) to the amount disbursed, including costs and revenues linked to the expected life of the loan.

The calculation of future cash flows and expected contract duration takes into account that contractual clauses that may affect amounts and maturities,

ignoring any expected losses arising from the loan.

The effective interest rate initially recognised is the (original) rate used, after initial recognition, in discounting future cash flows and in calculating the amortised cost.

At the end of each accounting period (annual and interim), impairment testing is performed on the entire loans portfolio, separating:

- non-performing loans This category includes bad loans, watchlists, rescheduled loans, loans subject to country risk (only if qualified as bad loans or watchlisted), loans constantly over 180 days past due (only if watchlisted);
- performing loans.

With regard to non-performing loans (excluding past due positions), each individual position is valued analytically, identifying future estimated and contractual cash flows, and the forecast recovery times for these amounts based on similar lending segments.

This valuation also takes into account guarantees supporting the loans and the probability of their liquidation.

Performing loans, including loans to counterparts resident in countries classified as at risk, and past due positions, are assessed on a collective basis.

Valuation is carried out for categories which are similar in terms of credit risk, and the expected loss percentages are estimated on the basis of historic loss statistics in relation to each group.

A collective performing loans reserve has been established on the basis of this criterion.

Loans are cancelled when the asset in question is sold, substantially transferring all related risks and benefits (i.e. disposals and securitizations), when contractual rights have expired, or when the loan is classified as irrecoverable.

The amount of the loss is recorded in the income statement net of previously allocated provisions. In the case of write-back of a previously written down loan, the amount is recorded as a decrease in

the income statement under "Net value adjustments for impairment of loans".

With regard to securitisations performed, the Carige Group has opted, in accordance with IFRS 1, to maintain Italian GAAP for all transactions prior to 1 January 2004.

As the securitisation performed in 2004 does not fully represent a transfer of related risks and benefits to third parties, it was re-recognised to shareholders' equity as at 1 January 2005.

5. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE

Under this category, the Carige Group has classified assets relating to insurance contracts with unit-linked and index-linked investment risk covered by the policyholder.

6. HEDGING TRANSACTIONS

Risk hedging aims to neutralise potential losses present in one or more hedge items, attributable to certain types of risk, through gains that may arise from one or more hedging instruments should that particular risk arise.

The Carige Group applies the following types of hedges:

- fair value hedges, to hedge exposure to changes in fair value of a balance sheet item attributable to a specific risk.
Fair value hedges relate to specific, individually identified objects, e.g. interbank deposits, customer financing, postal orders, bonds;
- cash flow hedges aim to hedge against exposure from changes in future cash flows attributable to specific risks relevant to balance sheet items. Cash flow hedges relate to liabilities portfolios in which the individual elements are not identified.

Only hedges involving a third party counterpart are designated as hedging instruments. Therefore, all results attributable to transactions between the various Carige Group members are eliminated from the consolidated financial statements.

Hedging derivatives are designated at fair value. In particular:

- for fair value hedges, a change in fair value of the hedged item is offset by a corresponding change in the fair value of the hedging instrument.
Said offsetting takes place via recognition to the income statement of the changes in value of the hedged item. Any difference, representing the ineffective portion of the hedge, thus constitutes the net economic effect;
- for cash flow hedges, changes in the fair value of the derivatives are recorded under shareholders' equity to the extent of the hedges' effectiveness, and to the income statement only when there is a need to offset the cash flow with respect to the hedged item.
If the hedge proves ineffective, the change in fair value of the hedge contract must be recognised in the income statement.

Hedge transactions are formally documented and subject to testing regarding the effectiveness of the actual hedge.

The hedge transaction documentation illustrates the items involved, the risks covered and the risk-hedging strategies adopted.

The hedge is considered effective if the hedging instrument is able to generate a cash flow or change in fair value consistent with that of the hedged instrument.

Hedge effectiveness is assessed at the beginning and continuously throughout its duration. At the end of each accounting period (annual or interim), the Carige Group performs effectiveness assessments via the following tests:

- prospective tests, to demonstrate the expected effectiveness of the hedge in future periods;
- retrospective tests, to highlight the degree of effectiveness of the hedge achieved in the reference period.

When a hedge is deemed ineffective, hedge accounting must be cancelled and the derivative contract is reclassified as a trading instrument. Hedged assets/liabilities are assessed according to the criteria applied to their category. The new recognised value is the fair value emerging from the most recent (positive) effectiveness test.

7. EQUITY INVESTMENTS

This category includes the Group's equity investment in associates recorded in the balance sheet based on the equity method.

The investment is initially recognised at the date of settlement.

The category also includes subsidiaries excluded from the area of consolidation and associates deemed insignificant and consequently not accounted for by the equity method. Such companies are recorded in the balance sheet at cost.

Minority equity investments are classified under available-for-sale financial assets.

The carrying amount of each equity investment is tested for impairment by means of direct comparison between recoverable value and carrying amount when proof of possible impairment exists.

Equity investments are cancelled when the asset in question is sold, essentially transferring all contractual risks and benefits, or when the rights to receive cash flows have expired.

8. TANGIBLE ASSETS

Tangible assets include land, instrumental property, investment properties, technical plants, furniture and fittings, and other equipment and works of art. In addition, assets available for leasing as financial leases are also classified.

Instrumental property is property used by the Bank to carry out its business activities or for administrative purposes. Investment properties are held for profit purposes.

Tangible assets are:

- initially recorded at cost increased by any ancillary charges directly attributable to the acquisition and installation of the assets;
On first time adoption of IAS/IFRS, properties – instrumental and

investment – owned by the Group's banks were recorded at fair value as deemed cost. The values of land and buildings were divided and accumulated depreciation on the part relating to land was recorded as a write-back to shareholders' equity.

- then valued at cost, net of accumulated depreciation and any impairment after initial recognition. Tangible assets are systematically depreciated on a straight line basis over their useful life, with the exception of:

A. land, purchased separately or incorporated into the value of the property, as it has an indefinite life.

The division of the property value into land value and building value is performed, for all property, on the basis of independent surveyors' reports;

B. works of art, as their useful life cannot be estimated and their value typically appreciates over time.

Depreciation is calculated at the following rates:

- a) for buildings, at an annual rate of 1.5%;
- b) other tangible assets at tax rates judged appropriate also from a statutory point of view.

- cancelled on disposal or when they cease to provide the future economic benefits expected in relation to their use.

9. INTANGIBLE ASSETS

Intangible assets include goodwill and software.

Goodwill is recognised when the positive difference between the fair value of equity elements acquired and the acquisition costs, including accessory charges, represents the future profit-generating capacity of the elements acquired.

If the difference proves negative (badwill) or if goodwill cannot be justified on the basis of future profit-generating

capacity, the difference is recorded directly in the income statement.

Goodwill is not subject to amortisation. However, for accounting purposes it is tested annually for impairment, or more frequently if there are indications that impairment may have occurred.

The total impairment is calculated on the basis of the difference between the recorded goodwill and its recovery value, if less: any resulting value adjustment is recorded in the Income Statement.

Other intangible assets are recorded as such if the classification is justified by legal or contractual rights and if the assets are able to generate future economic benefits.

These intangible assets are recognised at adjusted cost i.e. the initial purchase price, inclusive of directly attributable costs less amortisation and impairment (if any) and inclusive of any value adjustments with amortisation provided on the basis of the expected useful life of the asset.

Amortisation of intangible assets is performed on a straight-line basis according to their useful life, and their value is reduced immediately.

Intangible assets are removed from the balance sheet on disposal or when they cease to provide future economic benefits.

10. NON-CURRENT ASSETS HELD FOR SALE

This category is reserved for assets classed as held for sale.

The Group values said assets at the lesser of carrying amount and fair value, net of selling costs. If depreciation has previously been applied to the assets, it is suspended. These assets, which represent discontinued operating items, and the related profits/losses, are recorded separately in the balance sheet and the income statement. Individual non-current assets, cash generating units, either in groups or individual elements, are classified as held for sale only when their disposal is considered highly probable.

The Group currently has no such assets.

11. CURRENT AND DEFERRED TAX

The Group calculates income taxes – current, deferred and advanced – on the basis of current tax rates, for recognition to the Income statement, except for items charged or credited directly to shareholders' equity.

Provisions for income taxes are determined based on a forecast of current, advanced and deferred tax charges. In particular, advanced and deferred taxes are calculated according to temporary differences – not time limited – between the value attributed to an asset or liability, based on statutory criteria and the corresponding values assumed for tax purposes.

Advanced tax assets are recorded in the balance sheet to the extent of their likely recovery and assessed on the basis of the capacity of the company concerned or the Parent bank – taking into account the effect of the option during the year on the related tax consolidation – to constantly generate positive taxable income.

Deferred tax liabilities are recorded in the balance sheet with the sole exception of reserves subject to a suspension of liability to taxation, as the amount of available reserves already subject to taxation allows for the reasonable assumption that no transactions will be performed that result in taxation.

Advanced and deferred taxes are recorded in the balance sheet, respectively, as tax assets and tax liabilities and are not offset.

Advanced and deferred tax assets and liabilities are assessed systematically so as to take into account any changes in legislation or tax rates.

The amount of tax liabilities is adjusted to take into account any charges deriving from tax assessments announced or from disputes underway with tax authorities.

12. PROVISIONS FOR RISKS AND CHARGES

Provisions for pensions and similar obligations, as foreseen by the relative regulations, are recorded under liabilities. The provisions made represent sufficient funds to settle the obligations incurred.

The total amount of the fund is calculated by an independent actuary using actuarial methods .

Other provisions are allowed for liabilities with uncertain timing or amounts. Provisions represent the best estimate of the amount required to satisfy the obligation; the estimates are determined on the basis of past experience, as well as on the opinions of independent experts.

Provision balances are reviewed at the end of every year and adjusted to reflect the best current estimate; in the case of significant additional provisions, term obligations are discounted.

In the event of an obligation no longer being likely, the fund is cancelled. Amounts proven to be in excess are recognised to the income statement.

13. DEBTS AND SECURITIES IN ISSUE

This category includes Amounts owed to banks, Amounts owed to customers, Debt securities in issue, Subordinated liabilities and Finance lease liabilities.

Debts, securities in issue and subordinated liabilities are:

- initially recognised at fair value, normally represented by the amount collected or the issue price, plus transaction costs directly attributable to the issue. The initial recognition of these liabilities occurs upon receipt of the amount collected or upon issue of the debt securities. The difference between the estimated fair value of financial liabilities issued at below-market conditions and their market price is recorded directly in the income statement;
- after initial recognition, valued at amortised cost using the effective interest method. Short-term liabilities, minimally affected by time factors, are recognised at the amount collected;
- cancelled on maturity or extinction of contractual obligation, or repurchased in the case of bonds issued. In the latter case, the difference between the carrying

amount and repurchase price is recorded directly in the income statement.

The new placement price of own securities repurchased and therefore classed as a new issue is recorded with no effect on the income statement.

14. FINANCIAL LIABILITIES HELD FOR TRADING

This category includes derivatives held for trading with a negative value, including those linked to fair value options, or derivatives held for hedges on financial assets and liabilities held for trading.

Financial liabilities held for trading are:

- initially recognised at fair value, excluding transaction costs or revenues directly related to the instrument.
- these are recognised at the date of subscription;
- designated at fair value with related results recognised to the income statement;
- cancelled when the related contractual obligations have essentially been satisfied.

15. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

Under this category, the Group has included:

- investment contracts issued by the Group's insurance subsidiary Carige Vita Nuova, in which investment risk is borne totally by the insured parties. These are unit-linked and index-linked investment contracts considered to be a similar obligation to financial instruments, regulated by IAS 39, and therefore deposit accounting is applied but without recognition of revenues on premiums to the income statement;
- structured debt securities issued by the Carige Parent Bank.

With regard to index-linked and unit-linked contracts, the Carige Group, in observance of assessment criteria established by EC Directive 91/674 for insurance companies, has assessed these

contracts at their current value, in line with Italian Legislative Decree 173/97.

The current value of these liabilities is measured using the asset reference value, share indexes or other reference values, with any change recognised to the income statement.

16. CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the reporting currency for initial recognition by using the exchange rates prevailing at the dates of the transactions.

At the end of each accounting period (annual or interim), foreign currency items are treated as follows:

- monetary items are translated using the exchange rate prevailing at the period end;
- non-monetary items measured at historic cost are translated using the exchange rate prevailing at the transaction date;
- non-monetary items designated at fair value are translated at the exchange rate prevailing at the period end.

Currency differences arising on the settlement or translation of monetary items using rates that differ from those applied on initial recognition or translated in the previous accounting period are recognised to the income statement in the period in which they arise.

When exchange gains or losses on non-monetary items are recognised to shareholder's equity, any related translation difference is recorded under shareholder's equity.

When exchange gains or losses are recognised to the income statement, any related translation difference is recorded in the income statement.

The financial statements of investee companies are converted into euro using the exchange rate prevailing at the period end.

Currency differences arising on the assets of consolidated investee companies are recorded under consolidated reserves and transferred to the income statement

only in the period of disposal of the equity investment.

17. INSURANCE ASSETS AND LIABILITIES

Insurance assets are categorised as follows.

IFRS 4 defines an insurance contract as a contract in which one party (the insurer) accepts a significant insurance risk from a third party (the insured), agreeing to indemnify the latter if damages should be suffered as a result of a specific and uncertain future event (insured event).

The insurance risk is defined as that risk, different from financial risk, transferred from the insured to the insurance contract issuer.

Financial risk is in turn defined as the risk of possible future changes in one or more of the following variables: specific interest rates, financial instrument prices, good prices, exchange rates, price or rate indexes, credit ratings and any other variable, provided that, if not a financial variable, it is not specific to one of the contractual parties.

An insurance risk is significant if, and only if, the insured event could lead to payment by the insurer of significant additional indemnities on verification of any circumstance of economic substance (i.e. excluding events with no identifiable effect on the economic aspects of the transaction).

Based on analyses performed on policies in the portfolio, all non-life contracts fall under the discipline of IFRS 4 (insurance contracts) along with life contracts other than those specified below:

- Unit-Linked, Index-Linked and Pension Fund contracts

On the basis of the insurance contracts definition provided by IFRS 4, these contracts present non-significant insurance risk and are therefore accounted for under IAS 39 (Financial instruments: recognition and measurement) and IAS 18 (Revenues).

In compliance with IFRS 4, where these contracts contain an insurance and deposit component, the two components are unbundled; the insurance

component is accounted for under IFRS 4 (including adequacy testing), whilst the deposit component is accounted for under IAS 39.

- Capitalisation Policies
These are considered as investment contracts with discretionary profit sharing and, as permitted under paragraph 35, IFRS 4, premiums, payments and changes in technical reserves for capitalisation policies, linked to Separate Business, are recognised to the income statement.

- TECHNICAL RESERVES CHARGED ON REINSURERS

This category includes the portions of technical reserves – life and non-life – attributable to the reinsurers with whom the Companies have stipulated reinsurance contracts governed by IFRS 4, the effects of which are still in progress. The recognition of values is consistent with standards applicable to the relative direct insurance contracts.

- TECHNICAL RESERVES

This category includes all technical reserves arising from insurance business. In particular:

- Non-Life technical reserves include premium reserves – comprising the fractional premium reserve and the reserve for current risks – claims reserves, and increasing age reserves;
- For Life business, the item includes commitments from contracts with a significant insurance risk and contracts with provisions revaluation linked to yield on a separately managed business with discretionary profit sharing (DPF) characteristics, as defined by IFRS 4, gross of ceded reinsurance (Mathematical reserves, additional reserves and reserves for amounts payable).

This item also includes reserves set aside following Liability Adequacy Tests (LAT) and deferred liabilities referring to insured parties (shadow accounting).

In particular:

- L.A.T.

According to IFRS 4 (paragraphs 15 and 19) insurance liability adequacy is tested on the basis of current estimates of future cash flows.

If the carrying amount of the insurance item proves inadequate, the extent of the inadequacy is recognised to the income statement.

The liabilities in question correspond to those recorded in company statements (technical reserves, additional reserves, etc. excluding catastrophe and equalisation reserves).

Non-Life branches

Additions attributable to Premium Reserve, represented by any contributions from the Current Risks Reserve are in accordance with the provisions of IFRS 4, paragraph 16.

Life branches

The adequacy test consists in comparing the carrying amount of insurance liabilities less the value of depreciable assets against current estimates of future cash flows, calculated on the basis of current forecasts referring to insurance contracts issued. In particular, the test is performed on fixed tariffs classified as insurance contracts and on non-fixed tariffs classified as insurance or investment contracts with DPF, the performance of which is linked to "Norvita" and "CVitanuova" separately managed business.

- *Shadow accounting*

Non-fixed performance contracts linked to separate business lines are classified as insurance or investment contracts with DPF features. The DPF component derives from the existence of recognised but unrealised gains or losses.

IFRS 4 (paragraph 30) allows accounting standards to be modified so that recognised but unrealised gains or losses on an asset impact the measurement of insurance liabilities, related deferred acquisition costs and related intangible assets, treating them as realised components.

The resulting adjustment is recognised to shareholders' equity only if the same treatment is applied to realised gains and losses.

Latent gains or losses on assets directly recognised to the income statement (including write-downs for impairment) imply a corresponding adjustment to liabilities and other balance sheet insurance items recognised directly in the income statement.

- **OTHER ASSETS**

This category includes, amongst others, deferred commission charges relating to contracts outside the scope of IFRS 4.

Incremental and directly-related acquisition costs or costs related to investment contract renewal are deferred and amortised on a straight-line basis throughout the useful life of the policy, based on revenues recognition.

- **OTHER LIABILITIES**

This category includes costs relating to the management of Carige Vita Nuova investment contracts which, in accordance with IFRS 18, are recognised as revenues when the service is rendered. Consequently, the service component is deferred and recognised to the income statement throughout the life of the contract so as to offset the service costs borne by the Company. The estimated life of the policy takes into account the policyholders' propensity towards liquidation, for tested products for which the Group has acquired experience, and expectations assessed at the study stage for new products. Recurring items such as commission income, agency fees and other portfolio management costs are recognised to the income statement in the period in which they are generated.

- **INCOME STATEMENT ASPECTS RELATING TO INSURANCE**

In accordance with IFRS 4, the Group has recognised the following items to the income statement:

- premiums, including amounts recognisable for the period deriving from the issue of contracts, less cancellations;
- changes in technical reserves, representing changes in future commitments to insured parties deriving from insurance contracts;

- agency fees relevant to the period;
- cost of claims, redemptions and maturities in the period.

18. OTHER INFORMATION

- STAFF TERMINATION INDEMNITY

Provisions for staff termination indemnities and seniority bonuses are recorded on the basis of their current actuarial value calculated by an independent actuary.

The Projected Unit Credit Method is used in estimating future liabilities on the basis of historical analyses and statistics and demographic curves. The discount rate adopted is a market interest rate.

Contributions paid each year are considered as separate units and assessed individually in order to calculate the final commitment.

In relation to staff severance indemnity, if:

- the actuarial calculation is aligned to that established as national practice and if the phenomenon shows no significant historic statistics, the latter value may be recognised to the balance sheet;
- circumstances subsist that would affect the reliability of the assumption,

the calculation may be performed according to national practice.

- OWN SHARES

Own shares held are deducted from shareholders' equity.

Profits or losses on transactions relating to own shares are recorded in a specific reserve under Shareholders' Equity.

- SHARE BASED PAYMENTS

The Banca Carige Group has no current stock options in favour of its employees or Directors.

- RECOGNITION OF REVENUES

Revenues are recognised at the moment of collection or when it is probable that future economic benefits will be received and these can be reliably quantified.

In particular:

- dividends are recognised in the income statement as at the date on which distribution is approved by the Shareholders' Meeting;
- interest is recognised on the basis of the contractual interest rate or effective rate if the amortised cost is applied.

- INVENTORIES

Property held for sale is classified as inventories.

It is recorded at the lesser of cost or sale price and is not depreciated.

CONSOLIDATED BOARD OF DIRECTORS' REPORT

THE REAL AND MONETARY SITUATION

The beginning of 2007 saw the continuation of positive trends in the economy, with a slight deceleration essentially due to the slowdown in the United States.

The primary international stock markets suffered heavy losses between the end of February and the beginning of March, but then began to turn around. This phenomenon is due to a high volume of carry trade transactions in the Japanese market, due to a change in monetary policy, as market participants wanted to benefit from gains in capital accounts, and due to fears of a recession in the United States.

China and India continue to stimulate growth in the Asian market due to a sustained investment trends, despite investments being lower than 2006 levels: Chinese growth continues to be buoyed by strong net exports, while in India the main component of growth is domestic demand. The Asian market is reinforced by recovery in Japan, led by domestic demand, particularly in non-residential investments. In the United States, the crisis in the real estate market has weakened residential investments, while the current account continued to show large deficits, despite an increase in net exports. After a decrease in the latter half of 2006, the price of petroleum products climbed from 52 dollars a barrel in mid January to more than 66 dollars a barrel at the end of March. The EMU countries continue to be supported by domestic demand, particularly from investments. Germany has taken on the role of economic engine based its strong exports. Inflation is stable, with a slight acceleration in February.

In **Italy**, the economy continues to expand, supported by European growth and an increase in investments for domestic production. As a result, the growth rate in Italy is approaching those of the other main EMU countries. The primary international research centres

have adjusted their forecasts upward (+1.8% for the 2007 IMF estimate of growth in Italian GDP). The turnaround, though sustained by investments, shows a trend of increasing private consumption and higher consumer confidence. However, business confidence exhibited a slight decline in the first quarter of 2007. During the first two months of 2007, foreign trade remained strong with an increase in exports (13.9% compared to the first quarter of 2006), which was much higher than imports (+9%). The balance of trade for the first two months of 2007 amounted to € 5.5 million, is attributable to the deficit to non-EU countries. Industrial production recorded a slowdown with respect to 2006: in the first two months of 2007 it grew 0.5% compared to the first two months of 2006 (corrected for working days), with a noticeable growth for operating assets (+5.8%) In the same period, the business turnover index continued to demonstrate strong growth (7.8%), particularly from foreign sales (+12.6%), while production orders showed a more restrained growth (+2.4%), and domestic orders remained at their previous levels.

Despite the prices increases in oil and raw materials (+3.9% average growth in production prices for industrial products in the first quarter of 2007), inflationary pressures remained under control. The growth rate of consumer products prices in March 2007 was at a level of 2.1%.

With regards to public finances, the economic indicators appear to be improving, particularly for tax revenues. The cash requirements of the public sector during the first quarter of 2007 was equivalent to € 24 billion, nearly € 1.3 billion less than the first quarter of 2006. The results appear even more positive when considering the significant payments in certain spending areas, in particular for tax credit refunds. The ratio between the public debt and GDP is anticipated to decrease over the course of 2007 (from 106.8 to 105.4).

With regards to **monetary policy** under the Directive of 8 March 2007, the European Central Bank raised the primary lending rate to 3.75%, with an effective

STRATEGY

date of 14 March; the interest rates for marginal lending and overnight deposits remained constant at 4.75% and 2.75%, respectively. The monetary market rates have continued to rise, although rates remain lower than in the past. The 6-month Euribor rate rose over the quarter by 20 euro cents, to 3.987 in March (3.883 for the 3-month Euribor). The "Rendistato" rate (weighted average yield on a basket of government securities) passed the 4% mark, before stabilising over the remained of the quarter (4.134 in March). In the currency exchange market, the Euro continues to appreciate with respect to the dollar: the average monthly rate in March was 1.324 versus 1.308 in the previous month.

In terms of financial brokerage activities, **deposits** are expected to grow 6.2% on an annual basis. The growth rate of deposits continued to contract (3.6% trend rate), compared to strong growth in bonds (+10%).

Loans continued to grow at a strong pace (+10.2%), despite the reduction in current liabilities. The trend was sustained by the medium/long term component (+10.7%), but even the short term component showed a significant increase (+9.5%). In particular, loans to businesses are increasing (+12.2% in February 2007), at a higher rate than loans to families, although the latter is also growing at a sustained rate (+11.4% in February 2007). The trend in Italy is stronger than average for the Euro zone. Bad loans are decreasing (-6.1% in January 2007), consistent with the trend from the prior year. The ratio of bad loans to total loans was 1.18% (1.39% in January 2006), reflecting higher credit quality.

The **banking interest rates** increased with respect to the reference rates. The average rate on loans increased over the year by 17 cents while the average rate on deposits increased by 16 cents, leaving the spread essentially unchanged.

The mission of the Carige Group, as defined in the 2006-2008 Strategic Plan, is to establish itself as a national financial conglomerate, rooted in individual local markets, characterised by proximity to the client and able to differentiate itself by the quality of service offered through its integrated multi-channels and the quality of its resources and facilities.

The strategic objective is to create value for shareholders and for other stakeholders over the long term, based on the following priorities:

- a) **increase in the assets managed per employee**, with particular attention, in Liguria, to retention and development of relationships with existing clients, and, outside of Liguria, to greater financial penetration, increasing local market shares and taking on a stronger role as "reference bank". As such, the following take on greater importance:
 - **specialisation of the sales network**, which began in the second half of 2005 and is characterised by personalised management of customer segments – Private, Corporate, Affluent and Small Business – entrusted to a consultant or asset manager, supported by specific sales plans. This specialisation is limited for now to Private and Corporate segment in branches outside of Liguria;
 - **finalisation of the network outside Liguria**, with the continuation of the Commercial Strengthening project, which began in 2004 and is aimed at bringing in new customers and developing business opportunities with existing customers. This project has already provided significant returns in terms of income and has allowed us to integrate a new and profitable way of working;
 - **integration of the banking and insurance branch network**, through

the methodology successfully applied in the "Insieme di Più" Project, aimed at taking advantage of higher cross selling potential between banking customers and insurance customers;

- the **new front office and branch layout**, designed for more personalised and effective management of customer relationships, with a greater focus on sales activities with respect to the past;

b) **increase in profitability of the various business areas**, through optimisation of the productive supply chains, especially in the segments of lending to families and businesses, asset management and payment systems. This priority includes:

- **lending to families** has been developed through a systematic approach, taking action, on one hand, on the process of disbursement and handling of mortgage loans, and on the other hand, boosting consumer credit in all its technical formats. In 2006 the joint venture Creditis Servizi Finanziari SpA was established with French partners of the CNCE Group, with the goal of increasing penetration in the consumer credit sector, *in primis* with the banking and insurance customers of the Group. Operations were expected to get underway at the end of 2007.
- **lending to businesses**, with primary focus on the SME and Small Business segments, making use of scoring and rating tools that were used to improve pricing, planning business strategies and monitoring trends in relationships with customers;
- **use of financial planning tools**, through a personal Financial Planning (PFP) system that is fully integrated with a Retail Risk Management (RRM) system, and represents a valuable support in determining whether investments are consistent with the customer's

risk profile, synchronising with the inherent business direction and taking any necessary corrective action;

- **increase in profitability of payment instruments** and a related reduction in the cost/income ratio, through the involvement of the business unit that was specially developed in the second half of 2005;

- **strengthening of the role of the insurance companies in the Groups' product offering**, by promoting the packaging of insurance products with banking and financing products. For life insurance, this is aimed at realigning the insurance products penetration to be more consistent with industry average. For non-life insurance, this is aimed at achieving a more balanced portfolio mix with more elementary (non-car) business and less RCAuto business;

- **optimisation of the equity, profit and financial performance of equity investments in the banking sector**, that, after operational integration with the Parent Bank, are progressively achieving excellent operating results as demonstrated by consistent improvement in the Cost/Income ratio;

c) **improvement in the company's operating efficiency**, through an overhaul of the management processes, with the objective of reducing administrative costs and improving the quality of services offered. The primary efforts have involved:

- **centralising the back office activities of the branches** into dedicated centres. This project was completed in the previous financial period and was focused on increasing the assets managed per employee, freeing branch

resources from administrative activities and allowing them to instead concentrate on selling;

- **administrative cost containment/reduction**, that was assured with the thorough overhaul of the purchasing and cost management processes that began in 2004, allowing a steady reduction in the components of variable costs while supporting the costs for investments that are necessary for continued growth;
- **active management/reassessment of the investment process**, by improving the capital budgeting techniques, to allow a more appropriate evaluation of economic returns for planned investments;
- **optimise processes**, by taking action on the micro-organisation of individual operating units and identifying the high-priority business processes, in terms of support and governance activities;

d) **reduction of the economic impact of risk**, through integrated management of the risk management activities of bank and insurance companies of the Group and a constant focus on maintaining suitable levels of equity and liquidity and improvement of credit quality. In particular, this has involved:

- **implementation of credit risk protection**, by redefining the processes of granting, managing and monitoring, to achieve improvements in efficiency, and through the use of a management approach consistent with Basel II. Starting in December 2006 the

powers granted to decision-making bodies were linked, in the electronic loan procedures, to Probability of Default (PD), a credit measure for customers

- **emphasis on the criticalities in terms of operating risk**, which includes the Business Continuity plan, approved by the Board of Directors in December 2006, that defines the organisational structure that should be adopted in crises, the procedures for declaring and managing emergencies, as well as the procedures for returning to normal operations;

e) **progressive implementation of the 2005/2009 Branches Plan**, which, during the quarter, saw the opening of another Banca Carige branch;

f) **careful monitoring of the companies assets**, aimed at ensuring balanced development of the Strategic Plan and followed in 2006 with the paid share capital increase of Banca Carige of € 215.4 million, concluding in the month of August. At the same time, Banca Carige undertook a scrip issue of € 162 million, using revaluation reserves for property and objects of art, performed under the First Time Adoption (FTA) of the new IAS/IFRS international accounting standards.

These strategies and their results were positively valued by the international ratings agencies. In particular, Fitch, Standard & Poor's, and Moody's confirmed the ratings assigned at the time to Parent Bank Banca Carige SpA.

BANCA CARIGE RATINGS

	short-term	long-term	BFSR (1) (2)	Individual (2)	Support (3)
Fitch	F1	A	-	B/C	3
Moody's	P-1	A2	C-	-	-
Standard & Poor's	A2	A-	-	-	-

(1) Bank Financial Strength Ratings.

(2) BFS ratings express the intrinsic strength and solidity of a bank, as well as its financial reliability given the bank's assets. Ratings range from A to E.

(3) Support ratings indicate the likelihood of the Government or other public entity, or shareholders, stepping in to support the bank in the event of crisis. Ratings range from 1 to 5.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

Below is a summary of the significant events that occurred during the months of January, February and March.

On 22 January, the bank's Board of Directors resolved on the future components of top management, in particular, the General Manager Mr. Alfredo Sanguinetto was appointed for the entire duration of the current board until 30 April 2009, and – effective 01 May 2007 – a new organization structure was approved providing for four Deputy General Management offices as follows:

- Deputy General Management (Commercial), appointed to Mr. Carlo Arzani (with the role of Substitute Deputy General Manager);
- Deputy General Management (Credit and Wealth Management) appointed to Mr. Mario Cavanna;
- Deputy General Management (Governance and Control), appointed to Mr. Ennio La Monica;
- Deputy General Management (Administration), appointed to Mr. Giacomo Ottonello.

On 26 February, the Board of Directors of Banca CARIGE passed a resolution to establish, together with other shareholders, a Newco with subscription of the majority of the share capital, and on paying an amount of € 2.6 million maximum as a loan to shareholders, required for Newco to acquire an equity investment of 25% of the share capital of Leonardo Technology S.p.A., which holds 67.21% of Genova High Tech S.p.A., a

company that intends to develop the Erzelli area and establish a so-called "Technology Village", i.e. a group of SMEs, laboratories, public and private institutions – such as CNR and the Department of Engineering – residences, shops, services and a large urban park; During the same meeting held on 26 February, the Board – regarding regulatory provisions introduced by Law no. 262/2005 (Law on savings), amended by provisions set forth in Legislative Decree no. 303/2006, and adherence to the Self-discipline of Listed Companies, resolved by the Board of Directors on 11 December 2006 – undertook the following:

- they acknowledged the scheme of statutory changes made to the Bank's charter, appointing the General Management to present to the Board of Directors the final scheme of the charter at the next meeting together with a report to submit at the extraordinary general shareholders' meeting;
- they appointed non-executive board members and, among these, independent members; they also determined which subsidiaries have strategic importance;
- they reshuffled the Committee for internal audit and the Committee for remuneration, taking into consideration what is set forth in the Self-discipline Code of Listed Companies and also changed the document "Duties and operating procedures of the Committee for internal audit";
- they approved, again taking into consideration various changes in legislation and the Self-discipline

Code of Listed Companies, the updated text of Regulations for transactions related parties, Regulations for bank officers and the bank's code of conduct, appointing the General Management to submit to the Board, at their next meeting, the changes to Group Regulations that will be made necessary;

On 27 February the Executive Committee of the Bank – concerning the intention of Frankfurter Sparkasse to acquire the entire share of Frankfurter Bankgesellschaft AG held by CARIGE S.p.A., amounting to 76,000 shares totalling 47.50% of the share capital, and assessing the opportunity for its disposal, considering the fact that the Bank has lost its strategic importance – resolved to approve selling the aforementioned share, recorded in financial statements at € 9,712,022.98, at a maximum price of € 13,500,000.00 which would result in capital gains for CARIGE S.p.A. amounting to € 3,787,977.00.

On 20 March, the extraordinary shareholders' meeting of the investee company Cofid Gestioni Immobiliari SGR S.p.A. resolved to liquidate the Company.

On 27 March the Executive Committee decided, given the development strategies for Banca Carige Group over the next years that encourage the policy of strengthening the assets of the Bank – to issue a new third-level subordinated loan (TIER III) for an amount of €100 million, as part of the EMTN issue program approved by the Executive Committee at its meeting of 7 February for a maximum amount of €4 billion, to substitute a similar loan that will reach maturity in August.

On March 29 Banca Carige SpA, in accordance with the resolution of the Board of Directors of 26 February and upon incorporation of Nuova Erzelli, S.r.l., subscribed to 40% of the share capital of € 100,000.00 of the Company with an investment of €40,000.00. The other partners, Tallea S.p.A. and Prometeo S.r.l. subscribed to 32% and 28%, respectively, of the share capital. The same Board also resolved to recognise to the newly incorporated Nuova Erzelli Srl, a loan to

shareholders or to finance a future capital increase of a maximum amount of € 2.6 million, of which approximately € 2.3 million is intended for the purchase of a 25% investment in the share capital of Leonardo Technology SpA through the subscription to the share capital increase resolved and, in part, to the disbursement of the loan for the capital increase necessary for the subscription by Leonardo Technology SpA in the share capital increase of Genova High Tech SpA, while approximately € 0.3 million is intended to cover the immediate operating needs of Nuova Erzelli Srl. This payment to finance a future share capital increase was disbursed by Banca Carige on 4 April.

ECONOMIC RESULTS

The first three months of 2007 closed with a net profit of € 54.1 million, up 27.3% compared to the same period in 2006, due to the increase in the net interest income (€ 156.6 million, +23.9%).

INCOME STATEMENT (figures in thousands of €)

	31/3/07	2006	31/3/06	Change 31/3/07-31/3/06	
				absolute	%
10 - INTEREST INCOME AND SIMILAR REVENUES	280,021	944,433	202,106	77,915	38.6
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-123,415	-386,368	-75,667	-47,748	63.1
30 - NET INTEREST INCOME	156,606	558,065	126,439	30,167	23.9
40 - COMMISSION INCOME	73,431	290,151	70,618	2,813	4.0
50 - COMMISSION EXPENSES	-8,687	-36,919	-8,167	-520	6.4
60 - NET COMMISSIONS	64,744	253,232	62,451	2,293	3.7
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	70	24,065	160	-90	-56.3
80 - NET INCOME FROM TRADING ACTIVITIES	17,839	31,247	18,190	-351	-1.9
90 - NET INCOME FROM HEDGING ACTIVITIES	-115	-3,912	-2,012	1,897	-94.3
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	2,394	10,523	1,613	781	48.4
a) loans	26	1,528	302	-276	-91.4
b) available for sale financial assets	3,020	6,176	714	2,306	...
d) financial liabilities	-652	2,819	501	-1,153	...
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-249	890	479	-728	...
120 - GROSS OPERATING INCOME	241,289	874,110	207,320	33,969	16.4
130 - NET VALUE ADJUSTMENT ON:	-11,635	-89,129	-8,861	-2,774	31.3
a) loans	-13,102	-86,323	-9,155	-3,947	43.1
b) available for sale financial assets	-	-2,999	-	0	...
d) other financial assets	1,467	193	294	1,173	...
140 - NET INCOME FROM FINANCIAL MANAGEMENT	229,654	784,981	198,459	31,195	15.7
150 - NET PREMIUMS	149,278	706,794	152,237	-2,959	-1.9
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-151,339	-757,741	-149,327	-2,012	1.3
170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT	227,593	734,034	201,369	26,224	13.0
180 - ADMINISTRATIVE COSTS:	-130,717	-520,418	-125,434	-5,283	4.2
a) staff costs	-78,464	-312,700	-80,207	1,743	-2.2
b) other administrative costs	-52,253	-207,718	-45,227	-7,026	15.5
190 - NET PROVISIONS FOR RISKS AND CHARGES	-1,208	-8,422	-1,357	149	-11.0
200 - DEPRECIATION OF TANGIBLE ASSETS	-4,364	-18,267	-4,173	-191	4.6
210 - AMORTIZATION OF INTANGIBLE ASSETS	-2,908	-10,760	-2,432	-476	19.6
220 - OTHER OPERATING EXPENSES AND REVENUES	15,659	54,811	12,762	2,897	22.7
230 - OPERATING COSTS	-123,538	-503,056	-120,634	-2,904	2.4
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	4	6,329	-	4	...
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-51	1,868	8	-59	...
280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	104,008	239,175	80,743	23,265	28.8
290 - INCOME TAXES FOR THE PERIOD	-48,420	-96,233	-37,044	-11,376	30.7
300 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	55,588	142,942	43,699	11,889	27.2
320 - PROFIT (LOSS) FOR THE PERIOD	55,588	142,942	43,699	11,889	27.2
330 - MINORITY INTERESTS	1,465	5,070	1,185	280	23.6
340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK	54,123	137,872	42,514	11,609	27.3

INCOME STATEMENT - QUARTERLY RESULTS (figures in thousands of €)

	31/03/07	31/03/06	CHANGE	4th quarter 2006
10 - INTEREST INCOME AND SIMILAR REVENUES	280,021	202,106	77,915	271,440
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-123,415	-75,667	-47,748	-120,879
30 - NET INTEREST INCOME	156,606	126,439	30,167	150,561
40 - COMMISSION INCOME	73,431	70,618	2,813	76,440
50 - COMMISSION EXPENSES	-8,687	-8,167	-520	-10,874
60 - NET COMMISSIONS	64,744	62,451	2,293	65,566
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	70	160	-90	17,200
80 - NET INCOME FROM TRADING ACTIVITIES	17,839	18,190	-351	11,482
90 - NET INCOME FROM HEDGING ACTIVITIES	-115	-2,012	1,897	-2,187
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:				
a) loans	2,394	1,613	781	2,702
b) available for sale financial assets	26	302	-276	459
c) financial assets held to maturity	3,020	714	2,306	676
d) financial liabilities	-	96	-96	-
e) financial liabilities	-652	501	-1,153	1,567
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-249	479	-728	651
120 - GROSS OPERATING INCOME	241,289	207,320	33,969	245,975
130 - NET VALUE ADJUSTMENT ON:				
a) loans	-11,635	-8,861	-2,774	-44,546
b) available for sale financial assets	-13,102	-9,155	-3,947	-40,949
c) other financial assets	-	-	-	-2,999
d) other financial assets	1,467	294	1,173	-598
140 - NET INCOME FROM FINANCIAL MANAGEMENT	229,654	198,459	31,195	201,429
150 - NET PREMIUMS	149,278	152,237	-2,959	195,268
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-151,339	-149,327	-2,012	-249,324
170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT	227,593	201,369	26,224	147,373
180 - ADMINISTRATIVE COSTS:				
a) staff costs	-130,717	-125,434	-5,283	-138,973
b) other administrative costs	-78,464	-80,207	1,743	-78,182
c) other administrative costs	-52,253	-45,227	-7,026	-60,791
190 - NET PROVISIONS FOR RISKS AND CHARGES	-1,208	-1,357	149	-1,009
200 - DEPRECIATION OF TANGIBLE ASSETS	-4,364	-4,173	-191	-4,665
210 - AMORTIZATION OF INTANGIBLE ASSETS	-2,908	-2,432	-476	-2,639
220 - OTHER OPERATING EXPENSES AND REVEN	15,659	12,762	2,897	18,310
230 - OPERATING COSTS	-123,538	-120,634	-2,904	-128,976
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	4	-	4	3,640
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-51	8	-59	309
280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	104,008	80,743	23,265	22,346
290 - INCOME TAXES FOR THE PERIOD	-48,420	-37,044	-11,376	-7,194
300 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	55,588	43,699	11,889	15,152
320 - PROFIT (LOSS) FOR THE PERIOD	55,588	43,699	11,889	15,152
330 - MINORITY INTERESTS	1,465	1,185	280	1,439
340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK	54,123	42,514	11,609	13,713

The **net interest income** totalled €156.6 million, an increase of 23.9%, mainly due to growth in volumes intermediated and the widening of the spread. In particular,

interest income reached € 280 million (+38.6%) whilst interest expenses were € 123.4 million (+63.1%).

INTEREST INCOME *(figures in thousands of €)*

	31/3/07	2006	31/3/06	Change 31/3/07-31/3/06	
				absolute	%
Financial assets held for trading	29,336	102,713	18,712	10,624	56.8
Available-for-sale financial assets	8,795	23,205	4,572	4,223	92.4
Financial assets held to maturity	31	154	38	- 7	-18.4
Loans to banks	9,007	36,598	2,893	6,114	...
Loans to customers	230,037	737,472	164,663	65,374	39.7
Financial assets sold and not cancelled	2,347	43,198	10,736	- 8,389	-78.1
Other assets	468	1,093	492	- 24	-4.9
TOTAL INTEREST INCOME	280,021	944,433	202,106	77,915	38.6

INTEREST EXPENSES *(figures in thousands of €)*

	31/3/07	2006	31/3/06	Change 31/3/07-31/3/06	
				absolute	%
Amounts owed to banks	15,142	48,154	10,080	5,062	50.2
Amounts owed to customers	28,314	85,155	9,647	18,667	...
Debt securities in issue	61,276	197,918	43,055	18,221	42.3
Financial liabilities designated at fair value	4,384	16,911	3,932	452	11.5
Financial liabilities corresponding to assets sold and not cancelled	1,447	10,467	8,226	- 6,779	-82.4
Other liabilities	21	546	564	- 543	-96.3
Hedging derivatives	12,831	27,217	163	12,668	...
TOTAL INTEREST EXPENSES	123,415	386,368	75,667	47,748	63.1

Net commissions, equivalent to € 64.7 million, grew by 3.7%. Specifically, commission income increased in the asset management component (+9.3%)

and for other services (+9.9%). Commission expenses grew for collection and payment services (6.6%) and other services (+14.5%)

COMMISSION INCOME *(figures in thousands of €)*

	31/3/07	2006	31/3/06	Change 31/3/07-31/3/06	
				absolute	%
Guarantees issued	2,438	10,213	2,898	- 460	-15.9
Management, dealing and consultancy services:	28,972	116,271	28,221	751	2.7
1. Financial instruments trading	485	1,709	647	- 162	-25.0
2. Currency trading	842	3,268	841	1	0.1
3. Asset management	14,067	53,596	12,868	1,199	9.3
4. Securities custody and administration	713	2,526	901	- 188	-20.9
5. Custodian bank	1,156	4,579	1,175	- 19	-1.6
6. Placement of securities	4,388	18,642	3,704	684	18.5
7. Collection of orders	3,163	9,517	2,851	312	10.9
9. Distribution of third-party services	4,158	22,434	5,234	- 1,076	-20.6
- asset management	3	23	32	- 29	-90.6
- insurance products	1,082	10,298	2,353	- 1,271	-54.0
- other products	3,073	12,113	2,849	224	7.9
Collection and payment services	14,276	59,438	14,161	115	0.8
Servicing for securitizations	274	1,206	351	- 77	-21.9
Factoring services	350	1,339	312	38	12.2
Other services	27,121	101,684	24,675	2,446	9.9
TOTAL COMMISSION INCOME	73,431	290,151	70,618	2,813	4.0

COMMISSION EXPENSES (figures in thousands of €)

	31/3/07	2006	31/3/06	Change 31/3/07-31/3/06	
				absolute	%
Guarantees received	113	1,122	158	- 45	-28.5
Management and dealing services	812	4,189	926	- 114	-12.3
1. Financial instruments trading	196	624	126	70	55.6
3. Asset management	-	322	89	- 89	-100.0
4. Securities custody and administration	473	2,690	572	- 99	-17.3
5. Financial instruments placement	32	143	34	- 2	-5.9
6. Door-to-door sale of securities, financial products and services	111	410	105	6	5.7
Collection and payment services	4,696	19,109	4,405	291	6.6
Other services	3,066	12,499	2,678	388	14.5
TOTAL COMMISSION EXPENSES	8,687	36,919	8,167	520	6.4

Dividends and other similar revenues were equivalent to € 0.1 million, compared to € 0.2 million in March 2006.

Net income from trading activities amounted to € 17.8 million, a slight decrease from € 18.2 million in the first quarter of 2006. **Net income from hedging activities** had a negative value of € 0.1 million, (€ - 2 million in March

2006). **Profits from sale of loans and financial assets/liabilities** amounted to € 2.4 million (€ 1.6 million in the first quarter of 2006) following the transfer of available-for-sale assets. The **net value adjustment on financial assets designated at fair value** was negative for € 0.2 million (+ € 0.5 million in March 2006).

INCOME FROM TRADING ACTIVITIES (figures in thousands of €)

	31/3/07	2006	31/3/06	Change 31/3/07-31/3/06	
				absolute	%
Debt securities	3,302	-623	-2,907	6,209	...
Equities & collective investment schemes	6,742	35,708	26,846	-20,104	- 74.9
Total equities, debt securities & collective investment schemes	10,044	35,085	23,939	-13,895	- 58.0
Financial derivatives	5,257	-4,285	-6,231	11,488	...
Credit derivatives	-168	-528	450	-618	...
Currency differences	1,477	621	-1,331	2,808	...
Other financial assets/liabilities from trading	1,229	354	1,363	-134	- 9.8
INCOME FROM TRADING ACTIVITIES	17,839	31,247	18,190	-351	- 1.9

Gross operating income reached € 241.3 million, an increase of 16.4%.

Impairment loss on loans and other credit risk provisions amounts to € 11.6 million, or 31.3% higher than March 2006. In particular, impairment loss on loans amount to € 13.1 million (+43.1%), whilst impairment loss on credit commitments

and other credit risk provisions have write-backs of € 1.5 million (€ 0.3 million in the first quarter of 2006).

Even with the negative contribution from the insurance business of € 2.1 million, the **net income from financial and insurance management** grew 13% to € 227.6 million.

NET ADJUSTMENTS TO LOANS AND OTHER FINANCIAL ITEMS *(figures in thousands of €)*

	31/3/07	2006	31/3/06	Change 31/3/07-31/3/06	
				absolute	%
Loans to banks	- 83	- 178	- 153	70	- 45.8
Loans to customers	13,185	86,501	9,308	3,877	41.7
Credit commitments (other financial transactions)	- 1,467	- 193	- 294	- 1,173	...
Available-for-sale financial assets	-	2,999	-	-	...
NET VALUE ADJUSTMENTS TO LOANS AND OTHER FINANCIAL ITEMS	11,635	89,129	8,861	2,774	31.3

Operating costs amount to € 123.5 million, an increase of 2.4% with respect to the first quarter of 2006.

In detail, **administrative costs** amount to € 130.7 million, up 4.2% as a result of:

- a decrease of 2.2% for **staff costs**, due to a reduction in the number of employees;
- an increase of 15.5% for **other administrative expenses**, in relation to investments, particularly in technology, made for development and rationalisation of the network.

Net provisions for risks and charges amount to € 1.2 million, compared to €1.4 million in March 2006.

Net adjustments to tangible and intangible assets amount to € 4.4 million and € 2.9 million, respectively, an increase of 4.6% and 19.6%, respectively, compared to the first quarter of 2006.

OPERATING COSTS *(figures in thousands of €)*

	31/3/07	2006	31/3/06	Change 31/3/2007-31/3/2006	
				absolute	%
Staff costs	78,464	312,700	80,207	- 1,743	-2.2
Other administrative costs	52,253	207,718	45,227	7,026	15.5
- general costs	40,340	160,185	33,881	6,459	19.1
- indirect taxes	11,913	47,533	11,346	567	5.0
Net provisions for risks and charges	1,208	8,422	1,357	- 149	-11.0
Amortization and depreciation on:	7,272	29,027	6,605	667	10.1
- intangible fixed assets	2,908	10,760	2,432	476	19.6
- tangible fixed assets	4,364	18,267	4,173	191	4.6
Other operating expenses and revenues	- 15,659	- 54,811	- 12,762	- 2,897	22.7
TOTAL OPERATING COSTS	123,538	503,056	120,634	2,904	2.4

Other operating revenues amount to € 15.7 million, an increase of 22.7%. This

caption includes lease income and rent which grew 47.7% to € 4.1 million.

OTHER OPERATING REVENUES AND EXPENSES (figures in thousands of €)

	31/3/07	2006	31/3/06	Change 31/3/2007-31/3/2006	
				absolute	%
Lease income and rent	4,149	17,463	2,810	1,339	47.7
Charges to third parties:	10,677	41,459	10,348	329	3.2
<i>recovery of taxes</i>	10,290	39,877	9,979	311	3.1
<i>customer insurance premiums</i>	387	1,582	369	18	4.9
Other revenues	4,274	25,960	3,891	383	9.8
Total other revenues	19,100	84,882	17,049	2,051	12.0
Operating costs on financial leases	- 113	- 1,581	- 101	- 12	11.9
Ordinary maintenance costs on investment property	- 530	- 2,556	- 472	- 58	12.3
Expenses for improvement of third parties' assets	- 249	- 1,483	- 310	61	- 19.7
Other expenses	- 2,549	- 24,451	- 3,404	855	- 25.1
Total other expenses	- 3,441	- 30,071	- 4,287	846	- 19.7
TOTAL NET REVENUES	15,659	54,811	12,762	2,897	22.7

Therefore, **operating income** amounts to € 104 million (+28.8% compared to the prior period).

Taking into account income tax provisions, equal to € 48.4 million (€ 37 million in the first quarter of 2006), and the profit attributable to minority interests, equal to € 1.5 million (€ 1.2 million in March 2006), the **net profit** amounts to € 54.1 million, up by 27.3% compared with € 42.5 million registered in the first quarter of 2006 .

SHAREHOLDERS' EQUITY AND OWN SHARES

At the end of March 2007, Banca Carige essentially held no own shares, as per the situation in December and March 2006.

During the first three months, operating activities absorbed liquidity of € 61.1 million. In particular, management generated a positive flow of € 100.1

million, financial assets absorbed liquidity of € 264.5 million, and financial liabilities generated liquidity of € 103.2 million. Liquidity absorbed by investing activities amounted to € 64.7 million. Net liquidity absorbed over the three months amounts to € 64.7 million.

The consolidated shareholders' equity attributed to the Parent Bank and the consolidated net profit are calculated from shareholders' equity and profit for the period of Banca Carige, through the following variations:

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

	Shareholders' equity (1)	Income statement (1)
Balance as at 31/03/2007 - Banca Carige	2,848,479	42,090
Positive variations on book value	11,593	12,509
Value adjustments to allocated gains	-5,479	-202
Share options survey - subsidiaries	-18,343	-274
Amortised goodwill (previous accounting periods)	-43,485	-
Consolidated balance as at 31/03/2007	2,792,765	54,123

(1) figures in thousands of €

INCOME FROM DEALING

Total **Financial Intermediation Activities (FIA) on behalf of customers** – direct and indirect - amount to € 36,803.1 million, up 2.8% compared to December 2006 and 9% on an annual basis.

Direct deposits amount to € 16,794.1 million, up 2.9% from the beginning of the

year and 11% compared to March 2006.

Indirect deposits amount to € 20,009 million, up 2.7% and 7.4%, respectively, over three and twelve months.

Indirect deposits decreased their weight in the FIA total to 54.4% and are composed of 50.9% of assets under management and 49.1% of assets in custody.

FINANCIAL INTERMEDIATION ACTIVITIES (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Total (A+B)	36,803,122	35,794,134	33,758,773	2.8	9.0
Direct deposits (A)	16,794,118	16,313,159	15,133,902	2.9	11.0
% on Total	45.6%	45.6%	44.8%		
Indirect deposits (B)	20,009,004	19,480,975	18,624,871	2.7	7.4
% on Total	54.4%	54.4%	55.2%		
- Assets under management	10,192,493	10,242,164	9,806,586	-0.5	3.9
% on Total	27.7%	28.6%	29.0%		
% on Indirect deposits	50.9%	52.6%	52.7%		
- Assets in custody	9,816,511	9,238,811	8,818,285	6.3	11.3
% on Total	26.7%	25.8%	26.1%		
% on Indirect deposits	49.1%	47.4%	47.3%		

Total funding, which includes direct deposits from customers (€ 16,794.1 million) and banks (€ 1,526.8 million), amounts to €18,320.9 million, an increase of 0.6% from the beginning of the year and 7.9% on an annual basis.

The positive changes recorded in **direct deposits** (+2.9% from the beginning of the year and +11% over twelve months) reflect the increase in securities in issue (+13.1% from the beginning of the year and +22.2% over twelve months), and amounts owed to customers (+3.3% to € 9,000.6 million) over twelve months.

With regard to **amounts owed to customers**, that amount to €9,000.6 million, current accounts (€ 8,333 million) decreased from the beginning of the year (-5%) and grew 1.4% on an annual basis; repurchase agreements (€ 255.5 million) demonstrate a decline both in the quarter (-15.4%) and on an annual basis (-14.7%). The opposite trend was recorded by term deposits which recorded a growth of 28% from the beginning of the year (+50.8% from March 2006).

Short-term deposits, whose share of the total deposits is 54.5%, decreased 4.2% from the beginning of the year (+1.8% over twelve months), while medium/long term element increased 13.1% (+24.5% on an annual basis), in relation to an EMTN

issue of €900 million by the Parent Bank in February 2007.

Regarding **securities in issue**, (€ 7,235.9 million; +13.1% and 22.2%, respectively, over three and twelve months), bonds led the trend (€ 6,999.1 million, +13.9% from 31 December 2006 and +26.2% from 31 March 2006).

Liabilities designated at fair value (€ 557.6 million; +0.8% from December and +10.6% from March 2006) mainly consist of structured bonds, placed via Poste Italiane; this item does not include liabilities designated at fair value for Carige Vita Nuova's products, if the risk of the investment product is borne by the insured.

Amounts owed to banks total € 1,526.8 million, declined by 19.7% in the first three months of the year, compared to a decrease of 17.4% on an annual basis. Within this item, short-term deposits declined both over the quarter and on an annual basis (-18.1% and -13.1%, respectively) as well as loans (-31.5% and -29.9%, respectively).

FUNDING (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/2006	03/07 12/06	03/07 03/06
Total (A+B)	18,320,929	18,213,546	16,981,316	0.6	7.9
Direct deposits (A)	16,794,118	16,313,159	15,133,902	2.9	11.0
Amounts owed to customers	9,000,556	9,364,602	8,709,416	-3.9	3.3
current accounts and free deposits	8,332,978	8,767,429	8,215,695	-5.0	1.4
repurchase agreements	255,536	301,936	299,629	-15.4	-14.7
term deposits	145,529	113,690	96,487	28.0	50.8
loans	3,704	3,731	3,881	-0.7	-4.6
funds managed on behalf of third parties	273	311	407	-12.2	-32.9
commitments to repurchase own equity					
instruments	36,324	36,037	38,982	0.8	-6.8
other deposits	226,212	141,468	54,335	59.9	...
Securities in issue	7,235,930	6,395,131	5,920,297	13.1	22.2
bonds	6,999,066	6,147,128	5,546,323	13.9	26.2
other securities	236,864	248,003	373,974	-4.5	-36.7
Liabilities at fair value (1)	557,632	553,426	504,189	0.8	10.6
bonds	557,632	553,426	504,189	0.8	10.6
short term	9,156,983	9,557,745	8,997,386	-4.2	1.8
% on Total	54.5	58.6	59.5		
medium/long term	7,637,135	6,755,414	6,136,516	13.1	24.5
% on Total	45.5	41.4	40.5		
Amounts owed to banks (B)	1,526,811	1,900,387	1,847,414	-19.7	-17.4
Deposits of central banks	-	-	40,184	...	-100.0
Current accounts and free deposits	67,331	51,396	15,456	31.0	...
Term deposits	1,149,058	1,402,949	1,322,317	-18.1	-13.1
Repurchase agreements	5,019	-	33,979	...	-85.2
Loans	305,403	446,041	435,389	-31.5	-29.9
Other	-	1	89	-100.0	-100.0

(1) 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.

Liguria accounts for 62.8% of direct deposits (63.5% in December and 62% in March). Tuscany rose over the quarter from 9.9% to 10.1% and Lombardy from

6.4% to 7%, both in comparison to March 2006, while shares in the other regions remained substantially unchanged.

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

	Situation as at					
	31/03/07		31/12/06		31/03/06	
		%		%		%
Liguria	8,431,054	62.8%	8,769,984	63.5%	8,286,180	62.0%
Tuscany	1,356,079	10.1%	1,370,309	9.9%	1,347,503	10.1%
Latium	949,492	7.1%	962,891	7.0%	915,362	6.8%
Lombardy	942,110	7.0%	878,109	6.4%	933,123	7.0%
Sicily	563,475	4.2%	566,752	4.1%	578,269	4.3%
Piedmont	412,044	3.1%	447,870	3.2%	433,865	3.2%
Emilia Romagna	208,934	1.6%	229,518	1.7%	287,120	2.1%
Apulia	173,445	1.3%	178,582	1.3%	178,521	1.3%
Veneto	135,277	1.0%	139,340	1.0%	143,995	1.1%
Sardinia	120,936	0.9%	132,468	1.0%	141,382	1.1%
Marches	73,395	0.5%	73,764	0.5%	75,246	0.6%
Umbria	31,852	0.2%	25,422	0.2%	27,886	0.2%
Total Italy	13,398,093	99.8%	13,775,009	99.8%	13,348,452	99.8%
Abroad	27,676	0.2%	28,000	0.2%	20,728	0.2%
Total Italy + Abroad	13,425,769	100.0%	13,803,009	100.0%	13,369,180	100.0%
Other captions (2)	3,368,349		2,510,150		1,764,722	
Total direct deposits	16,794,118		16,313,159		15,133,902	

(1) Captions 20, 30 and 50 of Liabilities and Shareholders' equity. 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.

(2) Bonds issued under the EMTN programme, bonds issued and placed through the BancoPosta network, and other bonds issued by the SPV relating to the securitization of loans.

Distribution by business segment shows a reduction in the concentration of direct deposits in the sector of families, that accounts for 61.7% of the total (€ 5,549 million) compared to 62.5% in December and 64.8% in March 2006. The share of non-financial businesses and personal businesses increased to 22.8% (22.7% in

December and 21.2% in March 2006) and amounts owed to customers (€ 2,053.8 million) while private social bodies and unclassifiable units accounted for € 401.7 million (4.5% of the total) and financial businesses account for € 330 million (3.7% of the total).

DIRECT DEPOSITS (1) - DISTRIBUTION BY BUSINESS SEGMENT (figures in millions of €)

	31/3/07		31/12/06		31/3/06	
		%		%		%
Amounts owed to customers	9,000,556		9,364,602		8,709,416	
Public Administration	487,338	5.4%	523,544	5.6%	548,214	6.3%
Financial businesses	330,178	3.7%	316,938	3.4%	276,471	3.2%
Non-financial businesses and personal businesses	2,053,754	22.8%	2,126,994	22.7%	1,849,310	21.2%
Private social bodies	401,714	4.5%	398,759	4.3%	277,255	3.2%
Families	5,548,973	61.7%	5,856,141	62.5%	5,639,902	64.8%
Total residents	8,821,957	98.0%	9,222,374	98.5%	8,591,152	98.6%
Non residents	178,599	2.0%	142,228	1.5%	118,264	1.4%
Total	9,000,556	100.0%	9,364,602	100.0%	8,709,416	100.0%
Securities in issue	7,235,930		6,395,131		5,920,297	
Bonds designated at fair value	557,632		553,426		504,189	
TOTAL DIRECT DEPOSITS	16,794,118		16,313,159		15,133,902	

(1) Captions 20, 30 and 50 of Liabilities and Shareholders' equity. 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.

Indirect deposits amount to € 20,009 million, up 2.7% from the beginning of the year, primarily related to growth in government securities. Over twelve months, the aggregate grew by 7.4% due to expansion in assets under management, in relation to the growth trend of portfolio management and Bancassurance products, as well as for assets in custody, sustained primarily by government securities.

Assets under management amount to € 10,192.5 million, down 0.5% from December 2006 and up 3.9% from March 2006. Within this item, mutual funds amount to € 5,623.1 million (-0.1% and -0.7% over three and twelve months,

respectively), portfolio management amounts to € 3,148 million (-2.2% from December 2006 and +5.3% from March 2006) and Bancassurance products total € 1,421.4 million (+1.8% and 22.8% over three and twelve months, respectively).

Assets in custody, equivalent to € 9,816.5 million, increased 6.3% from the end of 2006 and 11.3% from March 2006. Within this item, government securities increased (€ 5,003.3 million; +10.1% and +19.5% from 31 December 2006 and 31 March 2006, respectively), while other components increased 2.6% over the quarter and 3.9% over twelve months, for a total of € 4,813.2 million.

INDIRECT DEPOSITS (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/3/06	03/07 12/06	03/07 03/06
Total (A+B)	20,009,004	19,480,975	18,624,871	2.7	7.4
Assets under management (A)	10,192,493	10,242,164	9,806,586	-0.5	3.9
Mutual funds and unit trusts	5,623,109	5,626,288	5,660,331	-0.1	-0.7
Assets management	3,147,998	3,219,007	2,988,353	-2.2	5.3
including: Securities management	2,259,270	2,262,584	1,990,946	-0.1	13.5
Mutual funds management	888,728	956,423	997,407	-7.1	-10.9
Bancassurance products	1,421,386	1,396,869	1,157,902	1.8	22.8
Assets in custody (B)	9,816,511	9,238,811	8,818,285	6.3	11.3
Government securities	5,003,315	4,546,128	4,187,938	10.1	19.5
Other	4,813,196	4,692,683	4,630,347	2.6	3.9

Regarding Bancassurance products, growth in premiums on life policies (+12.8%) was sustained by the "Carige Index" issues; the non-life branch

declined 27.9%, particularly as a result of a reduction recorded in non-car insurance (-33.6%)

BANCASSURANCE (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 03/06	
Total premiums collected	62,817	342,272	56,357	11.5	
Life, of which:	61,527	336,098	54,568	12.8	
. Unit/Index-linked policies	42,090	172,591	2,224	...	
. Traditional policies	19,437	163,507	52,344	-62.9	
Non life, of which:	1,290	6,174	1,789	-27.9	
. Car insurance	326	1,052	337	-3.3	
. Non car insurance	964	5,122	1,452	-33.6	

In terms of indirect deposits, Liguria accounted for 74.8%, compared to 75% in December and 75.2% in March 2006.

The shares of other regions did not show significant changes.

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

	Situation as at					
	31/03/07		31/12/06		31/03/06	
		%		%		%
Liguria	14,966,619	74.8%	14,603,311	75.0%	13,999,279	75.2%
Lombardy	1,340,130	6.7%	1,314,536	6.7%	1,293,004	6.9%
Tuscany	1,113,409	5.6%	1,033,537	5.3%	988,093	5.3%
Latium	738,464	3.7%	716,846	3.7%	671,182	3.6%
Piedmont	588,935	2.9%	574,640	2.9%	529,184	2.8%
Sicily	478,058	2.4%	469,845	2.4%	442,742	2.4%
Emilia Romagna	282,000	1.4%	271,469	1.4%	254,155	1.4%
Veneto	150,097	0.8%	146,422	0.8%	133,741	0.7%
Apulia	141,232	0.7%	147,039	0.8%	122,630	0.7%
Marches	99,735	0.5%	99,691	0.5%	98,037	0.5%
Sardinia	68,935	0.3%	67,092	0.3%	53,552	0.3%
Umbria	28,945	0.1%	28,719	0.1%	30,320	0.2%
Total Italy	19,996,559	99.9%	19,473,147	100.0%	18,615,919	100.0%
Abroad	12,445	0.1%	7,828	0.0%	8,952	0.0%
Total indirect deposits	20,009,004	100.0%	19,480,975	100.0%	18,624,871	100.0%

The predominant share of indirect deposits is attributable to families (€ 15,877.1 million; 79.4% of the total), whose weight is stable compared to the year

end and in slight decline compared to March 2006 (80.2%) Financial businesses represent 12.9% of the total (13.1% in December and 11.7% in March 2006).

INDIRECT DEPOSITS - DISTRIBUTION BY BUSINESS SEGMENT (figures in thousands of €)

	31/3/07		31/12/06		31/3/06	
		%		%		%
Public Administration	123,737	0.6%	88,042	0.5%	284,296	1.5%
Financial businesses	2,586,311	12.9%	2,554,284	13.1%	2,187,118	11.7%
Non-financial businesses and personal businesses	1,174,804	5.9%	1,139,465	5.8%	1,033,826	5.6%
Private social bodies	163,817	0.8%	141,591	0.7%	131,949	0.7%
Families	15,877,134	79.4%	15,481,495	79.5%	14,937,848	80.2%
Total residents	19,925,803	99.6%	19,404,877	99.6%	18,575,037	99.7%
Non residents	83,201	0.4%	76,098	0.4%	49,834	0.3%
Total	20,009,004	100.0%	19,480,975	100.0%	18,624,871	100.0%

Loans to customers total € 16,023.3 million, up 2.4% compared to the end of 2006 (+15.3% over twelve months). The net value adjustments totalled € 414.4 million, gross of the adjustments, they amount to € 16,437.8 million.

The trend over the first quarter of the year showed an increase of 1.8% for short-term loans and 2.7% for medium/long term loans. Also on an annual basis, the most sustained growth was experienced in the medium/long term component (+15.8%), compared to an increase of 14.4% for short-term loans.

Bad loans amount to € 597.4 million, substantially aligned with the end of the year (-0.2%) but up 12.9% over twelve months.

In detail, the most significant performance (+22% over the quarter and +35.2% over twelve months) refers to current accounts, which amount to € 2,382.7 million. Personal loans also grew (+6.3% over the quarter and +41.6% over twelve months) to € 384.2 million, while mortgage loans, despite strong growth over the year (+29.8%), recorded slower activity over the quarter (+3.2%), amounting to € 8,661.2 million. Leasing and factoring are substantially unchanged over the quarter, totalling € 737.5 million and € 113.2 million, respectively (+6.3% and +25.8%, respectively, over twelve months).

Loans to banks amount to € 888.9 million, down 19.3% on a quarterly basis and 27.6% over twelve months. The decline

involved essentially all of the components, with the exception of the compulsory reserve, that grew 59.9% over the quarter and 7.6% over the year to € 202.7 million.

Bad loans, of a limited amount (€ 17.3 million), refer to two historical positions

and did not present any substantial changes over the year.

The **net interbank balance** (difference between amounts owed to banks and loans to banks) shows a net debtor position of € 638.4 million (€799.8 million in December 2006).

LOANS (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Total (A+B)	16,911,723	16,747,552	15,122,209	1.0	11.8
Loans to customers (A)	16,023,338	15,647,004	13,895,072	2.4	15.3
-nominal value (1)	16,437,764	16,061,523	14,249,477	2.3	15.4
<i>current accounts</i>	2,382,730	1,953,610	1,762,756	22.0	35.2
<i>mortgage loans</i>	8,661,159	8,391,042	6,671,423	3.2	29.8
<i>credit cards, personal loans and salary-backed loans</i>	384,201	361,478	271,365	6.3	41.6
<i>leasing</i>	737,495	728,933	694,040	1.2	6.3
<i>factoring</i>	113,213	113,342	90,006	-0.1	25.8
<i>other loans</i>	3,109,769	3,495,034	3,138,705	-11.0	-0.9
<i>assets sold and not cancelled</i>	-	-	720,331	...	-100.0
<i>impaired assets</i>	1,049,197	1,018,084	900,851	3.1	16.5
-short term (2)	4,284,946	4,210,557	3,744,824	1.8	14.4
<i>% on nominal value</i>	26.1	26.2	26.3		
-medium/long term (2)	11,555,379	11,252,240	9,975,541	2.7	15.8
<i>% on nominal value</i>	70.3	70.1	70.0		
- Bad loans	597,439	598,726	529,112	-0.2	12.9
<i>% on nominal value</i>	3.6	3.7	3.7		
-Value adjustments (-)	414,426	414,519	354,405	-0.0	16.9
Loans to banks (B)	888,385	1,100,548	1,227,137	-19.3	-27.6
-nominal value (1)	888,876	1,101,039	1,227,382	-19.3	-27.6
<i>compulsory reserves</i>	202,725	126,788	188,401	59.9	7.6
<i>other loans to central banks</i>	12	257	47	-95.3	-74.5
<i>current accounts and free deposits</i>	69,898	192,951	132,114	-63.8	-47.1
<i>term deposits</i>	276,188	373,823	462,925	-26.1	-40.3
<i>repurchase agreements</i>	232,124	294,162	12,011	-21.1	...
<i>loans</i>	90,334	94,901	413,226	-4.8	-78.1
<i>impaired assets</i>	17,595	18,157	18,658	-3.1	-5.7
-short term	814,139	1,011,351	1,197,561	-19.5	-32.0
<i>% on nominal value</i>	91.6	91.9	97.6		
-medium/long term	57,411	71,880	11,525	-20.1	...
<i>% on nominal value</i>	6.5	6.5	0.9		
- Bad loans	17,326	17,808	18,296	-2.7	-5.3
<i>% on nominal value</i>	1.9	1.6	1.5		
-Value adjustments (-)	491	491	245	-	...

(1) Before value adjustments.

(2) The figures of the previous periods have been reclassified in order to make them consistent with the classification adopted on 31/03/07.

In terms of geographical distribution, Liguria accounts for 51.1% of loans to customers, down slightly from 51.2% in December and 53.4% in March 2006. Outside of Liguria, Lombardy shows continued growth (from 13.1% in March

2006 to 14.1% in December 2006 to 14.4% in March 2007) as does Piedmont (from 5.7% in March 2006 to 6.2% in December 2006 to 6.4% in March 2007).

TOTAL LOANS TO CUSTOMERS (1) - GEOGRAPHICAL DISTRIBUTION *(figures in thousands of €)*

	Situation as at					
	31/03/07		31/12/06		31/03/06	
		%		%		%
Liguria	8,404,746	51.1%	8,230,709	51.2%	7,606,570	53.4%
Lombardy	2,362,049	14.4%	2,267,347	14.1%	1,864,992	13.1%
Tuscany	1,550,512	9.4%	1,576,331	9.8%	1,352,066	9.5%
Piedmont	1,058,462	6.4%	997,346	6.2%	817,183	5.7%
Emilia Romagna	933,960	5.7%	961,489	6.0%	902,109	6.3%
Latium	741,398	4.5%	719,433	4.5%	572,758	4.0%
Sicily	318,242	1.9%	311,758	1.9%	260,359	1.8%
Veneto	286,183	1.7%	281,349	1.8%	242,147	1.7%
Apulia	213,803	1.3%	200,469	1.2%	157,382	1.1%
Sardinia	201,365	1.2%	191,340	1.2%	162,015	1.1%
Marches	162,763	1.0%	157,702	1.0%	152,288	1.1%
Umbria	84,329	0.5%	81,283	0.5%	87,698	0.6%
Total Italy	16,317,812	99.3%	15,976,556	99.5%	14,177,567	99.5%
Abroad	119,952	0.7%	84,967	0.5%	71,910	0.5%
Total loans to customers	16,437,764	100.0%	16,061,523	100.0%	14,249,477	100.0%

(1) Before value adjustments.

Distribution by business segment shows an increase over the quarter for the share attributable to families, to 31.9% from 31.6% in December (31.3% in March 2006), amounting to € 5,249.5 million. The

share attributable to non-financial businesses and personal businesses decreased (55.6% compared to 56.1% in December and 57.6% in March 2006).

LOANS TO CUSTOMERS (1) - DISTRIBUTION BY BUSINESS SEGMENT *(figures in thousands of €)*

	31/3/07		31/12/06		31/3/06	
		%		%		%
Public Administration	1,117,370	6.8%	1,139,397	7.1%	889,393	6.2%
Financial businesses	761,491	4.6%	681,349	4.2%	542,922	3.8%
Non-financial businesses and personal businesses	9,131,140	55.6%	9,002,542	56.1%	8,201,626	57.6%
<i>Sales-related services</i>	2,426,122	14.8%	2,381,486	14.8%	2,040,628	14.3%
<i>Wholesale & retail trade, salvage and repairs</i>	1,629,783	9.9%	1,590,496	9.9%	1,516,546	10.6%
<i>Building and public works</i>	1,629,477	9.9%	1,577,208	9.8%	1,365,664	9.6%
<i>Hotel and catering services</i>	481,760	2.9%	456,440	2.8%	439,004	3.1%
<i>Shipping and air transport</i>	410,596	2.5%	414,797	2.6%	402,570	2.8%
<i>Other</i>	2,553,403	15.6%	2,582,115	16.1%	2,437,214	17.1%
Private social bodies	91,718	0.6%	79,060	0.5%	78,351	0.5%
Families	5,249,500	31.9%	5,084,808	31.6%	4,452,993	31.3%
Total residents	16,351,219	99.5%	15,987,156	99.5%	14,165,285	99.4%
Non residents	86,545	0.5%	74,367	0.5%	84,192	0.6%
Total	16,437,764	100.0%	16,061,523	100.0%	14,249,477	100.0%

(1) Inclusive of expected losses.

Impaired loans and past due loans amount to € 1,067 million, substantially unchanged over the quarter and up 10.4% over the year. The corresponding

value adjustments amount to € 355.6 million and are stable over the quarter, and increasing 17.4% over the year, representing a hedging level of 33.3% of

the total.

These loans consist almost entirely of cash loans, of which only € 17.4 million refer to loans to banks, which are relatively stable over time.

Performing loans, on the other hand, amount to € 16,259.8 million written down by 0.4% (for € 59.5 million).

For **non-performing cash loans**, analysis highlights the following:

- **bad loans** are equivalent to € 614.8 million, essentially unchanged from the beginning of the year (-0.3%) and up 12.3% over twelve months, these are written down by 51.2% (50.5% in December and 45.9% in March 2006). The ratio of bad loans/total loans to customers is equal to 3.6%, compared to 3.7% in December and March 2006.
- **watchlist loans** amount to € 233.9 million, up 4.8% over the quarter and 53.6% over twelve months. These were written down by 11.7% (11.1% and 23.2% in December and March 2006).

- **rescheduled loans** amount to € 11.5 million, essentially in line with December (€ 11.8 million) but down 60.1% over twelve months. The write-downs are equivalent to € 1 million;
- **past due loans** amount to € 206.7 million, up 11.8% over the quarter but essentially unchanged from the first quarter of 2006 (+0.4%). These were written down by 6.1%.

Credit commitments were € 0.2 million, a steep decline compared to December and March 2006, when they amounted to € 30.5 million and € 32 million, respectively. These assets were written down by 61.2% of the total.

Overall, also considering performing loans, value adjustments amount to € 415.5 million, of which € 414.9 million relate to cash loans and € 0.6 million relate to credit commitments.

CREDIT QUALITY (figures in thousands of €)

	31/03/07				31/12/06			
	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	614,765	314,515	300,250	51.2	616,534	311,573	304,961	50.5
- banks	17,326	444	16,882	2.6	17,808	360	17,448	2.0
- customers	597,439	314,071	283,368	52.6	598,726	311,213	287,513	52.0
Watchlist loans	233,887	27,259	206,628	11.7	223,131	24,750	198,381	11.1
- banks	47	47	-	100.0	131	131	-	100.0
- customers	233,840	27,212	206,628	11.6	223,000	24,619	198,381	11.0
Rescheduled loans	11,470	991	10,479	8.6	11,774	962	10,812	8.2
- customers	11,470	991	10,479	8.6	11,774	962	10,812	8.2
Past due loans	206,670	12,693	193,977	6.1	184,802	12,348	172,454	6.7
- banks	222	-	222	-	218	-	218	-
- customers	206,448	12,693	193,755	6.1	184,584	12,348	172,236	6.7
Performing loans	16,259,848	59,459	16,200,389	0.4	16,126,321	65,377	16,060,944	0.4
- banks	871,281	-	871,281	-	1,082,882	-	1,082,882	-
- customers	15,388,567	59,459	15,329,108	0.4	15,043,439	65,377	14,978,062	0.4
Total cash loans	17,326,640	414,917	16,911,723	2.4	17,162,562	415,010	16,747,552	2.4
- banks	888,876	491	888,385	0.1	1,101,039	491	1,100,548	0.0
- customers	16,437,764	414,426	16,023,338	2.5	16,061,523	414,519	15,647,004	2.6
Credit commitments								
Impaired	227	139	88	61.2	30,532	5,760	24,772	18.9
- customers	227	139	88	61.2	30,532	5,760	24,772	18.9
Other loans	6,366	487	5,879	7.7	1,428,404	5,089	1,423,315	0.4
- banks	-	-	-	-	34,373	-	34,373	-
- customers	6,366	487	5,879	7.7	1,394,031	5,089	1,388,942	0.4
Total credit commitments	6,593	626	5,967	9.5	1,458,936	10,849	1,448,087	0.7
- banks	-	-	-	-	34,373	-	34,373	-
- customers	6,593	626	5,967	9.5	1,424,563	10,849	1,413,714	0.8
Total	17,333,233	415,543	16,917,690	2.4	18,621,498	425,859	18,195,639	2.3
- banks	888,876	491	888,385	0.1	1,135,412	491	1,134,921	0.0
- customers	16,444,357	415,052	16,029,305	2.5	17,486,086	425,368	17,060,718	2.4

	31/03/06				31/12/05			
	Gross exposure	Specific Value	Net exposure	%	Gross exposure	Value adjustments	Net exposure	%
	(a)	(b)	(a)-(b)	b/a	(a)	(b)	(a)-(b)	b/a
Cash loans								
Bad loans	547,408	251,495	295,913	45.9	523,364	240,830	282,534	46.0
- banks	18,296	90	18,206	0.5	18,162	-	18,162	-
- customers	529,112	251,405	277,707	47.5	505,202	240,830	264,372	47.7
Watchlist loans	152,275	35,382	116,893	23.2	141,342	29,303	112,039	20.7
- banks	155	155	-	100.0	641	513	128	80.0
- customers	152,120	35,227	116,893	23.2	140,701	28,790	111,911	20.5
Rescheduled loans	28,778	2,013	26,765	7.0	28,058	731	27,327	2.6
- customers	28,778	2,013	26,765	7.0	28,058	731	27,327	2.6
Past due loans	205,869	8,894	196,975	4.3	224,992	10,841	214,151	4.8
- banks	207	-	207	-	204	-	204	-
- customers	205,662	8,894	196,768	4.3	224,788	10,841	213,947	4.8
Performing loans	14,542,529	56,866	14,485,663	0.4	13,944,110	62,623	13,881,487	0.4
- banks	1,208,724	-	1,208,724	-	837,381	-	837,381	-
- customers	13,333,805	56,866	13,276,939	0.4	13,106,729	62,623	13,044,106	0.5
Total cash loans	15,476,859	354,650	15,122,209	2.3	14,861,866	344,328	14,517,538	2.3
- banks	1,227,382	245	1,227,137	-	856,388	513	855,875	0.1
- customers	14,249,477	354,405	13,895,072	2.5	14,005,478	343,815	13,661,663	2.5
Credit commitments								
Impaired	31,972	5,192	26,780	16.2	31,099	4,983	26,116	16.0
- customers	31,972	5,192	26,780	16.2	31,099	4,983	26,116	16.0
Other loans	1,263,243	5,328	1,257,915	0.4	1,421,604	6,059	1,415,545	0.4
- banks	4,251	-	4,251	-	42,795	-	42,795	-
- customers	1,258,992	5,328	1,253,664	0.4	1,378,809	6,059	1,372,750	0.4
Total credit commitments	1,295,215	10,520	1,284,695	0.8	1,452,703	11,042	1,441,661	0.8
- banks	4,251	-	4,251	-	42,795	-	42,795	-
- customers	1,290,964	10,520	1,280,444	0.8	1,409,908	11,042	1,398,866	0.8
Total	16,772,074	365,170	16,406,904	2.2	16,314,569	355,370	15,959,199	2.2
- banks	1,231,633	245	1,231,388	-	899,183	513	898,670	0.1
- customers	15,540,441	364,925	15,175,516	2.3	15,415,386	354,857	15,060,529	2.3

The geographic distribution of bad loans show a decline in Liguria (55.3%) to €

330.7 million, while increasing in Lombardy, Piedmont and Tuscany.

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

	Situation as at					
	31/03/07		31/12/06		31/03/06	
		%		%		%
Liguria	330,675	55.3%	357,281	59.7%	317,499	60.0%
Lombardy	82,155	13.8%	68,558	11.5%	50,312	9.5%
Tuscany	49,206	8.2%	46,542	7.8%	48,216	9.1%
Piedmont	48,261	8.1%	46,325	7.7%	45,106	8.5%
Emilia Romagna	24,640	4.1%	23,848	4.0%	24,090	4.6%
Latium	18,791	3.1%	17,581	2.9%	12,766	2.4%
Sicily	11,981	2.0%	11,144	1.9%	10,113	1.9%
Veneto	8,962	1.5%	7,673	1.3%	6,630	1.3%
Marches	7,133	1.2%	6,251	1.0%	5,181	1.0%
Apulia	6,933	1.2%	5,419	0.9%	4,113	0.8%
Sardinia	4,088	0.7%	3,689	0.6%	928	0.2%
Umbria	3,131	0.5%	2,932	0.5%	2,619	0.5%
Total Italy	595,956	99.8%	597,243	99.8%	527,573	99.7%
Abroad	1,483	0.2%	1,483	0.2%	1,539	0.3%
Total	597,439	100.0%	598,726	100.0%	529,112	100.0%

(1) Before value adjustments.

The ratio of bad loans/total loans is essentially stable over time, but with differing trends by territory: in Liguria, it amounts to 3.9%, down compared to 4.3% in December and 4.2% in March

2006. Piedmont shows a higher share (4.6%) stable from December, but lower than March 2006 (5.5%).

BAD LOANS/LENDING RATIO (1) - GEOGRAPHICAL DISTRIBUTION (percentage values)

	31/03/07	31/12/06	31/03/06
Piedmont	4.6%	4.6%	5.5%
Marches	4.4%	4.0%	3.4%
Liguria	3.9%	4.3%	4.2%
Sicily	3.8%	3.6%	3.9%
Umbria	3.7%	3.6%	3.0%
Lombardy	3.5%	3.0%	2.7%
Tuscany	3.2%	3.0%	3.6%
Apulia	3.2%	2.7%	2.6%
Veneto	3.1%	2.7%	2.7%
Emilia Romagna	2.6%	2.5%	2.7%
Latium	2.5%	2.4%	2.2%
Sardinia	2.0%	1.9%	0.6%
Total Italy	3.7%	3.7%	3.7%
Abroad	1.2%	1.7%	2.1%
Total	3.6%	3.7%	3.7%

(1) Before value adjustments.

Distribution by business segment shares the progressive reduction of the share of bad loans attributed to non-financial businesses and personal businesses to

79.5%; bad loans attributable to families, on the other hand, increased (17.8% of the total).

BAD LOANS (1) - DISTRIBUTION BY BUSINESS SEGMENT (figures in thousands of €)

	31/3/07		31/12/06		31/3/06	
		%		%		%
Public Administration	-	-	-	-	-	-
Financial businesses	10,974	1.8%	11,246	1.9%	10,335	2.0%
Non-financial businesses and personal businesses	475,220	79.5%	478,657	79.9%	431,428	81.5%
<i>Building and public works</i>	108,913	18.2%	107,542	18.0%	93,116	17.6%
<i>Shipping and air transport</i>	81,609	13.7%	84,659	14.1%	83,557	15.8%
<i>Wholesale & retail trade, salvage and repairs</i>	79,548	13.3%	80,725	13.5%	74,217	14.0%
<i>Sales-related services</i>	62,584	10.5%	64,864	10.8%	54,879	10.4%
<i>Hotel and catering services</i>	16,618	2.8%	16,524	2.8%	13,825	2.6%
<i>Other</i>	125,949	21.1%	124,343	20.8%	111,833	21.1%
Private social bodies	1,424	0.2%	1,147	0.2%	930	0.2%
Families	106,157	17.8%	100,437	16.8%	83,599	15.8%
Total residents	593,775	99.4%	591,488	98.8%	526,292	99.5%
Non residents	3,664	0.6%	7,238	1.2%	2,820	0.5%
Total	597,439	100.0%	598,726	100.0%	529,112	100.0%

(1) Inclusive of expected losses.

The ratio of bad loans/total loans is stable for families (2%) but shows a slight decline for non-financial business and personal

businesses (from 5.3% in March and December 2006 to 5.2% in March 2007).

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

(Percentage values)

	Situation as at		
	31/3/07	31/12/06	31/3/06
Public Administration	-	-	-
Financial businesses	1.4%	1.7%	1.9%
Non-financial businesses and personal businesses	5.2%	5.3%	5.3%
<i>Building and public works</i>	6.7%	6.8%	6.8%
<i>Wholesale & retail trade, salvage and repairs</i>	4.9%	5.1%	4.9%
<i>Hotel and catering services</i>	3.4%	3.6%	3.1%
<i>Shipping and air transport</i>	19.9%	20.4%	20.8%
<i>Sales-related services</i>	2.6%	2.7%	2.7%
<i>Other</i>	4.9%	4.8%	4.6%
Private social bodies	1.6%	1.5%	1.2%
Families	2.0%	2.0%	1.9%
Total residents	3.6%	3.7%	3.7%
Non residents	4.2%	9.7%	3.3%
Total	3.6%	3.7%	3.7%

(1) Before value adjustments.

The **securities portfolio** amounts to € 5,515.1 million, up 3.9% from the end of the year and 8.6% over twelve months. The change from the beginning of the year is attributable to the available-for-sale component, which accounts for 35.2% of the total and those held for trading (52.2% of the total).

Debt securities grew 21.7% on an annual basis to € 3,494.8 million (+6.3% over three months) and equities, which amount to € 1,050.2 million, were down 4.4%

compared to March 2006, but grew 4.1% over three months.

Available-for-sale equities include the equity investment in Bank of Italy equivalent to € 653.4 million; this value is the result of fair value designation – using shareholders' equity as a reliable proxy for fair value - carried out on the basis of the financial statements of the Bank of Italy as at 31 December 2005.

Units of mutual funds amount to € 970 million, down 12.6% over twelve months and 4.1% from the beginning of the year.

SECURITIES PORTFOLIO (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Debt securities	3,494,840	3,286,493	2,871,091	6.3	21.7
<i>Held for trading</i>	2,258,047	2,129,391	2,181,372	6.0	3.5
<i>Available for sale</i>	891,935	838,291	471,830	6.4	89.0
<i>Fair value</i>	342,249	316,196	215,029	8.2	59.2
<i>Held to maturity</i>	2,609	2,615	2,860	-0.2	-8.8
Equities	1,050,201	1,009,105	1,098,673	4.1	-4.4
<i>Held for trading</i>	32,844	3,696	408,876	...	-92.0
<i>Available for sale</i>	1,017,357	1,005,409	689,797	1.2	47.5
Shares in collective investment schemes	970,035	1,011,061	1,110,170	-4.1	-12.6
<i>Held for trading</i>	587,107	620,924	702,200	-5.4	-16.4
<i>Available for sale</i>	32,424	32,021	30,703	1.3	5.6
<i>Fair value</i>	350,504	358,116	377,267	-2.1	-7.1
Total	5,515,076	5,306,659	5,079,934	3.9	8.6
<i>including:</i>					
<i>Held for trading</i>	2,877,998	2,754,011	3,292,448	4.5	-12.6
<i>Available for sale</i>	1,941,716	1,875,721	1,192,330	3.5	62.9
<i>Fair value</i>	692,753	674,312	592,296	2.7	17.0
<i>Held to maturity</i>	2,609	2,615	2,860	-0.2	-8.8

The value of **hedging derivatives contracts** (assets and liabilities) is equivalent to € 15.4 million, down 18.5% from the beginning of the year and 46.3% over twelve months. Asset hedging

derivatives are € 1.5 million, while liability hedging derivatives are € 14 million.

The notional value of derivatives is equal to € 7,472 million, up 7.2% from the beginning of the year and 2.7% over twelve months.

ASSETS FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Asset hedging derivatives	1,485	780	197	90.4	...
Fair value hedging	1,485	780	197	90.4	...
<i>interest rates</i>	1,485	780	197	90.4	...
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	-	-	-	...	...
Liability hedging derivatives	13,894	18,096	28,424	-23.2	-51.1
Fair value hedging	8,158	14,191	27,313	-42.5	-70.1
<i>interest rates</i>	8,158	14,191	27,313	-42.5	-70.1
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	5,736	3,905	1,111	46.9	...
Total	15,379	18,876	28,621	-18.5	-46.3

LIABILITIES FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Asset hedging derivatives	9,402	11,864	17,599	-20.8	-46.6
Fair value hedging	9,402	11,864	17,599	-20.8	-46.6
<i>interest rates</i>	9,402	11,864	17,599	-20.8	-46.6
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	-	-	-	...	...
Liability hedging derivatives	14,175	11,145	10,907	27.2	30.0
Fair value hedging	13,871	10,022	10,907	38.4	27.2
<i>interest rates</i>	13,871	10,022	10,907	38.4	27.2
Cash flow hedging	-	241	-	-100.0	...
General interest rate risk hedging	304	882	-	-65.5	...
Total	23,577	23,009	28,506	2.5	-17.3

NOTIONAL VALUES OF DERIVATIVE CONTRACTS (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	3/07 12/06	3/07 3/06
Financial derivatives	7,284,821	6,763,725	7,549,660	7.7	-3.5
<i>futures</i>	16,996	65	133	...	...
<i>forward agreements</i>	808,230	656,162	1,459,341	23.2	-44.6
<i>forward rate agreements</i>	-	-	10,052	...	-100.0
<i>swap</i>	4,451,021	4,140,709	3,914,653	7.5	13.7
<i>options purchased</i>	1,348,191	1,280,534	1,096,976	5.3	22.9
<i>others</i>	660,383	686,255	1,068,505	-3.8	-38.2
Credit derivatives	187,139	203,548	126,467	-8.1	48.0
<i>tror</i>	18,094	33,471	43,205	-45.9	-58.1
<i>cds</i>	169,045	170,077	83,262	-0.6	...
TOTAL	7,471,960	6,967,273	7,676,127	7.2	-2.7

Trading derivative contracts amount to € 52.9 million in revaluations, € 49.8 million in write-downs and € 2.1 million in net profit from trading, which results in a net income of € 5.1 million.

Hedging derivative contracts amount to € 4.6 million of revaluations and € 6 million in write-downs; considering the positive net change of the hedged item for € 1.2 million, the net result is negative € 115 thousand.

TRADING DERIVATIVES *(figures in thousands of €)*

	Situation as at			Change %	
	31/3/07	31/12/06	31/03/06	3/07 12/06	3/07 3/06
Positive countervalues	147,862	96,194	46,450	53.7	...
Financial derivatives	147,759	95,878	46,022	54.1	...
<i>forward agreements</i>	40,678	4,445	6,888	...	...
<i>swap</i>	12,785	6,480	1,076	97.3	...
<i>options purchased</i>	94,296	84,953	38,058	11.0	...
Credit derivatives	103	316	428	-67.4	-75.9
<i>tror</i>	-	146	297	-100.0	-100.0
<i>cds</i>	103	170	131	-39.4	-21.4
TOTAL	147,862	96,194	46,450	53.7	...
Negative countervalues	184,083	131,787	108,150	39.7	70.2
Financial derivatives	182,394	130,700	106,880	39.6	70.7
<i>forward agreements</i>	2,498	4,128	5,115	-39.5	-51.2
<i>swap</i>	162,655	115,319	91,398	41.0	78.0
<i>issued options</i>	17,241	11,253	10,367	53.2	66.3
Credit derivatives	1,689	1,087	1,270	55.4	33.0
<i>tror</i>	106	-	-	...	...
<i>cds</i>	1,583	1,087	1,270	45.6	24.6
TOTAL	184,083	131,787	108,150	39.7	70.2

NET INCOME ON DERIVATIVE CONTRACTS AS AT 31/03/07

(figures in thousands of €)

	Revaluations	Write-downs	Net profit on trading	Net income
1. Trading contracts	52,866	- 49,834	2,057	5,089
1.1 Financial derivatives	52,664	- 48,829	1,422	5,257
1.2 Credit derivatives	202	- 1,005	635	- 168
	Revaluations	Write-downs	Changes in underlying from hedging	Net income
2. Hedging contracts	4,617	- 5,957	1,225	- 115
2.1 Asset hedging	3,871	- 439	- 3,552	- 120
2.2 Liability hedging	746	- 5,518	4,777	5
TOTAL	57,483	- 55,791	3,282	4,974

INCOME BY BUSINESS SEGMENT

The primary segment in sector reporting has been determined on the basis of the main business segments, according to customer segmentation.

A secondary reporting segment by geographical area was not presented, as the Group operates in a relatively homogeneous context. All of the branches are located in Italy, except for one in Nice, which represents a marginal portion of the Bank's activities.

Where necessary for a better understanding of income statement and balance sheet results, the data relating to the first three months of 2006 and those as at 31 December 2006 are adapted to the distribution during the first three months of 2007.

The income statement and balance sheet results as at 31 March 2007 in relation to **ordinary customers** (Private and Affluent, Corporate and Retail) show a positive trend when compared to 2006. In particular:

- the **Private** and **Affluent** segment has a gross operating income of € 51.7 million, equal to 21.6% of the total; 21.3% growth compared to the first three months of 2006 was recorded, primarily due to trends in rates. Subtracting operating costs, the current operating income amounts to € 21.6 million, up almost 60% compared to the first three months of 2006, and represents 20.8% of the total gross profit of the Group. Cost/income, equal to 58.1%, represents an improvement over the first quarter of 2006 (67.9%).

With regard to aggregate balance sheet items, the amounts owed to customers of € 3,718 million, are in line with the values of 2006, representing a 41.3% share of the total. This segments includes the greatest share of securities in issue and financial liabilities designated at fair value with

respect to the Group total (41.8%, € 3,566 million) even if slightly down compared to March 2006. Lending is marginal;

- the **Corporate** segment, has a gross operating income of € 44.7 million (18.7% of the total) and net income from financial and insurance management of € 39.6 million (17.4% of the total), up 3.8% and 7.6%, respectively, from March 2006. Net of operating costs of € 10.1 million, profit from ordinary activities amounts to € 29.5 million, up 7.2% compared to the first quarter of 2006. In cost/income ratio of the segment increased slightly, and is equal to 22.5%.

With reference to the aggregate balance sheet items, loans to customers amount to € 7,081 million, up 12% compared to March 2006, and represent 44.2% of the Group total; amounts owed to customers is € 1,233 million (13.7% of the total); securities in issue and financial liabilities designated at fair value are marginal;

- the **Retail** segment recorded gross operating income of € 87 million (36.3% of the total) and a net income from financial and insurance management of € 77.4 million (34% of the total), up 12.4% and 11.7%, respectively, compared to March 2006, primarily due to trends in the spread. Net of operating costs of € 56.8 million, profit from ordinary activities amounts to € 20.6 million (19.8% of the total, +32.1% compared to the first quarter of 2006). The cost/income ratio decreased from 69.4% in March 2006 to 65.3% in the current quarter.

Continued growth in lending to customers (€ 6,129 million, +16.5% compared to March 2006); amounts owed to customers remain essentially unchanged (€ 2,891 million) while securities in issue and financial liabilities designated at fair value recorded slight declines (-4.6% compared to March 2006). In percentage terms, lending represents

38.3% of the total, amounts owed correspond to 32.1% of the overall total and securities in issue and liabilities designated at fair value represent 11%.

- the **Wealth Management** segment recorded net income from financial and insurance management of € 6.8 million (2.8% of the total), down from the first quarter of 2006 (€ 9.2 million) but in line with the value at the end of 2006. Net of operating costs of € 3.9 million, profit from ordinary activities amounts to € 2.9 million, down from the first quarter of 2006: in percentage terms, this represents 2.8% of the Group (6.4% in March 2006). The cost/income ratio for the segment recorded an increase, reaching 57% (43.9% in March 2006).

With reference to the aggregate balance sheet items, securities in issue and financial liabilities designated at fair value reached € 737 million (+24.5% compared to March 2006), representing 8.6% of the Group total.

The **Other** segment shows profit from ordinary activities of € 29.4 million, up 55.3% from the first three months of the prior year. The balance sheet items, securities in issue and liabilities designated at fair value amount to € 3,229 million (37.8% of the total): the growth recorded with respect to March 2006 is due to the bonds issued during the period by the Parent Bank as part of the EMTN programme.

Business segments (figures in thousands of €)

	Private and Affluent	Corporate	Retail	Wealth Management	Other	TOTAL
Gross operating income ⁽¹⁾						
1st Q 2007	51,726	44,749	86,956	6,789	49,008	239,228
year 2006	182,117	177,195	338,712	24,300	100,839	823,163
1st Q 2006	42,659	43,112	77,338	9,197	37,924	210,230
Net income from financial and insurance Management⁽²⁾						
1st Q 2007	51,662	39,577	77,403	6,789	52,115	227,546
year 2006	181,974	139,756	302,190	24,311	94,000	742,231
1st Q 2006	42,549	36,771	69,302	9,197	43,558	201,377
Operating costs						
1st Q 2007	-30,049	-10,089	-56,790	-3,868	-22,742	-123,538
year 2006	-112,886	-39,216	-227,442	-11,796	-111,716	-503,056
1st Q 2006	-28,973	-9,275	-53,695	-4,041	-24,650	-120,634
Profit (Loss) from ordinary activities						
1st Q 2007	21,613	29,488	20,613	2,921	29,373	104,008
year 2006	69,088	100,540	74,748	12,515	-17,716	239,175
1st Q 2006	13,576	27,496	15,607	5,156	18,908	80,743
Cost income (%)						
1st Q 2007	58.1	22.5	65.3	57.0	46.4	51.6
year 2006	62.0	22.1	67.1	48.5	110.8	61.1
1st Q 2006	67.9	21.5	69.4	43.9	65.0	57.4
Net interbank						
31/03/2007				15,355	-653,781	-638,426
31/12/2006				21,993	-821,832	-799,839
31/03/2006				25,072	-645,349	-620,277
Loans to customers						
31/03/2007	624,181	7,081,080	6,129,354	15,954	2,172,769	16,023,338
31/12/2006	621,333	6,946,047	5,934,730	18,403	2,126,491	15,647,004
31/03/2006	533,084	6,323,698	5,261,043	15,985	1,761,262	13,895,072
Amounts owed to customers						
31/03/2007	3,717,552	1,233,335	2,891,135	1,380	1,157,154	9,000,556
31/12/2006	3,893,151	1,306,727	2,926,067	1,409	1,237,248	9,364,602
31/03/2006	3,664,372	1,101,933	2,885,125	1,194	1,056,792	8,709,416
Securities in issue and financial liabilities at fair value						
31/03/2007	3,565,879	60,361	938,669	737,320	3,228,653	8,530,882
31/12/2006	3,558,218	69,374	940,629	716,566	2,380,337	7,665,124
31/03/2006	3,676,729	74,093	983,827	592,296	1,689,838	7,016,783

(1) Including the income from insurance management

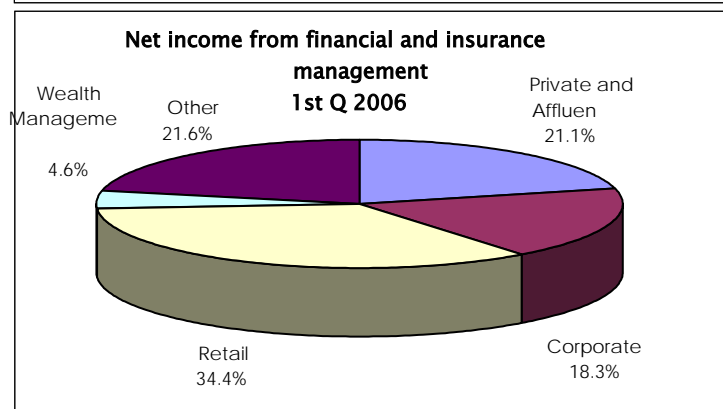
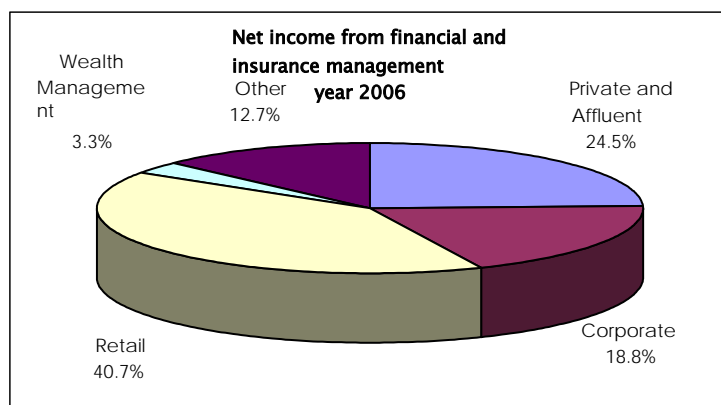
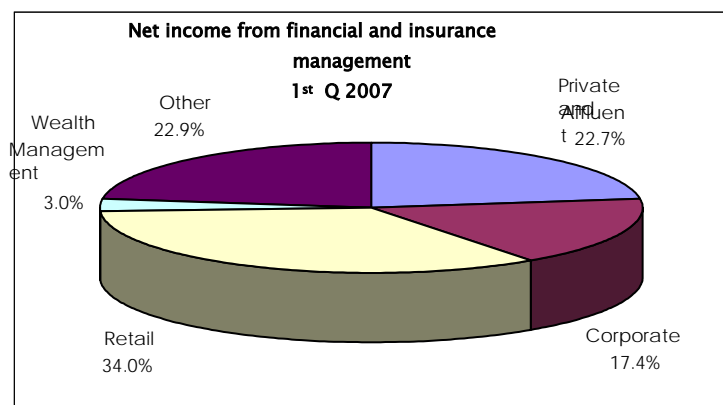
(2) Including the profit from equity investments and disposal of investments.

Business segments (% on total)

	Private and Affluent	Corporate	Retail	Wealth Management	Other	TOTAL
Gross operating income⁽¹⁾						
1st Q 2007	21.6	18.7	36.3	2.8	20.5	100.0
year 2006	22.1	21.5	41.1	3.0	12.3	100.0
1st Q 2006	20.3	20.5	36.8	4.4	18.0	100.0
Net income from financial and insurance⁽²⁾						
1st Q 2007	22.7	17.4	34.0	3.0	22.9	100.0
year 2006	24.5	18.8	40.7	3.3	12.7	100.0
1st Q 2006	21.1	18.3	34.4	4.6	21.6	100.0
Operating costs						
1st Q 2007	24.3	8.2	46.0	3.1	18.4	100.0
year 2006	22.4	7.8	45.2	2.3	22.2	100.0
1st Q 2006	24.0	7.7	44.5	3.3	20.4	100.0
Profit (Loss) from ordinary activities						
1st Q 2007	20.8	28.4	19.8	2.8	28.2	100.0
year 2006	28.9	42.0	31.3	5.2	7.4	100.0
1st Q 2006	16.8	34.1	19.3	6.4	23.4	100.0
Loans to customers						
31/03/2007	3.9	44.2	38.3	0.1	13.6	100.0
31/12/2006	4.0	44.4	37.9	0.1	13.6	100.0
31/03/2006	3.8	45.5	37.9	0.1	12.7	100.0
Amounts owed to customers						
31/03/2007	41.3	13.7	32.1	0.0	12.9	100.0
31/12/2006	41.6	14.0	31.2	0.0	13.2	100.0
31/03/2006	42.1	12.7	33.1	0.0	12.1	100.0
Securities in issue and financial liabilities at fair value						
31/03/2007	41.8	0.7	11.0	8.6	37.8	100.0
31/12/2006	46.4	0.9	12.3	9.3	31.1	100.0
31/03/2006	52.4	1.1	14.0	8.4	24.1	100.0

(1) Including the income from insurance management

(2) Including the profit from equity investments and disposal of investments.



TRANSACTIONS WITH RELATED PARTIES

Transactions with shareholders who exercise significant influence, investee companies and other related parties are regulated by market conditions.

As at 31 March 2007, the asset and liability transactions were as follows:

	Assets	Liabilities	Guarantees and commitments	Revenues	Expenses
Carige shareholders who exercise a significant influence	388	20,591	-	373	275
Subsidiaries	454,403	1,041,218	9,042	26,944	23,059
Companies subject to significant influence	15,913	5,514	32	678	3,173
TOTAL	470,704	1,067,323	9,074	27,995	26,507

Figures in thousands of €

Transactions with other related parties were as follows:

Assets	Liabilities	Guarantees and commitments	Revenues	Expenses	urchase of asse and insurance	Premiums services	Indemnities and insurance redemptions
33,428	20,927	22,627	440	128	11	68	2
33,428	20,927	22,627	440	128	11	68	2

Figures in thousands of €

Related parties are defined as:

a) "executives with strategic responsibilities for the entity or its subsidiaries". They include those who have the power and responsibility, directly or indirectly, for the management and control of the Bank's activities, including the Directors, the Statutory Auditors, the Managing Director or the General Manager, the Deputy General Managers and the Central Managers.

b) "close relatives of one of the parties pursuant to point a)". These are parties who it is expected may influence, or be influenced, by the party concerned in their dealings with the Bank and therefore, merely by way of example, they may include the common-law spouse and the individuals dependent on the party concerned or the common-law spouse.

c) "parties controlled by, jointly controlled by or subject to the significant influence of one of the entities pursuant to point a) and b) or in which said entities

hold, directly or indirectly, a significant portion of the voting rights".

RISK MANAGEMENT

While maintaining adequate levels of supervision and analysis within the individual Group banks, the Parent Bank carries out, for all subsidiaries and with an integrated view, management of the credit, market, interest rate, liquidity and operational risk.

The **credit risk** measurement, management and control processes comprise the following:

- *Credit Risk Management*, aimed at strategic governance of the lending activities, by means of monitoring of portfolio quality on the basis of analyses regarding the performance of the risk indicators from rating sources (PD, LGD and EAD). In addition, this activity includes accurate checking of the observance of the limits envisaged by Supervisory Legislation on the subject of concentration of risks (large-scale risks) and capital adequacy against the credit risk undertaken (monthly monitoring of the solvency ratio);
- operational nature, aimed at overseeing the quality of the credit disbursed, by means of diversified actions based on differentiated criteria according to customer segment, the product type, etc., which envisage a standardised approach on the portions of portfolio with greater fragmentation of the risk and targeted measures for the positions which, by size or pertinent segment, are included within the core business of the Group's lending activities.

The development of a project to assign an internal rating to customers continued during the first three months of the year.

In particular, the model relative to small and medium-sized enterprises (SME), the output of which has been integrated into the information systems of the Group for monthly attribution of the probability of default (PD), was subjected to checks of stability and predictability that confirmed its robustness. However, the model is being recalibrated in order to include the new definition of default as set forth by the Regulatory Instructions and to improve performance. Furthermore, the model provides a consistent and uniform treatment of positions shared across the different banks of the Group.

For counterparts belonging to the large corporate segment, a rating was adopted based on the results provided by the Central Registry of Financial Reports as part of the SIRC (Sistema Informativo sul Rischio di Credito – Italian

Credit Risk Information System) project; however, the new judgemental model is in the testing phase, developed internally for counterparts of the Group, which will allow assignment of a rating to all customers of the segment by the end of the year. An internal performance rating model was defined for retail customers (private and small business), with tests carried out in terms of predictability and stability of the figure. For the same segment, activities defining the internal PD models for initial disbursement are nearly complete, with implementation envisaged for the second half of 2007.

At the end of the verifications underway of the internal models developed, the calculated PD will be integrated into the credit-granting decision procedures.

At the same time, activities continued on the realisation of a new model to calculate loss in the event of insolvency (loss given default – LGD) according to customer segment and type of product and guarantee, and in-depth analyses have been carried out in order to activate the Credit Risk Mitigation techniques.

Furthermore, a model is also being tested, again at Group level, for estimating the exposure in the event of default (EAD)

During the first quarter, activities also continued on creation of the credit data warehouse, for obtaining the necessary information to run the rating calculation models, improving the functionality of the Credit Risk Management (CRM) system of the Carige Group. This data warehouse will also constitute the source of the main information necessary to calculate asset absorption and related Regulatory coefficients; as such, a project was begun to implement the calculation rules for asset absorption (risk weighted assets – RWA) based on the regulatory provisions.

The next project phases, planned for 2007, consist of consolidation of the models, finalisation of the monthly extraction procedures for the data input to the calculation and the implementation of the portfolio model for the calculation of the capital that is at risk related to unexpected loan losses.

As regards the more traditional analyses related to risk control, monthly monitoring is performed to capture any anomalies (bad loans, watchlist loans and revocations, past due amounts) in the total lending and the trends of at-risk revocations.

Regarding solvency profiles, Bank Carige continues to be in line with all risk indicators currently in force as set by the Bank of Italy. Regulatory capital as at 31 March 2007 was estimated at € 1,584.4 million, according to the regulations in

force (Regulatory Instructions dictated by circular no. 263 of 27 December 2006). Furthermore, a pro forma IAS version was reported on 31 March 2006 in which the scrip issue resolved upon during the Extraordinary Shareholders' Meeting of 25 January 2006, connected with the valuation reserves, has been accounted for in Tier I capital for the part corresponding to the positive changes arising from the valuation of tangible assets, equal to € 164.9 million.

BREAKDOWN OF CONSOLIDATED REGULATORY CAPITAL - (figures in thousands of €)

	Situation as at			
	31/3/07 IAS (1)	31/12/06 IAS	31/3/06 IAS	31/3/06 IAS pro forma
Tier 1 capital: positive elements (a)	2,029,443	1,996,668	1,499,303	1,664,142
Share capital	1,394,737	1,383,986	1,131,575	1,296,414
Reserves	108,742	108,742	57,019	57,019
Additional paid-in capital	464,087	442,063	266,943	266,943
Profit for the period	61,877	61,877	43,766	43,766
General banking risks fund	-	-	-	-
Tier 1 capital: negative elements (b)	666,347	666,347	652,510	652,510
Goodwill	646,457	646,457	637,712	637,712
Other negative elements and prudential filters	19,890	19,890	14,798	14,798
Prudential filters for regulatory capital (c)	6,447	6,447	-11,415	-11,415
Deductions (d)	15,305	-	-	-
Total Tier 1 capital (e = a-b+c-d)	1,354,238	1,336,768	835,378	1,000,217
Tier 2 capital (f)	581,011	629,091	732,040	567,201
Deductions (g)	350,859	381,028	364,964	364,964
Regulatory capital (e+f-g)	1,584,390	1,584,831	1,202,454	1,202,454

The figures issued regarding the regulatory capital and the capital requirements as at 31/03/2007 and 31/03/2006 result from accounting and management estimates, as the official consolidated figures (Information form "1") are provided only on half-yearly basis (June and December).

(1) With the adoption of Directive 2002/B7/EC from 31 December 2005 pursuant to the Bank of Italy's letter no. 1161199 of 1/12/05, equity investments in insurance enterprises are deducted from regulatory capital. Pursuant to the above-mentioned letter no. 1161199 of 1/12/2005, the equity investment in Bank of Italy is deducted from the shareholders' equity. From 2007, pursuant to the Regulatory Instructions issued by the Bank of Italy in circular 263 of 27/12/2006, equity interests in banks and financial businesses (included the investment in the Bank of Italy) and the equity investments in insurance companies acquired after 20/07/2006 (and related subordinated loans) are deducted at 50% from tier 1 capital and 50% from tier 2 capital; the equity investments in insurance companies acquired after 20/07/2006 (and related subordinated loans) are deducted from the total of tier 1 and tier 2 capital.

The share of regulatory capital absorbed amounts to € 1,329.02 million (equivalent to 78.8% of the regulatory capital,

including the subordinated loan covering market risk), with surplus capital of € 335.3 million.

CONSOLIDATED REGULATORY CAPITAL AND SOLVENCY RATIOS

(figures in thousands of €)

	Situation as at			
	31/3/07 IAS (1)	31/12/06 IAS	31/3/06 IAS	31/3/06 IAS pro forma
Regulatory capital				
Tier 1 capital	1,354,238	1,336,768	835,378	1,000,217
Tier 2 capital	581,011	629,091	732,040	567,201
less: deductions	350,859	381,028	364,964	364,964
Total capital	1,584,390	1,584,831	1,202,454	1,202,454
Weighted assets				
Credit risk	14,726,425	14,456,675	13,290,313	13,290,313
Market risk	1,347,863	1,121,013	1,432,250	1,432,250
Other prudential requirements	538,413	530,225	528,038	528,038
Total weighted assets	16,612,701	16,107,913	15,250,601	15,250,601
Capital requirements				
Credit risk	1,178,114	1,156,534	1,063,225	1,063,225
Market risk	107,829	89,681	114,580	114,580
Other prudential requirements	43,073	42,418	42,243	42,243
Total	1,329,016	1,288,633	1,220,048	1,220,048
Subordinated loans covering market risks	79,961	79,961	79,961	79,961
Surplus capital	335,335	376,159	62,367	62,367
Solvency ratios (%)				
Tier 1 capital/Credit risk weighted assets	9.20%	9.25%	6.29%	7.53%
Regulatory capital/Credit risk weighted assets	10.76%	10.96%	9.05%	9.05%
Tier 1 capital/Total weighted assets	8.15%	8.30%	5.48%	6.56%
Regulatory capital/Total weighted assets (2)	10.15%	10.49%	8.44%	8.44%

The figures issued regarding the regulatory capital and the capital requirements as at 31/03/2007 and 31/03/2006 result from accounting and management estimates, as the official consolidated figures (Information form "1") are provided only on half-yearly basis (June and December). The figures as at 31/12/2006 are official and reported to the Bank of Italy. They differ from the management data estimated in the 2006 financial statements.

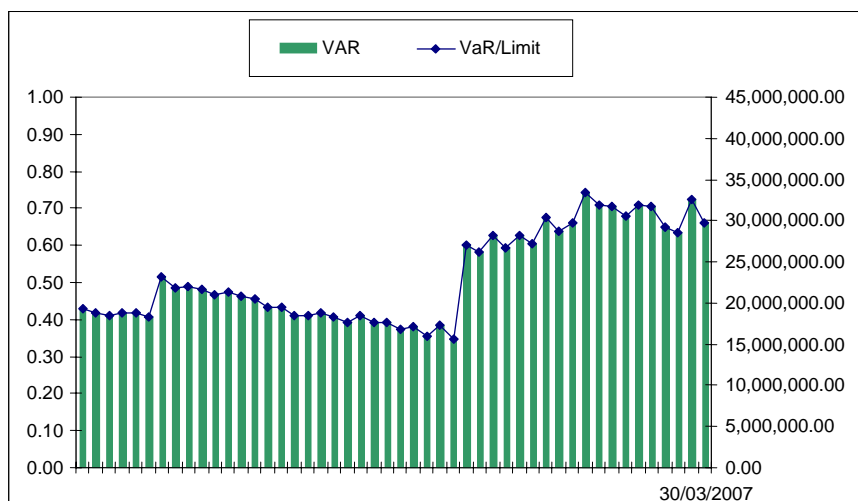
(1) With the adoption of Directive 2002/B7/EC from 31 December 2005 pursuant to the Bank of Italy's letter no. 1161199 of 1/12/05, equity investments in insurance enterprises are deducted from regulatory capital. Pursuant to the above-mentioned letter no. 1161199 of 1/12/2005, the equity investment in Bank of Italy is deducted from the shareholders' equity. From 2007, pursuant to the Regulatory Instructions issued by the Bank of Italy in circular 263 of 27/12/2006, equity interests in banks and financial businesses (included the investment in the Bank of Italy) and the equity investments in insurance companies acquired after 20/07/2006 (and related subordinated loans) are deducted at 50% from tier 1 capital and 50% from tier 2 capital; the equity investments in insurance companies acquired after 20/07/2006 (and related subordinated loans) are deducted from the total of tier 1 and tier 2 capital.

(2) Consistent with provisions of para. 1.5, Title 1 - Chapter 2 of the Regulatory Instructions (circ. 263/2006), the Total Capital Ratio was determined by deducting the tier 3 subordinated loan from the regulatory capital of the market risks. The Total Capital Ratio for the previous historic statistics was recalculated using the same calculation criteria.

(3) Management data as at 31/3/2007 and 31/3/2006. The data as at 31/12/2006 are official and reported to the Bank of Italy. They differ from the management data shown in the 2006 financial statements.

Market Risk is monitored daily by the Risk Management and Loan Monitoring Division of the Parent Bank; this risk profile is measured through the daily calculation of the Value at Risk (VaR) according to the Montecarlo approach, with a confidence interval of 99% and a holding period of ten days. The Finance Division has been assigned, for 2007, a maximum decadal VaR limit of € 60 million on this financial risk aggregate, with indication – considering the volatile nature of the indicator and the extreme threshold

characteristic of the same – of a parameter which represents the expected VaR average, equating to € 45 million, or 75% of the aggregate, to be used as an operating limit for the Finance Division. During the first three months of 2007, the total average VaR, referring to the Group's entire securities and derivatives portfolio, was equal to € 23.2 million; the maximum value for the period (€ 33.5 million) was recorded on 16 March 2007 and the minimum (€ 15.6 million) on 23 February 2007.



During the first quarter, the analysis of VaR on the Group's securities and derivatives portfolio was integrated by daily monitoring of the profitability profiles, performed by the Parent Bank for all banks in the Group. This analysis involves measuring accrued interest, profits and losses, and gains and losses experienced in the financial instruments held in the portfolio. The measurement, compared to average reference cash holdings for the portfolio net of reference values of the cost of funding, allows daily profitability to be determined for Carige Group. In addition, the performance value calculated in this manner is continuously compared with the Budget scenarios.

Analysis of **interest rate risk** is carried out on a monthly basis through Gap Analysis, Sensitivity Analysis and Maximum Probable Loss Analysis.

Gap analysis is performed using the three methodologies of incremental gap, incremental beta gap, and shifted beta gap. According to shifted gap analysis and a time horizon of twelve months, the figures as at 31 March 2007 show an decline in the margin in the event of a one point decline in the interest rate equivalent to € 32.1 million, and an increase in margin in the event of a one point increase in the interest rate equal to € 35.1 million. The average data recorded in the first three months of 2007 are equal, respectively, to € -29.5 million (decrease in interest rates of 1%) and +€ 32,5 million (increase in interest rates of 1%), as highlighted in the following table. The average impact of a one point interest rate decline (€ -29.5 million) represents approximately 4.6% of the annualised net interest income achieved during the first three months of 2007 (€ 635.1 million).

	Shock: -1%				Shock: +1%			
	On-balance sheet		Off-balance sheet	Total	On-balance sheet		Off-balance sheet	Total
	Sight	Maturity			Sight	Maturity		
a - Incremental gap	64.2	-41.0	3.3	26.5	-69.4	41.9	-3.3	-32.2
b - Incremental beta gap	6.9	-41.0	3.3	-30.8	-8.9	41.9	-3.3	29.7
c - Shifted β Gap	8.2	-41.0	3.3	-29.5	-6.2	41.9	-3.3	32.5

β : indicator of the estimated elasticity of sight positions to changes in rates

As far as **liquidity risk** is concerned, analysis is focused on the medium/long

term component: in particular, through verification of the gap between medium/long term lending and deposits,

in terms of stock and in terms of flows falling due, so as to assess the forecast evolution. In addition, at the Group level, following the C.I.C.R. (Interministerial Committee for Credit and Savings) resolution and the F.I.T.D (Interbank Fund to protect deposits) resolution that repealed Regulation 2 regarding Transformation of the expiries, it was decided to monitor liquidity through more complex analysis: in particular, on a monthly basis verifications are carried out on the hedging of medium/long term assets by regulatory reserves, of medium/long term liabilities and the share of sight liabilities, net of sight assets, that statistical analysis has shown to be statistically stable.

Regarding **operational risk**, pending introduction of a specific requirement by the Basel Committee, expected from 2008, the Group is part of the DIPO consortium (Database Italiano Perdite Operative – Italian Database of Operating Losses) established by ABI for better evaluation of the relationship between profitability and risk for each of the business lines envisaged by the Basel Committee. The systematic collation of the external operational loss data, together with the internal data, will make it possible to avail over time of the databases necessary for a robust statistical estimate of the phenomenon of operating losses.

With regards to the computerised information of all the Group companies, this is centralised at the Parent Bank, which, in relation to the risks associated with the lack of operations, has established a Business Continuity and Disaster Recovery plan aimed at identifying the critical processes and the strategies to minimise the risks and economic consequences linked to the lack of operations, ensuring restoration of processes within the established times and defining alternative procedures to ensure Group operations.

The distribution system of Carige Group is based on three large families of channel: traditional, remote and mobile.

The **traditional** (or physical) **channels** consist of the branches and of the network of private and corporate consultants.

At the end of March, there were 512 **branches**, in line with December 2006.

In Liguria, the distribution network consists of 250 branches (48.8%). After Liguria, the region in which the Group has the most branches is Tuscany with 56 branches and Lombardy with 43.

Furthermore, the Group has a network of 257 insurance agencies spread throughout the country.

The personal finance consultancy, targeted at high-profile customers (private), consists of a network of 107 consultants, distributed over 38 districts for Banca Carige, 3 for la Cassa di Risparmio di Savona, 1 for Banca del Monte di Lucca, and as of 3 April 2006, 1 for Cassa di Risparmio di Carrara.

Alongside the personal finance consultancy service is the corporate consultancy service, dedicated to "Medium Enterprises" and "Large Enterprises".

In 2005, a dedicated consultancy service for affluent customers was implemented in Liguria, optimising the Financial Investment Consultancy service, currently comprising 124 consultants.

A service dedicated to small businesses was also implemented, comprising a network of 200 consultants operating throughout the Ligurian branches.

In March 2007 Personal Financial Consultancy Service was initiated in the Sardinia district.

In terms of **remote channels**, the number of "Bancacontinua" branches remained at 14 unchanged from the end of the year, while ATMs numbered 609. Contracts for online-internet services and call centres – amounting to nearly 114 thousand – with an increase from the beginning of the year of nearly 7 thousand.

BRANCH NETWORK

A) TRADITIONAL CHANNELS

	31/03/07		31/12/06		31/3/06	
	number	S%	number	S%	number	S%
NORTHWEST	332	64.8	332	64.8	321	64.6
Liguria	250	48.8	250	48.8	246	49.5
- Genoa	136	26.6	136	26.6	136	27.4
- Savona	64	12.5	64	12.5	61	12.3
- Imperia	29	5.7	29	5.7	28	5.6
- La Spezia	21	4.1	21	4.1	21	4.2
Lombardy	43	8.4	43	8.4	40	8.0
Piedmont	39	7.6	39	7.6	35	7.0
NORTHEAST	32	6.3	32	6.3	31	6.2
Emilia Romagna	20	3.9	20	3.9	19	3.8
Veneto	12	2.3	12	2.3	12	2.4
CENTRE	94	18.4	94	18.4	91	18.3
Tuscany	56	10.9	56	10.9	54	10.9
Latium	33	6.4	33	6.4	33	6.6
Marches	4	0.8	4	0.8	3	0.6
Umbria	1	0.2	1	0.2	1	0.2
SOUTH AND ISLANDS	53	10.4	53	10.4	53	10.7
Sicily	37	7.2	37	7.2	37	7.4
Apulia	9	1.8	9	1.8	9	1.8
Sardinia	7	1.4	7	1.4	7	1.4
ABROAD: Nice (France)	1	0.2	1	0.2	1	0.2
TOTAL NUMBER OF BRANCHES	512	100.0	512	100.0	497	100.0

	31/03/07	31/12/06	31/3/06
Private consultants	107	106	103
Corporate consultants	111	111	101
Affluent consultants	124	124	121
Small business consultants	200	200	200
TOTAL CONSULTANTS	542	541	525

B) REMOTE CHANNELS

	31/03/07	31/12/06	31/3/06
ATM - Bancomat	609	611	603
Self-service "Bancacontinua" branches	14	14	14
On line services (1)	113,706	107,276	88,546

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

C) MOBILE CHANNELS

	31/03/07	31/12/06	31/3/06
Insurance agencies (2)	257	263	269

(2) Agents of Group insurance subsidiaries distributing banking products.

At the end of March 2007, the **staff** of the Group is equivalent to 5,034 units (5,029 in December and 5,082 in March 2006); banking staff amount to 4,675 units, compared to 4,669 units in December and 4,720 in March 2006. Executives

represent 1.5% of the total, managers 23.7%, and the remaining employees 74.9% of the total. 67% of the staff is operative on the market.

PERSONNEL

	31/03/07		31/12/06		31/3/06	
	number	%	number	%	number	%
<i>Number of bank employees</i>						
Grade						
<i>Executives</i>	68	1.5	69	1.5	60	1.3
<i>Managers</i>	1,107	23.7	1,090	23.3	1,028	21.8
<i>Other employees</i>	3,500	74.9	3,510	75.2	3,632	76.9
TOTAL	4,675	100.0	4,669	100.0	4,720	100.0
Activities						
<i>Head offices</i>	1,544	33.0	1,497	32.1	1,400	29.7
<i>Branches</i>	3,131	67.0	3,172	67.9	3,320	70.3
<i>Insurance personnel</i>	359		360		362	
TOTAL (banking and insurance)	5,034		5,029		5,082	

INSURANCE BUSINESS

PREMIUMS-RESERVES-ECONOMIC RESULT (figures in thousands of €)

	31/03/07	31/12/06	31/03/06	Change %	
				03/07 12/06	03/07 03/06
Net premiums	149,278	706,794	152,237	- 78.9	- 1.9
Non-life insurance	117,027	486,507	110,433	- 75.9	6.0
<i>recognised gross premiums (+)</i>	129,237	565,136	119,039	- 77.1	8.6
<i>premiums ceded to reinsurers (-)</i>	12,264	49,056	13,789	- 75.0	- 11.1
<i>variations (+/-) to premium reserve gross balances</i>	719	-26,913	5,383	...	- 86.6
<i>variations (-/+) to premium reserves charged on reinsurers</i>	-665	-2,660	-200	- 75.0	...
Life insurance	32,251	220,287	41,804	- 85.4	- 22.9
<i>recognised gross premiums (+)</i>	35,103	236,712	44,973	- 85.2	- 21.9
<i>premiums ceded to reinsurers (-)</i>	2,852	16,425	3,169	- 82.6	- 10.0
Technical reserves	1,814,369	1,794,516	1,541,940	1.1	17.7
Non-life insurance	821,830	814,800	694,008	0.9	18.4
<i>premium reserves</i>	237,545	238,265	205,968	- 0.3	15.3
<i>accident reserves</i>	583,480	575,730	487,314	1.3	19.7
<i>other reserves</i>	805	805	726	-	10.9
Life insurance	992,539	979,716	847,932	1.3	17.1
<i>mathematical reserves</i>	968,085	960,932	833,963	0.7	16.1
<i>reserves for amounts payable</i>	5,154	8,695	2,658	- 40.7	93.9
<i>other reserves</i>	19,300	10,089	11,311	91.3	70.6
Technical reserves charged on reinsurers	160,381	165,468	175,441	- 3.1	- 8.6
Non-life insurance	53,764	55,751	64,274	- 3.6	- 16.4
<i>premium reserves</i>	8,459	9,004	10,318	- 6.1	- 18.0
<i>accident reserves</i>	45,305	46,747	53,956	- 3.1	- 16.0
<i>other reserves</i>	-	-	-	...	...
Life insurance	106,617	109,717	111,167	- 2.8	- 4.1
<i>mathematical reserves</i>	105,176	106,663	110,213	- 1.4	- 4.6
<i>reserves for amounts payable</i>	1,753	3,054	954	- 42.6	83.8
<i>other reserves</i>	-312	-	-	...	...
Economic result	-2,061	-50,947	2,910		...
Premiums excluding reinsurance	149,278	706,794	152,237		- 1.9
Net variations to technical reserves	-29,531	-193,968	-43,589		- 32.3
Claims incurred and settled during the period	-96,374	-453,313	-88,832		8.5
Balance of other insurance revenues and expenses	-25,434	-110,460	-16,906		50.4

Net premiums from insurance business amount to € 149.3 million, down 1.9% compared to March 2006. In detail, net premiums of the non-life segment are up 6% from € 110.4 to € 117 million, while the life branch amounts to € 32.3 million (41.8 million in March 2006). This reduction is, however, offset by the increase in deposits relative to products with greater financial components, recorded, in accordance with IAS/IFRS, under liabilities.

Technical reserves amount to € 1,814 million, up 17.7% compared to March 2006 and 1.1% compared to December, while those charged on reinsurers declined to € 160.4 million from € 175.4

million in March and € 165.5 million at the end of 2006. The decline involved both the life branch (from € 111.2 to € 106.7 million over twelve months) and the non-life branch (from € 64.3 to € 53.8 million)

The economic result of insurance business decreased to € -2.1 million, specifically, the net premiums declined 1.9% to € 149.3 million, claims are up 8.5% to € 96.4 million, net variations to technical reserves equals € 29.5 million (€ 43.6 million in March 2006) and net expenses from insurance business equal to € 25.4 million, compared to € 16.9 million recorded in March 2006.

EQUITY INVESTMENTS

Equity investments amount to € 66.9 million, stable compared to the end of 2006.

During the quarter, the newly-established Nuova Erzelli Srl, of which Banca Carige subscribed 40% of the share capital, with

a disbursement of € 40 thousand, was included under the equity investments in companies subject to significant influence but excluded by the net equity method.

The equity investment in Atoma Srl, held by Carige Assicurazioni (25%) and Carige Vita Nuova (15%) was sold during the period.

ANNUAL CHANGES IN EQUITY INVESTMENTS

(figures in thousands of €)

	31/3/07	31/12/06
A. Opening balance	66,844	69,917
B. Additions	40	633
B.1 Acquisitions	40	15
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	618
C. Decreases	6	3,706
C1. Sales	6	-
C2. Value adjustments including:	-	41
- long-term write-downs	-	-
C3. Other changes	-	3,665
D. Closing balance	66,878	66,844

PERFORMANCE OF THE PARENT BANK

A. Parent Bank Banca Carige SpA

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
BALANCE SHEET (1)					
Total assets	20,271,935	19,891,617	18,580,752	1.9	9.1
Funding	15,989,386	15,710,853	14,670,848	1.8	9.0
- Direct Deposits (a)	14,303,142	13,704,066	12,715,125	4.4	12.5
* Amounts owed to customers	7,875,181	8,195,325	7,836,206	-3.9	0.5
* Securities in issue	5,872,946	4,957,986	4,374,730	18.5	34.2
* Liabilities at fair value	555,015	550,755	504,189	0.8	10.1
- Amounts owed to banks	1,686,244	2,006,787	1,955,723	-16.0	-13.8
Indirect deposits (b)	16,580,978	16,151,104	15,391,579	2.7	7.7
- Assets under management	8,680,576	8,686,300	8,171,408	-0.1	6.2
- Assets in custody	7,900,402	7,464,804	7,220,171	5.8	9.4
Financial Intermediation Activities (FIA) (a+b)	30,884,120	29,855,170	28,106,704	3.4	9.9
Investments (2)	17,784,590	17,324,767	15,867,096	2.7	12.1
- Loans to customers (2)	13,614,925	13,221,174	11,787,977	3.0	15.5
- Loans to banks (2)	1,101,386	1,346,118	1,382,276	-18.2	-20.3
- Securities portfolio (2)	3,068,279	2,757,475	2,696,843	11.3	13.8
Capital and reserves	2,806,389	2,601,696	2,345,076	7.9	19.7
INCOME STATEMENT (1)					
Gross operating income	182,746	691,324	157,992		15.7
Net income from financial management	171,446	605,347	148,974		15.1
Operating profit from ordinary activities before taxes	78,823	237,963	60,884		29.5
Profit for the period	42,090	156,910	33,263		26.5
RESOURCES (3)					
Number of branches	403	403	393	-	2.5
Staff	3,681	3,670	3,696	0.3	-0.4
FINANCIAL RATIOS					
Operating costs					
/Gross operating income (5)	50.55%	52.25%	54.98%		
Operating profit from ordinary activities before taxes					
/Capital and reserves	2.81%	9.15%	2.60%		
ROE	1.50%	6.03%	1.42%		
ROAE (4)	1.56%	6.56%	1.47%		
RISK ASSETS AND REGULATORY RATIOS					
Total Risk-Weighted Assets (1) (6)	14,742,843	14,195,834	13,206,165	3.9	11.6
Tier 1 capital / RWA	10.59%	10.83%	9.37%		
Regulatory capital / RWA	12.67%	12.99%	11.22%		

(1) Figures in thousands of €

(2) Before value adjustments.

(3) Statistics of the end of period.

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

(5) Net of allocations to provisions for risks and charges.

(6) Balance sheet data and the relevant ratios has been calculated based on supervisory regulations in force from time to time.

A.1 Financial statements as at 31 March 2007

ASSETS (figures in thousands of €)

	31/03/07	31/12/06	31/03/06	Change %	
				3/07 12/06	3/07 3/06
10 - CASH AND CASH EQUIVALENTS	123,045	176,197	119,368	(30.2)	3.1
20 - FINANCIAL ASSETS HELD FOR TRADING	2,137,474	1,779,675	1,983,343	20.1	7.8
40 - AVAILABLE FOR SALE FINANCIAL ASSETS	1,082,787	1,078,126	793,522	0.4	36.5
60 - LOANS TO BANKS	1,100,895	1,345,627	1,382,031	(18.2)	(20.3)
70 - LOANS TO CUSTOMERS	13,258,624	12,868,835	11,494,873	3.0	15.3
80 - HEDGING DERIVATIVES	14,194	17,423	26,034	(18.5)	(45.5)
100 - EQUITY INVESTMENTS	950,094	950,054	900,786	0.0	5.5
110 - TANGIBLE ASSETS	637,554	644,342	626,389	(1.1)	1.8
120 - INTANGIBLE ASSETS	471,140	466,316	460,402	1.0	2.3
<i>including:</i>					
- goodwill	446,642	446,642	446,642	-	-
130 - TAX ASSETS	223,253	179,189	247,279	24.6	(9.7)
a) current	96,707	42,918	105,079	...	(8.0)
b) advanced	126,546	136,271	142,200	(7.1)	(11.0)
150 - OTHER ASSETS	272,875	385,833	546,725	(29.3)	(50.1)
TOTAL ASSETS	20,271,935	19,891,617	18,580,752	1.9	9.1

LIABILITIES (figures in thousands of €)

	31/03/07	31/12/06	31/03/06	Change %	
				3/07 12/06	3/07 3/06
10 - AMOUNTS OWED TO BANKS	1,686,244	2,006,787	1,955,723	(16.0)	(13.8)
20 - AMOUNTS OWED TO CUSTOMERS	7,875,181	8,195,325	7,836,206	(3.9)	0.5
30 - SECURITIES IN ISSUE	5,872,946	4,957,986	4,374,730	18.5	34.2
40 - FINANCIAL LIABILITIES FROM TRADING	225,195	166,598	135,500	35.2	66.2
50 - FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	555,015	550,755	504,189	0.8	10.1
60 - HEDGING DERIVATIVES	21,322	20,657	26,166	3.2	(18.5)
80 - TAX LIABILITIES	352,395	255,355	287,827	38.0	22.4
(a) current	160,521	63,504	94,092	...	70.6
(b) deferred	191,874	191,851	193,735	0.0	(1.0)
100 - OTHER LIABILITIES	414,130	560,981	643,692	(26.2)	(35.7)
110 - STAFF TERMINATION INDEMNITY	83,962	85,044	88,227	(1.3)	(4.8)
120 - PROVISIONS FOR RISKS AND CHARGES:	337,066	333,523	350,153	1.1	(3.7)
a) pensions and similar obligations	298,108	298,202	296,664	(0.0)	0.5
b) other provisions	38,958	35,321	53,489	10.3	(27.2)
130 - VALUATION RESERVES	651,770	637,362	701,941	2.3	(7.1)
150 - CAPITAL INSTRUMENTS	1,596	5,228	7,586	(69.5)	(79.0)
160 - RESERVES	303,454	146,544	234,540	...	29.4
170 - ADDITIONAL PAID-IN CAPITAL	460,127	438,103	278,919	5.0	65.0
180 - CAPITAL	1,389,442	1,374,459	1,122,090	1.1	23.8
200 - PROFIT (LOSS) FOR THE PERIOD	42,090	156,910	33,263	(73.2)	26.5
TOTAL LIABILITIES	20,271,935	19,891,617	18,580,752	1.9	9.1

INCOME STATEMENT (figures in thousands of €)

	31/03/07	31/12/06	31/3/06	Change % 3/07 3/06
10 - INTEREST INCOME AND SIMILAR REVENUES	228,652	767,544	163,862	39.5
20 - INTEREST EXPENSES AND SIMILAR CHARGES	(114,216)	(354,226)	(69,707)	63.9
30 - NET INTEREST INCOME	114,436	413,318	94,155	21.5
40 - COMMISSION INCOME	57,058	227,695	54,109	5.5
50 - COMMISSION EXPENSES	(6,672)	(30,322)	(6,566)	1.6
60 - NET COMMISSIONS	50,386	197,373	47,543	6.0
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	40	44,406	113	(64.6)
80 - NET INCOME FROM TRADING ACTIVITIES	13,860	32,400	16,513	(16.1)
90 - NET INCOME FROM HEDGING ACTIVITIES	(196)	(2,534)	(1,763)	(88.9)
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	4,428	5,519	952	...
a) loans	25	1,528	302	(91.7)
b) available for sale financial assets	5,181	1,737	190	...
d) financial liabilities	(778)	2,254	460	...
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	(208)	842	479	...
120 - GROSS OPERATING INCOME	182,746	691,324	157,992	15.7
130 - NET VALUE ADJUSTMENT ON:	(11,300)	(85,977)	(9,018)	25.3
a) loans	(11,949)	(82,802)	(9,643)	23.9
b) available for sale financial assets	-	(2,999)	-	...
d) other financial assets	649	(176)	625	3.8
140 - NET INCOME FROM FINANCIAL MANAGEMENT	171,446	605,347	148,974	15.1
150 - ADMINISTRATIVE COSTS:	(101,955)	(401,305)	(95,308)	7.0
a) staff costs	(60,315)	(236,051)	(59,775)	0.9
b) other administrative costs	(41,640)	(165,254)	(35,533)	17.2
160 - NET PROVISIONS FOR RISKS AND CHARGES	(246)	(6,178)	(1,237)	(80.1)
170 - DEPRECIATION OF TANGIBLE ASSETS	(2,339)	(10,035)	(2,374)	(1.5)
180 - AMORTIZATION OF INTANGIBLE ASSETS	(1,870)	(6,353)	(1,311)	42.6
190 - OTHER OPERATING EXPENSES AND REVENUES	13,787	56,478	12,129	13.7
200 - OPERATING COSTS	(92,623)	(367,393)	(88,101)	5.1
210 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	(41)	-	...
240 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-	50	11	(100.0)
250 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	78,823	237,963	60,884	29.5
260 - INCOME TAXES FOR THE PERIOD	(36,733)	(81,053)	(27,621)	33.0
270 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	42,090	156,910	33,263	26.5
290 - PROFIT (LOSS) FOR THE PERIOD	42,090	156,910	33,263	26.5

INCOME STATEMENT - QUARTERLY RESULTS (figures in thousands of €)

	31/03/07	31/03/06	CHANGE	4th quarter 2006
10 - INTEREST INCOME AND SIMILAR REVENUES	228,652	163,862	64,790	221,476
20 - INTEREST EXPENSES AND SIMILAR CHARGES	(114,216)	(69,707)	(44,509)	(110,739)
30 - NET INTEREST INCOME	114,436	94,155	20,281	110,737
40 - COMMISSION INCOME	57,058	54,109	2,949	61,020
50 - COMMISSION EXPENSES	(6,672)	(6,566)	(106)	(8,771)
60 - NET COMMISSIONS	50,386	47,543	2,843	52,249
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	40	113	(73)	8,720
80 - NET INCOME FROM TRADING ACTIVITIES	13,860	16,513	(2,653)	15,719
90 - NET INCOME FROM HEDGING ACTIVITIES	(196)	(1,763)	1,567	(1,081)
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:				
a) loans	4,428	952	3,476	1,689
b) available-for-sale financial assets	25	302	(277)	459
c) available-for-sale financial assets	5,181	190	4,991	(18)
d) financial liabilities	(778)	460	(1,238)	1,248
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	(208)	479	(687)	695
120 - GROSS OPERATING MARGIN	182,746	157,992	24,754	188,728
130 - NET VALUE ADJUSTMENT ON:	(11,300)	(9,018)	(2,282)	(42,601)
a) loans	(11,949)	(9,643)	(2,306)	(38,678)
b) available-for-sale financial assets	-	-	-	(2,999)
c) other financial assets	649	625	24	(924)
140 - NET INCOME FROM FINANCIAL MANAGEMENT	171,446	148,974	22,472	146,127
150 - ADMINISTRATIVE COSTS:	(101,955)	(95,308)	(6,647)	(106,681)
a) staff costs	(60,315)	(59,775)	(540)	(58,636)
b) other administrative costs	(41,640)	(35,533)	(6,107)	(48,045)
160 - NET PROVISIONS FOR RISKS AND CHARGES	(246)	(1,237)	991	(2,048)
170 - DEPRECIATION OF TANGIBLE ASSETS	(2,339)	(2,374)	35	(2,721)
180 - AMORTIZATION OF INTANGIBLE ASSETS	(1,870)	(1,311)	(559)	(1,603)
190 - OTHER OPERATING EXPENSES AND REVENUES	13,787	12,129	1,658	18,404
200 - OPERATING COSTS	(92,623)	(88,101)	(4,522)	(94,649)
210 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	-	-	(41)
240 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-	11	(11)	44
250 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	78,823	60,884	17,939	51,481
260 - INCOME TAXES FOR THE PERIOD	(36,733)	(27,621)	(9,112)	(18,952)
270 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	42,090	33,263	8,827	32,529
290 - PROFIT (LOSS) FOR THE PERIOD	42,090	33,263	8,827	32,529

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Balance as at 31/12/2006	Change in opening balances	Balance as at 1/1/2007	Allocation of profits/losses previous year			Changes in the year						Shareholders' equity as at 31/03/2007	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity					Profit (Loss) for the period 31/03/2007		
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives			Stock options
Capital:	1,374,459	-	1,374,459	-	-	-	14,983	-	-	-	-	-	-	1,389,442
a) ordinary shares	1,199,111	-	1,199,111	-	-	-	14,983	-	-	-	-	-	-	1,214,094
b) other shares	175,348	-	175,348	-	-	-	-	-	-	-	-	-	-	175,348
Additional paid-in capital	438,103	-	438,103	-	-	-	22,024	-	-	-	-	-	-	460,127
Reserves:	146,544	-	146,544	156,910	-	-	-	-	-	-	-	-	-	303,454
a) profits	117,615	-	117,615	156,910	-	-	-	-	-	-	-	-	-	274,525
b) other	28,929	-	28,929	-	-	-	-	-	-	-	-	-	-	28,929
Valuation reserves:	637,362	-	637,362	-	-	16,281	(1,873)	-	-	-	-	-	-	651,770
a) available for sale	627,424	-	627,424	-	-	13,781	-	-	-	-	-	-	-	641,205
b) hedging of cash flows	(654)	-	(654)	-	-	2,500	-	-	-	-	-	-	-	1,846
c) special revaluation laws	10,592	-	10,592	-	-	-	(1,873)	-	-	-	-	-	-	8,719
Capital instruments	5,228	-	5,228	-	-	-	(3,632)	-	-	-	-	-	-	1,596
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	156,910	-	156,910	(156,910)	-	-	-	-	-	-	-	-	42,090	42,090
Shareholders' equity	2,758,606	-	2,758,606	-	-	16,281	31,502	-	-	-	-	-	42,090	2,848,479

Figures in thousands of €

	Balance as at 31/12/2005	Change in opening balances	Balance as at 1/1/2006	Allocation of profits/losses previous year		Changes in reserves	Changes in the year						Shareholders' equity as at 31/12/2006	
				Reserves	Dividends and other allocations		Transactions on shareholders' equity							
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives	Stock options		Profit (Loss) for the period 31/12/2006
Capital:	1,113,327	-	1,113,327	-	-	-	261,132	-	-	-	-	-	-	1,374,459
a) ordinary shares	959,898	-	959,898	-	-	-	239,213	-	-	-	-	-	-	1,199,111
b) other shares	153,429	-	153,429	-	-	-	21,919	-	-	-	-	-	-	175,348
Additional paid-in capital	263,211	-	263,211	-	-	-	171,239	-	-	3,653	-	-	-	438,103
Reserves:	97,641	-	97,641	48,903	-	-	-	-	-	-	-	-	-	146,544
a) profits	68,712	-	68,712	48,903	-	-	-	-	-	-	-	-	-	117,615
b) other	28,929	-	28,929	-	-	-	-	-	-	-	-	-	-	28,929
Valuation reserves:	698,526	-	698,526	-	-	101,038	(162,202)	-	-	-	-	-	-	637,362
a) available for sale	527,021	-	527,021	-	-	100,403	-	-	-	-	-	-	-	627,424
b) hedging of cash flows	(1,289)	-	(1,289)	-	-	635	-	-	-	-	-	-	-	(654)
c) special revaluation laws	172,794	-	172,794	-	-	-	(162,202)	-	-	-	-	-	-	10,592
Capital instruments	11,517	-	11,517	-	-	-	-	-	-	(6,289)	-	-	-	5,228
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	136,899	-	136,899	(48,903)	(87,996)	-	-	-	-	-	-	-	156,910	156,910
Shareholders' equity	2,321,121	-	2,321,121	-	(87,996)	101,038	270,169	-	-	(2,636)	-	-	156,910	2,758,606

Figures in thousands of €

	Balance as at 31/12/2005	Change in opening balances	Balance as at 1/1/2006	Allocation of profits/losses previous year		Changes in reserves	Changes in the year						Shareholders' equity as at 31/03/2006	
				Reserves	Dividends and other allocations		Transactions on shareholders' equity							
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives	Stock options		Profit (Loss) for the period 31/3/2006
Capital:	1,113,327	-	1,113,327	-	-	-	8,763	-	-	-	-	-	-	1,122,090
a) ordinary shares	959,898	-	959,898	-	-	-	8,763	-	-	-	-	-	-	968,661
b) other shares	153,429	-	153,429	-	-	-	-	-	-	-	-	-	-	153,429
Additional paid-in capital	263,211	-	263,211	-	-	-	15,708	-	-	-	-	-	-	278,919
Reserves:	97,641	-	97,641	136,899	-	-	-	-	-	-	-	-	-	234,540
a) profits	68,712	-	68,712	136,899	-	-	-	-	-	-	-	-	-	205,611
b) other	28,929	-	28,929	-	-	-	-	-	-	-	-	-	-	28,929
Valuation reserves:	698,526	-	698,526	-	-	3,415	-	-	-	-	-	-	-	701,941
a) available for sale	527,021	-	527,021	-	-	3,251	-	-	-	-	-	-	-	530,272
b) hedging of cash flows	(1,289)	-	(1,289)	-	-	164	-	-	-	-	-	-	-	(1,125)
c) special revaluation laws	172,794	-	172,794	-	-	-	-	-	-	-	-	-	-	172,794
Capital instruments	11,517	-	11,517	-	-	-	-	-	(3,931)	-	-	-	-	7,586
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	136,899	-	136,899	(136,899)	-	-	-	-	-	-	-	33,263	-	33,263
Shareholders' equity	2,321,121	-	2,321,121	-	-	3,415	24,471	-	(3,931)	-	-	33,263	-	2,378,339

CASH FLOW STATEMENT

Direct method

A. OPERATING ACTIVITIES	31/03/07	31/12/06	31/03/06
1. Management	112,527	341,575	106,653
- interest income received (+)	180,091	744,102	162,005
- interest expenses paid (-)	(113,325)	(278,720)	(80,271)
- dividends and similar revenues (+)	40	9,475	113
- net commissions (+ /-)	50,386	197,373	47,543
- staff costs (-)	(48,573)	(211,263)	(51,124)
- other costs (-)	(42,172)	(263,241)	(63,404)
- other revenues (+)	86,655	165,305	75,602
- taxes and duties (-)	(575)	(21,457)	16,189
- costs/ revenues from groups of assets held for sale and net of tax effect	-	-	-
2. Liquidity generated/absorbed by financial assets	(396,437)	(1,811,263)	(653,305)
- financial assets held for trading	(374,893)	299,383	11,755
- financial assets designated at fair value	-	-	-
- available for sale financial assets	14,036	(197,923)	(23,577)
- loans to customers	(364,857)	(1,680,331)	(206,115)
- loans to banks: at sight	154,224	(255,861)	(42,351)
- loans to banks: other loans	90,150	(131,076)	(385,852)
- other assets	84,903	154,545	(7,165)
3. Cash generated/absorbed by financial liabilities	233,043	1,421,227	502,505
- amounts owed to banks: at sight	12,439	17,035	(5,833)
- amounts owed to banks: other	(332,096)	794,596	779,374
- amounts owed to customers	(320,565)	241,394	(5,851)
- debt securities in issue	944,189	392,676	(279,914)
- financial liabilities from trading	57,697	12,318	(18,655)
- financial liabilities designated at fair value	(356)	63,979	21,318
- other liabilities	(128,265)	(100,770)	12,066
Net liquidity generated/absorbed by operating activities	(50,867)	(48,461)	(44,147)
B. INVESTING ACTIVITIES			
1. Liquidity generated by	4,935	34,463	1,113
- equity investment disposals	-	-	-
- dividends received on equity investments	-	34,305	-
- disposal/reimbursement of financial assets held to maturity	-	-	-
- tangible asset disposals	4,935	158	1,113
- intangible asset disposals	-	-	-
- business unit disposals	-	-	-
2. Liquidity absorbed by	(7,220)	(90,915)	(6,072)
- equity investment acquisitions	(40)	(54,259)	(4,991)
- acquisitions of financial assets held to maturity	-	-	-
- tangible asset acquisitions	(486)	(25,089)	(469)
- intangible asset acquisitions	(6,694)	(11,567)	(612)
- business unit acquisitions	-	-	-
Net liquidity generated/absorbed by investing activities	(2,285)	(56,452)	(4,959)
C. FUNDING ACTIVITIES			
- own share issues/acquisitions	-	76,765	15,486
- additional paid-in capital	-	135,353	-
- capital instrument issues/acquisitions	-	-	(3,999)
- dividend distribution and others	-	(87,996)	-
Net liquidity generated/absorbed by funding activities	-	124,122	11,487
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	(53,152)	19,210	(37,619)

- KEY: (+) generated, (-) absorbed

Figures in thousands of €.

RECONCILIATION

Balance sheet items	31/03/07	31/12/06	31/03/06
Cash and cash equivalents at the beginning of the period	176,197	156,987	156,987
Total net liquidity generated/ absorbed during the period	(53,152)	19,210	(37,619)
Cash and cash equivalents: effect of exchange rate differences	-	-	-
Cash and cash equivalents at period end	123,045	176,197	119,368

Figures in thousands of €

A.2 Economic results

As at 31 March 2007, the income statement shows a net profit of €42.1 million, up 26.5% compared to the end of March 2006. This result is supported mainly by a positive trend in net interest income (+21.5%), along with favourable performance of net commissions (+6%), that resulted in a growth over the same period of the prior year. The cost/income ratio (net of the caption "net provisions for risks and charges") is 50.5%, down more than 4 percentage points compared to 31 March 2006 due to a higher growth in gross operating income (+15.7%) with respect to the growth in operating costs (+5.1%).

The **net interest income** totalled € 114.4 million, an increase of 21.5%, mainly due to growth in volumes intermediated and the widening of the spread. Interest income amounted to € 228.7 million, with a 39.5% increase, whereas interest expense was € 114.2 million, up 63.9%. Interest on financial assets sold and not cancelled refers to the securitisation of performing mortgages carried out in 2004 (Argo Mortgage 2), amount to € 11.3 million, reported in the financial statements during first-time adoption of the IAS/IFRS and € 2 million for own securities sold in repurchase agreements.

INTEREST INCOME *(figures in thousands of €)*

	31/03/07	2006	31/03/06	Change 03/07 - 03/06	
				absolute	%
Financial assets held for trading	21,928	67,320	10,905	11,023	...
Available-for-sale financial assets	1,090	4,233	1,147	-57	-5.0
Loans to banks	10,794	41,010	6,793	4,001	58.9
Loans to customers	181,396	602,526	134,062	47,334	35.3
Financial assets sold and not cancelled	13,254	51,769	10,736	2,518	23.5
Other assets	190	686	219	-29	-13.2
TOTAL INTEREST INCOME	228,652	767,544	163,862	64,790	39.5

INTEREST EXPENSES *(figures in thousands of €)*

	31/03/07	2006	31/03/06	Change 03/07 - 03/06	
				absolute	%
Amounts owed to banks	15,066	51,349	9,990	5,076	50.8
Amounts owed to customers	22,513	69,707	14,354	8,159	56.8
Debt securities in issue	48,229	148,773	32,392	15,837	48.9
Financial liabilities designated at fair value	4,353	16,828	3,932	421	10.7
Financial liabilities corresponding to assets sold and not cancelled				2,923	
	11,149	41,223	8,226		35.5
Other liabilities	19	501	466	-447	-95.9
Hedging derivatives	12,887	25,845	347	12,540	...
TOTAL INTEREST EXPENSES	114,216	354,226	69,707	44,509	63.9

Net commissions amount to € 50.4 million, up 6%, mainly due to favourable performance.

Within this item, commission income increased (€ 57.1 million; +5.5%) and to a lesser extent, commission expenses (€ 6.7

million; +1.6%). In particular, commission income includes the positive performance of commissions from the distribution of third-party products (from €1 million to € 2.1 million) and from the placement of securities (€ 11.5 million; +16.2%).

COMMISSION INCOME (figures in thousands of €)

	31/03/07	2006	31/03/06	Change 03/07-03/06	
				absolute	%
Guarantees issued	2,134	9,296	2,521	-387	-15.4
Management, dealing and consultancy services:	23,386	89,635	20,536	2,850	13.9
1. <i>Financial instruments trading</i>	291	1,102	364	-73	-20.1
2. <i>Currency trading</i>	694	2,689	682	12	1.8
3. <i>Asset management</i>	2,026	9,487	2,201	-175	-8.0
4. <i>Securities custody and administration</i>	670	2,352	716	-46	-6.4
5. <i>Custodian bank</i>	1,190	4,579	1,175	15	1.3
6. <i>Placement of securities</i>	11,511	44,312	9,902	1,609	16.2
7. <i>Collection of orders</i>	2,244	7,093	2,190	54	2.5
9. <i>Distribution of third-party services</i>	4,760	18,021	3,306	1,454	44.0
- <i>asset management</i>	166	-	-	166	...
- <i>insurance products</i>	2,080	8,160	1,022	1,058	...
- <i>other products</i>	2,514	9,861	2,284	230	10.1
Collection and payment services	11,289	46,790	11,201	88	0.8
Servicing for securitizations	400	1,742	351	49	14.0
Factoring services	350	1,339	312	38	12.2
Other services	19,499	78,893	19,188	311	1.6
TOTAL COMMISSION INCOME	57,058	227,695	54,109	2,949	5.5

COMMISSION EXPENSES (figures in thousands of €)

	31/03/07	2006	31/03/06	Change 03/07-03/06	
				absolute	%
Guarantees received	90	1,040	136	-46	-33.8
Management and dealing services	1,136	5,893	1,179	-43	-3.6
1. <i>Financial instruments trading</i>	197	733	128	69	53.9
3. <i>Asset management</i>	439	2,709	530	-91	-17.2
4. <i>Securities custody and administration</i>	408	2,231	473	-65	-13.7
5. <i>Financial instruments placement</i>	24	31	1	23	...
6. <i>Door-to-door sale of securities, financial products and services</i>	68	189	47	21	44.7
Collection and payment services	3,880	15,968	3,765	115	3.1
Other services	1,566	7,421	1,486	80	5.4
TOTAL COMMISSION EXPENSES	6,672	30,322	6,566	106	1.6

Dividends and other similar revenue recorded a decrease of 64.6%, from € 113 thousand to € 40 thousand.

Net income from trading activities recorded a decline of 16.1% to € 13.9 million, primarily due to a slowdown in equities (from € 23.9 million to € 4.7 million) compared to March 2006 following a

restructuring of the portfolio that resulted in a reduction of investments in share-based securities in favour of a higher concentration of mutual funds.

Net income from hedging activities is negative for € 0.2 million (€ -1.8 million at the end of March 2006).

INCOME FROM TRADING ACTIVITIES (figures in thousands of €)

	31/03/07	2006	31/03/06	Change 03/07-03/06	
				absolute	%
Debt securities	2,358	7,980	349	2,009	...
Equities & collective investment schemes	4,674	33,265	23,877	-19,203	-80.4
Total equities, debt securities & collective investment schemes	7,032	41,245	24,226	-17,194	-71.0
Financial derivatives	4,567	-8,636	-7,417	11,984	...
Credit derivatives	-168	-528	450	-618	...
Currency differences	1,228	633	-1,331	2,559	...
Other financial assets/liabilities from trading	1,201	-314	585	616	...
INCOME FROM TRADING ACTIVITIES	13,860	32,400	16,513	-2,653	-16.1

Profit on the disposal of loans and financial assets/liabilities amounts to € 4.4 million (profit of € 1 million in the first three months of 2006) essentially due to the disposal of available-for-sale financial assets that generated a profit of € 5.2 million.

The **net value adjustment on financial assets designated at fair value** was negative for € 0.2 million (€ 0.5 million in 2006).

Gross operating income reached € 182.7 million, up 15.7% compared to the prior period.

Impairment loss on loans and advances and other credit risk provisions rose by

25.3% to € 11.3 million as a result of the substantial growth of the impairment loss on loans and advances (€ 11.9 million, +23.9%).

Therefore, the **net income from financial management** came to € 171.4 million, up 15.1% from the end of 2006.

NET ADJUSTMENTS TO LOANS AND OTHER FINANCIAL ITEMS (figures in thousands of €)

	31/03/07	2006	31/03/06	Change 03/07 - 03/06	
				absolute	%
Loans to banks	-83	-177	-153	70	-45.8
Loans to customers	12,032	82,979	9,796	2,236	22.8
Credit commitments (other financial transactions)	-649	176	-625	-24	3.8
Available-for-sale financial assets	-	2,999	-	-	...
NET VALUE ADJUSTMENTS TO LOANS AND OTHER FINANCIAL ITEMS	11,300	85,977	9,018	2,282	25.3

Operating costs amount to € 92.6 million, up 5.1% compared with March 2006.

In detail, **administrative costs** amount to € 102 million, up 7% on an annual basis:

- **staff costs** increase 0.9%, to € 60.3 million;

- **other administrative costs** amounted to € 41.6 million, showing a 17.2% growth in connection with the investments made, particularly in technology, in order to develop and rationalise the branch network.

Net provisions for risks and charges amount to € 0.2 million, compared to €1.2 million in March 2006.

Value adjustments to tangible fixed assets decreased by 1.5% to € 2.3 million, whilst

value adjustments to intangible fixed assets increased 42.6% to € 1.9 million.

OPERATING COSTS *(figures in thousands of €)*

	31/03/07	2006	31/03/06	Change 03/07 - 03/06	
				absolute	%
Staff costs	60,315	236,051	59,775	540	0.9
Other administrative costs	41,640	165,254	35,533	6,107	17.2
- general costs	32,279	127,977	26,625	5,654	21.2
- indirect taxes	9,361	37,277	8,908	453	5.1
Net provisions for risks and charges	246	6,178	1,237	-991	-80.1
Amortization and depreciation on:	4,209	16,388	3,685	524	14.2
- intangible fixed assets	1,870	6,353	1,311	559	42.6
- tangible fixed assets	2,339	10,035	2,374	-35	-1.5
Other operating expenses and revenues	-13,787	-56,478	-12,129	-1,658	13.7
TOTAL OPERATING COSTS	92,623	367,393	88,101	4,522	5.1

Other net operating revenues increased by 13.7% to € 13.8 million, mainly due to the

adjustment of the service contracts currently in effect with subsidiary banks.

OTHER OPERATING REVENUES AND EXPENSES *(figures in thousands of €)*

	31/03/07	2006	31/03/06	Change 03/07 - 03/06	
				absolute	%
Lease income and rent	838	3,124	755	83	11.0
Charges to third parties:	8,282	33,286	8,298	-16	-0.2
<i>recovery of taxes</i>	7,959	31,957	7,979	-20	-0.3
<i>customer insurance premiums</i>	323	1,329	319	4	1.3
Other revenues	5,575	26,584	3,790	1,785	47.1
Total other revenues	14,695	62,994	12,843	1,852	14.4
Operating costs on financial leases	-113	-1,581	-101	-12	11.9
Ordinary maintenance costs on investment property	-79	-546	-86	7	-8.1
Expenses for improvement of third parties' assets	-203	-1,097	-262	59	-22.5
Other expenses	-513	-3,292	-265	-248	93.6
Total other expenses	-908	-6,516	-714	-194	27.2
TOTAL NET REVENUES	13,787	56,478	12,129	1,658	13.7

Profit before taxes came to € 78.8 million, 29.5% higher than the first quarter of 2006. After income tax provisions of € 36.7 million (€ 27.6 million in March 2006), **net profit**

amounts to € 42.1 million, up 26.5% compared to € 33.3 million recorded in March 2006.

A.3 Income from dealing

Total **Financial Intermediation Activities (FIA) on behalf of customers** - direct and indirect deposits – amounts to € 30,884.1 million, up 3.4% and 9.9% over three and twelve months, respectively.

Direct deposits amount to € 14,303.1 million, up 4.4% over three months and

12.5% over twelve months. **Indirect deposits** amount to € 16,581 million, up 2.7% from the beginning of the year and 7.7% from the end of March 2006; 52.4% consists of assets under management and 47.6% of assets in custody.

FINANCIAL INTERMEDIATION ACTIVITIES *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Total (A+B)	30,884,120	29,855,170	28,106,704	3.4	9.9
Direct deposits (A)	14,303,142	13,704,066	12,715,125	4.4	12.5
<i>% on Total</i>	<i>46.3%</i>	<i>45.9%</i>	<i>45.2%</i>		
Indirect deposits (B)	16,580,978	16,151,104	15,391,579	2.7	7.7
<i>% on Total</i>	<i>53.7%</i>	<i>54.1%</i>	<i>54.8%</i>		
- Assets under management	8,680,576	8,686,300	8,171,408	-0.1	6.2
<i>% on Total</i>	<i>28.1%</i>	<i>29.1%</i>	<i>29.1%</i>		
<i>% on Indirect deposits</i>	<i>52.4%</i>	<i>53.8%</i>	<i>53.1%</i>		
- Assets in custody	7,900,402	7,464,804	7,220,171	5.8	9.4
<i>% on Total</i>	<i>25.6%</i>	<i>25.0%</i>	<i>25.7%</i>		
<i>% on Indirect deposits</i>	<i>47.6%</i>	<i>46.2%</i>	<i>46.9%</i>		

Total funding, which includes direct deposits from customers (€ 14,303.1 million) and banks (€ 1,686.2 million), amounts to €15,989.4 million, an increase of 1.8% from the beginning of the year and 9% from the end of March 2006.

Direct deposits amount to € 14,303.1 million, a 4.4% increase from the beginning of the year and a 12.5% increase from the end of March 2006. Breaking this down into its components, the short-term component (€ 7,432.3 million) decreased over three months by 4% but remained essentially stable over twelve months (+0.1%) and medium/long term deposits (€ 6,870.8 million) grew 15.3% over three months and 29.8% over twelve months, representing 48% of the total (43.5% in December and 41.6% in March 2006). As regards the latter, performance was due to growth in bonds (net of expiries: € +880 million from 31 December 2006 and € +1,590 million from 31 March 2006 and from subordinated loans (new issues for € 500 million from June

2006 that substitute the subordinated loan of € 400 million that matured in August 2006) included in the EMTN programme.

As for direct deposits, amounts owed customers amount to € 7,875.2 million (-3.9% from the beginning of the year and +0.5% on an annual basis). In detail, over the three months the decrease in current accounts and free deposits (€ 6,781.1 million, -5%) is offset by growth in repurchase agreements (€ 213.6 million; +31.2%) and term deposits (€ 141.9 million; +38.5%). Over the twelve months, the largest components all grew with the exception of current accounts and free deposits that were substantially stable (-0.2%) and for funds managed on behalf of third parties (€ 0.2 million; -21.7%). Regarding securities in issue, (€ 5,872.9 million; +18.5% and +34.2%, respectively, over three and twelve months), bonds led the trend (€ 5,656.9 million, +19.6% from 31 December 2006 and +40.5% from 31 March 2006). Liabilities designated at fair value (€ 555 million) include bonds for which the fair

value option criteria was adopted, the majority of which (€ 492.1 million nominal) are placed via the Bancoposta network.

Amounts owed to banks (€ 1,686.2 million) show a decrease of 16% over the three months (-13.8% over twelve months) in

particular due to lower term deposits (-17.8% and -12.6% over three and twelve months, respectively) and lower financing (-31.5% from the beginning of the year and -29.8% from 31 March 2006).

FUNDING *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Total (A+B)	15,989,386	15,710,853	14,670,848	1.8	9.0
Direct deposits (A)	14,303,142	13,704,066	12,715,125	4.4	12.5
Amounts owed to customers	7,875,181	8,195,325	7,836,206	-3.9	0.5
current accounts and free deposits	6,781,099	7,141,569	6,797,608	-5.0	-0.2
repurchase agreements	213,571	162,780	173,456	31.2	23.1
term deposits	141,863	102,456	91,975	38.5	54.2
financing	1,637	1,618	1,567	1.2	4.5
funds managed on behalf of third p	199	198	254	0.5	-21.7
other deposits	736,812	786,704	771,346	-6.3	-4.5
Debt securities in issue	5,872,946	4,957,986	4,374,730	18.5	34.2
bonds	5,656,909	4,731,578	4,025,884	19.6	40.5
other securities	216,037	226,408	348,846	-4.6	-38.1
Liabilities at fair value	555,015	550,755	504,189	0.8	10.1
bonds	555,015	550,755	504,189	0.8	10.1
short term	7,432,316	7,743,698	7,422,518	-4.0	0.1
% on Total	52.0	56.5	58.4		
medium-long term	6,870,826	5,960,368	5,292,607	15.3	29.8
% on Total	48.0	43.5	41.6		
Amounts owed to banks (B)	1,686,244	2,006,787	1,955,723	-16.0	-13.8
Deposits of central banks	-	-	40,182	...	-100.0
Current accounts and free deposits	66,258	53,682	18,452	23.4	...
Term deposits	1,162,321	1,414,756	1,329,722	-17.8	-12.6
Repurchase agreements	152,327	92,379	132,115	64.9	15.3
Financing	305,338	445,970	435,252	-31.5	-29.8

Indirect deposits (AAF) are € 16,581 million up 2.7% from the end of 2006 and 7.7% over twelve months. Assets under management amount to € 8,680.6 million, in line with December 2006 (-0.1%) and up 6.2% on an annual basis; the assets in custody grew 5.8% from the beginning of the year (+9.4% from the end of March 2006).

Regarding **assets under management**, over the three months Bancassurance products grew (+1.7% to €1,257 million), mutual funds remained unchanged from the end of the

year (+0.1% to € 4,604.6 million), while asset management decreased (-1.2% to € 2,818.9 million). Over the twelve month period, growth is due to asset management (+10.8%) and Bancassurance products (+22.1%), while mutual funds remain essentially unchanged (+0.2%).

Regarding **assets in custody**, government securities grew 9.1% in the first quarter of 2007 to € 4,052.8 million and 17% on an annual basis; other securities (€ 3,846.6 million) show a positive change of 2.6%

and 2.5%, in the three and twelve month periods, respectively.

INDIRECT DEPOSITS *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Total (A+B)	16,580,978	16,151,104	15,391,579	2.7	7.7
Assets under management (A)	8,680,576	8,686,300	8,171,408	-0.1	6.2
Mutual funds	4,604,594	4,597,979	4,597,383	0.1	0.2
Assets management	2,818,946	2,852,798	2,544,362	-1.2	10.8
<i>including: Securities management (1)</i>	<i>1,995,612</i>	<i>1,965,909</i>	<i>1,626,485</i>	<i>1.5</i>	<i>22.7</i>
<i>Mutual funds management</i>	<i>823,334</i>	<i>886,889</i>	<i>917,877</i>	<i>-7.2</i>	<i>-10.3</i>
Bancassurance products	1,257,036	1,235,523	1,029,663	1.7	22.1
Assets in custody (B)	7,900,402	7,464,804	7,220,171	5.8	9.4
Government securities	4,053,820	3,717,120	3,465,996	9.1	17.0
Other	3,846,582	3,747,684	3,754,175	2.6	2.5

(1) The figure includes the entire securities portfolio of the insurance subsidiaries.

Loans to customers, net of value adjustments of € 356.3 million, amount to € 13,258.6 million, increasing 3% from the end of 2006 (+15.3% over twelve months). Gross of the adjustments, the aggregate amounts to € 13,614.9 million, an increase of 3% (+15.5% over twelve months).

The short-term component is € 3,343.4 million (+4.6% and +14.6% over three and twelve months, respectively) and the medium/long term amounts to € 9,749.4 million (+2.6% over three months and +15.8% over twelve months) representing 71.6% of the nominal value (71.9% in December 2006 and 71.4% in March 2006). Bad loans amount to € 522.2 million (-0.7% from the beginning of the year and +15.3% over twelve months) representing 3.8% of the total of gross lending, down from 4% in December 2006 and unchanged from the prior period.

In detail, positive performance was recorded in the current accounts (€ 1,772.6

million; +27.6% from December and +36.9% from March 2006), mortgage loans (€ 6,696.5 million; +3.7% over three months and +20.9% over twelve months) and credit cards/personal loans/ salary-backed loans (€ 289.3 million; +8.6% from 31 December 2006 and +56.9% from 31 March 2006).

Net of value adjustments of € 0.5 million, **loans to banks** amount to € 1,100.9 million, down 18.2% from December and 20.3% from March 2006. In particular, current accounts and free deposits decreased (€ 341.3 million; -29.8% from December 2006 and +7.6% from March 2006) and financing (-6.5% and -79.6% over three and twelve months, respectively). The **net interbank balance** (difference between amounts owed to banks and loans to banks) shows a net debtor position of € 584.9 million (€ 660.7 million in December 2006 and € 573.4 million in March 2006).

LOANS (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Total (A+B)	14,359,519	14,214,462	12,876,904	1.0	11.5
Loans to customers (A)	13,258,624	12,868,835	11,494,873	3.0	15.3
-nominal value (1)	13,614,925	13,221,174	11,787,977	3.0	15.5
<i>current accounts</i>	1,772,622	1,389,438	1,294,404	27.6	36.9
<i>mortgage loans</i>	6,696,528	6,456,441	5,540,745	3.7	20.9
<i>credit cards, personal loans and salary-backed loans</i>	289,251	266,353	184,381	8.6	56.9
<i>leasing</i>	737,495	728,933	694,040	1.2	6.3
<i>factoring</i>	113,213	113,342	90,006	-0.1	25.8
<i>other loans</i>	2,486,978	2,752,894	2,515,774	-9.7	-1.1
<i>assets sold and not cancelled</i>	626,249	648,050	720,331	-3.4	-13.1
<i>impaired assets (2)</i>	892,589	865,723	748,296	3.1	19.3
-short term (3)	3,343,379	3,196,074	2,917,261	4.6	14.6
<i>% on nominal value</i>	24.6	24.2	24.8		
-medium/long term (3)	9,749,387	9,499,477	8,417,741	2.6	15.8
<i>% on nominal value</i>	71.6	71.9	71.4		
- Bad loans	522,159	525,623	452,975	-0.7	15.3
<i>% on nominal value</i>	3.8	4.0	3.8		
-Value adjustments (-)	356,301	352,339	293,104	1.1	21.6
Loans to banks (B)	1,100,895	1,345,627	1,382,031	-18.2	-20.3
-nominal value (1)	1,101,386	1,346,118	1,382,276	-18.2	-20.3
<i>compulsory reserves</i>	165,986	91,303	154,604	81.8	7.4
<i>other loans to central banks</i>	2	170	47	-98.8	-95.7
<i>current accounts and free deposits</i>	341,268	486,322	317,175	-29.8	7.6
<i>term deposits</i>	289,696	386,815	476,447	-25.1	-39.2
<i>repurchase agreements</i>	202,424	273,069	2,378	-25.9	...
<i>financing</i>	84,415	90,282	412,967	-6.5	-79.6
<i>impaired assets</i>	17,595	18,157	18,658	-3.1	-5.7
-short term	1,012,231	1,256,430	1,352,678	-19.4	-25.2
<i>% on nominal value</i>	91.9	93.3	97.9		
-medium/long term	71,829	71,880	11,302	-0.1	...
<i>% on nominal value</i>	6.5	5.3	0.8		
- Bad loans	17,326	17,808	18,296	-2.7	-5.3
<i>% on nominal value</i>	1.6	1.3	1.3		
-Value adjustments (-)	491	491	245	-	...

(1) Before value adjustments.

(2) Impaired assets do not include assets sold and not cancelled.

(3) The figures as at 31/03/06 have been reclassified in order to make them consistent with the classification adopted on 31/03/07.

Total **non-performing loans**, (cash and credit commitments), include past due

amounts, are € 948.3 million, an increase over three months of 2.5% and over the year of 17.2%. The corresponding value

adjustments are € 314.5 million (+1.1% and +23.9% over three and twelve months, respectively) represent a hedge of 33.2%, compared to 33.6% in December and 31.4% in March 2006.

The cash component is € 927 million (+3.1% from December and +18.6% from March 2006) of which € 909.4 million regards customers; credit commitments amount to € 21.3 million (-18.3% over the quarter and -22.1% over the year) and is entirely related to customers.

For **cash loans**, analysis of the individual elements highlights the following:

- **bad loans** are equivalent to € 539.5 million, essentially unchanged from the beginning of the year (-0.7%) and up 14.5% over twelve months, these are written down by 51.3% (50.6% in December and 44.8% in March 2006). the ratio of bad loans/total loans to customers is equal to 3.8%, compared to 4% in December and in line with March 2006.
- **Watchlist loans** amount to € 203 million, up 3.5% over the quarter and 64.9% over twelve months. These were written

down by 10.8% (10.3% in December and 24.1% in March 2006);

- **rescheduled loans** amount to € 11.5 million, down 2.6% over the quarter and 60.1% over twelve months. These were written down by 8.6% (8.2% in December and 7% in March 2006);
- **past due loans** amount to € 173 million, up 17% over the quarter and 9.1% over twelve months. These were written down by 6.1% (6.7% in December and 4.3% in March 2006);

Non-performing **credit commitments** amount to € 21.3 million, down 18.3% over three months and 22.1% over twelve months; these were written down for 19% (18.4% in December and 14.5% in March 2006).

Overall, (also considering performing loans), value adjustments amount to € 365.5 million, of which € 356.8 million relate to cash loans and € 8.7 million relate to credit commitments.

CREDIT QUALITY (figures in thousands of €)

	31/03/07				31/12/06			
	Gross exposure (a)	Value adjustments	Net exposure (a-b)	% b/a	Gross exposure (a)	Value adjustments	Net exposure (a-b)	% b/a
Cash loans								
Bad loans	539,485	276,877	262,608	51.3	543,431	275,030	268,401	50.6
- banks	17,326	444	16,882	2.6	17,808	360	17,448	2.0
- customers	522,159	276,433	245,726	52.9	525,623	274,670	250,953	52.3
Watchlist loans	202,955	21,985	180,970	10.8	196,170	20,420	175,750	10.4
- banks	47	47	-	100.0	131	131	-	100.0
- customers	202,908	21,938	180,970	10.8	196,039	20,289	175,750	10.3
Rescheduled loans	11,470	991	10,479	8.6	11,774	962	10,812	8.2
- customers	11,470	991	10,479	8.6	11,774	962	10,812	8.2
Past due loans	173,046	10,587	162,459	6.1	147,949	9,972	137,977	6.7
- banks	222	-	222	-	218	-	218	-
- customers	172,824	10,587	162,237	6.1	147,731	9,972	137,759	6.8
Performing loans	13,789,355	46,352	13,743,003	0.3	13,667,968	46,446	13,621,522	0.3
- banks	1,083,791	-	1,083,791	-	1,327,961	-	1,327,961	-
- customers	12,705,564	46,352	12,659,212	0.4	12,340,007	46,446	12,293,561	0.4
Total cash loans	14,716,311	356,792	14,359,519	2.4	14,567,292	352,830	14,214,462	2.4
- banks	1,101,386	491	1,100,895	0.0	1,346,118	491	1,345,627	0.0
- customers	13,614,925	356,301	13,258,624	2.6	13,221,174	352,339	12,868,835	2.7
Credit commitments								
Impaired	21,299	4,054	17,245	19.0	26,067	4,800	21,267	18.4
- customers	21,299	4,054	17,245	19.0	26,067	4,800	21,267	18.4
Other loans	1,302,190	4,619	1,297,571	0.4	1,259,557	4,522	1,255,035	0.4
- banks	4,903	-	4,903	-	2,521	-	2,521	-
- customers	1,297,287	4,619	1,292,668	0.4	1,257,036	4,522	1,252,514	0.4
Total credit commitments	1,323,489	8,673	1,314,816	0.7	1,285,624	9,322	1,276,302	0.7
- banks	4,903	-	4,903	-	2,521	-	2,521	-
- customers	1,318,586	8,673	1,309,913	0.7	1,283,103	9,322	1,273,781	0.7
Total	16,039,800	365,465	15,674,335	2.3	15,852,916	362,152	15,490,764	2.3
- banks	1,106,289	491	1,105,798	0.0	1,348,639	491	1,348,148	0.0
- customers	14,933,511	364,974	14,568,537	2.4	14,504,277	361,661	14,142,616	2.5

	31/03/06				31/12/05			
	Gross exposure (a)	Value adjustments	Net exposure (a-b)	% b/a	Gross exposure (a)	Value adjustments	Net exposure (a-b)	% b/a
Cash loans								
Bad loans	471,271	211,252	260,019	44.8	450,422	202,863	247,559	45.0
- banks	18,296	90	18,206	0.5	18,162	-	18,162	-
- customers	452,975	211,162	241,813	46.6	432,260	202,863	229,397	46.9
Watchlist loans	123,100	29,689	93,411	24.1	110,987	23,183	87,804	20.9
- banks	155	155	-	100.0	642	513	129	79.9
- customers	122,945	29,534	93,411	24.0	110,345	22,670	87,675	20.5
Rescheduled loans (2)	28,778	2,013	26,765	7.0	28,058	731	27,327	2.6
- customers	28,778	2,013	26,765	7.0	28,058	731	27,327	2.6
Past due loans	158,626	6,859	151,767	4.3	177,938	8,409	169,529	4.7
- banks	207	-	207	-	203	-	203	-
- customers	158,419	6,859	151,560	4.3	177,735	8,409	169,326	4.7
Performing loans	12,388,478	43,536	12,344,942	0.4	11,742,880	47,177	11,695,703	0.4
- banks	1,363,618	-	1,363,618	-	936,902	-	936,902	-
- customers	11,024,860	43,536	10,981,324	0.4	10,805,978	47,177	10,758,801	0.4
Total cash loans	13,170,253	293,349	12,876,904	2.2	12,510,285	282,363	12,227,922	2.3
- banks	1,382,276	245	1,382,031	0.0	955,909	513	955,396	0.1
- customers	11,787,977	293,104	11,494,873	2.5	11,554,376	281,850	11,272,526	2.4
Credit commitments								
Impaired	27,358	3,966	23,392	14.5	25,824	3,675	22,149	14.2
- customers	27,358	3,966	23,392	14.5	25,824	3,675	22,149	14.2
Other loans	1,123,417	4,555	1,118,862	0.4	1,235,689	5,471	1,230,218	0.4
- banks	4,251	-	4,251	-	8,899	-	8,899	-
- customers	1,119,166	4,555	1,114,611	0.4	1,226,790	5,471	1,221,319	0.4
Total credit commitments	1,150,775	8,521	1,142,254	0.7	1,261,513	9,146	1,252,367	0.7
- banks	4,251	-	4,251	-	8,899	-	8,899	-
- customers	1,146,524	8,521	1,138,003	0.7	1,252,614	9,146	1,243,468	0.7
Total	14,321,028	301,870	14,019,158	2.1	13,771,798	291,509	13,480,289	2.1
- banks	1,386,527	245	1,386,282	0.0	964,808	513	964,295	0.1
- customers	12,934,501	301,625	12,632,876	2.3	12,806,990	290,996	12,515,994	2.3

The **securities portfolio** amounts to € 3,068.3 million, up 11.3% over three months and 13.8% over twelve months. Regarding the first three months of 2007, the debt securities increased (+13.6%), as are equities (+4.3%) and shares in collective investment schemes (+21.8%). Over the year, debt securities increased (+24.2%) and shares in collective investment

schemes (+33%) while equities decreased (-4.7%). Available-for-sale equities include the equity investment in Bank of Italy equivalent to € 641.1 million; this value is the result of fair value designation – using shareholders' equity as a reliable proxy for fair value - carried out on the basis of the financial statements of the Bank of Italy as at 31 December 2005.

SECURITIES PORTFOLIO (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/3/06	03/07 12/06	03/07 03/06
Debt securities	1,673,676	1,473,207	1,347,786	13.6	24.2
<i>Held for trading</i>	1,568,219	1,360,226	1,205,769	15.3	30.1
<i>Available for sale</i>	105,457	112,981	142,017	-6.7	-25.7
Equities	1,009,667	968,163	1,059,563	4.3	-4.7
<i>Held for trading</i>	32,337	3,018	408,058	...	-92.1
<i>Available for sale</i>	977,330	965,145	651,505	1.3	50.0
Shares in CIS	384,936	316,105	289,494	21.8	33.0
<i>Held for trading</i>	384,936	316,105	289,494	21.8	33.0
Total	3,068,279	2,757,475	2,696,843	11.3	13.8
<i>including:</i>					
<i>Held for trading</i>	1,985,492	1,679,349	1,903,321	18.2	4.3
<i>Available for sale</i>	1,082,787	1,078,126	793,522	0.4	36.5

The value of **assets from hedging derivatives** is equal to € 14.2 million, down compared to € 17.4 million in December (-18.5%) and € 26 million in March 2006 (-45.5%). Similarly, the value of **liabilities from hedging derivatives**, equal to € 21.3

million, is higher than December (+3.2%) and lower than March 2006 (-18.5%). Derivative hedging contracts recorded € 3.5 million of revaluations and € 4.7 million of write-downs; changes in the hedged items were positive for € 1 million.

ASSETS FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Asset hedging derivatives	1,022	514	197	98.8	...
Specific fair value hedging	1,022	514	197	98.8	...
<i>interest rates</i>	1,022	514	197	98.8	...
Liability hedging derivatives	13,172	16,909	25,837	-22.1	-49.0
Specific fair value hedging	7,538	13,094	24,813	-42.4	-69.6
<i>interest rates</i>	7,538	13,094	24,813	-42.4	-69.6
General interest rate risk hedging	5,634	3,815	1,024	47.7	...
Total	14,194	17,423	26,034	-18.5	-45.5

LIABILITIES FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Asset hedging derivatives	9,198	11,274	16,569	-18.4	-44.5
Specific fair value hedging	9,198	11,274	16,569	-18.4	-44.5
<i>interest rates</i>	9,198	11,274	16,569	-18.4	-44.5
Liability hedging derivatives	12,124	9,383	9,597	29.2	26.3
Specific fair value hedging	11,820	8,504	9,597	39.0	23.2
<i>interest rates</i>	11,820	8,504	9,597	39.0	23.2
General interest rate risk hedging	304	879	-	-65.4	...
Total	21,322	20,657	26,166	3.2	-18.5

Trading derivative contracts amount to € 377.2 million, up from € 266.9 million in December (+41.3%) and € 215.5 million in March 2006 (+75%): Trading derivative

contracts include € 57.2 million in revaluations and € 54.6 million in write-downs.

TRADING DERIVATIVES (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Positive countervalues	151,982	100,326	80,022	51.5	89.9
Financial derivatives	151,879	100,010	79,594	51.9	90.8
<i>forward agreements</i>	40,372	4,276	6,800	...	...
<i>swap</i>	17,402	15,045	16,400	15.7	6.1
<i>options purchased</i>	94,105	80,689	56,394	16.6	66.9
Credit derivatives	103	316	428	-67.4	-75.9
<i>tror</i>	-	146	297	-100.0	-100.0
<i>cds</i>	103	170	131	-39.4	-21.4
Negative countervalues	225,195	166,598	135,500	35.2	66.2
Financial derivatives	223,506	165,511	134,230	35.0	66.5
<i>forward agreements</i>	2,214	3,973	4,991	-44.3	-55.6
<i>swap</i>	165,814	118,807	100,475	39.6	65.0
<i>issued options</i>	55,478	42,731	28,764	29.8	92.9
Credit derivatives	1,689	1,087	1,270	55.4	33.0
<i>tror</i>	106	-	-	...	...
<i>cds</i>	1,583	1,087	1,270	45.6	24.6
TOTAL	377,177	266,924	215,522	41.3	75.0

Regarding notional values, derivative contracts amount to € 7,869.1 million for an

increase from December (+7.1%) and a decline from March 2006 (-1.3%).

NOTIONAL VALUES OF DERIVATIVE CONTRACTS (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Financial derivatives	7,681,983	7,145,155	7,846,032	7.5	-2.1
<i>futures</i>	16,996	65	133	...	...
<i>forward agreements</i>	779,588	626,940	1,421,622	24.3	-45.2
<i>forward rate agreements</i>	-	-	10,052	...	-100.0
<i>swap</i>	4,828,533	4,541,253	4,227,753	6.3	14.2
<i>options purchased</i>	1,347,043	1,300,262	1,097,868	3.6	22.7
<i>others</i>	709,823	676,635	1,088,604	4.9	-34.8
Credit derivatives	187,139	203,548	126,467	-8.1	48.0
<i>tror</i>	18,094	33,471	43,205	-45.9	-58.1
<i>cds</i>	169,045	170,077	83,262	-0.6	...
TOTAL	7,869,122	7,348,703	7,972,499	7.1	-1.3

Net income on derivative contracts is positive for € 4.2 million: trading contracts contribute € 4.4 million while hedging

contracts had a negative balance of € 0.2 million.

NET INCOME ON DERIVATIVE CONTRACTS AS AT 31/03/07

(figures in thousands of €)

	Revaluations	Write-downs	Net profit on trading	Net income
1. Trading contracts	57,203	- 54,594	1,790	4,399
1.1 Financial derivatives	57,001	- 53,589	1,155	4,567
1.2 Credit derivatives	202	- 1,005	635	- 168
	Revaluations	Write-downs	Changes in underlying from hedging	Net income
2. Hedging contracts	3,532	- 4,679	951	- 196
2.1 Asset hedging	2,918	- 191	- 2,847	- 120
2.2 Liability hedging	614	- 4,488	3,798	- 76
TOTAL	60,735	- 59,273	2,741	4,203

A.4 Income by business segment

The primary schedule in segment reporting has been determined on the basis of the main business segments, according to customer segmentation.

A secondary reporting segment by geographical area was not presented, as the Bank operates in a relatively homogeneous context. All of the branches are located in Italy, except for one in Nice, which represents a marginal portion of the Bank's activities.

Where necessary for a better understanding of income statement and balance sheet results, the data relating to the first three months of 2006 and those as at 31 December 2006 are adapted to the distribution during the first three months of 2007.

The income statement and balance sheet results as at 31 March 2007 in relation to **ordinary customers** (Private and Affluent, Corporate and Retail) show a positive trend when compared to 2006. In particular:

- the **Private** and **Affluent** segment shows a gross operating income of € 41.7 million (22.8% of the total) up 22.6% compared to the first quarter of 2006 essentially due to the spread trend. Net of operating costs of € 24.5 million (26.5% of the total), profit from ordinary activities amounts to € 17.1 million, or 21.7% of the total, showing significant growth compared to the first quarter of 2006 (+62.2%). the cost/income ratio for the segment, equal to 58.8%, is lower by 10 percentage points compared to the first quarter of 2006 (68.7%).

With regard to aggregate balance sheet items, amounts owed to customers are €2,908 million (36.9% of the total) and present a slight decrease compared to the value of the prior period (-0.4% compared to March 2006, -4.3% compared to December 2006). Securities in issue and financial liabilities designated at fair value, corresponding to € 3,023 million, showed a decline of 1.4% compared to March 2006 (€ 3,066 million) and the segment share of the

total declined from 62.8% in March 2006 to 47%. Lending is marginal;

- The **Corporate** segment recorded a gross operating income of € 36.8 million (20.1% of the total), in line with the value from the first three months of 2006 (+3%) and net income from financial management of € 32.5 million (19% of the total, +10.1% compared to the first quarter of 2006). Net of operating costs of € 8.1 million (8.8% of the total), profit from ordinary activities amounts to € 24.4 million and shows a growth of 10.2% compared to the first quarter of 2006; this segment represents more than 40% of the income from ordinary customers and more than 30% of the Bank's total income. the cost/income ratio for the segment, equal to 22.1%, shows a slight increase compared to 2006 (21.5% in December 2006, 20.7% in March 2006).

With reference to the aggregate balance sheet items, loans to customers (€ 5,940 million, or 44.8% of the total) show growth of 10.5% compared to March 2006 (+2.1% compared to December 2006). Amounts owed to customers equal € 1,004 million, up 6.8% compared to March 2006, and represents 12.8% of the total. The values of securities in issue and financial liabilities designated at *fair value* for this segment were very small;

- the **Retail** segment closed the first quarter of 2007 with a gross operating income of € 68.6 million (37.5% of the total) and net income from financial management equal to € 60.1 million (35% of the total), up 14.2% and 13.1%, respectively, over the first quarter of 2006 mainly due to the effect of the trend in the spread. Net of €45.7 million in operating costs, profit from ordinary activities amounts to € 14.4 million, up 26% compared to the first quarter of 2006. The cost/income ratio for the segment is 66.6%, in line with the value at year end 2006, but lower compared to March 2006 (69.4%).

Regarding the aggregate balance sheet items, the segment shows growth in lending of 17.9% compared to March 2006 for a total of € 5,012 million (37.8% of the total) while amounts owed to customers, €2,267 million or 28.8% of the total, remain in line with the values of March 2006 and securities in issue and financial liabilities designated at fair value, equal to € 846 million, show a

decline of 3.5% compared to March 2006.

The **Other** segment shows a gross operating income of € 35.7 million (19.5% of the total), operating costs of € 14.3 million (15.4% of the total) and profit from ordinary activities amounting to € 22.9 million (29.1% of the total).

Business segments

(Figures in thousands of €)

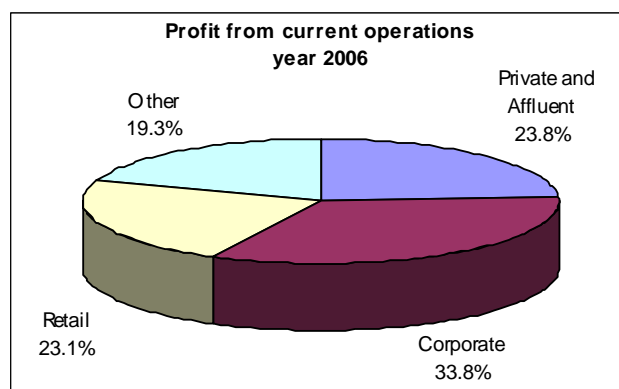
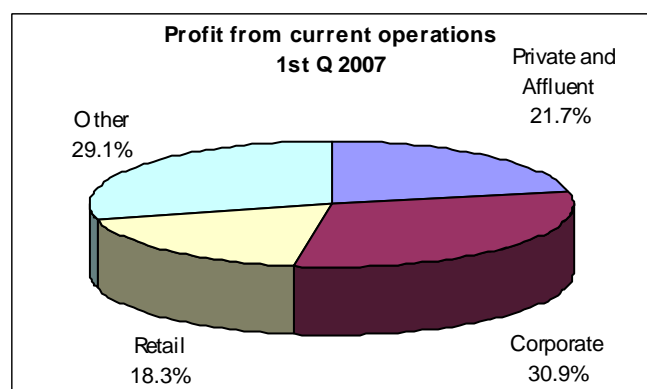
	Private and Affluent	Corporate	Retail	Other	TOTAL
Gross operating income					
1st Q 2007	41,673	36,812	68,588	35,673	182,746
year 2006	146,365	146,706	266,557	131,696	691,324
1st Q 2006	34,004	35,756	60,074	28,158	157,992
Net income from financial management ⁽¹⁾					
1st Q 2007	41,596	32,518	60,088	37,244	171,446
year 2006	146,069	112,033	232,371	114,883	605,356
1st Q 2006	33,889	29,539	53,126	32,431	148,985
Operating costs					
1st Q 2007	-24,517	-8,123	-45,676	-14,307	-92,623
year 2006	-89,491	-31,588	-177,418	-68,896	-367,393
1st Q 2006	-23,358	-7,404	-41,686	-15,653	-88,101
Profit (Loss) from ordinary activities					
1st Q 2007	17,079	24,395	14,412	22,937	78,823
year 2006	56,578	80,445	54,953	45,987	237,963
1st Q 2006	10,531	22,135	11,440	16,778	60,884
Cost income (%)					
1st Q 2007	58.8	22.1	66.6	40.1	50.7
year 2006	61.1	21.5	66.6	52.3	53.1
1st Q 2006	68.7	20.7	69.4	55.6	55.8
Net interbank					
31/03/2007				0	0
31/12/2006				0	0
31/03/2006				1	1
Loans to customers					
31/03/2007	502,527	5,939,860	5,012,120	1,804,117	13,258,624
31/12/2006	495,339	5,819,978	4,856,129	1,697,389	12,868,835
31/03/2006	420,566	5,374,340	4,250,370	1,449,597	11,494,873
Amounts owed to customers					
31/03/2007	2,907,542	1,004,152	2,267,207	1,696,280	7,875,181
31/12/2006	3,039,408	1,099,071	2,304,064	1,752,782	8,195,325
31/03/2006	2,919,174	939,972	2,279,250	1,697,810	7,836,206
Securities in issue and financial liabilities at fair value					
31/03/2007	3,022,875	46,072	845,791	2,513,223	6,427,961
31/12/2006	2,980,832	51,792	840,599	1,635,518	5,508,741
31/03/2006	3,066,280	56,311	876,533	879,795	4,878,919

(1) Includes profit (losses) from equity investments and from disposal of investments.

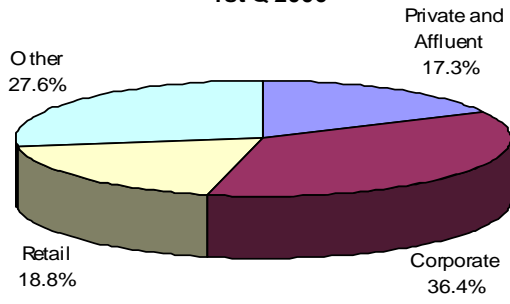
Business segments (% on total)

	Private and Affluent	Corporate	Retail	Other	TOTAL
Gross operating income					
1st Q 2007	22.8	20.1	37.5	19.5	100.0
year 2006	21.2	21.2	38.6	19.0	100.0
1st Q 2006	21.5	22.6	38.0	17.8	100.0
Net income from financial management					
(1) Q 2007	24.3	19.0	35.0	21.7	100.0
year 2006	24.1	18.5	38.4	19.0	100.0
1st Q 2006	22.7	19.8	35.7	21.8	100.0
Operating costs					
1st Q 2007	26.5	8.8	49.3	15.4	100.0
year 2006	24.4	8.6	48.3	18.8	100.0
1st Q 2006	26.5	8.4	47.3	17.8	100.0
Profit (Loss) from ordinary activities					
1st Q 2007	21.7	30.9	18.3	29.1	100.0
year 2006	23.8	33.8	23.1	19.3	100.0
1st Q 2006	17.3	36.4	18.8	27.6	100.0
Loans to customers					
31/03/2007	3.8	44.8	37.8	13.6	100.0
31/12/2006	3.8	45.2	37.7	13.2	100.0
31/03/2006	3.7	46.8	37.0	12.6	100.0
Amounts owed to customers					
31/03/2007	36.9	12.8	28.8	21.5	100.0
31/12/2006	37.1	13.4	28.1	21.4	100.0
31/03/2006	37.3	12.0	29.1	21.7	100.0
Securities in issue and financial liabilities at fair value					
31/03/2007	47.0	0.7	13.2	39.1	100.0
31/12/2006	54.1	0.9	15.3	29.7	100.0
31/03/2006	62.8	1.2	18.0	18.0	100.0

(1) Including the profit (loss) from equity investments and disposal of investments.



**Profit from current operations
1st Q 2006**



A.5 Regulatory capital

REGULATORY CAPITAL AND SOLVENCY RATIOS

(figures in thousands of €)

	Situation as at		
	31/3/07 IAS	31/12/06 IAS	31/3/06 Leg.Dec. 87/92
Regulatory capital			
Tier 1 capital	1,561,388	1,537,189	1,237,692
Tier 2 capital	512,792	560,231	478,178
less: deductions (2)	-350,859	-376,167	-362,890
Total capital	1,723,321	1,721,253	1,352,980
Weighted assets			
Credit risk	12,953,114	12,696,518	11,228,935
Market risk	1,222,371	940,280	1,383,899
Other prudential requirements	567,357	559,036	593,331
Total weighted assets	14,742,842	14,195,834	13,206,165
Capital requirements			
Credit risk	906,718	888,756	786,025
Market risk	85,566	65,820	96,873
Other prudential requirements	39,715	39,133	41,533
Total requirements	1,031,999	993,709	924,431
Subordinated loans covering market risks	79,961	65,820	79,961
Surplus capital	771,283	793,364	508,510
Solvency ratios (%) (1)			
Tier 1 capital/Credit risk weighted assets	12.05%	12.11%	11.02%
Regulatory capital/Credit risk weighted assets	13.30%	13.56%	12.05%
Tier 1 capital/Total weighted assets	10.59%	10.83%	9.37%
Regulatory capital/Total weighted assets (2)	12.67%	12.99%	11.22%

(1) With the adoption of Directive 2002/B7/EC from 31 December 2005 pursuant to the Bank of Italy's letter no. 1161199 of 1/12/05, equity investments in insurance enterprises are deducted from regulatory capital. Pursuant to the above-mentioned letter no. 1161199 of 1/12/2005, the equity investment in Bank of Italy is deducted from the shareholders' equity. From 2007, pursuant to the Regulatory Instructions issued by the Bank of Italy in circular 263 of 27/12/2006, equity interests in banks and financial businesses (included the investment in the Bank of Italy) and the equity investments in insurance companies acquired after 20/07/2006 (and related subordinated loans) are deducted at 50% from tier 1 capital and 50% from tier 2 capital; the equity investments in insurance companies acquired after 20/07/2006 (and related subordinated loans) are deducted from the total of tier 1 and tier 2 capital.

(2) Consistent with provisions of para. 1.5, Title 1 - Chapter 2 of the Regulatory Instructions (circ. 263/2006), the Total Capital Ratio was determined by deducting the tier 3 subordinated loan from the regulatory capital of the market risks. The Total Capital Ratio for the previous historic statistics was recalculated using the same calculation criteria.

A.6 Transactions with related parties

Transactions with subsidiaries, investee companies and other related parties are regulated at market conditions.

As at 31 March 2007, the asset and liability transactions were as follows:

RELATIONS WITH SUBSIDIARIES (figures in thousands of €)

	31/3/07					
	Assets	Liabilities	Guarantees and commitments	Dividends	Other revenues	Expenses
SUBSIDIARIES	444,116	1,040,770	9,042	0	26,494	21,301
Cassa di Risparmio di Carrara SpA	83,042	61,337	-	-	1,976	1,455
Cassa di Risparmio di Savona SpA	109,696	89,847	-	-	3,256	3,218
Banca del Monte di Lucca SpA	92,927	41,203	-	-	1,444	786
Banca Cesare Ponti SpA	44,738	31,291	-	-	705	411
Carige Asset Management Sgr SpA	8,984	11,732	-	-	8,785	417
Centro Fiduciario SpA	585	248	-	-	130	98
Argo Finance One Srl	3	11	-	-	3	-
Argo Mortgage Srl	3	11	-	-	3	-
Argo Mortgage 2 Srl	39,390	673,869	-	-	2,566	9,164
Priamar Finance Srl	3	11	-	-	3	-
Galeazzo Srl	4	2,988	-	-	4	24
Columbus Carige Immobiliare SpA	14,610	12	-	-	286	620
Immobiliare Ettore Vernazza SpA	536	38	-	-	10	-
Carige Vita Nuova SpA	534	57,872	-	-	5,512	4,780
Carige Assicurazioni SpA	48,787	64,710	9,042	-	1,410	271
Assi 90 Srl	197	2,098	-	-	390	5
AG Srl	67	318	-	-	-	-
Savona 2000 Srl	-	111	-	-	-	-
Dafne Immobiliare Srl	-	160	-	-	-	-
Portorotondo Gardens Srl	-	330	-	-	-	2
Creditis Servizi Finanziari SpA	10	2,028	-	-	11	48
IH Roma	-	545	-	-	-	2
ENTITIES SUBJECT TO SIGNIFICANT INFLUENCE	2,474	5,486	32	-	620	51
Frankfurter Bankgesellschaft AG	-	66	-	-	616	1
Autostrada dei Fiori SpA	2,474	22	7	-	4	14
Assimilano Srl	-	127	-	-	-	1
Assicentro Recina Servizi Srl	-	4,431	-	-	-	33
Consorzio per il Giurista d'Impresa Srl	-	21	-	-	-	-
B.D.A. SpA	-	651	25	-	-	2
U.C. Sport e Sicurezza Srl	-	68	-	-	-	-
Nuova Erzelli Srl	-	100	-	-	-	-
TOTAL	446,590	1,046,256	9,074	-	27,114	21,352

Transactions with other related parties were as follows:

	Assets	Liabilities	Guarantees and commitments	Revenues	Expenses	Purchase of assets and services
Other related parties	22,577	9,477	11,463	307	85	11
TOTAL	22,577	9,477	11,463	307	85	11

Figures in thousands of €

Related parties are defined as:

a) "executives with strategic responsibilities for the entity or its subsidiaries". They include those who have the power and responsibility, directly or indirectly, for the management and control of the Bank's activities, including the Directors, the Statutory Auditors, the Managing Director or the General Manager, the Deputy General Managers and the Central Managers.

b) "close relatives of one of the parties pursuant to point a)".

These are parties who it is expected may influence, or be influenced, by the party concerned in their dealings with the Bank and therefore, merely by way of example, they may include the common-law spouse and the individuals dependent on the party concerned or the common-law spouse.

c) "parties controlled by, jointly controlled by or subject to the significant influence of one of the entities pursuant to point a) and b) or in which said entities hold, directly or indirectly, a significant portion of the voting rights".

BANK SUBSIDIARIES

The FIA of **Cassa di Risparmio di Savona**

SpA amounts to € 2,682.3 million, slightly lower (-0.3%) compared to the end of 2006 but up 2.1% over twelve months.

Direct deposits – equal to € 997.3 million – experienced a reduction of 5.8% in the first quarter of 2007 (-3.6% compared to March 2006), mainly due to a decrease in bonds (-9.4% and -17.3% over three and twelve months, respectively), following the non-issue of bonds beginning in May 2006 and the accounting for Carige Group's bonds placed by Carisa in indirect deposits. Indirect deposits - equal to € 1,685 million - grew 3.3%, (+5.8% over twelve months); assets under management decreased 3.3% over the quarter and 6.8% over the year; however, assets in custody increased 10.1% compared to December and 20.7% compared to March 2006.

Loans to customers (€ 1,001.8 million) grew 3.2% and 14.3% over three and twelve months, respectively, increasing both in the medium/long term component (+2.2% and +11.9%), as well as short-term (+6.3% and +23.5%), reaching a share equivalent to nearly

one-quarter of the total. The ratio of bad loans/total gross loans is 1.7%, down on an annual basis.

The securities portfolio amounts to € 247.7 million, lower by 29.8% compared to the end of the year and 35.6% compared to March 2006.

The income statement shows a net profit of € 5.3 million, more than double the € 2.6 million of March 2006; the cost/income ratio (net of provisions for risks and charges) declined from 62.7% to 48%.

Net interest income grew 25.3% to € 10.6 million, primarily related to growth in customer lending and the increase of the interest rate spread.

Net commissions were down 2.9% to € 5.5 million.

In total, the gross operating income increased 16.2% to € 17.9 million.

The net value adjustments due to loan impairment decreased € 0.3 million and operating costs decreased 6.4% to € 9.2 million, due to lower staff costs (-24.4%). Profit from ordinary activities before taxes is € 9.3 million, which is 87.5% higher than the € 5 million recorded in March 2006. Net of taxes of € 4 million, (+69.8% compared to the first quarter of 2006), profit for the period is € 5.3 million, more than double the € 2.6 million of March 2006.

CASSA DI RISPARMIO DI SAVONA *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	3/07 12/06	3/07 3/06
BALANCE SHEET					
Total assets	1,396,825	1,447,978	1,429,631	-3.5%	-2.3%
Direct deposits (A)	997,302	1,058,534	1,034,044	-5.8%	-3.6%
Indirect deposits (B)	1,685,000	1,631,253	1,592,323	3.3%	5.8%
- Assets under management	803,187	830,617	861,566	-3.3%	-6.8%
- Assets in custody	881,813	800,636	730,757	10.1%	20.7%
Financial Intermediation Activities (FIA) (A+B)	2,682,302	2,689,787	2,626,367	-0.3%	2.1%
Loans to customers (1)	1,001,816	971,190	876,572	3.2%	14.3%
Securities portfolio	247,699	353,035	384,658	-29.8%	-35.6%
Capital and reserves	186,218	169,839	178,905	9.6%	4.1%
INCOME STATEMENT					
Gross operating income	17,928	66,825	15,430		16.2%
Net income from financial management	18,496	66,230	14,769		25.2%
operating profit from ordinary activities before taxes	9,328	25,819	4,974		87.5%
Profit for the period	5,330	16,555	2,619		...
RESOURCES					
Number of branches	50	50	47	-	6.4%
Staff	403	407	415	-1.0%	-2.9%

(1) Before value adjustments.

In March 2007 the FIA of **Banca del Monte di Lucca SpA** was € 892 million, up 3.3% in the first quarter and 9.2% over twelve months.

Within the FIA, direct deposits were € 559.9 million, increasing over both the three month period (+1.4%) as well as the twelve month period (+10.2%), while indirect deposits, amounting to € 332.1 million, grew 6.7% over three months and 7.7% on an annual basis, due to growth in assets in custody.

Loans to customers, equivalent to € 652.9 million, increased 3.6% over three months and 18% over twelve months. Medium/long term loans represent 70% of the total, increasing 3.2% and 21.8% over the quarter and year, respectively; short-term loans increased 5.1% over the quarter and 11.1% from March 2006.

The securities portfolio amounts to € 13.7 million, essentially unchanged from the level at the end of the year (€ 13.6 million) but sharply down from € 89.9 million in March 2006 following the amounts invested in reserve funds managed by Carige SGR (€ 76.5 million in March 2006).

The income statement shows a net profit of € 1.9 million, up 26.5% from March 2006

(€ 1.5 million); the cost/income ratio (net of provisions for risks and charges) declined from 54.8% to 45.4%.

The positive trend can be primarily attributed to the increase in the net interest income (€ +1.5 million compared to March 2006) and the containment of operating costs (+0.7%).

Net interest income, which is equivalent to € 6.2 million, increased 31.4% compared to the first quarter of 2006 due to the increase in the customer margin of 33.1% (from € 5 million to € 6.6 million) related to the positive trend in volumes intermediated.

The performance of net commissions shows an increase of 7.6% to € 2 million.

Gross operating income reached € 8.4 million, up 20.1% compared to the same period in the prior year.

Considering net value adjustments for loan impairments – equal to € 0.9 million compared to € 0.4 million in March 2006 – and operating costs of € 3.9 million, up 0.7%, the profits from ordinary activities before taxes amounts to € 3.7 million (€ 2.8 million in March 2006).

Net of income taxes of € 1.8 million, the profit for the period is € 1.9 million, higher than that of March 2006 (€ 1.5 million).

BANCA DEL MONTE DI LUCCA (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	3/07 12/06	3/07 3/06
BALANCE SHEET					
Total assets	732,527	713,731	712,626	2.6%	2.8%
Direct deposits (A)	559,874	552,326	508,088	1.4%	10.2%
Indirect deposits (B)	332,108	311,358	308,430	6.7%	7.7%
- Assets under management	126,618	132,884	140,020	-4.7%	-9.6%
- Assets in custody	205,490	178,474	168,410	15.1%	22.0%
Financial Intermediation Activities (FIA) (A+B)	891,982	863,684	816,518	3.3%	9.2%
Loans to customers (1)	652,865	630,051	553,488	3.6%	18.0%
Securities portfolio	13,714	13,555	89,928	1.2%	-84.8%
Capital and reserves	40,356	32,846	36,713	22.9%	9.9%
INCOME STATEMENT					
Gross operating income	8,414	30,852	7,006		20.1%
Net income from financial management	7,527	28,405	6,589		14.2%
Operating profit from ordinary activities before taxes	3,665	12,570	2,752		33.2%
Profit for the period	1,915	7,373	1,514		26.5%
RESOURCES					
Number of branches	21	21	20	-	5.0%
Staff	153	152	153	0.7%	-

(1) Before value adjustments.

Cassa di Risparmio di Carrara SpA recorded Financial Intermediation Activities (FIA) on behalf of customers of € 1,607.6 million, up 2.3% over the quarter and 7.6% over the year.

Within FIA, direct deposits (€ 824.1 million) declined 2.6% compared to December and grew 1.8% compared to March 2006; indirect deposits (€ 783.5 million) grew 8.1% and 14.4% over the quarter and year, respectively. Assets under management decreased 2.6% over three months and 2.8% over twelve months; assets in custody grew 18.3% from the beginning of the year and 33% from the end of March 2006, mainly due to continued growth in government securities.

Loans to customers (€ 893.7 million) declined 4.5% from the beginning of the year and increased 13% from March 2006; the medium/long term component increased 3.1% and 13% over three and twelve months, respectively, while short-term loans decreased 15.6% from December and grew 13.9% from March 2006. The decline in lending from the beginning of the year is due to elimination of a temporary technical loan for € 39.4 million linked to a BOC issue.

The securities portfolio amounts to € 93.9 million, lower compared to December (-20.6%) and compared to March 2006 (-20.9%). Approximately 92.2% of these items consists of financial assets held for trading.

The income statement shows a net profit of € 3.6 million, up 24% from March 2006; the cost/income ratio (net of provisions for risks and charges) declined from 64% to 54.4%. The positive results are essentially due to the trend in the interest margin that increased 21.7% on an annual basis to € 9.7 million.

Net commissions (€ 3.5 million) remained essentially unchanged over the year (-0.3%), while net income from trading activities (€ 0.9 million) increased 26%.

Gross operating income reached € 14.2 million, up 16.5% compared to the same period in the prior year.

Considering net value adjustments for loan impairments (€ 0.2 million compared to € 0.9 million in March 2006) and operating costs of € 8 million, up 2.9% on an annual basis, the profits from ordinary activities before taxes amounts to € 6.3 million (€ 5.3 million in March 2006; +19.9%).

Net of income taxes of € 2.7 million (+14.8% compared to the first three

months of 2006), the profit for the period is € 3.6 million, higher than that of March

2006 (+24%).

CASSA DI RISPARMIO DI CARRARA (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	3/07 12/06	3/07 3/06
BALANCE SHEET					
Total assets	1,118,638	1,183,660	1,041,262	-5.5%	7.4%
Direct deposits (A)	824,118	846,182	809,828	-2.6%	1.8%
Indirect deposits (B)	783,494	724,798	684,773	8.1%	14.4%
- Assets under management	345,614	354,766	355,435	-2.6%	-2.8%
- Assets in custody	437,880	370,032	329,338	18.3%	33.0%
Financial Intermediation Activities (FIA) (A+B)	1,607,612	1,570,980	1,494,601	2.3%	7.6%
Loans to customers (1)	893,672	936,038	790,770	-4.5%	13.0%
Securities portfolio	93,908	118,292	118,752	-20.6%	-20.9%
Capital and reserves	106,760	94,250	99,192	13.3%	7.6%
INCOME STATEMENT					
Gross operating income	14,200	54,642	12,186		16.5%
Net income from financial management	14,360	53,868	13,082		9.8%
Operating profit from ordinary activities before taxes	6,343	20,961	5,289		19.9%
Profit for the period	3,633	12,495	2,929		24.0%
RESOURCES					
Number of branches	34	34	33	-	3.0%
Staff	339	340	349	-0.3%	-2.9%

(1) Before value adjustments.

Banca Cesare Ponti SpA recorded growth in the FIA of 1.2% compared to the end of the prior year and 3.5% over twelve months.

Within FIA, equal to € 1,040.4 million, direct deposits (€ 256.2 million) decreased 1.1% from the beginning of the year and held stable from March 2006 (+0.2%). Indirect deposits (€ 784.3 million) grew over both the three month period as well as the twelve month period (+1.9% and +4.7%, respectively); assets under management declined (-0.5% over the quarter and -14.8% over the year) while assets in custody increased (+3% over the quarter and +16.3% over the year).

Loans to customers amount to € 195.9 million, a 4.6% increase compared to December and 15.8% compared to March 2006, due to growth in medium/long term lending (+9.1% and +32.2% over three and twelve months, respectively); however, short-term lending recorded a decline of 4.2% from the beginning of the year and 7.7% from the end of March 2006.

The securities portfolio is equal to € 54.7 million compared to € 71 million in December and € 82.8 million in March 2006; financial assets held for trading are the largest component (€ 52.8 million).

The income statement shows a net profit of € 0.3 million, an increase of 37.7% from March 2006; the cost/income ratio (net of provisions for risks and charges) declined from 95.2% to 77.6%. The positive figures were mainly a result of the increase in the net interest income and net commissions and the decrease in administrative costs, particularly staff costs.

Net interest income is € 1.7 million, 10.1% higher than the first quarter of 2006, due to the positive effect of volumes in loans.

Net commissions increased 10.5% to € 1.6 million, due to a jump in commission income (+9.7% to € 1.9 million) and slower growth in commission expenses (+5.1% to € 0.2 million).

Gross operating income reached € 3.6 million, up 9.1% compared to the same period in the prior year.

The balance of net value adjustments/write-backs due to loan impairment and other financial items was

positive for € 0.2 million (€ 0.3 million in March 2006).

Operating costs amount to € 2.9 million (-8.9%): the most relevant items are administrative costs (€ 2.8 million; -11.8%), of which staff costs are € 1.5 million (-15.6

%) and other administrative expenses are € 1.3 million (-6.8%).

Profit from ordinary activities before taxes is € 0.6 million (€ 0.5 million in March 2006; +16.7%) Net of income taxes of € 0.3 million, profit for the period amounts to € 0.3 million.

BANCA CESARE PONTI (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	3/07 12/06	3/07 3/06
BALANCE SHEET					
Total assets	338,297	310,453	299,595	9.0%	12.9%
Direct deposits (A)	256,160	258,898	255,763	-1.1%	0.2%
Indirect deposits (B)	784,275	769,621	749,336	1.9%	4.7%
- Assets under management	239,000	240,115	280,657	-0.5%	-14.8%
- Assets in custody	545,275	529,506	468,679	3.0%	16.3%
Financial Intermediation Activities (FIA) (A+B)	1,040,435	1,028,519	1,005,099	1.2%	3.5%
Loans to customers (1)	195,882	187,258	169,130	4.6%	15.8%
Securities portfolio	54,727	70,990	82,769	-22.9%	-33.9%
Capital and reserves	30,255	29,350	22,390	3.1%	35.1%
INCOME STATEMENT					
Gross operating income	3,601	13,198	3,302		9.1%
Net income from financial management	3,445	13,863	3,641		-5.4%
Operating profit from ordinary activities before taxes	580	1,968	497		16.7%
Profit for the period	285	905	207		37.7%
RESOURCES					
Number of branches	4	4	4	-	-
Staff	97	98	105	-1.0%	-7.6%

(1) Before value adjustments.

INSURANCE SUBSIDIARIES

The results of the two insurance companies of the Group (Carige Assicurazioni SpA e Carige Vita Nuova SpA) are provided below, drafted in accordance with the statutory regulations of the insurance sector in Italy (Legislative Decree 175/1997, Legislative Decree 173/1997, and ISVAP Regulation 735/1997).

These results differ from what is reported in the paragraph "Insurance business" of this Report, in which the information, obtained from the so-called "reporting packages", were prepared based on a combination of Bank of Italy Regulation 262 of 22 December 2005, ISVAP Regulation 2404 of 22 December 2005 and the related guidelines from the Parent Bank.

Shareholders' equity as at 31 March 2007 of **Carige Assicurazioni SpA** (operating in the non-life segment) amounts to € 151 million; technical reserves excluding reinsurance grew 1.2% over three months while investments, equivalent to € 763.5 million, were stable compared to December 2006.

Net profit for the first quarter of 2007 is € 0.9 million, 31.8% lower than the same period in 2006 (€ 1.3 million) as a result of the reduction in profit from the technical account (€ 1.8 million compared to € 2.2 million in March 2006). Results for March 2007 are based on interim data and may vary following the change in current management of third-party motor vehicle insurance claims subject to the "CARD" convention, given the recent introduction of direct indemnity procedures.

In detail, the result of the technical account is impacted by the increase in

operating expenses of 10.3% to € 31.2 million, while growth in premiums, excluding reinsurance, (6% to € 117 million) is lower than the growth in claims, excluding reinsurance, (10.6% to € 85.1 million). In addition, there is an increase

in the share of investment profit transferred from the non-technical account equal to € 3.7 million (€ 1.9 million in March 2006); other net technical expenses declined from € 5.6 to € 3.5 million.

CARIGE ASSICURAZIONI *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Recognised gross premiums	129,237	565,135	119,038		8.6%
Premiums excluding reinsurance	117,028	485,983	110,433		6.0%
Claims incurred and settled excluding reinsurance	85,135	403,267	76,964		10.6%
Operating costs	31,168	127,677	28,263		10.3%
Profit/loss from technical account	1,839	-39,317	2,277		-19.2%
Net profit	917	-25,406	1,344		-31.8%
Investments	763,466	763,357	646,142	0.0%	18.2%
Technical reserves excluding reinsurance	769,768	760,750	630,831	1.2%	22.0%
Shareholders' equity	150,995	176,401	176,401	-14.4%	-14.4%
Insurance agencies	384	386	391	-0.5%	-1.8%
Staff	286	286	305	-	-6.2%

The shareholders' equity as at 31 March 2007 of **Carige Vita Nuova SpA** (operating in the life segment) amounts to €71.4 million; investments and technical reserves excluding reinsurance grew, respectively, 2.7% (to € 1,770 million) and 2.4% (to € 1,636 million) over three months.

Net profit during the first three months of 2007 was equal to € 0.9 million, 42.5% lower than the profit at March 2006 (equal to € 1.4 million) mainly due to the effect of alignment to the market of

securities classified in the current segment. In detail, the result of the technical account is impacted by the increase in premiums, excluding reinsurance, (+13.3% to € 73.5 million) and financial management (+44.5% to € 6.9 million), however this growth does not completely offset the growth in claims, excluding reinsurance, (+37.3% to € 35.9 million) and the increase in operating expenses (+39.5% to € 5.8 million).

CARIGE VITA NUOVA SPA (figures in thousands of €)

	Situation as at			Change %	
	31/03/2007	31/12/06	31/03/06	03/07 12/06	03/07 03/06
Recognised gross premiums	76,326	406,883	68,017		12.2%
Premiums excluding reinsurance	73,474	390,458	64,848		13.3%
Claims incurred and settled excluding reinsurance	35,950	103,532	26,191		37.3%
Operating costs	5,752	25,718	4,123		39.5%
Profit/loss from technical account	873	4,331	1,850		-52.8%
Net profit	865	5,858	1,396		-38.0%
Investments (1)	1,770,302	1,723,690	1,435,787	2.7%	23.3%
Technical reserves excluding reinsurance (1)	1,636,221	1,598,310	1,337,486	2.4%	22.3%
Shareholders' equity	71,363	65,506	52,205	8.9%	36.7%
Insurance agencies	287	291	291	-1.4%	-1.4%
Staff	73	74	52	-1.4%	40.4%

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

FINANCIAL SUBSIDIARIES

As at 31 March 2007, **Carige A.M. SGR SpA**, established in 2003, managed 17 fully operational funds (of which 15 aimed at retail and two reserved for institutional investors), as well as the portfolios of products for which the companies of the Group have granted it authorisation for the management of financial resources, and namely 24 individual management lines (GPM and GPF - securities-based and funds-based asset management), three lines of the Gestlink insurance product and three internal lines of the "Fondo Pensione Aperto Carige" (open-ended pension fund).

The shareholders' equity amounts to € 7.1 billion, down from December (-3.6%) and over twelve months (-4.5%). The trend summarises growth in pension funds (+6.8%; +25.6% over the quarter and year, respectively) and a decline in mutual

funds (-2.4% from December and -2.6% from March 2006), asset management (-9.5% from the beginning of the year and -13.2% from the end of March 2006) and Gestlink insurance products (-2.4% in the first three months of 2007 and 6.6% over twelve months).

The net profit for the first three months of 2007 is € 0.7 million, a 4.5% increase compared to the same period in the prior year.

Net commissions amount to € 2.6 million (€ 2.4 million in March 2006; +5.4%) as the balance of commission income of € 12.8 million and commission expenses of € 10.2 million. Interest income amounts to € 0.1 million and the interest margin is €2.7 million (+5.8%). Operating costs amount to € 1.5 million (+5.7% from March 2006).

The operating profit amounts to € 1.2 million (+6% on an annual basis) and excluding taxes of € 0.5 million, the net profit is € 0.7 million, 4.5% higher than March 2006.

CARIGE A.M. SGR (figures in thousands of €)

	Situation as at			Change %	
	31/03/07	31/12/06	31/03/06	03/07 12/06	03/07 03/06
DEALING					
Assets under management	7,093,169	7,359,913	7,425,539	-3.6	-4.5
- Mutual funds	5,456,351	5,591,428	5,601,545	-2.4	-2.6
- Assets management (customer assets)	1,266,910	1,399,677	1,460,000	-9.5	-13.2
- Insurance products (customer assets)	253,357	259,654	271,191	-2.4	-6.6
- Pension funds	116,551	109,154	92,803	6.8	25.6
Total assets	21,625	20,326	21,175	6.4	2.1
Capital and reserves	8,778	5,958	8,557	47.3	2.6
INCOME STATEMENT					
Net commissions	2,577	9,965	2,444		5.4
Administrative costs	1,443	5,576	1,388		4.0
Operating income	1,219	4,622	1,150		6.0
Profit for the period	736	2,805	704		4.5
RESOURCES					
Staff (1)	24	23	22	4.3	9.1

(1) Seconded Parent Bank personnel.

Argo Finance One Srl, special purpose vehicle for the securitisation of bad loans established by Carige at the end of 2000,

collected € 3.5 million in 2007, compared to an exit value of the loans of € 165.3 million. The total value recovered since

the beginning of operation amounts to € 173 million at the end of March 2007. The operation continues, as further recoveries are possible.

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 € 20.2 million up to the end of March 2007, of which € 1.6 million relates to 2006.

Argo Mortgage Srl, special purpose vehicle for the securitisation of private mortgage loans established by Banca Carige at the end of 2001, collected a total of € 400.4 million, of which € 13.4 million in 2007.

Argo Mortgage 2 Srl, special purpose vehicle for the securitisation of private mortgage loans established by Banca Carige on 30 June 2004 collected a total of € 331.1 million, of which € 30.7 million in 2007.

OTHER MAIN SUBSIDIARIES

Galeazzo Srl ends the first quarter of 2007 with a net profit of € 8 thousand, down from € 12 thousand in March 2006. Management, which handles the leasing of the company's properties, showed regular performance.

Columbus Carige Immobiliare SpA, which handles the leasing of buildings to companies of the Group and operates in the purchase of real estate for resale (assets), closed the first quarter of 2007 with net profit of € 87 thousand, a 7.6% increase compared to the € 81 thousand of March 2006.

Management highlights rental income and revenues from leasing of € 611 thousand and € 101 thousand, respectively. Revenues from sale of real estate during the period amount to € 220 thousand.

The carrying value of assets as at 31 March 2007 amount to € 12.1 million, compared to € 13.5 million as at 31 March 2006.

Immobiliare Vernazza SpA whose share capital is 90% held by the Parent Bank, while 10% consists of own shares in portfolio, recorded net profit of € 196 thousand, compared € 279 thousand during the first three months of 2006. Rental income amounts to € 571 thousand for the period.

On 4 January 2007, the company received a notice of termination of the lease contract from the Municipality of Genoa, effective July 2007. Without adequate alternative solutions, this will have a considerable impact on the income statement, considering that the proceeds from said contract constitute a significant portion of the rental income of the company.

Immobiliare Carisa Srl recorded a loss of € 1.3 thousand, compared to a profit of € 4.0 thousand at March 2006.

Management, which had regular performance, highlights rental income of € 47 thousand.

The carrying value of assets as at 31 March 2007 amount to € 4.1 million, compared to € 4.4 million as at 31 March 2006.

Centro Fiduciario CF SpA ended the first quarter of 2007 with a net profit of € 51 thousand, a 17.9% increase on an annual basis.

Total revenues from ordinary operations are € 255 thousand (+3.6% from March 2006), and total operating costs are € 184 thousand (+5.8%). Therefore, the operating profit amounts to € 71 thousand (-1.8%). Pre-tax profit is € 90 thousand (+16.8%); net of taxes of € 39 thousand (€ 34 thousand in March 2006), net profit is recorded of € 51 thousand.

SIGNIFICANT EVENTS AFTER THE END OF THE FIRST QUARTER OF 2007

On 2 April 2007, Carige SpA undertook to adhere to the "Monferrato Domanda Offerta Casale - Valenza (MONDO)" Consortium, in compliance with the

resolution of the Executive Committee of 20 March 2007 with the aim of developing relations in the area's business network as a result of the opening of the new branch in Casale Monferrato (Alessandria), by purchasing two shares with a nominal value of € 25.83 each, for a total disbursement of € 51.66 as well as a one-time payment of € 300.00 and an annual consortium contribution of € 516.00, for a total of € 1,383.66 to be recorded under "Equity Investments".

On 16 April 2007 Agency 1 in Cesano Maderno (Milan) began operations for Banca Carige SpA.

On 17 April 2007, the ordinary shareholders' meeting of the subsidiary Columbus Carige Immobiliare SpA was held, which not only approved the financial statements as at 31 December 2006, but also appointed the company's Directors and Officers for the three-year period 2007/2009. In particular, Mr. Mario De Negri was appointed the sole Director and Mr. Adriano Lunardi was appointed Chairman of the Board of Statutory Auditors.

On 17 April 2007, the ordinary shareholders' meeting of the subsidiary Immobiliare Ettore Vernazza SpA was held, which not only approved the financial statements as at 31 December 2006, but also appointed the company's Directors and Officers for the three-year period 2007/2009. In particular, Mr. Mario De Negri was appointed the sole Director and Mr. Giorgio Oldoni was appointed Chairman of the Board of Statutory Auditors.

On 17 April 2007 the ordinary shareholders' meeting of the subsidiary Galeazzo Srl was held, which not only approved the financial statements as at 31 December 2006, but also appointed Mr. Marco Sanguineti as Substitute Auditor, to replace Mr. Dupont, who passed away in 2006.

On 17 April 2007, the ordinary shareholders' meeting of the subsidiary Argo Finance One Srl was held, which not only approved the financial statements as at 31 December 2006, but also appointed the company's Directors and Officers for the three-year period

2007/2009. In particular, Mr. Alessandro Picollo was confirmed as Chairman of the Board of Directors. Along with the others, Mr. Marco Capanna was appointed as Director. As far as the Board of Statutory Auditors, the nomination of Mr. Adriano Lunardi was confirmed as Chairman.

On 17 April 2007, the ordinary shareholders' meeting of the subsidiary Argo Mortgage 2 Srl was held, which not only approved the financial statements as at 31 December 2006, but also appointed the company's Directors and Officers for the three-year period 2007/2009. In particular, Mr. Alessandro Picollo was confirmed as Chairman of the Board of Directors. Along with the others, Mr. Marco Capanna was appointed as Director. As far as the Board of Statutory Auditors, the nomination of Mr. Adriano Lunardi was confirmed as Chairman.

On 17 April 2007 the ordinary shareholders' meeting of the subsidiary Argo Mortgage Srl was held, which not only approved the financial statements as at 31 December 2006, but also appointed the Board of Statutory Auditors for the three-year period 2007/2009. In particular, Mr. Adriano Lunardi was confirmed as Chairman of the Board of Statutory Auditors.

On 17 April 2007 the ordinary shareholders' meeting of the subsidiary Priamar Srl was held, which not only approved the financial statements as at 31 December 2006, but also appointed Mr. Marco Sanguineti as Substitute Auditor, to replace Mr. Dupont, who passed away in 2006.

On 23 April 2007, the ordinary shareholders' meeting of the subsidiary Cassa di Risparmio di Carrara SpA was held, which not only approved the financial statements as at 31 December 2006, but also appointed the company's Directors and Officers for the three-year period 2007/2009. In particular, as representative of Banca Carige SpA, Mr. Giovanni Berneschi took on the role of Deputy Chairman of the Board of Directors and Mr. Pietro Coppa was confirmed as Director and it was indicated that he would assume the role of Managing Director. Along with the others, Mr. Alfredo Sanguinetto was

confirmed as Director. As far as the Board of Statutory Auditors, as a representative of the Bank, the nomination of Mr. Andrea Traverso, as Chairman was confirmed.

On 23 April 2007 the ordinary shareholders' meeting of the subsidiary Banca del Monte di Lucca SpA was held, which not only approved the financial statements as at 31 December 2006, but also appointed the company's Directors and Officers for the three-year period 2007/2009. In particular, as representative of Banca Carige SpA, Mr. Mario Cavanna assumed the role of Deputy Chairman of the Board of Directors. As far as the Board of Statutory Auditors, as a representative of the Bank, the nomination of Mr. Andrea Traverso, as Chairman, was confirmed.

On 24 April 2007 the shareholders' meeting of the subsidiary Cassa di Risparmio di Savona SpA was held, which not only approved the financial statements as at 31 December 2006, but also appointed the Board of Statutory Auditors for the three-year period 2007/2009. In particular, as representative of Banca Carige SpA, Mr. Andrea Traverso was appointed as Chairman of the Board of Statutory Auditors. In addition, the shareholders' meeting appointed Director Aldo Dellepiane (already co-opted from the Board of Directors on 7 December 2006) and Mr. Achille Tori, indicating that he would assume the role of Managing Director (following the resignation of Mr. Renzo Oldrati).

On 24 April 2007 the shareholders' meeting of the subsidiary Banca Cesare Ponti SpA was held, which not only approved the financial statements as at 31 December 2006, but also appointed the company's Directors and Officers for the three-year period 2007/2009. In particular, as representative of Banca Carige SpA, Mr. Fermo Martinelli was appointed as Deputy Chairman of the Board of Directors. Along with the others, Mr. Giovanni Berneschi and Mr. Alfredo Sanguinetto were confirmed as members of the Board of Directors. As far as the Board of Statutory Auditors, as a representative of the Bank, the

nomination of Mr. Massimo Scotton, as Chairman, was confirmed.

On 26 April 2007, the shareholders' meeting of the subsidiary Carige Assicurazioni SpA was held, which not only approved the financial statements as at 31 December 2006, but also appointed the company's Directors and Officers for the three-year period 2007/2009. In particular, Mr. Ferdinando Menconi was confirmed as Chairman of the Board of Directors and Mr. Giovanni Berneschi as Deputy Chairman. Mr. Silvano Montaldo was appointed as Chairman of the Board of Statutory Auditors.

On 26 April 2007, the shareholders' meeting of the subsidiary Carige Vita Nuova SpA was held, which not only approved the financial statements as at 31 December 2006, but also appointed the company's Directors and Officers for the three-year period 2007/2009. In particular, Mr. Giovanni Berneschi was confirmed as Chairman of the Board of Directors, Mr. Luigi Gastaldi as Deputy Chairman, and Mr. Ferdinando Menconi as Managing Director. Mr. Silvano Montaldo was appointed as Chairman of the Board of Statutory Auditors.

On 27 April 2007, the ordinary and extraordinary shareholders' meetings of Banca Carige SpA were held to approve the financial statements as at 31 December 2006. In addition, the shareholders' meeting appointed as members of the Board of Directors Mr. Luigi Gastaldi – already co-opted from the Board of Director since 11 December 2006 – and Mr. Cesare Albani Castelbarco, as replacements due to the resignations of Mr. Raffaele Lauro and Mr. Flavio Repetto, with expiration of their term equivalent to those of the other members of the Board.

During the extraordinary shareholders' meeting, changes to some of the article of association were approved that accounted for legislative innovations introduced by Law 262/2005 (Provisions for protecting savings and governing financial markets), and as modified and integrated with Legislative Decree 303/2006 (in coordination with Law 28 December 2005, No. 262 for the

Consolidated Banking and Finance Laws) as well as adapting the governance of the Bank to provisions established by the Code of Conduct of listed companies to which the Bank adheres.

BUSINESS OUTLOOK

For the remainder of the year, it is reasonable to expect results essentially in line with the budget forecasts and superior to those achieved in 2006.

Genoa, 14 May 2007

The Board of Directors