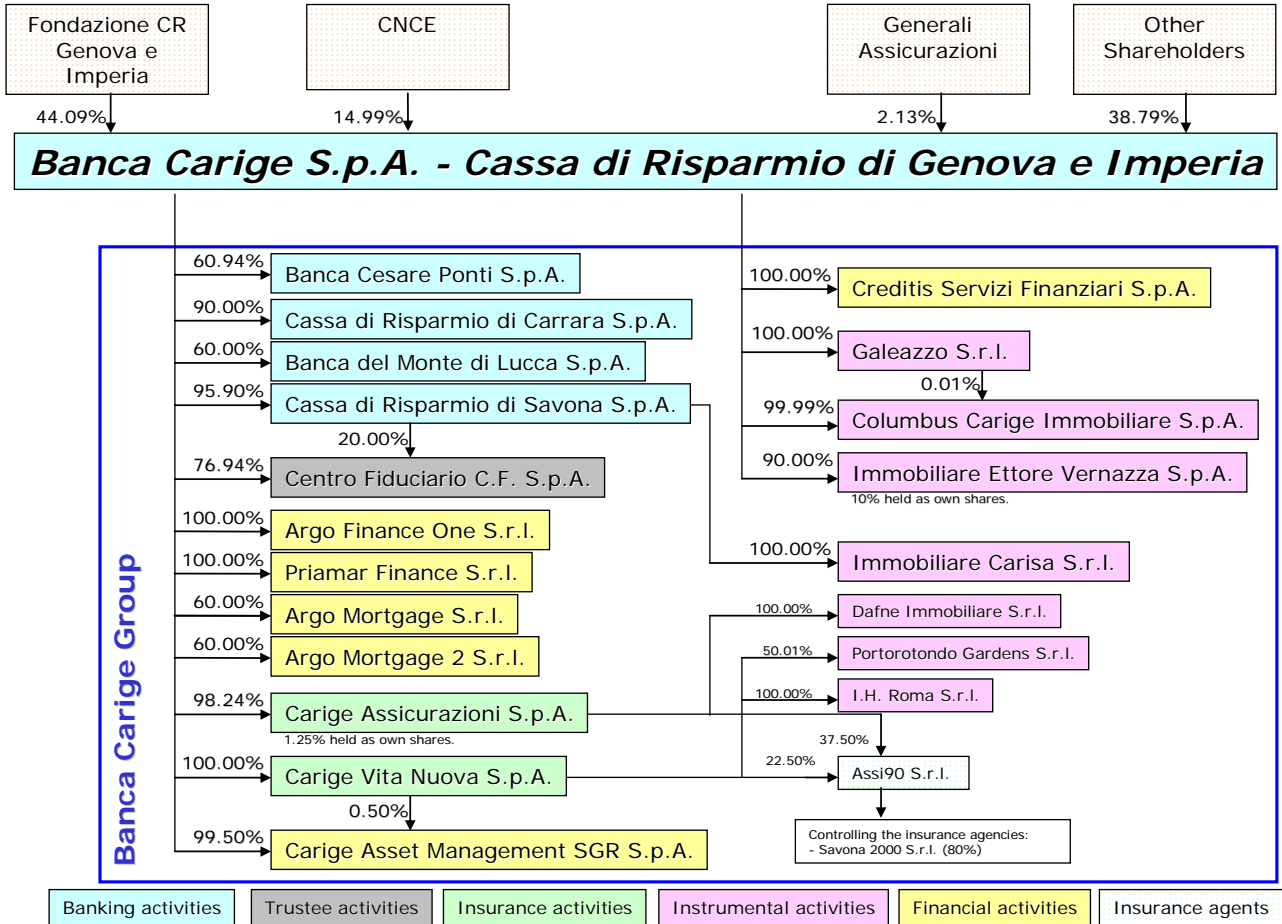




# INTERIM REPORT ON OPERATIONS

## FIRST QUARTER OF 2008

# AREA OF CONSOLIDATION



# BANCA CARIGE GROUP

## INTERIM REPORT ON OPERATIONS AS AT 31 MARCH 2008

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# CONSOLIDATED FINANCIAL HIGHLIGHTS

	Situation as at			Change %	
	31/03/2008	31/12/2007	31/03/2007	3/08 12/07	3/08 3/07
<b>BALANCE SHEET (1)</b>					
Total assets	30,037,992	27,463,676	25,565,285	9.4	17.5
Funding	20,962,236	19,773,044	18,320,929	6.0	14.4
- Direct Deposits (a)	19,036,905	17,386,168	16,794,118	9.5	13.4
* Amounts owed to customers	10,934,267	9,571,945	9,000,556	14.2	21.5
* Securities in issue	7,589,178	7,281,050	7,235,930	4.2	4.9
* Liabilities at fair value	513,460	533,173	557,632	-3.7	-7.9
- Amounts owed to banks	1,925,331	2,386,876	1,526,811	-19.3	26.1
Indirect deposits (b)	22,284,938	20,235,447	20,009,004	10.1	11.4
- Assets under management	10,864,578	10,330,790	10,192,493	5.2	6.6
- Assets in custody	11,420,360	9,904,657	9,816,511	15.3	16.3
Financial Intermediation Activities (FIA) (a+b)	41,321,843	37,621,615	36,803,122	9.8	12.3
Investments (2)	25,361,616	24,288,649	22,841,716	4.4	11.0
- Loans to customers (2)	18,718,841	17,478,165	16,437,764	7.1	13.9
- Loans to banks (2)	1,371,869	1,511,092	888,876	-9.2	54.3
- Securities portfolio (2)	5,270,906	5,299,392	5,515,076	-0.5	-4.4
Capital and reserves	3,709,932	2,622,990	2,738,642	41.4	35.5
<b>INCOME STATEMENT (1)</b>					
Gross operating income	216,439	968,403	241,289		-10.3
Net income from financial and insurance management	190,815	875,618	227,593		-16.2
Operating income from ordinary activities before taxes	65,221	369,588	104,008		-37.3
Profit for the period	36,568	204,813	54,123		-32.4
<b>RESOURCES (3)</b>					
Number of branches	603	522	512	15.5	17.8
Number of bank employees	5,261	4,706	4,675	11.8	12.5
Number of bank and insurance employees	5,622	5,069	5,034	10.9	11.7
<b>FINANCIAL RATIOS</b>					
Operating costs					
/Gross operating income	58.33%	53.21%	51.20%		
Operating profit from ordinary activities before taxes					
/Capital and reserves	1.76%	14.09%	3.80%		
ROE	0.99%	7.81%	1.98%		
ROE (4)	1.19%	10.28%	2.55%		
ROAE (5)	1.15%	7.91%	2.05%		
ROAE (4) (5)	1.44%	10.42%	2.67%		
Earnings per share (in €)					
- basic	0.021	0.145	0.038		
- diluted	0.021	0.145	0.037		
<b>RISK ASSETS AND REGULATORY RATIOS (6)</b>					
Total weighted assets (1)	18,062,002	17,976,625	16,612,701	0.5	8.7
Tier 1 capital/weighted assets (6)	7.38% (7)	7.81%	8.15%		
Regulatory capital/Total weighted assets (6)	8.68% (7)	9.19%	10.02%		

(1) Figures in thousands of €

(2) Before value adjustments.

(3) Statistics of the end of period.

(4) Net of the AFS reserve established against the revaluation of the equity investment in the Bank of Italy.

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

(6) Due to the absence of official figures to be disclosed to the Bank of Italy, the figures as at 31/3/2008 and 31/3/2007 are based on management estimates. Data as at 31/12/2007 are official and reported to the Bank of Italy. They differ from the management data shown in the 2007 financial statements. The ratios are calculated on the basis of supervisory regulations in force from time to time.

(7) These amounts take into account a still temporary goodwill relating to the acquisition of the Intesa San Paolo Group branches. Their improvement is expected upon the calculation of the final price, which should take place within the end of June.

## MANAGEMENT OF THE PARENT BANK

### BOARD OF (ADMINISTRATION)

CHAIRMAN  
Giovanni Berneschi\*

DEPUTY CHAIRMAN  
Alessandro Scajola \*

### DIRECTORS

Andrea Baldini \*  
Giorgio Binda  
Jean-Jacques Bonnaud  
Luca Bonsignore  
Cesare Castelbarco Albani  
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

### GENERAL MANAGEMENT

GENERAL MANAGER  
Alfredo Sanguinetto

DEPUTY GENERAL  
MANAGER  
(COMMERCIAL)  
Carlo Arzani (1)

DEPUTY  
GENERAL MANAGER  
(ADMINISTRATION)  
Giacomo Ottonello

DEPUTY  
GENERAL MANAGER  
(CREDIT AND WEALTH  
MANAGEMENT)  
Mario Cavanna

DEPUTY  
GENERAL MANAGER  
(GOVERNANCE  
AND CONTROL)  
Ennio La Monica (2)

### BOARD OF STATUTORY AUDITORS

CHAIRMAN  
Antonio Semeria

STANDING AUDITORS  
Massimo Scotton  
Andrea Traverso

SUBSTITUTE AUDITORS  
Adriano Lunardi  
Luigi Sardano

AUDIT  
FIRM  
Deloitte &  
Touche SpA

*\*Member of Executive Committee*

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

The Executive Committee was appointed by the Board of Directors on 8 May 2006 with a term of office until 31 October 2007 then extended, with the resolution of the Board of Directors dated 12 October 2007, until 31 December 2007 and thereafter confirmed, with the resolution of the Board of Directors dated 17 December 2007, until the end of the term of office for the Board of Directors.

The Board of Statutory Auditors was appointed for the financial years 2005-2006-2007 by the ordinary Shareholders' Meeting held on 28 April 2005. However, the ordinary Shareholders' Meeting dated 29 April 2008 appointed the Board of Statutory Auditors for the 2008-2010 three year period, composed as follows: Mr. Andrea Traverso, Chairman of the Board of Statutory Auditors, Mr. Antonio Semeria and Mr. Massimo Scotton, standing Auditors and Mr. Adriano Lunari and Mr Luigi Sardano Substitute Auditors.

The audit firm was appointed by the ordinary Shareholders' Meeting dated 20 April 2006 for the financial years 2006-2007-2008-2009-2010-2011.

The current organisational structure was changed by the Board of Directors on 22 January 2007 effective as from 1 May 2007. The Extraordinary Shareholders' Meeting of 27 April 2007, in compliance with the provisions of article 154 bis subparagraph 1 of the Legislative Decree no.58/1998 (Consolidated Financial Act) modified the Articles of Association of Banca Carige implemented under article 31 the function of Manager in charge of the preparation of the accounting documents of the company, defining the relevant professional requirements and appointment procedure.

The Board of Directors held on 14 May 2007, in compliance with the new statutory provisions, appointed the Deputy General Manager Governance and Control, Mr Ennio La Monica, as Manager in charge of the preparation of the accounting documents of the company, having verified his possession of the integrity and experience requirements.

(1) As Deputy General Manager

(2) Manager in charge of the preparation of the accounting documents of the company ex Art. 154 bis of the Consolidated Financial Act.

## 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 2008 there were no changes in the area of consolidation compared with the financial statements as at 31 December 2007. It should be noted that the percentage of the investment in Priamar Finance Srl was increased from 60% to 100%, whilst the percentage of the investment in Portorotondo Gardens was lowered from 100% to 50.01%.

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

Name of the companies	Head office	Type of relationship (1)	Shareholding relationship		Availability of votes (2) (3)	
			Holding company	% Shareholding	Actual %	Potential %
<b>A. Companies</b>						
<b>A.1 Consolidated line-by-line</b>						
<b>Banking group</b>						
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 SGR SpA	Genoa	1	A1.1	99.5		
			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	100.00		
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		
<b>Insurance companies</b>						
17. Carige Assicurazioni SpA (4)	Milan	1	A1.1	98.24	99.51	
18. Carige Vita Nuova SpA	Genoa	1	A1.1	100.00		
<b>Other companies</b>						
19. Dafne Immobiliare Srl	Milan	1	A1.17	100.00		
20. Portorotondo Gardens Srl	Milan	1	A1.18	50.01		
21. I.H. Roma Srl	Verona	1	A1.18	100.00		
22. Assi 90 Srl	Genoa	1	A1.17	37.50		
			A1.18	22.50		
<b>A.2 Consolidated proportionally</b>						

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) and insurance agencies (Assi 90 Srl).

The consolidated financial statements were prepared using:

- draft financial statements of the Parent Bank and the other consolidated companies as at 31/03/08, 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. Savona 2000 Srl	Savona	Assi 90 Srl	80.00		

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 excluded from the equity method

Name of the companies	Head office	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 Cassa di Risparmio di Savona SpA	16.62 4.00		
2. Assicentro Recina Servizi Srl	Roma	Assi 90 Srl	25.00		

Also with reference to those companies subject to a significant influence the valuation was maintained at cost, based on the framework

general principles, for those companies considered as irrelevant.

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

Name of the companies	Head office	Shareholding relationship		Availability of votes	
		Holding company	% Shareholding	Actual %	Potential %
1. Assimilano Srl	Milano	Assi 90 Srl	45.00		
2. B.D.A. SpA	Milano	Assi 90 Srl	20.00		
3. U.C. Sport e Sicurezza Srl	Milano	Carige Ass.ni SpA Carige V. N. SpA	25.00 25.00		
4. Nuova Erzelli Srl	Genova	Basnca Carige SpA	40.00		
5. Consorzio per il Giurista di Impresa Srl	Genova	Banca Carige SpA	50.00		
6. World Trade Center Genoa Spa in liq.	Genova	Banca Carige SpA	20.32		



CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2008

## BALANCE SHEET

### ASSETS (figures in thousands of €)

	31/3/08	31/12/07	31/3/07	Change %	
				3/08 12/07	3/08 3/07
<b>10 - CASH AND CASH EQUIVALENTS</b>	240,837	243,720	154,848	-1.2	55.5
<b>20 - FINANCIAL ASSETS HELD FOR TRADING</b>	2,189,118	2,306,484	3,025,860	-5.1	-27.7
<b>30 - FINANCIAL ASSETS DESIGNATED AT FAIR VALUE</b>	684,704	716,367	692,753	-4.4	-1.2
<b>40 - AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>	2,471,938	2,385,535	1,941,716	3.6	27.3
<b>50 - FINANCIAL ASSETS HELD TO MATURITY</b>	2,460	2,458	2,609	0.1	-5.7
<b>60 - LOANS TO BANKS</b>	1,371,222	1,510,445	888,385	-9.2	54.3
<b>70 - LOANS TO CUSTOMERS</b>	18,246,760	17,017,381	16,023,338	7.2	13.9
<b>80 - HEDGING DERIVATIVES</b>	18,585	23,936	15,379	-22.4	20.8
<b>100 - EQUITY INVESTMENTS</b>	56,316	56,256	66,878	0.1	-15.8
<b>110 - TECHNICAL RESERVES CHARGED ON REINSURERS</b>	157,901	160,533	160,381	-1.6	-1.5
<b>120 - TANGIBLE ASSETS</b>	1,220,555	1,194,747	1,171,521	2.2	4.2
<b>130 - INTANGIBLE ASSETS</b>	1,723,761	708,280	693,891	...	...
<i>including:</i>					
- goodwill	1,674,911	659,972	659,850	...	...
<b>140 - TAX ASSETS</b>	398,746	259,698	313,547	53.5	27.2
<i>a) current</i>	207,329	83,533	143,640	...	44.3
<i>b) advanced</i>	191,417	176,165	169,907	8.7	12.7
<b>160 - OTHER ASSETS</b>	1,255,089	877,836	414,179	43.0	...
<b>TOTAL ASSETS</b>	<b>30,037,992</b>	<b>27,463,676</b>	<b>25,565,285</b>	<b>9.4</b>	<b>17.5</b>

### LIABILITIES (figures in thousands of €)

	31/3/08	31/12/07	31/3/07	Change %	
				3/08 12/07	3/08 3/07
<b>10 - AMOUNTS OWED TO BANKS:</b>	1,925,331	2,386,876	1,526,811	-19.3	26.1
<b>20 - AMOUNTS OWED TO CUSTOMERS:</b>	10,934,267	9,571,945	9,000,556	14.2	21.5
<b>30 - DEBT SECURITIES IN ISSUE</b>	7,589,178	7,281,050	7,235,930	4.2	4.9
<b>40 - FINANCIAL LIABILITIES FROM TRADING</b>	135,772	127,539	184,083	6.5	-26.2
<b>50 - FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE</b>	1,224,908	1,290,689	1,294,952	-5.1	-5.4
<b>60 - HEDGING DERIVATIVES</b>	25,073	20,163	23,577	24.4	6.3
<b>80 - TAX LIABILITIES</b>	422,702	265,449	422,338	59.2	0.1
<i>(a) current</i>	188,371	38,572	194,774	...	-3.3
<i>(b) deferred</i>	234,331	226,877	227,564	3.3	3.0
<b>100 - OTHER LIABILITIES</b>	1,544,254	1,228,704	741,718	25.7	...
<b>110 - STAFF TERMINATION INDEMNITY</b>	98,058	92,871	124,388	5.6	-21.2
<b>120 - PROVISIONS FOR RISKS AND CHARGES:</b>	377,276	380,078	372,923	-0.7	1.2
<i>a) pensions and similar obligations</i>	322,277	322,955	321,612	-0.2	0.2
<i>b) other provisions</i>	54,999	57,123	51,311	-3.7	7.2
<b>130 - TECHNICAL RESERVES</b>	1,963,656	1,955,936	1,814,369	0.4	8.2
<b>140 - VALUATION RESERVES</b>	591,327	660,973	671,827	-10.5	-12.0
<b>160 - CAPITAL INSTRUMENTS</b>	972	1,219	1,596	-20.3	-39.1
<b>170 - RESERVES</b>	314,310	109,652	215,650	...	45.8
<b>180 - ADDITIONAL PAID-IN CAPITAL</b>	1,013,392	461,064	460,127	...	...
<b>190 - CAPITAL</b>	1,789,931	1,390,082	1,389,442	28.8	28.8
<b>210 - MINORITY INTERESTS (+/-)</b>	51,017	34,573	30,875	47.6	65.2
<b>220 - PROFIT (LOSS) FOR THE PERIOD (+/-)</b>	36,568	204,813	54,123	-82.1	-32.4
<b>TOTAL LIABILITIES</b>	<b>30,037,992</b>	<b>27,463,676</b>	<b>25,565,285</b>	<b>9.4</b>	<b>17.5</b>

# INCOME STATEMENT

## INCOME STATEMENT *(figures in thousands of €)*

	31/3/08	31/12/07	31/3/07	Change % 3/08 3/07
10 - INTEREST INCOME AND SIMILAR REVENUES	339,969	1,249,351	280,021	21.4
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-159,651	-590,469	-123,415	29.4
<b>30 - NET INTEREST INCOME</b>	<b>180,318</b>	<b>658,882</b>	<b>156,606</b>	<b>15.1</b>
40 - COMMISSION INCOME	68,141	288,578	73,431	-7.2
50 - COMMISSION EXPENSES	-8,762	-38,396	-8,687	0.9
<b>60 - NET COMMISSIONS</b>	<b>59,379</b>	<b>250,182</b>	<b>64,744</b>	<b>-8.3</b>
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	681	24,036	70	...
80 - NET INCOME FROM TRADING ACTIVITIES	-50,171	-20,478	17,839	...
90 - NET INCOME FROM HEDGING ACTIVITIES	782	-49	-115	...
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	11,100	55,847	2,394	...
<i>a) loans</i>	<i>1,324</i>	<i>5,005</i>	<i>26</i>	...
<i>b) available-for-sale financial assets</i>	<i>8,784</i>	<i>48,444</i>	<i>3,020</i>	...
<i>d) financial liabilities</i>	<i>992</i>	<i>2,398</i>	<i>-652</i>	...
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	14,350	-17	-249	...
<b>120 - GROSS OPERATING INCOME</b>	<b>216,439</b>	<b>968,403</b>	<b>241,289</b>	<b>-10.3</b>
130 - NET VALUE ADJUSTMENT ON:	-18,506	-82,448	-11,635	59.1
<i>a) loans</i>	<i>-19,241</i>	<i>-75,152</i>	<i>-13,102</i>	<i>46.9</i>
<i>b) available-for-sale financial assets</i>	<i>-</i>	<i>-7,212</i>	<i>-</i>	<i>...</i>
<i>d) other financial assets</i>	<i>735</i>	<i>-84</i>	<i>1,467</i>	<i>-49.9</i>
<b>140 - NET INCOME FROM FINANCIAL MANAGEMENT</b>	<b>197,933</b>	<b>885,955</b>	<b>229,654</b>	<b>-13.8</b>
150 - NET PREMIUMS	153,953	684,094	149,278	3.1
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-161,071	-694,431	-151,339	6.4
<b>170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT</b>	<b>190,815</b>	<b>875,618</b>	<b>227,593</b>	<b>-16.2</b>
180 - ADMINISTRATIVE COSTS:	-136,547	-541,024	-130,717	4.5
<i>a) staff costs</i>	<i>-81,920</i>	<i>-326,644</i>	<i>-78,464</i>	<i>4.4</i>
<i>b) other administrative costs</i>	<i>-54,627</i>	<i>-214,380</i>	<i>-52,253</i>	<i>4.5</i>
190 - NET PROVISIONS FOR RISKS AND CHARGES	3,377	-3,105	-1,208	...
200 - DEPRECIATION OF TANGIBLE ASSETS	-4,680	-19,068	-4,364	7.2
210 - AMORTIZATION OF INTANGIBLE ASSETS	-3,936	-14,061	-2,908	35.4
220 - OTHER OPERATING EXPENSES AND REVENUES	15,532	61,940	15,659	-0.8
<b>230 - OPERATING COSTS</b>	<b>-126,254</b>	<b>-515,318</b>	<b>-123,538</b>	<b>2.2</b>
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	664	8,413	4	...
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-4	875	-51	-92.2
<b>280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>65,221</b>	<b>369,588</b>	<b>104,008</b>	<b>-37.3</b>
290 - INCOME TAXES FOR THE PERIOD	-26,738	-157,283	-48,420	-44.8
<b>300 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES</b>	<b>38,483</b>	<b>212,305</b>	<b>55,588</b>	<b>-30.8</b>
<b>320 - PROFIT (LOSS) FOR THE PERIOD</b>	<b>38,483</b>	<b>212,305</b>	<b>55,588</b>	<b>-30.8</b>
330 - MINORITY INTERESTS	1,915	7,492	1,465	30.7
<b>340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK</b>	<b>36,568</b>	<b>204,813</b>	<b>54,123</b>	<b>-32.4</b>

Figures in thousands of €

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Balance as at 31/12/2007 - group		Change in opening balances	Balance as at 1/1/2008 - group		Allocation of profits/losses previous year			Changes in the year										Shareholders' equity as at 31/03/2008 - group		Shareholders' equity as at 31/03/2008 - minority interests	
	Balance as at 31/12/2007 - group	Balance as at 31/12/2007 - minority interests		Balance as at 1/1/2008 - group	Balance as at 1/1/2008 - 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 31/03/2008 - group	Profit (Loss) for the period as at 31/03/2008 - minority interests	Shareholders' equity as at 31/03/2008 - group	Shareholders' equity as at 31/03/2008 - 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:	1,390,082	10,364	-	1,390,082	10,364				(2)	399,849	1,248									1,789,931	11,610	
a) ordinary shares	1,214,734	10,364		1,214,734	10,364				(2)	399,849	1,248									1,614,583	11,610	
b) other shares	175,348			175,348																175,348	-	
Additional paid-in capital	461,064	5,169		461,064	5,169				(11)	552,328										1,013,392	5,158	
Reserves:	109,652	7,679	-	109,652	7,679	204,813	7,492	-	(94)	14,751	(61)	(1,248)	-	-	-	-	-	-	-	314,310	28,674	
a) profits	80,661	6,431	-	80,661	6,431	204,813	7,492		(94)	14,751										285,380	28,674	
b) other	28,991	1,248		28,991	1,248						(61)	(1,248)								28,930	-	
Valuation reserves:	660,973	3,886	-	660,973	3,886			(69,521)	(209)	(125)										591,327	3,677	
a) available for sale	624,512	375	-	624,512	375			(59,900)	(185)											564,612	190	
b) hedging of cash flows	9,530	(94)	-	9,530	(94)			(9,621)	(24)											(91)	(118)	
d) special revaluation laws	26,931	3,605		26,931	3,605					(125)										26,806	3,605	
Capital instruments	1,219		-	1,219						(247)										972	-	
Own shares	-	(17)		-	(17)															-	(17)	
Profit (Loss) for the period	204,813	7,492		204,813	7,492	(204,813)	(7,492)	-												36,568	1,915	
Shareholders' equity	2,827,803	34,573	-	2,827,803	34,573			(69,615)	14,529	951,744										3,746,500	51,017	

	Balance as at 31/12/2006 - group	Balance as at 31/12/2006 - minority interests	Change in opening balances	Balance as at 1/1/2007 - group	Balance as at 1/1/2007 - minority interests	Allocation of profits/losses previous year			Changes in the year										Shareholders' equity as at 31/12/2007 - group	Shareholders' equity as at 31/12/2007 - 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 31/12/2007 - group			Profit (Loss) for the period as at 31/12/2007 - 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				
Capital:	1,374,459	10,234	-	1,374,459	10,234				130	15,623										1,390,082	10,364
a) ordinary shares	1,199,111	10,234		1,199,111	10,234				130	15,623										1,214,734	10,364
b) other shares	175,348			175,348																175,348	
Additional paid-in capital	438,103	4,059		438,103	4,059				(40)	22,961	1,150									461,064	5,169
Reserves:	77,778	5,916	-	77,778	5,916	30,146	153	-	1,667	362	61	1,248	-	-	-	-	-	-	-	109,652	7,679
a) profits	48,848	5,916	-	48,848	5,916	30,146	153		1,667	362										80,661	6,431
b) other	28,930			28,930							61	1,248								28,991	1,248
Valuation reserves:	658,249	4,113	-	658,249	4,113				4,665	(227)	(1,941)									660,973	3,886
a) available for sale	630,179	624	-	630,179	624				(5,667)	(249)										624,512	375
b) hedging of cash flows	(802)	(116)	-	(802)	(116)				10,332	22										9,530	(94)
d) special revaluation laws	28,872	3,605		28,872	3,605						(1,941)									26,931	3,605
Capital instruments	5,228		-	5,228							(4,009)									1,219	
Own shares	-	(17)		-	(17)																(17)
Profit (Loss) for the period	137,872	5,070		137,872	5,070	(30,146)	(5,070)	(107,726)												204,813	7,492
Shareholders' equity	2,691,689	29,375	-	2,691,689	29,375		(4,917)	(107,726)	6,332	225	32,695	2,398	-	-	-	-	-	-	-	204,813	7,492
																				2,827,803	34,573

(figures in thousands of €)

					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	Change in opening balances	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 31/03/2007 - group			Profit (Loss) for the period as at 31/03/2007 - 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
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
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

(figures in thousands of €)

# CASH FLOW STATEMENT

## CONSOLIDATED CASH FLOW STATEMENT Direct method

	Amount		
	31/3/08	31/12/07	31/3/07
<b>A. OPERATING ACTIVITIES</b>			
<b>1. Management</b>	<b>173,487</b>	<b>527,448</b>	<b>100,114</b>
- interest income received (+)	361,187	1,222,593	193,078
- interest expenses paid (-)	(171,631)	(567,999)	(145,503)
- dividends and similar revenues (+)	681	24,036	70
- net commissions (+/-)	59,379	250,182	64,744
- staff costs (-)	(69,039)	(288,415)	(63,451)
- net premiums collected	189,164	682,781	149,278
- other insurance revenues and expenses (-)	(161,160)	(489,885)	(136,574)
- other costs (-)	(101,894)	(407,251)	(67,837)
- other revenues (+)	67,908	255,925	107,006
- taxes and duties (-)	(1,108)	(154,519)	(697)
- costs/revenues from discontinued group assets and net of tax effect (+/-)			-
<b>2. Liquidity generated/absorbed by financial assets</b>	<b>(1,700,171)</b>	<b>(2,135,200)</b>	<b>(264,463)</b>
- financial assets held for trading	87,898	517,424	(192,118)
- financial assets designated at fair value	31,663	(43,861)	(18,441)
- available-for-sale financial assets	(122,680)	(458,152)	(50,071)
- loans to customers	(1,294,431)	(1,430,011)	(317,066)
- loans to banks: at sight	(220,007)	138,183	173,322
- loans to banks: other loans	357,637	(544,318)	41,863
- other assets	(540,251)	(314,465)	98,048
<b>3. Cash generated/absorbed by financial liabilities</b>	<b>1,597,150</b>	<b>1,784,914</b>	<b>103,208</b>
- amounts owed to banks: at sight	(60,880)	(32,802)	(35,630)
- amounts owed to banks: other	(393,826)	511,644	(335,965)
- amounts owed to customers	1,360,335	209,387	(340,852)
- securities in issue	330,969	894,032	867,447
- financial liabilities from trading	16,865	(4,830)	51,356
- financial liabilities designated at fair value	(53,664)	26,078	20,355
- other liabilities	397,351	181,405	(123,503)
<b>Net liquidity generated/absorbed by operating activities</b>	<b>70,466</b>	<b>177,162</b>	<b>(61,141)</b>
<b>B. INVESTING ACTIVITIES</b>			
<b>1. Liquidity generated by</b>	<b>15,385</b>	<b>22,508</b>	<b>4,894</b>
- equity investment disposals	-	13,512	10
- dividends received on equity investments	-	4,622	-
- disposal/reimbursement of financial assets held to maturity	-	156	4,884
- tangible asset disposals	61	4,218	-
- subsidiary and business unit disposals	15,324		
<b>2. Liquidity absorbed by</b>	<b>(1,038,539)</b>	<b>(65,222)</b>	<b>(8,500)</b>
- equity investment acquisitions	(60)	(2,209)	(40)
- tangible asset acquisitions	(26,157)	(32,790)	(1,560)
- intangible asset acquisitions	(4,479)	(30,223)	(6,900)
- business unit acquisitions	(1,007,843)		-
<b>Net liquidity generated/absorbed by investing activities</b>	<b>(1,023,154)</b>	<b>(42,714)</b>	<b>(3,606)</b>
<b>C. FUNDING ACTIVITIES</b>			
- own share issues/acquisitions	398,788	1,248	-
- additional paid-in capital	551,017	1,066	-
- dividend distribution and others	-	(112,637)	-
<b>Net liquidity generated/absorbed by funding activities</b>	<b>949,805</b>	<b>(110,323)</b>	<b>-</b>
<b>NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD</b>	<b>(2,883)</b>	<b>24,125</b>	<b>(64,747)</b>

KEY: (+) generated; (-) absorbed

## RECONCILIATION

Balance sheet items	Amount		
	31/3/08	31/12/07	31/3/07
Cash and cash equivalents at the beginning of the period	243,720	219,595	219,595
Total net liquidity generated/absorbed during the period	(2,883)	24,125	(64,747)
Cash and cash equivalents: effect of exchange rate differences	-	-	-
Cash and cash equivalents at period end	240,837	243,720	154,848

## ACCOUNTING POLICIES

The Interim Report on operations of Banca Carige Group for the first quarter of 2008 was drawn up in accordance with IAS 34 (interim financial statements). The international accounting principles IAS/IFRS and the related interpretations (SIC/IFRIC), officially approved by the European Union as at 31 March 2008, were applied for the valuation and measurement of the accounting balances, and the directions referred to in the Bank of Italy Circular no. 262 dated 22 December 2005 (financial statements for banks: schemes and rules for the preparation) were also complied with.

In the preparation of this Report, with reference to the classification, registration, valuation and cancellation of the various asset and liability items, just as for the procedures for the recognition of costs and revenues, the same accounting principles used in the preparation of the 2007 financial statements were applied.

This Interim Report on Operations, not audited, is to be read and analysed in conjunction with the financial statements as at 31 December 2007.

### THE ACQUISITION OF NO. 79<sup>1</sup> BRANCHES FROM INTESA SANPAOLO GROUP

With reference to the acquisition by Banca Carige of the business units comprised of no. 79 branches from Intesa-Sanpaolo Group, effective on 10 March 2008, the following should be noted:

- the contractual price was equal to € 995.6 million;
- this price is provisional given that – as contractually agreed – it is subject to adjustment, up or down, on the basis of the Direct Deposits and Indirect Deposits of the business units acquired as at the effective date;
- this data was notified to Banca Carige by the seller on 9 May 2008, and are

subject to possible remarks and adjustment proposal by Banca Carige within the following 30 days;

- the acquisition was registered in compliance with the provisions of IFRS 3 – Business Combinations, that is to say:
  - the acquisition was recorded as at the date when control over the acquired assets was obtained;
  - the cost of the transaction was determined as the sum of: the fair value, as at the acquisition date, of the acquired assets and liabilities together with any ancillary charges directly attributable to the acquisition, such as the external costs incurred in the execution of the transaction, including, but not limited to, any professional fees paid to auditors, experts, legal counsels, and the advisory fees incurred;
- goodwill was temporarily registered for the sum of € 1,015 million, € 995.6 million of which paid to Intesa San Paolo Group (ISP) and € 19.4 million related to ancillary charges directly accounted for.

The temporary accounting is due both to the contractual pricing mechanism as well as to the limited time lapsed from the acquisition date and the preparation of this quarterly Interim Report on Operations.

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<sup>1</sup> A secondary branch located in Cercenasco (TO) is associated to the branch of Vigone (TO).



**BANCA CARIGE GROUP REPORT ON OPERATIONS  
OF THE FIRST QUARTER 2008**

## THE REAL AND MONETARY SITUATION

The first three months of 2008 highlight a gradual deterioration of the economic situation, also following the recent tension in the financial markets.

Further depreciation of the U.S. dollar is indicative of the process of adjusting unbalances in the U.S. economy, which is marked by a shrinkage of domestic demand – above all for home investments – and a deficit with foreign countries.

General development of energy policies does not seem to be enough to compensate for the exponential growth of per capita oil consumption in the emerging countries. Even after all this, the prices of agricultural and energy raw materials in the international markets continue to rise, bringing about inflationary pressure in the emerging countries and taking inflation back to the levels of the early 1990s in the industrialised countries. Crude oil prices continued their uphill climb during first quarter of 2008, to the point of reaching and passing the \$100/barrel mark.

Financial operators of the Western economies are still fragile with reference to the need for liquidity and the losses sustained in the U.S. subprime loans market, and there are now stricter conditions in the lending market for families and businesses.

The residential real estate market in the United States is still not showing any signs of stabilisation, while the Fed's expansion operations and growth of the spread between three-month market rates and the Fed funds emphasise how profound the difficulties in the financial markets are. The worsening of the international economic trend and the inflationary acceleration also bring about a gradual slowdown for the emerging countries as well, especially for China and India. Still, it is moderate due to the growing role of trade in the Asian countries.

The economy of the European Union countries (EMU) is paying for the difficulties the financial markets are having, which are causing a further increase of the spread between the short-term market spread and the rate of monetary policy, whereas conflicting signals are arriving from the real economy. The GDP is growing, but the industrial production rate rose during the first quarter of 2008, and exports are continuing to

rise, despite the Euro's strength and the slowdown in the USA.

In **Italy**, the economic situation is following the same route as that of Europe, but is showing a more pronounced slowdown. The major international research centres have lowered their projections (+0.5%, +0.3% and 0.6% are the Italian GDP growth estimates for 2008 of the EU Commission, the IMF and the Italian government, respectively). In spite of the slackening of the tax policy and the good performance of the labour market, the inflationary boosts are limiting the real income of families and negatively affect their confidence. The turbulence on the financial markets is making servicing debt more onerous and the value of financial wealth more uncertain. All of this resulted in a substantial stagnation of family spending in the first quarter of 2008. Investments in machinery and equipment, which have slowed down ever since 2007, appear to still be penalised by weak and uncertain demand conditions. Investments in construction seem to be less lively, although deterioration of the market is slower. The contribution of net exports is still positive owing to the increased attention focused on the quality standards of production and the recent restructuring of the Italian companies. Specifically, foreign trade was lively during the first two months of 2008, with increased exports (+11.1% compared to the first two months of 2007), more pronounced than imports (+8.2%). The balance of trade during the first two months of 2008 was adverse for € 4.5 billion, and is totally attributable to the debt with non-EU countries. Industrial production slowed down compared to 2007. It fell 0.3% during the first two months of 2008 compared to the first two months of 2007 (data corrected for working days), in spite of the positive contribution of the energy segment (+2.5%).

The inflationary pressure that followed the price hike of crude oil and other raw materials (+5.9% average growth trend of the basic price index of industrial products during the first quarter of 2008) brought about a 3.6% tendential growth rate harmonised with consumer prices in March, definitely higher than a year ago (+2.1%).

As for public finance, economic indicators are still positive, even if the worsening of the economic situation is destined to force attention to be particularly focused on curbing spending. The cash requirements in the state segment that accumulated during the first two months of

2008 equals € 8.5 billion, just a little higher than the € 7.6 billion of the same period a year before. The significant improvements of 2007, and above all recovery of the primary surplus, brought about positive reflections for 2008, during which it is expected that the public debt/GDP ratio will drop from 104.0 to 102.8.

As far as **monetary policy** is concerned, the main re-financing rate has held steady at 4% since June 2007. The ECB must in fact reconcile concerns about the economic situation with the attention paid to the inflation developments and monetary growth. In the aftermath of shrinkage during the first two months of the year, the monetary market rates went back to going up in March, confirming the fact that the liquidity crisis put continuous financial stress on the system. In particular, the *Euribor* rate dropped by about five tenths up until February after having gone over bht rate of reference by eight tenths in December 2007, to then go back up two tenths in March, standing at 4.560%. The yield of government securities fell from 4.414% to 4.090% during the first two months of 2008, then rise again to 4.188% in March.

The € on the foreign exchange market continued to increase in value against the U.S. dollar, reaching 1.579 at the end of March (1.459 as at 31 December 2007).

With regard to the bank brokerage, **deposits** posted 8.4% annual growth in March, speeding up compared to preceding months. The slow growth of deposits (+4.1% trend) against a steady trend of bonds (+14.4%) was confirmed.

**Loans** continued to expand (+9.8% trend as at March 2008), but are adjusting. The trend is supported by both the medium/long-term component (+10%), slowing down compared to the last few months, and the short-term component (+9.6%), which is instead showing new acceleration. Specifically, the business financing trend is undergoing a marginal acceleration, and always with high values (+13.1% trend as at February 2008), continuing to stay on a higher level than that of family loans (+7.2%), which in any case are holding positive growth rates, even if they are slowing down. The Italian trend is higher than the average Euro Zone trend. Net impaired loans as at January 2008 showed a downhill trend (-1.8%), with a impaired loans/loans ratio of 1.06% (1.18% as at January 2007, confirming continuation of a high credit quality.

In a situation of marked volatility, **bank interest rates** are showing a slight increase of

average remuneration of deposits and a reasonable downturn of the average cost of loans. The average rate on loans to families and non-financial companies as at March 2008 stood at 6.14%, 3 bp under compared to year-end 2007 and 56 bp over the March 2007 figure. The corresponding rate on deposits was 2.09%, 3 bp over the December 2007 value and 45 bp under the figure of one year before. A moderate increase of the spreads is noted YoY, resulting in an increased mark-up because of a marginal decline of the mark-down.

## STRATEGY

The Carige Group's mission was recently reaffirmed by the 2008-201 Strategic Plan, which the Board of Directors of the Parent Bank approved on 4 December 2007 in its will to assert itself as a national financial conglomerate, deep-seated in the individual local markets, distinguished by the its proximity to its customers and able to differentiate itself in the quality of service offered, also through its integrated multiple channels and the qualification of its resources and structures. The strategic goal is to create value for the shareholders and for the other stakeholders over the long term following these policies:

- increase levels of productivity, efficiency and profitability;
- increase intermediate assets associated with the upkeep of an adequate level of equity;
- safeguard and manage risk.

The guidelines for these strategic policies are:

- increase intermediate assets per employee, with special attention paid to cross-selling, up-selling and retention in Liguria and to increasing market shares in the External Company Network;
- integrate former ISP branches into the organisational, IT and human resources profile, and increase penetration in terms of intermediate volumes, especially where the Group's presence is more important;
- increase profitability of the various business areas in a context of full integration of the banking and insurance business;

- keep up an adequate level of quality and quantity of human resources, develop skills and manage talents;
- innovate management processes with the aim of both cutting administrative costs and optimising staff costs, and improving the quality of the services offered;
- actually integrate and bring up to speed the network of former IP branches recently acquired (on 10 March);
- check the economic impact of risk through the integrated management of the risk management activities of the

Group banks and insurance companies and constantly pay attention to maintaining adequate levels of equity and liquidity balance and to improving credit quality.

International rating agencies gave favourable assessments of these strategies and their results. In particular, the agencies Fitch, Standard & Poor's and Moody's confirmed the ratings given to the Parent Bank Banca Carige SpA some time ago.

## 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 QUARTER

On 18 January Banca Carige SpA concluded its purchase of 40% of the share capital of the vehicle company *Priamar Finance S.r.l.*, held by *Stichting Faro*, for a payment of € 4,734.90 (€ 4,000 increased by legal interest from the date the capital was subscribed),

On 31 January 2008 the Board of Directors of Banca Carige SpA determined the subscription price of the new shares to be € 2.40 each, and the number of new shares issued to be 398,848,684 at the most. This decision was taken pursuant to the delegation the Extraordinary Shareholders' Meeting gave the Board on 26 November 2007 regarding the increase of paid share capital by issuing 400 million ordinary shares at the most, to be offered in option to those entitled for a total value, including share premium, of about € 950 million. The offer in option took place between 4 February and 6 March 2008, and ended with

all shares offered being subscribed, for a value of €957.2 million, without the intervention of the guarantee consortium being required. It was coordinated and managed by Mediobanca and was made up of Mediobanca, ABN AMRO, Rothschild and *Credit Suisse*.

As for the subsidiary Insurance Companies, a new Managing Director of Carige Assicurazioni SpA was named: Diego Fumagalli, who took over the same office in Carige Vita Nuova SpA as well. This appointment comes from the resolution passed by the Bank's Board of Directors meeting of 12 October 2007. By way of a gradual change of management of both companies, it started implementation of the modification of the governance and executive bodies of the subsidiary Insurance Companies.

In conformity with the resolution of the Banca Carige SpA Board of Directors meeting of 17 December 2007, on 26 February 2008 the irrevocable option to purchase 520,000 ordinary shares of Banca Cesare Ponti SpA was exercised. It was provided for by contractual agreements signed at the time the majority of the share capital of the company was purchased. Once the purchase of these shares is

concluded for a total payment of approximately € 10.6 million, Banca Carige SpA's share in the capital of Banca Cesare Ponti SpA will rise from the current 60.94% to 78.75%.

On 7 March 2008 contracts transferring business branches totalling 79 bank branches from Intesa Sanpaolo Group banks to Banca Carige were signed under the hand and seal of Notary Giordano of Milan. The branches are spread out over the territory as follows:

- 34 branches in Veneto;
- 25 branches in Lombardy;
- 15 branches in Piedmont (also including the remote branch of Cercenasco (TO), functionally connected to the Vigone (TO) branch;
- 4 branches in Sardinia;
- 1 branch in Valle d'Aosta.

The amount for the transfer, subject to a price adjustment mechanism depending on the amount of total deposits as at the date of

transfer, is for the time being equal to roughly € 996 million. It is expected that the adjustment mechanism may lead to a price reduction. The acquired deposits amount to more than € 1 billion in loans and € 5 billion in direct and indirect deposits.

On 25 March 2008 Carige Vita Nuova SpA sold 49.99% of the equity investment in Portorotondo Gardens Srl; thus, the remaining share held is 50.01%.

In connection with purchases of BNL shares made in the summer of 2005, notification that the preliminary investigations into Banca Carige SpA's possible responsibility for not having allegedly adopted and effectively implemented organisation and management models provided for by Italian Leg. Decree 231/2001 was recently given to Banca Carige SpA, pursuant to art. 415 *bis* of the Italian Code of Criminal Proceedings.

## ECONOMIC RESULTS

The first three months of 2008 closed with a net profit of € 36.6 million, versus € 54.1 million of the same period of 2007. Acquisition of the Intesa Sanpaolo branches marginally affected this performance.

The reduced profit is above all tied to the performance of the trading activity, which

suffered from pressure created by the so-called subprime loans crisis. After beginning at the end of last August, this crisis led to the recording of capital losses on derivatives to a great extent regarding securities, which are set aside to be significantly recovered at the latest on the due date of the securities. Not including net commissions – which also suffered from the negative performance of the financial markets – the other income statement items presented satisfactory trends.

### INCOME STATEMENT *(figures in thousands of €)*

	31/03/08	31/12/07	31/03/07	Change 31/03/08 - 31/03/07	
				absolute	%
10 - INTEREST INCOME AND SIMILAR REVENUES	339,969	1,249,351	280,021	59,948	21.4
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-159,651	-590,469	-123,415	-36,236	29.4
<b>30 - NET INTEREST INCOME</b>	<b>180,318</b>	<b>658,882</b>	<b>156,606</b>	<b>23,712</b>	<b>15.1</b>
40 - COMMISSION INCOME	68,141	288,578	73,431	-5,290	-7.2
50 - COMMISSION EXPENSES	-8,762	-38,396	-8,687	-75	0.9
<b>60 - NET COMMISSIONS</b>	<b>59,379</b>	<b>250,182</b>	<b>64,744</b>	<b>-5,365</b>	<b>-8.3</b>
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	681	24,036	70	611	...
80 - NET INCOME FROM TRADING ACTIVITIES	-50,171	-20,478	17,839	-68,010	...
90 - NET INCOME FROM HEDGING ACTIVITIES	782	-49	-115	897	...
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	11,100	55,847	2,394	8,706	...
<i>a) loans</i>	<i>1,324</i>	<i>5,005</i>	<i>26</i>	<i>1,298</i>	...
<i>b) available for sale financial assets</i>	<i>8,784</i>	<i>48,444</i>	<i>3,020</i>	<i>5,764</i>	...
<i>d) financial liabilities</i>	<i>992</i>	<i>2,398</i>	<i>-652</i>	<i>1,644</i>	...
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	14,350	-17	-249	14,599	...
<b>120 - GROSS OPERATING MARGIN</b>	<b>216,439</b>	<b>968,403</b>	<b>241,289</b>	<b>-24,850</b>	<b>-10.3</b>
130 - NET VALUE ADJUSTMENT ON:	-18,506	-82,448	-11,635	-6,871	59.1
<i>a) loans</i>	<i>-19,241</i>	<i>-75,152</i>	<i>-13,102</i>	<i>-6,139</i>	<i>46.9</i>
<i>b) available for sale financial assets</i>	<i>-</i>	<i>-7,212</i>	<i>-</i>	<i>-</i>	...
<i>d) other financial assets</i>	<i>735</i>	<i>-84</i>	<i>1,467</i>	<i>-732</i>	<i>-49.9</i>
<b>140 - NET INCOME FROM FINANCIAL MANAGEMENT</b>	<b>197,933</b>	<b>885,955</b>	<b>229,654</b>	<b>-31,721</b>	<b>-13.8</b>
150 - NET PREMIUMS	153,953	684,094	149,278	4,675	3.1
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-161,071	-694,431	-151,339	-9,732	6.4
<b>170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT</b>	<b>190,815</b>	<b>875,618</b>	<b>227,593</b>	<b>-36,778</b>	<b>-16.2</b>
180 - ADMINISTRATIVE COSTS:	-136,547	-541,024	-130,717	-5,830	4.5
<i>a) staff costs</i>	<i>-81,920</i>	<i>-326,644</i>	<i>-78,464</i>	<i>-3,456</i>	<i>4.4</i>
<i>b) other administrative costs</i>	<i>-54,627</i>	<i>-214,380</i>	<i>-52,253</i>	<i>-2,374</i>	<i>4.5</i>
190 - NET PROVISIONS FOR RISKS AND CHARGES	3,377	-3,105	-1,208	4,585	...
200 - DEPRECIATION OF TANGIBLE ASSETS	-4,680	-19,068	-4,364	-316	7.2
210 - AMORTIZATION OF INTANGIBLE ASSETS	-3,936	-14,061	-2,908	-1,028	35.4
220 - OTHER OPERATING EXPENSES AND REVENUES	15,532	61,940	15,659	-127	-0.8
<b>230 - OPERATING COSTS</b>	<b>-126,254</b>	<b>-515,318</b>	<b>-123,538</b>	<b>-2,716</b>	<b>2.2</b>
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	664	8,413	4	660	...
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-4	875	-51	47	-92.2
<b>280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>65,221</b>	<b>369,588</b>	<b>104,008</b>	<b>-38,787</b>	<b>-37.3</b>
290 - INCOME TAXES FOR THE PERIOD	-26,738	-157,283	-48,420	21,682	-44.8
<b>300 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES</b>	<b>38,483</b>	<b>212,305</b>	<b>55,588</b>	<b>-17,105</b>	<b>-30.8</b>
<b>320 - PROFIT (LOSS) FOR THE PERIOD</b>	<b>38,483</b>	<b>212,305</b>	<b>55,588</b>	<b>-17,105</b>	<b>-30.8</b>
330 - MINORITY INTERESTS	1,915	7,492	1,465	450	30.7
<b>340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK</b>	<b>36,568</b>	<b>204,813</b>	<b>54,123</b>	<b>-17,555</b>	<b>-32.4</b>

Figures in thousands of €

**INCOME STATEMENT - RESULTS FOR THE PERIOD** (figures in thousands of €)

	31/03/08	31/03/07	CHANGE	4th quarter 2007
10 - INTEREST INCOME AND SIMILAR REVENUES	339,969	280,021	59,948	349,835
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-159,651	-123,415	-36,236	-170,474
<b>30 - NET INTEREST INCOME</b>	<b>180,318</b>	<b>156,606</b>	<b>23,712</b>	<b>179,361</b>
40 - COMMISSION INCOME	68,141	73,431	-5,290	74,604
50 - COMMISSION EXPENSES	-8,762	-8,687	-75	-10,811
<b>60 - NET COMMISSIONS</b>	<b>59,379</b>	<b>64,744</b>	<b>-5,365</b>	<b>63,793</b>
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	681	70	611	11,947
80 - NET INCOME FROM TRADING ACTIVITIES	-50,171	17,839	-68,010	-25,853
90 - NET INCOME FROM HEDGING ACTIVITIES	782	-115	897	-444
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	11,100	2,394	8,706	32,090
<i>a) loans</i>	1,324	26	1,298	3,654
<i>b) available for sale financial assets</i>	8,784	3,020	5,764	27,371
<i>d) financial liabilities</i>	992	-652	1,644	1,065
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	14,350	-249	14,599	-1,408
<b>120 - GROSS OPERATING INCOME</b>	<b>216,439</b>	<b>241,289</b>	<b>-24,850</b>	<b>259,486</b>
130 - NET VALUE ADJUSTMENT ON:	-18,506	-11,635	-6,871	-29,493
<i>a) loans</i>	-19,241	-13,102	-6,139	-20,818
<i>b) available for sale financial assets</i>	-	-	-	-7,212
<i>c) financial assets held to maturity</i>	-	-	-	-1,379
<i>d) other financial assets</i>	735	1,467	-732	-84
<b>140 - NET INCOME FROM FINANCIAL MANAGEMENT</b>	<b>197,933</b>	<b>229,654</b>	<b>-31,721</b>	<b>229,993</b>
150 - NET PREMIUMS	153,953	149,278	4,675	190,549
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-161,071	-151,339	-9,732	-195,254
<b>170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT</b>	<b>190,815</b>	<b>227,593</b>	<b>-36,778</b>	<b>225,288</b>
180 - ADMINISTRATIVE COSTS:	-136,547	-130,717	-5,830	-153,957
<i>a) staff costs</i>	-81,920	-78,464	-3,456	-100,869
<i>b) other administrative costs</i>	-54,627	-52,253	-2,374	-53,088
190 - NET PROVISIONS FOR RISKS AND CHARGES	3,377	-1,208	4,585	-1,381
200 - DEPRECIATION OF TANGIBLE ASSETS	-4,680	-4,364	-316	-5,636
210 - AMORTIZATION OF INTANGIBLE ASSETS	-3,936	-2,908	-1,028	-4,743
220 - OTHER OPERATING EXPENSES AND REVENUES	15,532	15,659	-127	15,273
<b>230 - OPERATING COSTS</b>	<b>-126,254</b>	<b>-123,538</b>	<b>-2,716</b>	<b>-150,444</b>
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	664	4	660	3,834
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-4	-51	47	-331
<b>280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>65,221</b>	<b>104,008</b>	<b>-38,787</b>	<b>78,347</b>
290 - INCOME TAXES FOR THE PERIOD	-26,738	-48,420	21,682	-32,460
<b>300 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES</b>	<b>38,483</b>	<b>55,588</b>	<b>-17,105</b>	<b>45,887</b>
<b>320 - PROFIT (LOSS) FOR THE PERIOD</b>	<b>38,483</b>	<b>55,588</b>	<b>-17,105</b>	<b>45,887</b>
330 - MINORITY INTERESTS	1,915	1,465	450	2,494
<b>340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK</b>	<b>36,568</b>	<b>54,123</b>	<b>-17,555</b>	<b>43,393</b>

In particular, **net interest** totalled € 180.3 million, up 15.1%. Compared to the first quarter of 2007, interest income reached € 340 million (+21.4%), interest expense € 159.7 million (+29.4%) and also considering interest expense

on securities in issue, the interest from customers went up to € 165.6 million, with a 17.5% increase.

## INTEREST INCOME *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Financial assets held for trading	16,326	126,170	29,336	- 13,010	- 44.3
Available-for-sale financial assets	19,250	62,428	8,795	10,455	...
Financial assets held to maturity	39	133	31	8	25.8
Loans to banks	15,606	55,906	9,007	6,599	73.3
Loans to customers	284,398	991,734	230,037	54,361	23.6
Financial assets sold and not cancelled	3,880	11,489	2,347	1,533	65.3
Other assets	470	1,491	468	2	0.4
<b>TOTAL INTEREST INCOME</b>	<b>339,969</b>	<b>1,249,351</b>	<b>280,021</b>	<b>59,948</b>	<b>21.4</b>

## INTEREST EXPENSES *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Amounts owed to banks	25,816	88,532	15,142	10,674	70.5
Amounts owed to customers	40,105	127,879	28,314	11,791	41.6
Debt securities in issue	79,194	283,994	61,276	17,918	29.2
Financial liabilities designated at fair value	3,759	16,732	4,384	- 625	- 14.3
Financial liabilities corresponding to assets sold and not cancelled	3,970	14,453	1,447	2,523	...
Other liabilities	6	488	21	- 15	- 71.4
Hedging derivatives	6,801	58,391	12,831	- 6,030	- 47.0
<b>TOTAL INTEREST EXPENSES</b>	<b>159,651</b>	<b>590,469</b>	<b>123,415</b>	<b>36,236</b>	<b>29.4</b>

**Net commissions**, amounting to € 59.4 million, show an 8.3% reduction, ascribable to the decrease in commission income (€ 68.1 million, -7.2%), while commission expense was basically in line with 2007 (€ 8.8 million,

+0.9%). The decrease in commission income is concentrated in assets management (-7.2%), placement of securities (-35.1%), collection of orders (-24.2%) and distribution of third-party services (-29.8%).

## COMMISSION INCOME *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Guarantees issued	2,480	10,109	2,438	42	1.7
Management, dealing and consultancy services:	24,138	107,958	28,972	- 4,834	- 16.7
1. Financial instruments trading	119	1,265	485	- 366	- 75.5
2. Currency trading	859	3,225	842	17	2.0
3. Asset management	13,057	57,506	14,067	- 1,010	- 7.2
4. Securities custody and administration	871	2,518	713	158	22.2
5. Custodian bank	1,072	4,464	1,156	- 84	- 7.3
6. Placement of securities	2,847	16,027	4,388	- 1,541	- 35.1
7. Collection of orders	2,396	10,366	3,163	- 767	- 24.2
9. Distribution of third-party services	2,917	12,587	4,158	- 1,241	- 29.8
- asset management	4	40	3	1	33.3
- insurance products	60	277	1,082	- 1,022	- 94.5
- other products	2,853	12,270	3,073	- 220	- 7.2
Collection and payment services	13,799	58,680	14,276	- 477	- 3.3
Servicing for securitizations	318	1,663	274	44	16.1
Factoring services	287	1,348	350	- 63	- 18.0
Other services	27,119	108,820	27,121	- 2	- 0.0
<b>TOTAL COMMISSION INCOME</b>	<b>68,141</b>	<b>288,578</b>	<b>73,431</b>	<b>- 5,290</b>	<b>- 7.2</b>



## COMMISSION EXPENSES (figures in thousands of €)

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Guarantees received	139	487	113	26	23.0
Management and dealing services	947	3,716	812	135	16.6
1. Financial instruments trading	173	713	196	- 23	- 11.7
3. Asset management	-	29	-	-	...
4. Securities custody and administration	712	2,304	473	239	50.5
5. Financial instruments placement	3	189	32	- 29	- 90.6
6. Door-to-door sale of securities, financial products and services	59	481	111	- 52	- 46.8
Collection and payment services	4,583	20,054	4,696	- 113	- 2.4
Other services	3,093	14,139	3,066	27	0.9
<b>TOTAL COMMISSION EXPENSES</b>	<b>8,762</b>	<b>38,396</b>	<b>8,687</b>	<b>75</b>	<b>0.9</b>

**Dividends and similar revenues** totalled € 0.7 million, versus € 70 thousand in March 2007.

The **net income from financial management** was negative for € 23.9 million, versus a € 19.9 million profit in March 2007.

This decrease is due to the general downturn in the financial markets, which generated capital losses in the Group's portfolio of securities and derivatives.

## INCOME FROM TRADING ACTIVITIES (figures in thousands of €)

	31/03/08	2007	30/03/07	Change 03/08 - 03/07	
				absolute	%
Debt securities	-24,588	-48,629	3,302	-27,890	...
Equities & collective investment schemes	-9,800	10,012	6,742	-16,542	...
<b>Total equities, debt securities &amp; collective investment schemes</b>	<b>-34,388</b>	<b>-38,617</b>	<b>10,044</b>	<b>-44,432</b>	<b>...</b>
Financial derivatives	-11,938	-2,551	5,257	-17,195	...
Credit derivatives	4,850	1,534	-168	5,018	...
Currency differences	-2,333	12,182	1,477	-3,810	...
Other financial assets/liabilities from trading	-6,362	6,974	1,229	-7,591	...
<b>INCOME FROM TRADING ACTIVITIES</b>	<b>-50,171</b>	<b>-20,478</b>	<b>17,839</b>	<b>-68,010</b>	<b>...</b>

The **gross operating income** reached € 216.4 million, down 10.3%.

**Net impairment losses on loans and other credit risk provisions** amounted to € 18.5 million, 59.1% higher than the March 2007 figure. This growth is partially compensated by a write-back on provisions for risks and charges of € 3.8 million, tied to the agreement on a challenge of antecedent transactions. Adjustments on cash loans to customers are equal to € 19.2 million

(+45.9%), while write-backs totalling € 0.7 million are recorded on credit commitments (€ 1.5 million in the first three months of 2007).

Taking into account the contribution of insurance management, which was negative for € 7.1 million, the **net income from financial and insurance management** dropped 16.2% to € 190.8 million.

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

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Loans to banks	-	- 195	- 83	83	- 100.0
Loans to customers	19,241	75,347	13,185	6,056	45.9
Credit commitments (other financial transactions)	- 735	84	- 1,467	732	- 49.9
Available-for-sale financial assets	-	7,212	-	-	...
<b>NET VALUE ADJUSTMENTS TO LOANS AND OTHER FINANCIAL ITEMS</b>	<b>18,506</b>	<b>82,448</b>	<b>11,635</b>	<b>6,871</b>	<b>59.1</b>

**Operating costs** amounted to € 126.3 million, up 2.2% compared to the first three months of 2007.

Specifically, **administrative costs** amounted to € 136.5 million, up 4.5%, distributed in an essentially similar manner between **staff costs** (+4.4% to € 81.9 million) and **other administrative costs** (+4.5% to € 54.6 million).

**Net write-backs on provisions for risks and charges** amounted to € 3.4 million (adjustments for € 1.2 million in March 2007).

**Net adjustments on tangible and intangible assets** amounted to € 4.7 million and € 3.9 million, respectively, both up compared to March 2007 (+7.2% e +35.4%, respectively).

## OPERATING COSTS *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Staff costs	81,920	326,644	78,464	3,456	4.4
Other administrative costs	54,627	214,380	52,253	2,374	4.5
- general costs	42,866	166,865	40,340	2,526	6.3
- indirect taxes	11,761	47,515	11,913	- 152	- 1.3
Net provisions for risks and charges	- 3,377	3,105	1,208	- 4,585	...
Amortization and depreciation on:	8,616	33,129	7,272	1,344	18.5
- intangible fixed assets	3,936	14,061	2,908	1,028	35.4
- tangible fixed assets	4,680	19,068	4,364	316	7.2
Other operating expenses and revenues	- 15,532	- 61,940	- 15,659	127	- 0.8
<b>TOTAL OPERATING COSTS</b>	<b>126,254</b>	<b>515,318</b>	<b>123,538</b>	<b>2,716</b>	<b>2.2</b>

**Other net operating revenues** were basically on the same levels as March 2007 (€ 15.5 million; -0.8%).

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

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Lease income and rent	4,689	18,472	4,149	540	13.0
Charges to third parties:	10,189	41,604	10,677	- 488	- 4.6
<i>recovery of taxes</i>	9,834	40,058	10,290	- 456	- 4.4
<i>customer insurance premiums</i>	355	1,546	387	- 32	- 8.3
Other revenues	5,643	29,127	4,274	1,369	32.0
<b>Total other revenues</b>	<b>20,521</b>	<b>89,203</b>	<b>19,100</b>	<b>1,421</b>	<b>7.4</b>
Operating costs on financial leases	- 954	- 5,154	- 113	- 841	...
Ordinary maintenance costs on investment property	- 913	- 3,071	- 530	- 383	72.3
Expenses for improvement of third parties' assets	- 204	- 1,163	- 249	45	- 18.1
Other expenses	- 2,918	- 17,875	- 2,549	- 369	14.5
<b>Total other expenses</b>	<b>- 4,989</b>	<b>- 27,263</b>	<b>- 3,441</b>	<b>- 1,548</b>	<b>45.0</b>
<b>TOTAL NET REVENUES</b>	<b>15,532</b>	<b>61,940</b>	<b>15,659</b>	<b>- 127</b>	<b>- 0.8</b>

Considering also the profits from equity investments, amounting to € 0.7 million, and the losses from disposal of investments for € 4 thousand, the **operating income** stood at € 65.2 million (-37.3% compared to March 2007).

The income tax provisions totalled € 26.7 million (€ 48.4 million in March 2007), and considering the profit attributable to minority interests, equal to € 1.9 million (€ 1.5 million in March 2007), they lead to a **net profit** of € 36.6 million compared to the € 54.1 million of March 2007.

## OWN SHARES, CASH FLOW STATEMENT AND SHAREHOLDERS' EQUITY

As at 31 March 2008 Banca Carige did not hold own shares, similar to the situation in December and March 2007.

Operating activities during the first three months generated liquidity totalling € 70.5 million. In particular, operations generated a positive flow for € 173.5 million, financial assets absorbed liquidity for € 1,700.2 million, and financial liabilities generated liquidity for € 1,597.2 million. The liquidity absorbed by investment assets amounted to € 1,023.2 million. The net liquidity absorbed during the three months therefore amounted to € 2.9 million.

The consolidated shareholders' equity of the Parent Bank and the consolidated net profit are arrived at from the shareholders' equity and profit of the period of Banca Carige through the following changes:

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

	Shareholders' equity (1)	Income statement (1)
<b>Balance as at 31/03/2008 - Banca Carige</b>	<b>3,860,651</b>	<b>35,123</b>
Positive variations on book value	-45,010	3,996
Value adjustments to allocated gains	-6,455	-226
Share options survey - subsidiaries	-17,116	-240
Amortised goodwill (previous accounting periods)	-43,485	-
Dividends distributed by subsidiaries and written off	-2,040	-2,040
Dividends distributed by associated companies and written off	-	-
Other	-45	-45
<b>Consolidated balance as at 31/03/2008</b>	<b>3,746,500</b>	<b>36,568</b>

(1) figures in thousands of €

## NET INCOME FROM INTERMEDIATION ACTIVITIES

The total **Financial Intermediation Activities for customers (FIA)** – direct and indirect deposits – is equal to € 41,321.8 million, up 9.8% over December 2007 and 12.3% on an annual basis (-1.5% and +0.7%, respectively, net of the contribution of the business unit the Intesa Sanpaolo Group acquired that went into effect on 10 March 2008).

**Direct deposits** amount to € 19,036.9 million, up 9.5% since the beginning of the year and 13.4% compared to March 2007 (+1.1% and +4.6%, respectively, net of the former ISP branches). **Indirect deposits** total € 22,284.9 million, showing 10.1% and 11.4% increases during the three and 12 months, respectively (-3.7% and -2.6% former ISP).

Indirect deposits weigh on the FIA total for 53.9% and are broken down into 48.8% assets under management and 51.2% assets in custody.

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

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>Total (A+B)</b>	<b>41,321,843</b>	<b>37,621,615</b>	<b>36,803,122</b>	<b>9.8</b>	<b>12.3</b>
<b>Direct deposits (A)</b>	<b>19,036,905</b>	<b>17,386,168</b>	<b>16,794,118</b>	<b>9.5</b>	<b>13.4</b>
<i>% on Total</i>	<i>46.1%</i>	<i>46.2%</i>	<i>45.6%</i>		
<b>Indirect deposits (B)</b>	<b>22,284,938</b>	<b>20,235,447</b>	<b>20,009,004</b>	<b>10.1</b>	<b>11.4</b>
<i>% on Total</i>	<i>53.9%</i>	<i>53.8%</i>	<i>54.4%</i>		
- Assets under management	10,864,578	10,330,790	10,192,493	5.2	6.6
<i>% on Total</i>	<i>26.3%</i>	<i>27.5%</i>	<i>27.7%</i>		
<i>% on Indirect deposits</i>	<i>48.8%</i>	<i>51.1%</i>	<i>50.9%</i>		
- Assets in custody	11,420,360	9,904,657	9,816,511	15.3	16.3
<i>% on Total</i>	<i>27.6%</i>	<i>26.3%</i>	<i>26.7%</i>		
<i>% on Indirect deposits</i>	<i>51.2%</i>	<i>48.9%</i>	<i>49.1%</i>		

**Total funding**, which includes direct deposits from customers (€ 19,036.9 million) and those from banks (€ 1,925.3 million), amounts to € 20,962.2 million, demonstrating 6% growth since the beginning of the year and 14.4% growth on an annual basis.

**Direct deposits** rose by 9.5% since the beginning of the year and by 13.4% over the 12-month period. This change is kept up by both growth in **amounts owed to customers**, equal to € 10,934.3 million (+14.2% in the quarter and +21.5% during the year) and that of **securities in issue**, totalling € 7,589.2 million (+4.2% and +4.9% since December and from March 2007, respectively), which mainly consist of bonds (€ 7,365.9 million, +4.2% in the quarter and +5.2% during the year).

Short-term deposits (€ 11,073.6 million), which are 58.2% of the total, have risen since the beginning of the year by 13.9% and since March 2007 by 20.9%, while the medium/long-term component (€7,963.3 million) increased 3.9% since the end of 2007 and 4.3% on an annual basis.

**Liabilities at fair value** (€ 513.5 million; -3.7% since December and -7.9% since March 2007) mostly consist of structured bonds placed through Poste Italiane. This item does not include the liabilities at fair value regarding Carige Vita Nuova insurance products, whose investment risk is borne by the insured.

**Amounts owed to banks** total € 1,925.3 million, showing a 19.3% fall during the first three months of the year and 26.1% growth on an annual basis.

**FUNDING** (figures in thousands of €)

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>Total (A+B)</b>	<b>20,962,236</b>	<b>19,773,044</b>	<b>18,320,929</b>	<b>6.0</b>	<b>14.4</b>
<b>Direct deposits (A)</b>	<b>19,036,905</b>	<b>17,386,168</b>	<b>16,794,118</b>	<b>9.5</b>	<b>13.4</b>
Amounts owed to customers	10,934,267	9,571,945	9,000,556	14.2	21.5
current accounts and free deposits	10,178,730	9,029,849	8,332,978	12.7	22.1
repurchase agreements	534,965	359,827	255,536	48.7	...
term deposits	16,527	17,396	145,529	-5.0	-88.6
loans	59,908	3,660	3,704	...	...
funds managed on behalf of third parties	183	189	273	-3.2	-33.0
commitments to repurchase own equity					
instruments	35,146	34,894	36,324	0.7	-3.2
other deposits	108,808	126,130	226,212	-13.7	-51.9
Securities in issue	7,589,178	7,281,050	7,235,930	4.2	4.9
bonds	7,365,891	7,067,795	6,999,066	4.2	5.2
other securities	223,287	213,255	236,864	4.7	-5.7
Liabilities at fair value (1)	513,460	533,173	557,632	-3.7	-7.9
bonds	513,460	533,173	557,632	-3.7	-7.9
short term	11,073,624	9,721,232	9,156,983	13.9	20.9
% on Total	58.2	55.9	54.5		
medium/long term	7,963,281	7,664,936	7,637,135	3.9	4.3
% on Total	41.8	44.1	45.5		
<b>Amounts owed to banks (B)</b>	<b>1,925,331</b>	<b>2,386,876</b>	<b>1,526,811</b>	<b>-19.3</b>	<b>26.1</b>
Deposits of central banks	50,481	-	-	...	...
Current accounts and free deposits	57,184	60,312	67,331	-5.2	-15.1
Term deposits	1,463,106	1,923,472	1,149,058	-23.9	27.3
Repurchase agreements	62,324	107,859	5,019	-42.2	...
Loans	292,234	295,231	305,403	-1.0	-4.3
Other	2	2	-	-	...

(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's weight on direct deposits dropped to 57.8% (64% in December and 62.8% in March 2007), above all following the acquisition of the former ISP branches, all located outside of Liguria. The second most important region is

now Lombardy, with 8.7% (6% in December and 7% in March 2007). Tuscany, the third most important region, holds an 8.3% share, and is followed by Latium (6.5%) and Veneto (5.9%).

## DIRECT DEPOSITS (1) - GEOGRAPHICAL DISTRIBUTION (2) *(figures in thousands of €)*

	Situation as at					
	31/03/08		31/12/07		31/03/07	
		%		%		%
Liguria	9,082,480	57.8%	8,970,529	64.0%	8,431,054	62.8%
Lombardy	1,373,373	8.7%	838,590	6.0%	942,110	7.0%
Tuscany	1,307,514	8.3%	1,323,383	9.4%	1,356,079	10.1%
Latium	1,028,203	6.5%	969,292	6.9%	949,492	7.1%
Veneto	922,635	5.9%	155,392	1.1%	135,277	1.0%
Piedmont	719,407	4.6%	476,691	3.4%	412,044	3.1%
Sicily	583,341	3.7%	567,966	4.1%	563,475	4.2%
Emilia Romagna	222,825	1.4%	237,443	1.7%	208,934	1.6%
Apulia	218,021	1.4%	217,202	1.5%	173,445	1.3%
Sardinia	124,334	0.8%	130,781	0.9%	120,936	0.9%
Marches	81,166	0.5%	76,971	0.5%	73,395	0.5%
Umbria	22,630	0.1%	22,626	0.2%	31,852	0.2%
<b>Total Italy</b>	<b>15,685,929</b>	<b>99.8%</b>	<b>13,986,866</b>	<b>99.8%</b>	<b>13,398,093</b>	<b>99.8%</b>
Abroad	23,803	0.2%	28,902	0.2%	27,676	0.2%
<b>Total Italy + Abroad</b>	<b>15,709,732</b>	<b>100.0%</b>	<b>14,015,768</b>	<b>100.0%</b>	<b>13,425,769</b>	<b>100.0%</b>
Other captions (1)	3,327,173		3,370,400		3,368,349	
<b>Total direct deposits</b>	<b>19,036,905</b>		<b>17,386,168</b>		<b>16,794,118</b>	

(1) 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.

Of the amounts owed to customers, 63.3% is attributed to consumer families with € 6,919.1 million (63% in December and 61.7% in March 2007). The number of non-financial companies and producer families (€ 2,542.9 million) increased to 23.3% (22.8% at December and March 2007), while public administrations

intermediate € 620.6 million (5.7% of the total), private social institutions and non-classifiable units € 455.6 million (4.2% of the total) and financial companies € 320.9 million (2.9% of the total).

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

	31/3/08		31/12/07		31/3/07	
		%		%		%
<b>Amounts owed to customers</b>	<b>10,934,267</b>		<b>9,571,945</b>		<b>9,000,556</b>	
Public Administration	620,621	5.7%	562,972	5.9%	487,338	5.4%
Financial businesses	320,904	2.9%	307,718	3.2%	330,178	3.7%
Non-financial businesses and personal businesses	2,542,888	23.3%	2,179,454	22.8%	2,053,754	22.8%
Private social bodies	455,553	4.2%	418,066	4.4%	401,714	4.5%
Families	6,919,072	63.3%	6,028,872	63.0%	5,548,973	61.7%
<b>Total residents</b>	<b>10,859,038</b>	<b>99.3%</b>	<b>9,497,083</b>	<b>99.2%</b>	<b>8,821,957</b>	<b>98.0%</b>
Non residents	75,229	0.7%	74,862	0.8%	178,599	2.0%
<b>Total</b>	<b>10,934,267</b>	<b>100.0%</b>	<b>9,571,945</b>	<b>100.0%</b>	<b>9,000,556</b>	<b>100.0%</b>
<b>Securities in issue</b>	<b>7,589,178</b>		<b>7,281,050</b>		<b>7,235,930</b>	
<b>Liabilities at fair value</b>	<b>513,460</b>		<b>533,173</b>		<b>557,632</b>	
<b>TOTAL DIRECT DEPOSITS</b>	<b>19,036,905</b>		<b>17,386,168</b>		<b>16,794,118</b>	

(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 investment risk is borne by the insured, are not included in this table.

**Indirect deposits** amounted to € 22,284.9 million, going up both since the beginning of the

year (+10.1%) and during the 12-month period (+11.4%).

**Assets under management**, equal to € 10,864.6 million, are up 5.2% in the three months and 6.6% in the 12 months. Within them, mutual investment funds amount to € 6,070.6 million (+10.3% and +8% during the three- and 12-month periods, respectively), assets management to € 3,163.1 million (-1.3% and +0.5%) and banking-insurance products to € 1,630.9 million (+0.4% and +14.7%).

**Assets in custody** stood at € 11,420.4 million, up 15.3% in the three months and 16.3% in the 12 months. Government securities,

totalling € 6,098.3 million, increased 16.7% and 21.9% since 31 December and 31 March 2007, respectively, as the other components that posted increases, although somewhat lower (+13.8% and +10.6% in the three and 12 months), standing at € 5,322.1 million.

There are no financial products having underlying assets referring to the subprime loan segment in the customers' portfolio.

## INDIRECT DEPOSITS *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>Total (A+B)</b>	<b>22,284,938</b>	<b>20,235,447</b>	<b>20,009,004</b>	<b>10.1</b>	<b>11.4</b>
<b>Assets under management (A)</b>	<b>10,864,578</b>	<b>10,330,790</b>	<b>10,192,493</b>	<b>5.2</b>	<b>6.6</b>
Mutual funds and unit trusts	6,070,626	5,502,503	5,623,109	10.3	8.0
Assets management	3,163,095	3,204,655	3,147,998	-1.3	0.5
<i>including: Securities management</i>	<i>2,376,383</i>	<i>2,442,493</i>	<i>2,259,270</i>	<i>-2.7</i>	<i>5.2</i>
<i>  Mutual funds management</i>	<i>786,712</i>	<i>762,162</i>	<i>888,728</i>	<i>3.2</i>	<i>-11.5</i>
Bancassurance products	1,630,856	1,623,632	1,421,386	0.4	14.7
<b>Assets in custody (B)</b>	<b>11,420,360</b>	<b>9,904,657</b>	<b>9,816,511</b>	<b>15.3</b>	<b>16.3</b>
Government securities	6,098,264	5,227,211	5,003,315	16.7	21.9
Other	5,322,097	4,677,446	4,813,196	13.8	10.6

In the bancassurance area, premiums on life insurance policies were issued for a total of € 31.6 million during the quarter, with a 49.7% drop compared to the same period of 2007 in

connection with the recording of the "Carige Index" issues sold during the quarter.

The non-life insurance area (€ 1.9 million) showed 46.7% growth.

## BANCASSURANCE *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 03/07	
<b>Total premiums collected</b>	<b>31,622</b>	<b>327,381</b>	<b>62,817</b>	<b>-49.7</b>	
Life, of which:	29,729	322,374	61,527	-51.7	
. Unit/Index-linked policies	6,912	219,064	42,090	-83.6	
. Traditional policies	22,817	103,310	19,437	17.4	
Non-life, of which:	1,893	5,007	1,290	46.7	
. Car insurance	296	943	326	-9.2	
. Non car insurance	1,597	4,064	964	65.7	

With regard to indirect deposits, Liguria's importance fell to 65.7% (74.8% in December and March 2007), above all favouring Veneto

(6.3%; 0.7% in December and 0.8% in March 2007).

### INDIRECT DEPOSITS - GEOGRAPHICAL DISTRIBUTION (1) *(figures in thousands of €)*

	Situation as at					
	31/03/08		31/12/07		31/03/07	
		%		%		%
Liguria	14,647,731	65.7%	15,128,568	74.8%	14,966,619	74.8%
Lombardy	2,405,203	10.8%	1,325,788	6.6%	1,340,130	6.7%
Veneto	1,398,152	6.3%	147,582	0.7%	150,097	0.8%
Tuscany	1,225,074	5.5%	1,192,242	5.9%	1,113,409	5.6%
Piedmont	849,200	3.8%	589,083	2.9%	588,935	2.9%
Latium	704,864	3.2%	752,767	3.7%	738,464	3.7%
Sicily	448,555	2.0%	484,375	2.4%	478,058	2.4%
Emilia Romagna	263,916	1.2%	281,101	1.4%	282,000	1.4%
Apulia	138,799	0.6%	144,869	0.7%	141,232	0.7%
Marches	84,072	0.4%	93,721	0.5%	99,735	0.5%
Sardinia	86,932	0.4%	61,927	0.3%	68,935	0.3%
Umbria	25,552	0.1%	26,523	0.1%	28,945	0.1%
<b>Total Italy</b>	<b>22,278,050</b>	<b>100.0%</b>	<b>20,228,547</b>	<b>100.0%</b>	<b>19,996,559</b>	<b>99.9%</b>
Abroad	6,888	0.0%	6,900	0.0%	12,445	0.1%
<b>Total indirect deposits</b>	<b>22,284,938</b>	<b>100.0%</b>	<b>20,235,447</b>	<b>100.0%</b>	<b>20,009,004</b>	<b>100.0%</b>

(1) Figures per branch province.

The predominant amount of indirect deposits is concentrated amongst consumer families, to stand at 80.4% (79.2% at year-end and 79.4% in

March 2007). Financial companies depict 11.8% of the total (13.4% in December and 12.9% in March 2007).

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

	31/3/08		31/12/07		31/3/07	
		%		%		%
Public Administration	140,676	0.6%	107,895	0.5%	123,737	0.6%
Financial businesses	2,631,942	11.8%	2,718,197	13.4%	2,586,311	12.9%
Non-financial businesses and personal businesses	1,329,348	6.0%	1,168,498	5.8%	1,174,804	5.9%
Private social bodies	186,902	0.8%	140,795	0.7%	163,817	0.8%
Families	17,905,303	80.4%	16,019,666	79.2%	15,877,134	79.4%
<b>Total residents</b>	<b>22,194,171</b>	<b>99.6%</b>	<b>20,155,050</b>	<b>99.6%</b>	<b>19,925,803</b>	<b>99.6%</b>
Non residents	90,767	0.4%	80,397	0.4%	83,201	0.4%
<b>Total</b>	<b>22,284,938</b>	<b>100.0%</b>	<b>20,235,447</b>	<b>100.0%</b>	<b>20,009,004</b>	<b>100.0%</b>

**Loans to customers**, net of value adjustments totalling € 472.1 million, amount to € 18,246.8 million, 7.2% higher than year-end 2007 (+13.9% in the 12-month period). With value adjustments included, they are equal to € 18,718.8 million (€ 17,350.3 million adjusted figure; -0.7% and +5.6% changes during the three- and 12-month periods, without considering the contribution of the ISP branches). The Carige Group did not disburse loans or lend guarantees directly associated with the subprime loan segment.

Bad loans stood at € 614.5 million, down 1% compared to year-end 2007 but up 2.9% compared to one year before.

In detail, mortgage loans totalling € 10,285.9 million represent the most considerable item and increased by 11.7% and 18.8% compared to December and March 2007, respectively. Current accounts, amounting to €2,665 million, went up 8.4% since December and 11.8% since March 2007. The item "credit cards, personal loans and salary-backed loans" grew to equal € 508.5 million (+19.9% in the 3-month period and +32.4% since the end of March 2007),



leasing totalled € 832.9 million (+0.1% and +12.9% in the three- and 12-month periods, respectively), and factoring stood at € 116 million (+4.9% compared to December and +2.4% compared to March 2007).

With reference to the maturities, short term loans of € 4,359.6 million fell during the quarter by 15.%, but went up by 1.7% compared to March 2007. Medium/long-term loans of € 13,744.7 million rose 10.6% during the quarter and 18.9% during the 12-month period.

Bad loans reached € 614.5 million, affecting total loans 3.3%, a drop compared to the 3.6% recording in December and March 2007.

**Loans to banks** after value adjustments of € 0.6 million (€ 0.6 million as at December 2007 and € 0.5 million as at March 2007) amounted to € 1,371.2 million, falling 9.2% during the quarter and rising 54.3% during the 12-month period. They are almost all represented by short term loans.

The **net interbank balance** (difference between loans to banks and amounts owed to banks) confirms a debtor position totalling € 554.1 million, down compared to both December (€ 876.4 million) and March 2007 (€ 638.4 million).

## LOANS (figures in thousands of €)

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>Total (A+B)</b>	<b>19,617,982</b>	<b>18,527,826</b>	<b>16,911,723</b>	<b>5.9</b>	<b>16.0</b>
<b>Loans to customers (A)</b>	<b>18,246,760</b>	<b>17,017,381</b>	<b>16,023,338</b>	<b>7.2</b>	<b>13.9</b>
-nominal value (1)	18,718,841	17,478,165	16,437,764	7.1	13.9
<i>current accounts</i>	2,664,988	2,459,166	2,382,730	8.4	11.8
<i>lending repurchase agreements</i>	-	148,548	-	-100.0	...
<i>mortgage loans</i>	10,285,860	9,206,960	8,661,159	11.7	18.8
<i>credit cards, personal loans and salary-backed loans</i>	508,497	424,069	384,201	19.9	32.4
<i>leasing</i>	832,913	831,811	737,495	0.1	12.9
<i>factoring</i>	115,962	110,505	113,213	4.9	2.4
<i>other loans</i>	3,183,484	3,210,298	3,109,769	-0.8	2.4
<i>impaired assets</i>	1,127,137	1,086,808	1,049,197	3.7	7.4
-short term	4,359,596	4,427,351	4,284,946	-1.5	1.7
% on nominal value	23.3	25.3	26.1		
-medium/long term	13,744,741	12,430,100	11,555,379	10.6	18.9
% on nominal value	73.4	71.1	70.3		
- Bad loans	614,504	620,714	597,439	-1.0	2.9
% on nominal value	3.3	3.6	3.6		
-Value adjustments (-)	472,081	460,784	414,426	2.5	13.9
<b>Loans to banks (B)</b>	<b>1,371,222</b>	<b>1,510,445</b>	<b>888,385</b>	<b>-9.2</b>	<b>54.3</b>
-nominal value (1)	1,371,869	1,511,092	888,876	-9.2	54.3
<i>compulsory reserves</i>	119,932	179,522	202,725	-33.2	-40.8
<i>other loans to central banks</i>	111	17	12	...	...
<i>current accounts and free deposits</i>	394,269	113,092	69,898	...	...
<i>term deposits</i>	477,393	591,344	276,188	-19.3	72.9
<i>repurchase agreements</i>	268,395	321,814	232,124	-16.6	15.6
<i>loans</i>	95,324	288,424	90,334	-67.0	5.5
<i>impaired assets</i>	16,445	16,879	17,595	-2.6	-6.5
-short term	1,296,983	1,423,288	814,139	-8.9	59.3
% on nominal value	94.5	94.2	91.6		
-medium/long term	74,886	87,804	57,411	-14.7	30.4
% on nominal value	5.5	5.8	6.5		
- Bad loans	-	-	17,326	...	-100.0
% on nominal value	-	-	1.9		
-Value adjustments (-)	647	647	491	-	31.8

(1) Before value adjustments.

With regard to geographical distribution, Liguria absorbed 47% of loans to customers, down compared to the 50.4% posted in December

and to the 51.1% of March 2007. Lombardy is the number two region with a 15.5% share (15.1% in December and 14.4% in March

2007), Tuscany is third with a 9% share (9.5% and 9.4% in December and March 2007, respectively). Also in connection with loans, the acquisition of the former ISP branches brought

about significant changes of Liguria's share (down), Veneto and Lombardy (up).

### TOTAL LOANS TO CUSTOMERS (1) - GEOGRAPHICAL DISTRIBUTION (2) *(figures in thousands of €)*

	Situation as at					
	31/03/08		31/12/07		31/03/07	
		%		%		%
Liguria	8,803,695	47.0%	8,811,884	50.4%	8,404,746	51.1%
Lombardy	2,905,333	15.5%	2,642,911	15.1%	2,362,049	14.4%
Tuscany	1,690,593	9.0%	1,662,060	9.5%	1,550,512	9.4%
Piedmont	1,275,695	6.8%	1,150,129	6.6%	1,058,462	6.4%
Veneto	1,094,166	5.8%	288,124	1.6%	286,183	1.7%
Emilia Romagna	1,003,440	5.4%	1,000,384	5.7%	933,960	5.7%
Latium	807,879	4.3%	795,631	4.6%	741,398	4.5%
Sicily	380,351	2.0%	360,416	2.1%	318,242	1.9%
Apulia	226,921	1.2%	228,686	1.3%	213,803	1.3%
Sardinia	216,423	1.2%	213,976	1.2%	201,365	1.2%
Marches	150,755	0.8%	155,679	0.9%	162,763	1.0%
Umbria	80,676	0.4%	79,245	0.5%	84,329	0.5%
<b>Total Italy</b>	<b>18,635,927</b>	<b>99.6%</b>	<b>17,389,125</b>	<b>99.5%</b>	<b>16,317,812</b>	<b>99.3%</b>
Abroad	82,914	0.4%	89,040	0.5%	119,952	0.7%
<b>Total loans to customers</b>	<b>18,718,841</b>	<b>100.0%</b>	<b>17,478,165</b>	<b>100.0%</b>	<b>16,437,764</b>	<b>100.0%</b>

(1) Before value adjustments.

(2) Figures per branch province.

With reference to distribution by business segment, non-financial businesses and personal businesses held 56.6% of the loans to customers for a value of € 10,591 million (57.3% in December and 55.5% in March 2007). The share of personal businesses rose to 34.8% from

32.8% in December, and from 31.9% in March 2007, to stand at € 6,511.8 million. The share held by public administrations on the other hand fell to 4.5% from the year-end 4.9% and the 6.8% recorded in March 2007.

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

	31/3/08		31/12/07		31/3/07	
		%		%		%
Public Administration	843,424	4.5%	852,637	4.9%	1,117,370	6.8%
Financial businesses	550,320	2.9%	584,954	3.3%	761,491	4.6%
Non-financial businesses and personal businesses	10,591,013	56.6%	10,011,256	57.3%	9,131,140	55.5%
<i>Sales-related services</i>	<i>2,851,097</i>	<i>15.2%</i>	<i>2,902,295</i>	<i>16.6%</i>	<i>2,426,122</i>	<i>14.8%</i>
<i>Building and public works</i>	<i>1,921,623</i>	<i>10.3%</i>	<i>1,808,074</i>	<i>10.3%</i>	<i>1,629,783</i>	<i>9.9%</i>
<i>Wholesale &amp; retail trade, salvage and repairs</i>	<i>1,971,598</i>	<i>10.5%</i>	<i>1,777,110</i>	<i>10.2%</i>	<i>1,629,477</i>	<i>9.9%</i>
<i>Hotel and catering services</i>	<i>634,580</i>	<i>3.4%</i>	<i>557,272</i>	<i>3.2%</i>	<i>481,760</i>	<i>2.9%</i>
<i>Shipping and air transport</i>	<i>344,804</i>	<i>1.8%</i>	<i>322,677</i>	<i>1.9%</i>	<i>410,596</i>	<i>2.5%</i>
<i>Other</i>	<i>2,867,310</i>	<i>15.3%</i>	<i>2,643,828</i>	<i>15.1%</i>	<i>2,553,403</i>	<i>15.5%</i>
Private social bodies	105,146	0.6%	102,492	0.6%	91,718	0.6%
Families	6,511,790	34.8%	5,727,374	32.8%	5,249,500	31.9%
<b>Total residents</b>	<b>18,601,692</b>	<b>99.4%</b>	<b>17,278,714</b>	<b>98.9%</b>	<b>16,351,219</b>	<b>99.5%</b>
Non residents	117,150	0.6%	199,451	1.1%	86,545	0.5%
<b>Total</b>	<b>18,718,841</b>	<b>100.0%</b>	<b>17,478,165</b>	<b>100.0%</b>	<b>16,437,764</b>	<b>100.0%</b>

(1) Inclusive of expected losses.

**Impaired loans** amounted to € 1,166.8 million, up 3.4% since the beginning of the year and up 7.1% since one year before. The corresponding value adjustments totalled €

395.8 million and rose 0.8% in the three months and 11.2% since the end of March 2007, representing a 33.9% level of coverage on the total.

These exposures are almost entirely represented

by cash exposures of customers.

Performing loans amounted to € 18,947.1 million and were written back 0.4% for € 81.4 million.

With regard to **impaired credit commitments**, the following is pointed out:

- **Bad loans** totalled € 614.5 million, slightly down compared to the beginning of the year (-1%) and stable during the 12 months; they were written down 55.4% (55.6% as at December and 51.2% as at March 2007). The bad loans/loans ratio regarding customers is 3.3%.
- **Watchlist loans** amounted to € 257.5 million, up since the beginning of the year (+15.3%) and over the 12-month period (+10.1%). They were written down by 14% (12.1% and 11.7% as at December and March 2007);
- **Rescheduled loans** amounted to € 20.3 million, on the decline compared to December (€ -2.3 million) and on the rise

compared to March 2007 (+8.8 million). They were written down by 3.8% (4.6% as at December and 8.6% as at March 2007);

- **Past due loans** amounted to € 251.3 million, having increased both during the three-month period (+6.1%) and compared to March 2007 (+21.6%). They were written down by 5.6% (6% and 6.1% as at December and March 2007, respectively).

**Impaired credit commitments** were equal to € 23.2 million, having decreased compared to the € 24.6 million in December but having increased compared to the € 22.9 million of March 2007. The write-downs of these items cover 19.3% of the total.

On the whole, value adjustments on cash loans and credit commitments amounted to € 483.3 million, € 472.7 million of which regard cash loans and € 10.6 million of which regard credit commitments.

**CREDIT QUALITY** (figures in thousands of €)

	31/3/08				31/12/07			
	Gross exposure	Value adjustments	Net exposure	% b/a	Gross exposure	Value adjustments	Net exposure	% b/a
	(a)	(b)	(a)-(b)		(a)	(b)	(a)-(b)	
<b>Cash loans</b>								
Bad loans	614,504	340,307	274,197	55.4	620,714	345,365	275,349	55.6
- banks	-	-	-	...	-	-	-	...
- customers	614,504	340,307	274,197	55.4	620,714	345,365	275,349	55.6
Watchlist loans	257,543	36,154	221,389	14.0	223,443	26,988	196,455	12.1
- banks	41	40	1	97.6	43	40	3	93.0
- customers	257,502	36,114	221,388	14.0	223,400	26,948	196,452	12.1
Rescheduled loans	20,277	778	19,499	3.8	22,625	1,051	21,574	4.6
- banks	16,169	607	15,562	3.8	16,605	607	15,998	3.7
- customers	4,108	171	3,937	4.2	6,020	444	5,576	7.4
Past due loans	251,258	14,051	237,207	5.6	236,905	14,273	222,632	6.0
- banks	235	-	235	-	231	-	231	-
- customers	251,023	14,051	236,972	5.6	236,674	14,273	222,401	6.0
Performing loans	18,947,128	81,438	18,865,690	0.4	17,885,570	73,754	17,811,816	0.4
- banks	1,355,424	-	1,355,424	-	1,494,213	-	1,494,213	-
- customers	17,591,704	81,438	17,510,266	0.5	16,391,357	73,754	16,317,603	0.4
<b>Total cash loans</b>	<b>20,090,710</b>	<b>472,728</b>	<b>19,617,982</b>	<b>2.4</b>	<b>18,989,257</b>	<b>461,431</b>	<b>18,527,826</b>	<b>2.4</b>
- banks	<b>1,371,869</b>	<b>647</b>	<b>1,371,222</b>	<b>0.0</b>	<b>1,511,092</b>	<b>647</b>	<b>1,510,445</b>	<b>0.0</b>
- customers	<b>18,718,841</b>	<b>472,081</b>	<b>18,246,760</b>	<b>2.5</b>	<b>17,478,165</b>	<b>460,784</b>	<b>17,017,381</b>	<b>2.6</b>
<b>Credit commitments</b>								
Impaired	23,201	4,470	18,731	19.3	24,615	5,068	19,547	20.6
- banks	23,201	4,470	18,731	19.3	24,615	5,068	19,547	20.6
Other loans	1,590,003	6,075	1,583,928	0.4	1,531,507	5,864	1,525,643	0.4
- banks	85,875	-	85,875	-	23,421	-	23,421	-
- customers	1,504,128	6,075	1,498,053	0.4	1,508,086	5,864	1,502,222	0.4
<b>Total credit commitments</b>	<b>1,613,204</b>	<b>10,545</b>	<b>1,602,659</b>	<b>0.7</b>	<b>1,556,122</b>	<b>10,932</b>	<b>1,545,190</b>	<b>0.7</b>
- banks	<b>85,875</b>	<b>-</b>	<b>85,875</b>	<b>-</b>	<b>23,421</b>	<b>-</b>	<b>23,421</b>	<b>-</b>
- customers	<b>1,527,329</b>	<b>10,545</b>	<b>1,516,784</b>	<b>0.7</b>	<b>1,532,701</b>	<b>10,932</b>	<b>1,521,769</b>	<b>0.7</b>
<b>Total</b>	<b>21,703,914</b>	<b>483,273</b>	<b>21,220,641</b>	<b>2.2</b>	<b>20,545,379</b>	<b>472,363</b>	<b>20,073,016</b>	<b>2.3</b>
- banks	<b>1,457,744</b>	<b>647</b>	<b>1,457,097</b>	<b>0.0</b>	<b>1,534,513</b>	<b>647</b>	<b>1,533,866</b>	<b>0.0</b>
- customers	<b>20,246,170</b>	<b>482,626</b>	<b>19,763,544</b>	<b>2.4</b>	<b>19,010,866</b>	<b>471,716</b>	<b>18,539,150</b>	<b>2.5</b>

	31/3/07				31/12/06			
	Gross exposure	Value adjustments	Net exposure	% b/a	Gross exposure	Value adjustments	Net exposure	% b/a
	(a)	(b)	(a)-(b)		(a)	(b)	(a)-(b)	
<b>Cash loans</b>								
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
- banks	-	-	-	...	-	-	-	...
- 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
<b>Total cash loans</b>	<b>17,326,640</b>	<b>414,917</b>	<b>16,911,723</b>	<b>2.4</b>	<b>17,162,562</b>	<b>415,010</b>	<b>16,747,552</b>	<b>2.4</b>
- banks	<b>888,876</b>	<b>491</b>	<b>888,385</b>	<b>0.1</b>	<b>1,101,039</b>	<b>491</b>	<b>1,100,548</b>	<b>0.0</b>
- customers	<b>16,437,764</b>	<b>414,426</b>	<b>16,023,338</b>	<b>2.5</b>	<b>16,061,523</b>	<b>414,519</b>	<b>15,647,004</b>	<b>2.6</b>
<b>Credit commitments</b>								
Impaired	22,877	4,180	18,697	18.3	30,532	5,760	24,772	18.9
- banks	-	-	-	...	-	-	-	...
- customers	22,877	4,180	18,697	18.3	30,532	5,760	24,772	18.9
Other loans	1,462,932	4,972	1,457,960	0.3	1,428,404	5,089	1,423,315	0.4
- banks	4,903	-	4,903	-	34,373	-	34,373	-
- customers	1,458,029	4,972	1,453,057	0.3	1,394,031	5,089	1,388,942	0.4
<b>Total credit commitments</b>	<b>1,485,809</b>	<b>9,152</b>	<b>1,476,657</b>	<b>0.6</b>	<b>1,458,936</b>	<b>10,849</b>	<b>1,448,087</b>	<b>0.7</b>
- banks	<b>4,903</b>	<b>-</b>	<b>4,903</b>	<b>-</b>	<b>34,373</b>	<b>-</b>	<b>34,373</b>	<b>-</b>
- customers	<b>1,480,906</b>	<b>9,152</b>	<b>1,471,754</b>	<b>0.6</b>	<b>1,424,563</b>	<b>10,849</b>	<b>1,413,714</b>	<b>0.8</b>
<b>Total</b>	<b>18,812,449</b>	<b>424,069</b>	<b>18,388,380</b>	<b>2.3</b>	<b>18,621,498</b>	<b>425,859</b>	<b>18,195,639</b>	<b>2.3</b>
- banks	<b>893,779</b>	<b>491</b>	<b>893,288</b>	<b>0.1</b>	<b>1,135,412</b>	<b>491</b>	<b>1,134,921</b>	<b>0.0</b>
- customers	<b>17,918,670</b>	<b>423,578</b>	<b>17,495,092</b>	<b>2.4</b>	<b>17,486,086</b>	<b>425,368</b>	<b>17,060,718</b>	<b>2.4</b>

The amount of bad loans pertaining to Liguria was 49.5% of the total. The second-highest region was Lombardy, with 16.6%, followed by

Piedmont and Tuscany with 9.5% and 8.8%, respectively.

#### **BAD LOANS TO CUSTOMERS (1) - GEOGRAPHICAL DISTRIBUTION (2)** *(figures in thousands of €)*

	Situation as at					
	31/03/08		31/12/07		31/03/07	
		%		%		%
Liguria	303,913	49.5%	318,259	51.3%	330,675	55.3%
Lombardy	102,000	16.6%	99,385	16.0%	82,155	13.8%
Piedmont	58,294	9.5%	56,152	9.0%	48,261	8.1%
Tuscany	54,114	8.8%	51,740	8.3%	49,206	8.2%
Emilia Romagna	24,144	3.9%	24,967	4.0%	24,640	4.1%
Latium	22,158	3.6%	21,606	3.5%	18,791	3.1%
Sicily	14,618	2.4%	13,478	2.2%	11,981	2.0%
Veneto	9,577	1.6%	9,677	1.6%	8,962	1.5%
Marches	6,889	1.1%	6,808	1.1%	7,133	1.2%
Apulia	8,612	1.4%	8,507	1.4%	6,933	1.2%
Sardinia	5,077	0.8%	5,380	0.9%	4,088	0.7%
Umbria	3,858	0.6%	3,513	0.6%	3,131	0.5%
<b>Total Italy</b>	<b>613,254</b>	<b>99.8%</b>	<b>619,472</b>	<b>99.8%</b>	<b>595,956</b>	<b>99.8%</b>
Abroad	1,250	0.2%	1,242	0.2%	1,483	0.2%
<b>Total</b>	<b>614,504</b>	<b>100.0%</b>	<b>620,714</b>	<b>100.0%</b>	<b>597,439</b>	<b>100.0%</b>

(1) Before value adjustments.

(2) Figures per branch province.

The bad loans/lending ratio was equal to 3.3%, with uneven changes throughout the regions: Liguria was equal to 3.5%, down compared to the 3.6% of December and the 3.9% of March 2007; it dropped in Lombardy to 3.5%

compared to 3.8% in December while holding steady compared to March 2007. Umbria had the highest ratio (4.8%), up over December (4.4%) and March 2007 (3.7%).

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

*(Percentage values)*

	31/03/08	31/12/07	31/03/07
Umbria	4.8%	4.4%	3.7%
Piedmont	4.6%	4.9%	4.6%
Marches	4.6%	4.4%	4.4%
Apulia	3.8%	3.7%	3.2%
Sicily	3.8%	3.7%	3.8%
Lombardy	3.5%	3.8%	3.5%
Liguria	3.5%	3.6%	3.9%
Tuscany	3.2%	3.1%	3.2%
Latium	2.7%	2.7%	2.5%
Emilia Romagna	2.4%	2.5%	2.6%
Sardinia	2.3%	2.5%	2.0%
Veneto	0.9%	3.4%	3.1%
<b>Total Italy</b>	<b>3.3%</b>	<b>3.6%</b>	<b>3.7%</b>
Abroad	1.5%	1.4%	1.2%
<b>Total</b>	<b>3.3%</b>	<b>3.6%</b>	<b>3.6%</b>

(1) Before value adjustments.

(2) Figures per branch province.

Distribution by business segment shows that bad loans are concentrated in the non-financial businesses and personal businesses (€ 469.6 million) for 76.4% of the total (76.2% in December and 79.5% in March 2007). Families represent the remaining amount of 21.8%

(21.3% in December and 21.1% in March 2007). The business segment with the highest amount of bad loans is building and public works (€ 114.4 million, 18.1%), followed by that of wholesale & retail trade (€ 81.7 million, 13.3%).

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

	31/3/08		31/12/07		31/3/07	
		%		%		%
Public Administration	-	-	-	-	-	-
Financial businesses	12,502	2.0%	11,490	1.9%	10,974	1.8%
Non-financial businesses and personal businesses	469,612	76.4%	472,678	76.2%	475,220	79.5%
<i>Building and public works</i>	111,393	18.1%	105,637	17.0%	108,913	18.2%
<i>Wholesale &amp; retail trade, salvage and repairs</i>	81,739	13.3%	80,465	13.0%	81,609	13.7%
<i>Shipping and air transport</i>	64,790	10.5%	77,540	12.5%	79,548	13.3%
<i>Sales-related services</i>	60,208	9.8%	60,026	9.7%	62,584	10.5%
<i>Metal products</i>	17,385	2.8%	16,607	2.7%	16,618	2.8%
<i>Other</i>	134,096	21.8%	132,402	21.3%	125,949	21.1%
Private social bodies	1,443	0.2%	1,304	0.2%	1,424	0.2%
Families	126,853	20.6%	131,449	21.2%	106,157	17.8%
<b>Total residents</b>	<b>610,409</b>	<b>99.3%</b>	<b>616,921</b>	<b>99.4%</b>	<b>593,775</b>	<b>99.4%</b>
Non residents	4,095	0.7%	3,793	0.6%	3,664	0.6%
<b>Total</b>	<b>614,504</b>	<b>100.0%</b>	<b>620,714</b>	<b>100.0%</b>	<b>597,439</b>	<b>100.0%</b>

(1) Inclusive of expected losses.

The bad loans/lending ratio is 1.9% for families (compared to 2.3% as at December and 2% as at March 2007) and 4.4% for non-financial businesses and personal businesses (4.7% and

5.2% in December and March 2007, respectively.

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

*(Percentage values)*

	Situation as at		
	31/3/08	31/12/07	31/3/07
Public Administration	-	-	-
Financial businesses	2.3%	2.0%	1.4%
Non-financial businesses and personal businesses	4.4%	4.7%	5.2%
- of which (2):			
<i>Sales-related services</i>	2.1%	2.1%	2.6%
<i>Building and public works</i>	5.8%	5.8%	6.7%
<i>Wholesale &amp; retail trade, salvage and repairs</i>	4.1%	4.5%	5.0%
<i>Hotel and catering services</i>	2.5%	2.9%	3.3%
<i>Shipping and air transport</i>	18.8%	24.0%	19.4%
Private social bodies	1.4%	1.3%	1.6%
Families	1.9%	2.3%	2.0%
<b>Total residents</b>	<b>3.3%</b>	<b>3.6%</b>	<b>3.6%</b>
Rest of the world	3.5%	1.9%	4.2%
<b>Total</b>	<b>3.3%</b>	<b>3.6%</b>	<b>3.6%</b>

(1) Inclusive of expected losses.

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

The **securities portfolio** amounts to € 5,270.9 million, down 0.5% during the quarter and 4.4% during the year. Securities held for trading weigh 40.1% and show a 4% reduction during the quarter and a 26.5% decline during the 12-month period. Securities available for sale amount to 46.9%, with a 3.6% increase since the beginning of the year and 27.3% on an annual basis.

Debt securities, equal to € 3,722.8 million, rose 3.6% during the quarter and 6.5% on an annual basis. Equities, equal to € 985.6 million, fell 4.7% compared to December and 6.2% compared to March 2007.

Amongst the equities available for sale we find the equity investment in the Bank of Italy, recorded for € 676.2 million. This value comes from the fair value designation – using the shareholders' equity as the reliable fair value

proxy – made based on the financial statement data of the Bank of Italy as at 31 December 2006.

Mutual investment funds amounted to € 562.5 million, down 16% and 42% in the three-month and 12-month periods, respectively.

## SECURITIES PORTFOLIO *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
Debt securities	3,722,817	3,595,104	3,494,840	3.6	6.5
<i>Held for trading</i>	1,856,091	1,815,270	2,258,047	2.2	-17.8
<i>Available for sale</i>	1,448,128	1,355,613	891,935	6.8	62.4
<i>Fair value</i>	416,138	421,763	342,249	-1.3	21.6
<i>Held to maturity</i>	2,460	2,458	2,609	0.1	-5.7
Equities	985,585	1,034,652	1,050,201	-4.7	-6.2
<i>Held for trading</i>	18,133	24,767	32,844	-26.8	-44.8
<i>Available for sale</i>	967,452	1,009,885	1,017,357	-4.2	-4.9
Shares in collective investment schemes	562,504	669,636	970,035	-16.0	-42.0
<i>Held for trading</i>	240,687	362,849	587,107	-33.7	-59.0
<i>Available for sale</i>	56,358	20,037	32,424	...	73.8
<i>Fair value</i>	265,459	286,750	350,504	-7.4	-24.3
<b>Total</b>	<b>5,270,906</b>	<b>5,299,392</b>	<b>5,515,076</b>	<b>-0.5</b>	<b>-4.4</b>
<i>including:</i>					
<i>Held for trading (1)</i>	2,114,911	2,202,886	2,877,998	-4.0	-26.5
<i>Available for sale</i>	2,471,938	2,385,535	1,941,716	3.6	27.3
<i>Fair value (2)</i>	681,597	708,513	692,753	-3.8	-1.6
<i>Held to maturity</i>	2,460	2,458	2,609	0.1	-5.7

(1) The breakdown does not correspond to the caption 20 "Financial assets held for trading" as it does not include derivatives.

(2) The breakdown does not correspond to the caption 30 "Financial assets designated at fair value" as it does not include any amount invested in liquidity by Carige Vita Nuova against the unit linked e index linked insurance contracts for which investment risk is born

**Assets from hedging derivatives** total € 18.6 million, on the decline compared to the € 23.9 million of December (-22.4%) but on the rise compared to the € 15.4 million of March 2007 (+20.8%). The **liabilities due to hedging derivatives**, equal to € 25.1 million, is higher than the December figure of 20.2

million (+24.4%) and the 23.6 million posted in March 2007 (+6.3%).

Hedging derivatives were recorded at € 14 million of revaluations and € 5.6 million of write-downs. Considering the negative € 7.6 million net change of hedging, the net income is € 0.8 million.

## ASSETS FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of €)

	Situation as at			Change %	
	31/3/08	31/12/07	31/3/07	03/08 12/07	03/08 03/07
<b>Asset hedging derivatives</b>	<b>931</b>	<b>1,040</b>	<b>1,485</b>	<b>-10.5</b>	<b>-37.3</b>
Fair value hedging	931	1,040	1,485	-10.5	-37.3
<i>interest rates</i>	931	1,040	1,485	-10.5	-37.3
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	-	-	-	...	...
<b>Liability hedging derivatives</b>	<b>17,654</b>	<b>22,896</b>	<b>13,894</b>	<b>-22.9</b>	<b>27.1</b>
Fair value hedging	6,974	3,153	8,158	...	-14.5
<i>interest rates</i>	6,974	3,153	8,158	...	-14.5
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	10,680	19,743	5,736	-45.9	86.2
<b>Total</b>	<b>18,585</b>	<b>23,936</b>	<b>15,379</b>	<b>-22.4</b>	<b>20.8</b>

## LIABILITIES FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of €)

	Situation as at			Change %	
	31/3/08	31/12/07	31/3/07	03/08 12/07	03/08 03/07
<b>Asset hedging derivatives</b>	<b>11,181</b>	<b>6,441</b>	<b>9,402</b>	<b>73.6</b>	<b>18.9</b>
Fair value hedging	11,181	6,441	9,402	73.6	18.9
<i>interest rates</i>	11,181	6,441	9,402	73.6	18.9
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	-	-	-	...	...
<b>Liability hedging derivatives</b>	<b>13,892</b>	<b>13,722</b>	<b>14,175</b>	<b>1.2</b>	<b>-2.0</b>
Fair value hedging	7,744	12,566	13,871	-38.4	-44.2
<i>interest rates</i>	7,744	12,566	13,871	-38.4	-44.2
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	6,148	1,156	304	...	...
<b>Total</b>	<b>25,073</b>	<b>20,163</b>	<b>23,577</b>	<b>24.4</b>	<b>6.3</b>

The notional value of derivative contracts equalled € 6,504.9 million, in line with the December 2007 figure (+0.7%) but having dropped 12.9% over the year.

Financial derivatives make up 96.5% of the total.

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

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
Financial derivatives	6,280,450	6,277,524	7,284,821	0.0	-13.8
<i>futures</i>	11,006	6,040	16,996	82.2	-35.2
<i>forward agreements</i>	621,878	673,869	808,230	-7.7	-23.1
<i>forward rate agreements</i>	-	-	-	...	...
<i>swap</i>	4,233,603	4,156,220	4,451,021	1.9	-4.9
<i>options purchased</i>	1,139,451	1,156,791	1,348,191	-1.5	-15.5
<i>others</i>	274,512	284,604	660,383	-3.5	-58.4
Credit derivatives	224,473	184,527	187,139	21.6	19.9
<i>tror</i>	8,487	13,234	18,094	-35.9	-53.1
<i>cds</i>	215,986	171,293	169,045	26.1	27.8
				...	...
<b>TOTAL</b>	<b>6,504,923</b>	<b>6,462,051</b>	<b>7,471,960</b>	<b>0.7</b>	<b>-12.9</b>



Trading derivatives amount to € 210 million, down compared to December 2007 (-9.2%) and March 2007 (-36.7%).

Revaluations totalling € 47 million were recorded on the trading derivatives and write-

downs came to € 49.1 million, with net losses of € 5 million. The consequent loss is € 7.1 million.

### TRADING DERIVATIVES *(figures in thousands of €)*

	Situation as at			Change %	
	31/3/08	31/12/07	31/3/07	03/08 12/07	03/08 03/07
<b>Positive countervalues</b>	<b>74,207</b>	<b>103,598</b>	<b>147,862</b>	<b>-28.4</b>	<b>-49.8</b>
Financial derivatives	68,464	101,744	147,759	-32.7	-53.7
<i>forward agreements</i>	8,624	3,739	40,678	...	-78.8
<i>swap</i>	10,875	12,295	12,785	-11.5	-14.9
<i>options purchased</i>	48,965	85,710	94,296	-42.9	-48.1
Credit derivatives	5,743	1,854	103	...	...
<i>cds</i>	5,743	1,854	103	...	...
<b>TOTAL</b>	<b>74,207</b>	<b>103,598</b>	<b>147,862</b>	<b>-28.4</b>	<b>-49.8</b>
<b>Negative countervalues</b>	<b>135,772</b>	<b>127,539</b>	<b>184,083</b>	<b>6.5</b>	<b>-26.2</b>
Financial derivatives	134,075	126,906	182,394	5.6	-26.5
<i>forward agreements</i>	3,235	4,047	2,498	-20.1	29.5
<i>swap</i>	120,344	112,817	162,655	6.7	-26.0
<i>issued options</i>	10,496	10,042	17,241	4.5	-39.1
Credit derivatives	1,697	633	1,689	...	0.5
<i>cds</i>	1,671	623	1,583	...	5.6
<b>TOTAL</b>	<b>135,772</b>	<b>127,539</b>	<b>184,083</b>	<b>6.5</b>	<b>-26.2</b>

All told, the net income on derivative contracts totalled € 6.3 million. Trading contracts showed

a loss of € 7.1 million, while hedging contracts came to a positive balance of € 0.8 million.

### NET INCOME ON DERIVATIVE CONTRACTS AS AT 31/03/08

*(figures in thousands of €)*

	Revaluations	Write-downs	Net profit on trading	Net income
1. Trading contracts	46,996	- 49,112	- 4,972	- 7,088
1.1 Financial derivatives	39,489	- 46,943	- 4,484	- 11,938
1.2 Credit derivatives	7,507	- 2,169	- 488	4,850
	Revaluations	Write-downs	Changes in underlying from hedging	Net income
2. Hedging contracts	13,974	- 5,566	- 7,626	782
2.1 Asset hedging	-	- 4,539	4,414	- 125
2.2 Liability hedging	13,974	- 1,027	- 12,040	907
<b>TOTAL</b>	<b>60,970</b>	<b>- 54,678</b>	<b>- 12,598</b>	<b>- 6,306</b>

## NET INCOME BY BUSINESS SEGMENT

The primary business segment reporting section has been broken down based on the major business segments, according to customer segmentation.

A secondary reporting section by geographical area was not presented because the Group operates in a relatively homogeneous geographic context. All branches are located in Italy except the one in Nice, which represents a marginal share of the Bank's activity.

The figures referring to first quarter 2007 and the year 2007 were reconstructed in line with the current internal customer segmentation criteria so that a time comparison can be attained.

**Ordinary customers** (Private and Affluent, Corporate and Retail) closed first quarter 2008 with the following income statement and balance sheet results:

- The **Private** and **Affluent** recorded gross operating income of € 47.1 million, or 22.5% of the total result, up 4.3% over March 2007 mainly due to the changes in rates. After deducting the € 28.9 million in operating costs (22.9% of the total), profit from ordinary activities amounted to € 18 million, essentially in line with the result of first quarter 2007 and equal to 27.6% of the total gross profit of the Group. Cost/income equalled 61.4% (+2.4% with respect to March 2007). With regard to aggregate balance sheet items, amounts owed to customers showed a 27.5% increase over 31 March 2007, reaching € 4,132 million (37.8% of the Group total). Securities in issue and financial liabilities designated at fair value amounted to € 3,527 million, 40% of the total (+6.7% compared to March 2007). Loans, which totalled € 521 million, remained on marginal levels (2.9% of the Group total);
- The **Corporate**, segment, for the most part represented by small and medium sized companies, showed a € 48.2 million gross operating income (23% of the total) and a net income from financial and insurance management equal to € 45.4 million (23.7% of the total), up 7.5% and 14.5% compared to first quarter 2007, respectively,

owing to the changes in deposits. Net of € 9.9 million in operating costs (7.8% of the total), the profit from ordinary activities stood at € 35.5 million, +20.4% compared to March 2007. Cost/income improved compared to the previous periods, standing at 20.5%.

With reference to aggregate balance sheet items, loans to customers amounted to € 7,824 million, having increased by 10.5% with respect to 31 March 2007, equal to 42.9% of the Group total. Amounts owed to customers - € 1,326 million (12.1% of the total) - went up 7.5% over March 2007. Securities in issue and financial liabilities designated at fair value are still a marginal share of the Group total (0.8%), and total € 72.6 million;

- The **Retail** segment achieved a € 101.3 million gross operating income (48.4% of the total), up 7.9% over first quarter 2007, and a net income from financial and insurance management equal to € 86.2 million (45% of the total). After operating costs amounting to € 64.9 million, profit from ordinary activities was € 21.3 million (32.6% of the total). Cost/income, equal to 64.1%, is still consistent with that recorded in first quarter 2007.

Lending to customers posted more than 25% growth compared to 31 March 2007, to stand at € 7,884 million at the end of first quarter 2008. Amounts owed to customers, higher than first quarter 2007 by 24.1%, amounted to € 4,180 million, while securities in issue and financial liabilities designated at fair value, € 1,129 million, decreased 5.9% compared to 31 March 2007. In terms of percentage with respect to the Group total, lending equalled 43.2%, amounts owed 8.2% and securities in issue and financial liabilities designated at fair value 12.8%.

The **Wealth Management** segment closed first quarter 2008 with negative results: Gross operating income, including the result of insurance management, equalled € -0.9 million, and the loss from ordinary activities amounted to € -4.8 million.

With reference to aggregate balance sheet items, loans to customers and amounts owed to customers represent a marginal share on the Group total. Securities in issue and financial liabilities designated at fair value amounted to €

711 million (-3.5% with respect to 31 March 2007), for a weight on the Group total of 8.1%.

At the end of first quarter 2008, the **Other** segment presents negative results compared to first quarter 2007, mainly owing to the worse result the Finance area attained: the loss of

operating income comes to € -4.8 million. As for the asset components, securities in issue and financial liabilities designated at fair value amounted to € 3,374 million (38.3% of the total), +4.5% compared to 31 March 2007.

## Business segments

(figures in thousands of €)

	Private and Affluent	Corporate	Retail	Wealth Management	Other	TOTAL
<b>Gross operating income<sup>(1)</sup></b>						
1st quarter 2008	47,097	48,205	101,263	-939	13,695	209,321
year 2007	180,620	181,871	389,578	19,782	186,215	958,066
1st quarter 2007	45,161	44,836	93,866	6,789	48,576	239,228
<b>Net income from financial and insurance management<sup>(2)</sup></b>						
1st quarter 2008	46,954	45,413	86,173	-597	13,532	191,475
year 2007	180,442	156,722	344,844	16,058	186,840	884,906
1st quarter 2007	45,099	39,664	84,311	6,789	51,683	227,546
<b>Operating costs</b>						
1st quarter 2008	-28,937	-9,871	-64,911	-4,249	-18,286	-126,254
year 2007	-101,352	-41,792	-251,909	-14,819	-105,446	-515,318
1st quarter 2007	-26,644	-10,155	-60,216	-3,868	-22,655	-123,538
<b>Profit (loss) from ordinary activities</b>						
1st quarter 2008	18,017	35,542	21,262	-4,846	-4,754	65,221
year 2007	79,090	114,930	92,935	1,239	81,394	369,588
1st quarter 2007	18,455	29,509	24,095	2,921	29,028	104,008
<b>Cost income (%)</b>						
1st quarter 2008	61.4	20.5	64.1	-452.6	133.5	60.3
year 2007	56.1	23.0	64.7	74.9	56.6	53.8
1st quarter 2007	59.0	22.6	64.2	57.0	46.6	51.6
<b>Net interbank</b>						
31/03/2008				13,216	-567,325	-554,109
31/12/2007				21,149	-897,580	-876,431
31/03/2007				15,355	-653,781	-638,426
<b>Loans to customers</b>						
31/03/2008	521,301	7,824,118	7,883,932	10,977	2,006,432	18,246,760
31/12/2007	507,711	7,480,292	6,820,091	18,499	2,190,788	17,017,381
31/03/2007	456,019	7,080,423	6,298,147	15,954	2,172,795	16,023,338
<b>Amounts owed to customers</b>						
31/03/2008	4,131,626	1,326,396	4,180,054	1,618	1,294,573	10,934,267
31/12/2007	3,602,599	1,174,060	3,464,325	1,839	1,329,122	9,571,945
31/03/2007	3,241,044	1,233,335	3,367,643	1,380	1,157,154	9,000,556
<b>Securities in issue and financial liabilities designated at fair value</b>						
31/03/2008	3,527,015	72,589	1,129,269	711,448	3,373,765	8,814,086
31/12/2007	3,284,311	55,053	1,128,429	757,516	3,346,430	8,571,739
31/03/2007	3,304,091	60,361	1,200,457	737,320	3,228,653	8,530,882

(1) Including the income from insurance management

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

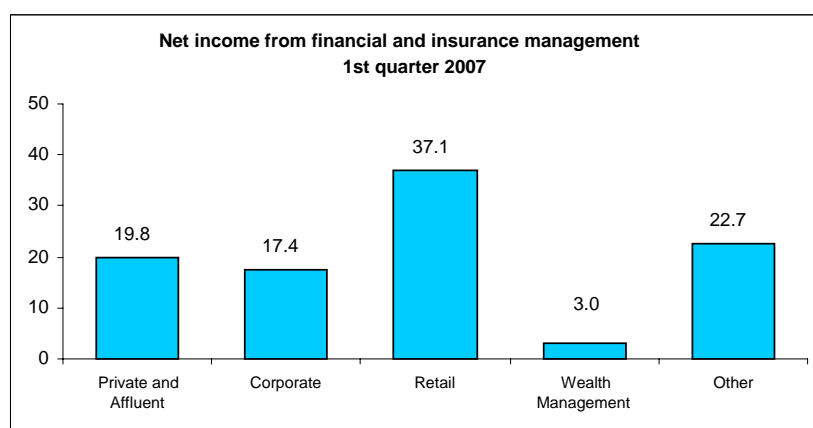
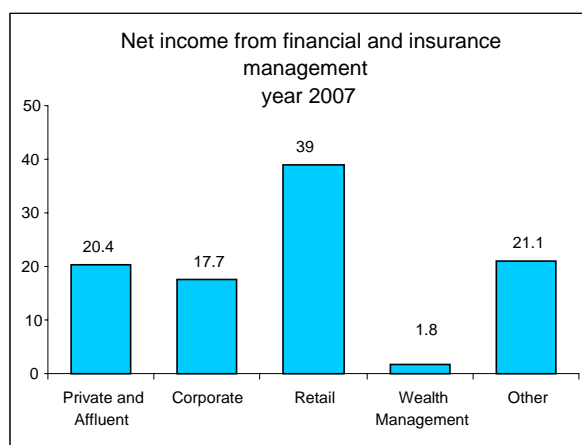
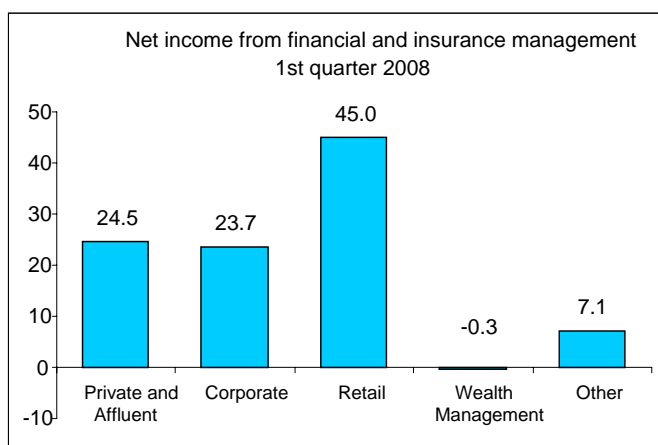
## Business segments

(% total)

	Private and Affluent	Corporate	Retail	Wealth Management	Other	TOTAL
<b>Gross operating income<sup>(1)</sup></b>						
1st quarter 2008	22.5	23.0	48.4	-0.4	6.5	100.0
year 2007	18.9	19.0	40.7	2.1	19.4	100.0
1st quarter 2007	18.9	18.7	39.2	2.8	20.3	100.0
<b>Net income from financial and insurance management<sup>(2)</sup></b>						
1st quarter 2008	24.5	23.7	45.0	-0.3	7.1	100.0
year 2007	20.4	17.7	39.0	1.8	21.1	100.0
1st quarter 2007	19.8	17.4	37.1	3.0	22.7	100.0
<b>Operating costs</b>						
1st quarter 2008	22.9	7.8	51.4	3.4	14.5	100.0
year 2007	19.7	8.1	48.9	2.9	20.5	100.0
1st quarter 2007	21.6	8.2	48.7	3.1	18.3	100.0
<b>Profit (loss) from ordinary activities</b>						
1st quarter 2008	27.6	54.5	32.6	-7.4	-7.3	100.0
year 2007	21.4	31.1	25.1	0.3	22.0	100.0
1st quarter 2007	17.7	28.4	23.2	2.8	27.9	100.0
<b>Loans to customers</b>						
31/03/2008	2.9	42.9	43.2	0.1	11.0	100.0
31/12/2007	3.0	44.0	40.1	0.1	12.9	100.0
31/03/2007	2.8	44.2	39.3	0.1	13.6	100.0
<b>Amounts owed to customers</b>						
31/03/2008	37.8	12.1	38.2	0.0	11.8	100.0
31/12/2007	37.6	12.3	36.2	0.0	13.9	100.0
31/03/2007	36.0	13.7	37.4	0.0	12.9	100.0
<b>Securities in issue and financial liabilities designated at fair value</b>						
31/03/2008	40.0	0.8	12.8	8.1	38.3	100.0
31/12/2007	38.3	0.6	13.2	8.8	39.0	100.0
31/03/2007	38.7	0.7	14.1	8.6	37.8	100.0

(1) Including the income from insurance management

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



## TRANSACTIONS WITH RELATED PARTIES

Relations with shareholders who exercise a significant influence, subsidiaries and other related parties are regulated according to market conditions. As at 31 March 2008 the assets and liabilities were the following:

	Assets	Liabilities	Guarantees and commitments	Revenues	Expenses	Dividends
Carige shareholders who exercise a significant influence	905	1,930		262	64	-
Subsidiaries outside the area of consolidation	206	121			261	-
Companies subject to significant influence	5,845	2,906	25	16	1,641	-
<b>TOTAL</b>	<b>6,956</b>	<b>4,957</b>	<b>25</b>	<b>278</b>	<b>1,966</b>	<b>-</b>

Relationships with subsidiaries included in the area of consolidation were not taken into account.

Figures in thousands of €

Relationships with other related parties were the following:

Assets	Liabilities	Guarantees and commitments	Revenues	Expenses	Purchase of assets and insurance	Premiums services	Indemnities and insurance redemptions
44,029	16,650	13,542	648	79	-	43	87
<b>44,029</b>	<b>16,650</b>	<b>13,542</b>	<b>648</b>	<b>79</b>	<b>-</b>	<b>43</b>	<b>87</b>

Figures in thousands of €

Related parties are defined as:

- 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.
- Close relatives of one of the parties pursuant to the point above; 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.
- parties controlled by, jointly controlled by or subject to the significant influence of one of the entities pursuant to the foregoing points or in which said entities hold, directly or indirectly, a significant portion of the voting rights.

regarding the performance of the risk indicators from rating sources (PD, LGD and EAD);

- operational nature, aimed at overseeing the quality of the credit disbursed, by means of diversified action based on differentiated criteria on the base of the customer segment, the product type, etc., which envisage a standardized 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.

In this area development of the project of assigning an internal rating to customers continued during the first three months.

In particular, as far as the small-to-medium sized companies (SME) model is concerned, whose output was integrated into the Group's IT systems in order to assign a probability of default (PD) each month, model re-estimation activities were completed for the purpose of taking into account the new definition of default provided by the Audit Instructions and of refining the performances seen.

With regard to the large corporate counterparts, a rating was adopted using the results provided by the central registry of the Italian Credit Risk Information System Project (SIRC). However, a new judgemental model was developed in-house that will make it possible to assign a rating to all customers of the segment. This model will be implemented in 2008 as part of the organisational and IT procedures of the banks.

With regard to the retail customers (private and small business), the internal performance rating model was set up, on which data prediction and stability audits were carried out. Activities of defining internal PD models for first-time disbursement have also practically come to completion for the same segment. It is scheduled to go into production in 2008.

When the audits in progress on the internal models come to an end, an activity of

## RISK MANAGEMENT

Even though it keeps up adequate levels of supervision and analysis within the individual member banks of the Group, the Parent Bank manages Pillar 1 and Pillar 2 risks for all subsidiaries in an integrated context, pursuant to the Audit Instructions issued by the Bank of Italy (circ. 263 of 27 December 2006 and subsequent updates).

The **credit risk** measurement, management and control process comprises the following:

- Credit Risk Management, aimed at the strategic governance of the lending activities, by means of the monitoring of the portfolio quality on the basis of analysis

integrating the PDs calculated in the procedures of deciding on credit lines is scheduled.

At the same time, the activities for coming up with a new model for calculating loss in the event of insolvency (Loss Given Default – LGD) depending on the customer segment and the type of product and guarantee have been completed, and in-depth analyses have been made so as to be able to implement Credit Risk Mitigation techniques.

Activities for creating a lending datawarehouse also continued during the first three months. Information necessary for supplying the rating calculation engines can be retrieved from this datawarehouse so as to improve operation of

the Credit Risk Management (CRM) system of the Carige Group.

As for the more traditional risk control analyses, a monthly monitoring of the impact of abnormal loans (bad, watchlist loans and revocations, past due) on total loans and the changes of the revoked positions is carried out.

As far as **solvency profiles** are concerned, the Carige Group confirms it is in line with all risk indicators currently in force as set by the Bank of Italy. The Regulatory Capital as at 31 March 2008, calculated according to current regulations (Audit Instructions dictated by circular no. 263 of 27 December 2006 and subsequent amendments) is estimated to be € 1,570.1 million.

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

	Situation as at		
	31/3/08 (1) (2)	31/12/07	31/3/07 (1)
<b>Tier 1 capital: positive elements (a)</b>	<b>3,062,708</b>	<b>2,110,531</b>	<b>2,029,443</b>
Share capital	1,799,448	1,399,599	1,394,737
Reserves	171,230	171,230	108,742
Additional paid-in capital	1,018,463	466,135	464,087
Profit for the period	73,567	73,567	61,877
			-
<b>Tier 1 capital: negative elements (b)</b>	<b>1,709,447</b>	<b>694,508</b>	<b>666,347</b>
Goodwill	1,661,519	646,580	646,457
Other negative elements and prudential filters	47,928	47,928	19,890
<b>Prudential filters for regulatory capital (c)</b>	<b>-2,973</b>	<b>-2,973</b>	<b>6,447</b>
<b>Deductions (d) (1)</b>	<b>17,907</b>	<b>8,652</b>	<b>15,305</b>
<b>Total Tier 1 capital (e = a-b+c-d)</b>	<b>1,332,381</b>	<b>1,404,398</b>	<b>1,354,238</b>
<b>Tier 2 capital (f) (1)</b>	<b>586,001</b>	<b>597,291</b>	<b>581,011</b>
<b>Deductions (g) (1)</b>	<b>350,264</b>	<b>350,264</b>	<b>350,859</b>
<b>Regulatory capital (e+f-g)</b>	<b>1,568,118</b>	<b>1,651,425</b>	<b>1,584,390</b>
<b>Tier 3 capital (3)</b>	-	-	<b>79,961</b>
<b>Tier 3 calculable portion (3)</b>	-	-	<b>79,961</b>
<b>Regulatory capital including Tier 3 (3)</b>	<b>1,568,118</b>	<b>1,651,425</b>	<b>1,664,351</b>

(1) The figures relating to the regulatory capital as at 31/3/2008 and 31/3/2007 result from accounting and management estimates, as the official consolidated figures (Information form "1") are provided only in June and December.

(2) It should be mentioned that the new disclosure schemes relating to the regulatory capital come into effect starting from 31/12/2007. The figure relating to the Tier 3 capital as at 31/3/2007 is therefore reported only for information purposes and does not take into account the disclosure schemes which were in force in that period.

(3) The Regulatory capital estimated as at 31/3/2008 takes into account the goodwill relating to the acquisition of the Intesa San Paolo branches, temporarily amounting to 1,015 million. It should be mentioned that, following the contract provisions, this amount will be subject to a new calculation that will likely have positive effects on the Regulatory capital during the second quarter.

Please be reminded that Bank of Italy circular no. 263 of 27 December 2006, which assimilates the New Agreement on Capital (so-called Basel 2) went into effect on 1 January 2008 for calculating capital requirements. The

share of Regulatory Capital destined to credit, market and operational risks is equal to € 1,445.0 million (92% of the Regulatory Capital), so the surplus capital stands at € 125.2 million.



## CONSOLIDATED REGULATORY CAPITAL AND SOLVENCY RATIOS

(figures in thousands of €)

	Situation as at		
	31/3/08 (1) (3)	31/12/07 (1)	31/3/07 (1) (2)
<b>Regulatory capital including Tier 3</b>	1,568,118	1,651,425	1,664,351
<b>Weighted assets</b>			
Credit risk	14,609,013	16,192,913	14,726,425
Market risk	1,814,814	1,299,075	1,347,863
Operational risk	1,638,175	-	-
Other prudential requirements	-	484,638	538,413
Total weighted assets	18,062,002	17,976,625	16,612,701
<b>Capital requirements</b>			
Credit risk	1,168,721	1,295,433	1,178,114
Market risk	145,185	103,926	107,829
Operational risk	131,054	-	-
Other prudential requirements	-	38,771	43,073
Total	1,444,960	1,438,130	1,329,016
<b>Subordinated loans covering market risks</b>	-	-	79,961
<b>Surplus capital</b>	123,158	213,295	335,335
<b>Solvency ratios (%) (1)</b>			
Tier 1 capital/Credit risk weighted assets	9.12%	8.67%	9.20%
Regulatory capital/Credit risk weighted assets	10.73%	10.20%	10.76%
Tier 1 capital/Total weighted assets	7.38%	7.81%	8.15%
Regulatory capital/Total weighted assets	8.68%	9.19%	10.02%

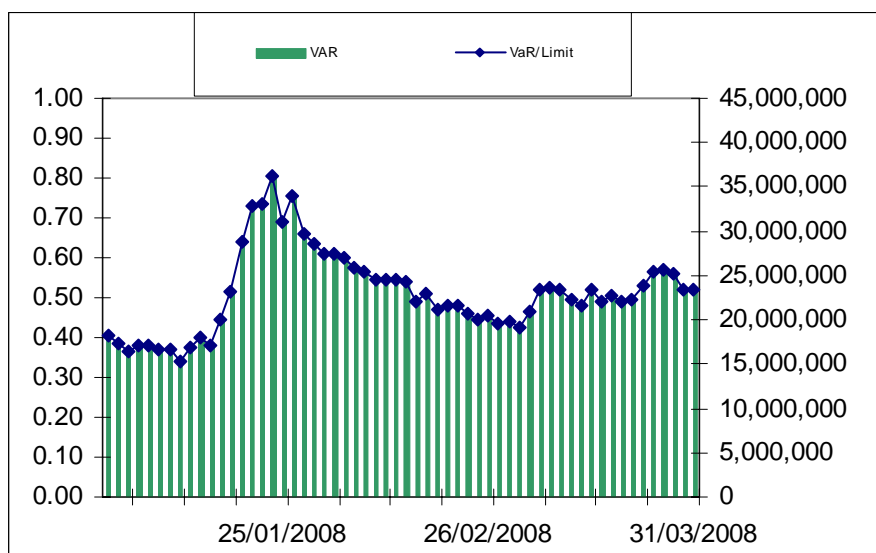
(1) The figures regarding the regulatory capital as at 31/3/2008 and 31/3/2007 result from accounting and management estimates, as the official consolidated figures (Information form "1") are provided only in June and December. The figures relating to the capital requirements as at 31/12/2007 are official and therefore they differ from the management data shown in the financial statements.

(2) It should be mentioned that the new disclosure schemes related to the regulatory capital come into effect starting from 31/12/2007. The figure relating to the Tier 3 capital as at 31/3/2007 is therefore reported only for information purposes and does not take into account the disclosure schemes which were in force in that period.

(3) The Regulatory capital estimated as at 31/3/2008 takes into account the goodwill relating to the acquisition of the Intesa San Paolo branches, temporarily amounting to 1,015 million. It should be mentioned that, following the contract provisions, this amount will be subject to a new calculation that will likely have positive effects on the Regulatory capital during the second quarter.

**Market risk** is measured on the portfolio of securities and derivatives by way of the daily calculation of Value at Risk (VaR) according to the Montecarlo approach, with a confidence interval of 99% and a holding period of ten days. The maximum decadal VaR on the Group level for 2008 is € 60 million, whereas the operating threshold is € 45 million. The overall

average VaR of the first three months of 2008 – referring to the Group's entire portfolio of securities and derivatives – was equal to € 23.1 million. The maximum figure of the period (€ 36.2 million) was recorded on 24 January, and the minimum figure (€ 15.2 million) was recorded on 11 January.



The VaR analysis on the portfolio of securities and derivatives is integrated by a daily monitoring of the profitability profiles entailing measurement of the interest accrued, profits and losses, gains and losses seen on the financial instruments held in the portfolio. Profitability calculated in this manner is constantly compared to the forecasts made in the Budget.

The **interest rate risk** analysis is made each month with Gap analysis (in the three incremental gap, incremental beta gap and shifted beta gap methodologies), Duration analysis, Sensitivity analysis and Maximum probable loss analysis techniques.

With reference to the shifted gap analysis and in a 12-month time frame, the figures as at 31 March 2008 show an increase of the margin in case of growth of two rate points, equal to € 74.2 million (of which € 52.3 million pertain to the banking book and € 21.9 million to the trading book) and a decrease of the margin in case of decrease of two rate points, equal to € -71.6 million (of which -49.8 million regarding the banking book and -21.8 million the trading book). The average figures recorded during the first three months of 2008 are shown in the following table.

	Shock: -2%				Shock: +2%			
	On-balance sheet		Off-balance sheet	Total	On-balance sheet		Off-balance sheet	Total
	Sight	Maturity			Sight	Maturity		
a - Incremental gap	130.8	-79.5	5.4	56.6	-140.9	81.6	-6.1	-32.2
b - Incremental beta gap	14.9	-79.5	5.4	-59.3	-18.6	81.6	-6.1	56.9
c - Shifted beta Gap	16.9	-79.5	5.4	-57.2	-12.8	81.6	-6.1	62.7

*beta: indicator of the estimated elasticity of sight positions to changes in rates  
Figures in million of €*

As for the **liquidity risk**, a number of focussed analyses are carried out, particularly on the medium/long-term segment, checking the gap between medium/long-term lending and deposits in terms of stock and in terms of flows falling due, in order to assess their forecast development and congruity with the hedging

policies set out in the Budget. The short-term liquidity risk is monitored by analysing daily the net treasury position, liquidity reserves and the daily income on the Group level.

With regard to **operational risks**, the Group participates in the DIPO consortium (Database Italiano Perdite Operative), set up upon the

initiative of the ABI to assess the ratio between profitability and risk for each of the business lines provided for by the Basle Committee in a more complete manner.

With regard to the computerized information system centralised at the Parent Bank in relation to the risks associated with the lack of operations, the Parent Bank has established a Business continuity and Disaster recovery plan that is periodically tested.

## RESOURCES MANAGEMENT

The Carige Group distribution system is broken down into three large families of channels: traditional, remote and mobile.

**Traditional channels** (or physical) comprise the branches and the network of consultants (private, corporate, affluent and small business). Seventy-nine new branches joined the group in March 2008 as part of the Intesa Sanpaolo branch acquisition transaction. These branches are located in eight provinces: Turin (15), Aosta (1), Como (19), Pavia (6), Padua (15), Rovigo (1), Venice (18) and Sassari (4).

Following this operation and upon the opening of two new branches by the Parent Bank (one in Genoa and one in Florence), the total number

of **branches** at the end-of-quarter rose to 603, compared to the 522 at year-end and the 512 of March 2007.

As a consequence, the number in Liguria dropped from 48.1% to 41.8% during the quarter.

The personal finance consultancy service is targeted at high profile customers (private) and consists of a network of 138 consultants.

The personal finance consultancy service is partnered with the corporate finance consultancy service, consisting of 115 consultants who focus on the medium-sized companies and the large companies.

Affluent customers are helped by the Financial Investments Consultancy service, which today consists of 149 consultants, and the Small Business service, supported by a network of 173 consultants.

With regard to the **remote channels**, there are 14 "Bancacontinua" branches, one more than year-end 2007, while there are 710 ATM branches (625 as at December and 609 as at March 2007). Contracts for on line – Internet services and call centers number more than 144,000, showing an increase during the three- and 12-month periods of about 11,000 and 31,000, respectively.

The Group also has a network of 260 insurance agencies located throughout the country (263 in December and 257 in March 2007).

## BRANCH NETWORK

### A) TRADITIONAL CHANNELS

	31/03/08		31/12/07		31/03/07	
	number	% S	number	% S	number	% S
<b>NORTHWEST</b>	<b>381</b>	<b>63.0</b>	<b>339</b>	<b>64.9</b>	<b>332</b>	<b>64.8</b>
Liguria	252	41.8	251	48.1	250	48.8
- Genoa	138	22.9	137	26.2	136	26.6
- Savona	64	10.6	64	12.3	64	12.5
- Imperia	29	4.8	29	5.6	29	5.7
- La Spezia	21	3.5	21	4.0	21	4.1
Lombardy	72	11.9	47	9.0	43	8.4
Piedmont	56	9.3	41	7.9	39	7.6
Valle d'Aosta	1	0.2	-	-	-	-
<b>NORTHEAST</b>	<b>69</b>	<b>11.4</b>	<b>35</b>	<b>6.7</b>	<b>32</b>	<b>6.3</b>
Emilia Romagna	23	3.8	23	4.4	20	3.9
Veneto	46	7.6	12	2.3	12	2.3
<b>CENTRE</b>	<b>95</b>	<b>15.8</b>	<b>94</b>	<b>18.0</b>	<b>94</b>	<b>18.4</b>
Tuscany	57	9.5	56	10.7	56	10.9
Latium	33	5.5	33	6.3	33	6.4
Marches	4	0.7	4	0.8	4	0.8
Umbria	1	0.2	1	0.2	1	0.2
<b>SOUTH AND ISLANDS</b>	<b>57</b>	<b>9.5</b>	<b>53</b>	<b>10.2</b>	<b>53</b>	<b>10.4</b>
Sicily	37	6.1	37	7.1	37	7.2
Apulia	9	1.5	9	1.7	9	1.8
Sardinia	11	1.8	7	1.3	7	1.4
<b>ABROAD: Nice (France)</b>	<b>1</b>	<b>0.2</b>	<b>1</b>	<b>0.2</b>	<b>1</b>	<b>0.2</b>
<b>TOTAL NUMBER OF BRANCHES</b>	<b>603</b>	<b>99.8</b>	<b>522</b>	<b>100.0</b>	<b>512</b>	<b>100.0</b>

	31/03/08	31/12/07	31/03/07
Private consultants	123	123	107
Corporate consultants	115	115	111
Affluent consultants	144	140	124
Small business consultants (1)	173	172	200
<b>TOTAL CONSULTANTS</b>	<b>555</b>	<b>550</b>	<b>542</b>

(1) In the periods before 31/12/2007 a small business facility was assigned also to the Liguria branches to which no dedicated consultant f

### B) REMOTE CHANNELS

	31/03/08	31/12/07	31/03/07
ATM - Bancomat	710	625	609
Self-service "Bancacontinua" branches	14	13	14
On line services (2)	144,297	133,502	113,706

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

### C) MOBILE CHANNELS

	31/03/08	31/12/07	31/03/07
Insurance agencies (3)	260	263	257

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

Group **employees** totalled 5,622 at the end of March 2008 (5,069 in December and 5,034 in March 2007). This increase came about due to the acquisition of 79 former ISP branches (the number of employees at these branches at the end of March 2008 was 554). Bank employees totalled 5,261, compared to 4,706 in December and 4,675 in March 2007. Executives represent 1.2% of the total, managers 23.3% and other employees 75.5% of the total. The number of employees operating on the market (67.3% of the total) rose over December

and March 2007 (66.7% and 67%, respectively), whereas it shows a slight decline when compared with the 12-month figure (67.0% as at March 2007) following the activation of two centralised back office centres where the back office activities of the branches are carried out for all Group branches. Insurance personnel numbered 361 (363 and 359 as at December and March 2007, respectively).

## PERSONNEL

	31/03/08		31/12/07		31/03/07	
	number	%	number	%	number	%
<i>Number of bank employees</i>						
<b>Grade</b>						
Executives	62	1.2	64	1.4	68	1.5
Managers	1,228	23.3	1,073	22.8	1,107	23.7
Other employees	3,971	75.5	3,569	75.8	3,500	74.9
<b>TOTAL</b>	<b>5,261</b>	<b>100.0</b>	<b>4,706</b>	<b>100.0</b>	<b>4,675</b>	<b>100.0</b>
<b>Activities</b>						
Head offices	1,722	32.7	1,568	33.3	1,544	33.0
Branches	3,539	67.3	3,138	66.7	3,131	67.0
<i>Insurance personnel</i>	<i>361</i>		<i>363</i>		<i>359</i>	
<b>TOTAL (banking and insurance)</b>	<b>5,622</b>		<b>5,069</b>		<b>5,034</b>	

## INSURANCE ACTIVITIES

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

	31/03/08	31/12/07	31/03/07	Change %	
				03/08 12/07	03/08 03/07
<b>Net premiums</b>	<b>153,953</b>	<b>684,094</b>	<b>149,278</b>	<b>- 77.5</b>	<b>3.1</b>
Non-life insurance	121,150	529,989	117,027	- 77.1	3.5
<i>recognised gross premiums (+)</i>	<i>125,477</i>	<i>586,252</i>	<i>129,237</i>	- 78.6	- 2.9
<i>premiums ceded to reinsurers (-)</i>	<i>14,161</i>	<i>56,646</i>	<i>12,264</i>	- 75.0	15.5
<i>variations (+/-) to premium reserve gross balances</i>	<i>8,494</i>	<i>-4,977</i>	<i>719</i>	...	...
<i>variations (-/+) to premium reserves charged on reinsurers</i>	<i>1,340</i>	<i>5,360</i>	<i>-665</i>	- 75.0	...
Life insurance	32,803	154,105	32,251	- 78.7	1.7
<i>recognised gross premiums (+)</i>	<i>34,671</i>	<i>162,735</i>	<i>35,103</i>	- 78.7	- 1.2
<i>premiums ceded to reinsurers (-)</i>	<i>1,868</i>	<i>8,630</i>	<i>2,852</i>	- 78.4	- 34.5
<b>Technical reserves</b>	<b>1,963,656</b>	<b>1,955,936</b>	<b>1,814,369</b>	<b>0.4</b>	<b>8.2</b>
Non-life insurance	886,176	888,250	821,830	- 0.2	7.8
<i>premium reserves</i>	<i>234,747</i>	<i>243,241</i>	<i>237,545</i>	- 3.5	- 1.2
<i>accident reserves</i>	<i>650,765</i>	<i>644,345</i>	<i>583,480</i>	1.0	11.5
<i>other reserves</i>	<i>664</i>	<i>664</i>	<i>805</i>	-	- 17.5
Life insurance	1,077,480	1,067,686	992,539	0.9	8.6
<i>mathematical reserves</i>	<i>1,066,632</i>	<i>1,051,951</i>	<i>968,085</i>	1.4	10.2
<i>reserves for amounts payable</i>	<i>4,107</i>	<i>7,604</i>	<i>5,154</i>	- 46.0	- 20.3
<i>other reserves</i>	<i>6,741</i>	<i>8,131</i>	<i>19,300</i>	- 17.1	- 65.1
<b>Technical reserves charged on reinsurers</b>	<b>157,901</b>	<b>160,533</b>	<b>160,381</b>	<b>- 1.6</b>	<b>- 1.5</b>
Non-life insurance	59,638	58,861	53,764	1.3	10.9
<i>premium reserves</i>	<i>12,774</i>	<i>12,020</i>	<i>8,459</i>	6.3	51.0
<i>accident reserves</i>	<i>46,864</i>	<i>46,841</i>	<i>45,305</i>	0.0	3.4
<i>other reserves</i>	-	-	-	...	...
Life insurance	98,263	101,672	106,617	- 3.4	- 7.8
<i>mathematical reserves</i>	<i>97,072</i>	<i>98,943</i>	<i>105,176</i>	- 1.9	- 7.7
<i>reserves for amounts payable</i>	<i>1,689</i>	<i>3,126</i>	<i>1,753</i>	- 46.0	- 3.7
<i>other reserves</i>	<i>-498</i>	<i>-397</i>	<i>-312</i>	25.4	59.6
<b>Economic result</b>	<b>-7,118</b>	<b>-10,337</b>	<b>-2,061</b>		<b>...</b>
Premiums excluding reinsurance	153,953	684,094	149,278		3.1
Net variations to technical reserves	-15,278	-97,195	-29,531		- 48.3
Claims incurred and settled during the year	-110,587	-478,715	-96,374		14.7
Other insurance revenues and expenses	-35,206	-118,521	-25,434		38.4

Net premiums of the insurance activity amounted to € 154 million, up 3.1% since March 2007. A detailed look shows net premiums of non-life insurance rising 3.5%, from € 117 to 121 million, and those of life insurance increasing to € 33 million (€ 32 million in March 2007).

Technical reserves stood at € 1,964 million, up 0.4% compared to December 2007 and 8.2% with respect to March 2007, while those charged on reinsurers fell to € 157.9 million from € 160.5 million of December and € 160.4 million of March 2007.

The economic result of the insurance activity, equal to € -7.1 million, worsened in comparison to the € -2.1 million of the previous year. In detail, net premiums went up 3.1% to € 154 million, claims incurred during the year rose by

14.7% to € 110.6 million, net variations to technical reserves stood at € 15.3 million (€ 29.5 million in March 2007) and net insurance expenses equalled € 35.2 million compared to the € 25.4 million recorded in March 2007.

## EQUITY INVESTMENTS

Equity investments equalled € 56.3 million, in light with the year-end 2007 figure.

### ANNUAL CHANGES IN EQUITY INVESTMENTS

*(figures in thousands of €)*

	31/3/08	31/12/07
A. Opening balance	56,256	66,844
B. Additions	60	6,356
B.1 Acquisitions		2,209
B.2 Write-backs		
B.3 Revaluations		1,468
B.4 Other changes	60	2,679
C. Decreases	-	16,944
C1. Sales		13,512
C2. Value adjustments		188
C3. Other changes		3,244
D. Closing balance	56,316	56,256

## PERFORMANCE OF THE PARENT BANK

### A. The Parent Bank Banca Carige SpA

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>BALANCE SHEET (1)</b>					
Total assets	24,628,287	21,924,741	20,271,935	12.3	21.5
Funding	18,655,551	17,353,608	15,989,386	7.5	16.7
- Direct Deposits (a)	16,514,105	14,810,357	14,303,142	11.5	15.5
* Amounts owed to customers	9,525,004	8,237,718	7,875,181	15.6	20.9
* Securities in issue	6,478,540	6,042,171	5,872,946	7.2	10.3
* Liabilities at fair value	510,561	530,468	555,015	-3.8	-8.0
- Amounts owed to banks	2,141,446	2,543,251	1,686,244	-15.8	27.0
Indirect deposits (b)	18,901,148	16,763,556	16,580,978	12.8	14.0
- Assets under management	9,470,860	8,851,333	8,680,576	7.0	9.1
- Assets in custody	9,430,288	7,912,223	7,900,402	19.2	19.4
Financial Intermediation Activities (FIA) (a+b)	35,415,254	31,573,913	30,884,120	12.2	14.7
Investments (2)	20,333,456	19,074,573	17,784,099	6.6	14.3
- Loans to customers (2)	15,648,713	14,421,456	13,614,925	8.5	14.9
- Loans to banks (2)	1,771,140	1,819,505	1,100,895	-2.7	60.9
- Securities portfolio (2)	2,913,603	2,833,612	3,068,279	2.8	-5.0
Capital and reserves	3,825,528	2,711,615	2,806,389	41.1	36.3

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>INCOME STATEMENT (1)</b>					
Gross operating income	166,074	785,962	182,746		-9.1
Net income from financial management	150,462	717,517	171,446		-12.2
Operating income from ordinary activities before taxes	56,403	329,667	78,823		-28.4
Profit for the period	35,123	210,049	42,090		-16.6

<b>RESOURCES (3)</b>					
Number of branches	494	413	403	19.6	22.6
Staff	4,300	3,739	3,681	15.0	16.8

<b>FINANCIAL RATIOS</b>					
Operating costs					
/Gross operating income (5)	56.64%	49.89%	50.68%		
Operating profit from ordinary activities before taxes					
/Capital and reserves	1.47%	12.16%	2.81%		
ROE	0.92%	7.75%	1.50%		
ROAE (4)	1.07%	7.91%	1.56%		

<b>RISK ASSETS AND REGULATORY RATIOS</b>					
Total Risk-Weighted Assets (1) (6)	15,336,979	15,906,021	14,742,842	-3.6	4.0
Tier 1 capital / RWA	9.73% (7)	9.86%	10.59%		
Regulatory capital/Total weighted assets	10.77% (7)	10.96%	12.23%		

(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 has been calculated based on supervisory regulations in force from time to time.

(7) These amounts, which were estimated pending new regulations on this matter, take into account a still temporary goodwill relative to the acquisition of the Intesa San Paolo Group branches. Their improvement is expected upon the calculation of the final price, which should take place within the end of June.

## A.1 Financial Statements as at 31 March 2008

### ASSETS (figures in thousands of €)

	31/03/08	31/12/07	31/03/07	Change %	
				12/07	3/08 3/07
<b>10 - CASH AND CASH EQUIVALENTS</b>	197,961	195,250	123,045	1.4	60.9
<b>20 - FINANCIAL ASSETS HELD FOR TRADING</b>	1,788,963	1,765,560	2,137,474	1.3	(16.3)
<b>40 - AVAILABLE FOR SALE FINANCIAL ASSETS</b>	1,204,411	1,177,632	1,082,787	2.3	11.2
<b>60 - LOANS TO BANKS</b>	1,771,140	1,819,505	1,100,895	(2.7)	60.9
<b>70 - LOANS TO CUSTOMERS</b>	15,246,012	14,032,624	13,258,624	8.6	15.0
<b>80 - HEDGING DERIVATIVES</b>	17,145	22,578	14,194	(24.1)	20.8
<b>100 - EQUITY INVESTMENTS</b>	946,159	946,094	950,094	0.0	(0.4)
<b>110 - TANGIBLE ASSETS</b>	667,450	659,046	637,554	1.3	4.7
<b>120 - INTANGIBLE ASSETS</b>	1,498,773	482,966	471,140	...	...
<i>including:</i>					
- goodwill	1,461,580	446,642	446,642	...	...
<b>130 - TAX ASSETS</b>	295,312	168,761	223,253	75.0	32.3
<i>a) current</i>	165,806	46,503	96,707	...	71.5
<i>b) advanced</i>	129,506	122,258	126,546	5.9	2.3
<b>150 - OTHER ASSETS</b>	994,961	654,725	272,875	52.0	...
<b>TOTAL ASSETS</b>	<b>24,628,287</b>	<b>21,924,741</b>	<b>20,271,935</b>	<b>12.3</b>	<b>21.5</b>

### LIABILITIES (figures in thousands of €)

	31/03/08	31/12/07	31/03/07	Change %	
				12/07	3/08 3/07
<b>10 - AMOUNTS OWED TO BANKS</b>	2,141,446	2,543,251	1,686,244	(15.8)	27.0
<b>20 - AMOUNTS OWED TO CUSTOMERS</b>	9,525,004	8,237,718	7,875,181	15.6	20.9
<b>30 - DEBT SECURITIES IN ISSUE</b>	6,478,540	6,042,171	5,872,946	7.2	10.3
<b>40 - FINANCIAL LIABILITIES FROM TRADING</b>	165,336	171,830	225,195	(3.8)	(26.6)
<b>50 - FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE</b>	510,561	530,468	555,015	(3.8)	(8.0)
<b>60 - HEDGING DERIVATIVES</b>	22,928	17,831	21,322	28.6	7.5
<b>80 - TAX LIABILITIES</b>	348,047	212,710	352,395	63.6	(1.2)
<i>(a) current</i>	158,243	25,090	160,521	...	(1.4)
<i>(b) deferred</i>	189,804	187,620	191,874	1.2	(1.1)
<b>100 - OTHER LIABILITIES</b>	1,163,006	839,057	414,130	38.6	...
<b>110 - STAFF TERMINATION INDEMNITY</b>	68,034	61,530	83,962	10.6	(19.0)
<b>120 - PROVISIONS FOR RISKS AND CHARGES:</b>	344,734	346,513	337,066	(0.5)	2.3
<i>a) pensions and similar obligations</i>	300,892	300,918	298,108	(0.0)	0.9
<i>b) other provisions</i>	43,842	45,595	38,958	(3.8)	12.5
<b>130 - VALUATION RESERVES</b>	615,450	663,455	651,770	(7.2)	(5.6)
<b>150 - CAPITAL INSTRUMENTS</b>	972	1,219	1,596	(20.3)	(39.1)
<b>160 - RESERVES</b>	405,783	195,795	303,454	...	33.7
<b>170 - ADDITIONAL PAID-IN CAPITAL</b>	1,013,392	461,064	460,127	...	...
<b>180 - CAPITAL</b>	1,789,931	1,390,082	1,389,442	28.8	28.8
<b>200 - PROFIT (LOSS) FOR THE PERIOD</b>	35,123	210,049	42,090	(83.3)	(16.6)
<b>TOTAL LIABILITIES</b>	<b>24,628,287</b>	<b>21,924,741</b>	<b>20,271,935</b>	<b>12.3</b>	<b>21.5</b>



**INCOME STATEMENT** *(figures in thousands of €)*

	31/03/08	31/12/07	31/03/07	Change % 3/08 3/07
10 - INTEREST INCOME AND SIMILAR REVENUES	277,013	1,026,747	228,652	21.2
20 - INTEREST EXPENSES AND SIMILAR CHARGES	(147,166)	(547,226)	(114,216)	28.8
<b>30 - NET INTEREST INCOME</b>	<b>129,847</b>	<b>479,520</b>	<b>114,436</b>	<b>13.5</b>
40 - COMMISSION INCOME	53,126	227,447	57,058	(6.9)
50 - COMMISSION EXPENSES	(7,156)	(30,478)	(6,672)	7.3
<b>60 - NET COMMISSIONS</b>	<b>45,970</b>	<b>196,970</b>	<b>50,386</b>	<b>(8.8)</b>
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	19	57,647	40	(52.5)
80 - NET INCOME FROM TRADING ACTIVITIES	(21,812)	265	13,860	...
90 - NET INCOME FROM HEDGING ACTIVITIES	888	(95)	(196)	...
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	10,722	51,086	4,428	...
<i>a) loans</i>	<i>1,323</i>	<i>5,008</i>	<i>25</i>	...
<i>b) available for sale financial assets</i>	<i>8,767</i>	<i>44,190</i>	<i>5,181</i>	<i>69.2</i>
<i>d) financial liabilities</i>	<i>632</i>	<i>1,887</i>	<i>(778)</i>	...
110 - NET VARIATION OF VALUE OF FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	440	568	(208)	...
<b>120 - GROSS OPERATING INCOME</b>	<b>166,074</b>	<b>785,962</b>	<b>182,746</b>	<b>(9.1)</b>
130 - NET VALUE ADJUSTMENT ON:	(15,612)	(68,445)	(11,300)	38.2
<i>a) loans</i>	<i>(16,313)</i>	<i>(67,423)</i>	<i>(11,949)</i>	<i>36.5</i>
<i>b) available for sale financial assets</i>	-	<i>(371)</i>	-	...
<i>d) other financial assets</i>	<i>701</i>	<i>(650)</i>	<i>649</i>	<i>8.0</i>
<b>140 - NET INCOME FROM FINANCIAL MANAGEMENT</b>	<b>150,462</b>	<b>717,517</b>	<b>171,446</b>	<b>(12.2)</b>
150 - ADMINISTRATIVE COSTS:	(107,056)	(426,897)	(101,955)	5.0
<i>a) staff costs</i>	<i>(62,871)</i>	<i>(256,756)</i>	<i>(60,315)</i>	<i>4.2</i>
<i>b) other administrative costs</i>	<i>(44,185)</i>	<i>(170,141)</i>	<i>(41,640)</i>	<i>6.1</i>
160 - NET PROVISIONS FOR RISKS AND CHARGES	3,144	(1,764)	(246)	...
170 - DEPRECIATION OF TANGIBLE ASSETS	(2,689)	(10,533)	(2,339)	15.0
180 - AMORTIZATION OF INTANGIBLE ASSETS	(3,045)	(9,416)	(1,870)	62.8
190 - OTHER OPERATING EXPENSES AND REVENUES	15,587	56,515	13,787	13.1
<b>200 - OPERATING COSTS</b>	<b>(94,059)</b>	<b>(392,096)</b>	<b>(92,623)</b>	<b>1.6</b>
210 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	3,600	-	...
240 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-	646	-	...
<b>250 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>56,403</b>	<b>329,667</b>	<b>78,823</b>	<b>(28.4)</b>
260 - INCOME TAXES FOR THE PERIOD	(21,280)	(119,619)	(36,733)	(42.1)
<b>270 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES</b>	<b>35,123</b>	<b>210,049</b>	<b>42,090</b>	<b>(16.6)</b>
<b>290 - PROFIT (LOSS) FOR THE PERIOD</b>	<b>35,123</b>	<b>210,049</b>	<b>42,090</b>	<b>(16.6)</b>

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

	31/03/08	31/03/07	CHANGE	4th quarter 2007
10 - INTEREST INCOME AND SIMILAR REVENUES	277,013	228,652	48,361	287,748
20 - INTEREST EXPENSES AND SIMILAR CHARGES	(147,166)	(114,216)	(32,950)	(157,433)
<b>30 - NET INTEREST INCOME</b>	<b>129,847</b>	<b>114,436</b>	<b>15,411</b>	<b>130,314</b>
40 - COMMISSION INCOME	53,126	57,058	(3,932)	60,118
50 - COMMISSION EXPENSES	(7,156)	(6,672)	(484)	(8,205)
<b>60 - NET COMMISSIONS</b>	<b>45,970</b>	<b>50,386</b>	<b>(4,416)</b>	<b>51,914</b>
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	19	40	(21)	8,082
80 - NET INCOME FROM TRADING ACTIVITIES	(21,812)	13,860	(35,672)	(12,054)
90 - NET INCOME FROM HEDGING ACTIVITIES	888	(196)	1,084	(284)
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	10,722	4,428	6,294	28,700
<i>a) loans</i>	<i>1,323</i>	<i>25</i>	<i>1,298</i>	<i>3,656</i>
<i>b) available for sale financial assets</i>	<i>8,767</i>	<i>5,181</i>	<i>3,586</i>	<i>24,108</i>
<i>d) financial liabilities</i>	<i>632</i>	<i>(778)</i>	<i>1,410</i>	<i>935</i>
110 - ?NET VARIATION OF VALUE OF FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	440	(208)	648	(885)
<b>120 - GROSS OPERATING INCOME</b>	<b>166,074</b>	<b>182,746</b>	<b>(16,672)</b>	<b>205,788</b>
130 - NET VALUE ADJUSTMENT ON:	(15,612)	(11,300)	(4,312)	(20,547)
a) loans	(16,313)	(11,949)	(4,364)	(18,833)
b) available for sale financial assets	-	-	-	(371)
d) other financial assets	701	649	52	(1,342)
<b>140 - NET INCOME FROM FINANCIAL MANAGEMENT</b>	<b>150,462</b>	<b>171,446</b>	<b>(20,984)</b>	<b>185,241</b>
150 - ADMINISTRATIVE COSTS:	(107,056)	(101,955)	(5,101)	(120,968)
a) staff costs	(62,871)	(60,315)	(2,556)	(79,984)
b) other administrative costs	(44,185)	(41,640)	(2,545)	(40,984)
160 - NET PROVISIONS FOR RISKS AND CHARGES	3,144	(246)	3,390	(1,176)
170 - DEPRECIATION OF TANGIBLE ASSETS	(2,689)	(2,339)	(350)	(3,316)
180 - AMORTIZATION OF INTANGIBLE ASSETS	(3,045)	(1,870)	(1,175)	(3,073)
190 - OTHER OPERATING EXPENSES AND REVENUES	15,587	13,787	1,800	14,434
<b>200 - OPERATING COSTS</b>	<b>(94,059)</b>	<b>(92,623)</b>	<b>(1,436)</b>	<b>(114,100)</b>
210 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	-	-	(188)
220 - NET INCOME ON TANGIBLE AND INTANGIBLE ASSETS AT FAIR VALUE	-	-	-	646
240 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-	-	-	(653)
<b>250 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>56,403</b>	<b>78,823</b>	<b>(22,420)</b>	<b>70,946</b>
260 - INCOME TAXES FOR THE PERIOD	(21,280)	(36,733)	15,453	(27,561)
<b>270 - PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES</b>	<b>35,123</b>	<b>42,090</b>	<b>(6,967)</b>	<b>43,386</b>
<b>290 - PROFIT (LOSS) FOR THE PERIOD</b>	<b>35,123</b>	<b>42,090</b>	<b>(6,967)</b>	<b>43,386</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Balance as at 31/12/07	Change in opening balances	Balance as at 01/01/08	Allocation of profits/losses previous year		Changes in reserves	Changes in the period						Shareholders' equity as at 31/03/08	
				Reserves	Dividends and other allocations		Transactions on shareholders' equity							Profit (Loss) for the period 31/03/08
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives	Stock options		
Capital:	1,390,082	-	1,390,082	-	-	-	399,849	-	-	-	-	-	-	1,789,931
a) ordinary shares	1,214,734	-	1,214,734	-	-	-	399,849	-	-	-	-	-	-	1,614,583
b) other shares	175,348	-	175,348	-	-	-	-	-	-	-	-	-	-	175,348
Additional paid-in capital	461,064	-	461,064	-	-	-	552,328	-	-	-	-	-	-	1,013,392
Reserves:	195,795	-	195,795	210,049	-	-	(61)	-	-	-	-	-	-	405,783
a) profits	166,805	-	166,805	210,049	-	-	-	-	-	-	-	-	-	376,854
b) other	28,990	-	28,990	-	-	-	(61)	-	-	-	-	-	-	28,929
Valuation reserves:	663,455	-	663,455	-	-	-	(48,005)	-	-	-	-	-	-	615,450
a) available for sale	645,289	-	645,289	-	-	-	(38,411)	-	-	-	-	-	-	606,878
b) hedging of cash flows	9,515	-	9,515	-	-	-	(9,469)	-	-	-	-	-	-	46
c) special revaluation laws	8,651	-	8,651	-	-	-	(125)	-	-	-	-	-	-	8,526
Capital instruments	1,219	-	1,219	-	-	-	(247)	-	-	-	-	-	-	972
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	210,049	-	210,049	(210,049)	-	-	-	-	-	-	-	-	35,123	35,123
Shareholders' equity	2,921,664	-	2,921,664	-	-	-	903,864	-	-	-	-	-	35,123	3,860,651

Figures in thousands of €

	Balance as at 31/12/06	Change in opening balances	Balance as at 01/01/07	Allocation of profits/losses previous year		Changes in reserves	Changes in the period					Shareholders' equity as at 31/12/07	
				Reserves	Dividends and other allocations		Transactions on shareholders' equity						Profit (Loss) for the period 31/12/07
							New shares issued	Own shares purchased	Extraordinary distribution of	Changes in capital instruments	Own shares derivatives		
Capital:	1,374,459	-	1,374,459	-	-	-	15,623	-	-	-	-	-	1,390,082
a) ordinary shares	1,199,111	-	1,199,111	-	-	-	15,623	-	-	-	-	-	1,214,734
b) other shares	175,348	-	175,348	-	-	-	-	-	-	-	-	-	175,348
Additional paid-in capital	438,103	-	438,103	-	-	-	22,961	-	-	-	-	-	461,064
Reserves:	146,544	-	146,544	49,190	-	-	61	-	-	-	-	-	195,795
a) profits	117,615	-	117,615	49,190	-	-	-	-	-	-	-	-	166,805
b) other	28,929	-	28,929	-	-	-	61	-	-	-	-	-	28,990
Valuation reserves:	637,362	-	637,362	-	-	28,034	(1,941)	-	-	-	-	-	663,455
a) available for sale	627,424	-	627,424	-	-	17,865	-	-	-	-	-	-	645,289
b) hedging of cash flows	(654)	-	(654)	-	-	10,169	-	-	-	-	-	-	9,515
c) special revaluation laws	10,592	-	10,592	-	-	-	(1,941)	-	-	-	-	-	8,651
Capital instruments	5,228	-	5,228	-	-	-	(4,008)	-	-	-	-	-	1,220
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	156,910	-	156,910	(49,190)	(107,720)	-	-	-	-	-	-	210,049	210,049
Shareholders' equity	2,758,606	-	2,758,606	-	(107,720)	28,034	32,696	-	-	-	-	210,049	2,921,665

Figures in thousands of €

	Balance as at 31/12/06	Change in opening balances	Balance as at 01/01/07	Allocation of profits/losses previous year			Changes in the period						Shareholders' equity as at 31/03/07
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity					Profit (Loss) for the period 31/03/07	
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives		
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 €

## CASH FLOW STATEMENT

### Direct method

A. OPERATING ACTIVITIES	31/03/08	31/12/07	31/03/07
<b>1. Management</b>	<b>130,003</b>	<b>218,866</b>	<b>112,527</b>
- interest income received (+)	301,192	1,004,076	180,091
- interest expenses paid (-)	(151,973)	(524,187)	(113,325)
- dividends and similar revenues (+)	19	14,985	40
- net commissions (+/-)	45,969	196,970	50,386
- staff costs (-)	(52,049)	(221,940)	(48,573)
- other costs (-)	(74,244)	(328,866)	(42,172)
- other revenues (+)	61,572	231,557	86,655
- taxes and duties (-)	(483)	(153,730)	(575)
<b>2. Liquidity generated/absorbed by financial assets</b>	<b>(1,825,522)</b>	<b>(1,965,488)</b>	<b>(396,437)</b>
- financial assets held for trading	(53,203)	(6,496)	(374,893)
- available for sale financial assets	(43,182)	(23,219)	14,036
- loans to customers	(1,283,488)	(1,221,101)	(364,857)
- loans to banks: at sight	(370,257)	42,636	154,224
- loans to banks: other loans	416,835	(514,400)	90,150
- other assets	(492,227)	(242,908)	84,903
<b>3. Cash generated/absorbed by financial liabilities</b>	<b>1,766,944</b>	<b>1,874,319</b>	<b>233,043</b>
- amounts owed to banks: at sight	289	6,931	12,439
- amounts owed to banks: other	(395,190)	521,984	(332,096)
- amounts owed to customers	1,285,886	42,436	(320,565)
- securities in issue	458,094	1,091,740	944,189
- financial liabilities from trading	1,998	4,739	57,697
- financial liabilities designated at fair value	(7,562)	(14,969)	(356)
- other liabilities	423,429	221,458	(128,265)
<b>Net liquidity generated/absorbed by operating activities</b>	<b>71,425</b>	<b>127,697</b>	<b>(50,867)</b>
<b>B. INVESTING ACTIVITIES</b>			
<b>1. Liquidity generated by</b>	<b>-</b>	<b>58,472</b>	<b>4,935</b>
- equity investment disposals	-	13,312	-
- dividends received on equity investments	-	42,662	-
- tangible asset disposals	-	2,497	4,935
<b>2. Liquidity absorbed by</b>	<b>(1,018,519)</b>	<b>(59,311)</b>	<b>(7,220)</b>
- equity investment acquisitions	(65)	(5,753)	(40)
- tangible asset acquisitions	(6,697)	(27,492)	(486)
- intangible asset acquisitions	(3,914)	(26,067)	(6,694)
- business unit acquisitions	(1,007,843)	-	-
<b>Net liquidity generated/absorbed by investing activities</b>	<b>(1,018,519)</b>	<b>(840)</b>	<b>(2,285)</b>
<b>C. FUNDING ACTIVITIES</b>			
- own share issues/acquisitions	398,788	-	-
- additional paid-in capital	551,017	(84)	-
- dividend distribution and others	-	(107,720)	-
<b>Net liquidity generated/absorbed by funding activities</b>	<b>949,805</b>	<b>(107,804)</b>	<b>-</b>
<b>NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD</b>	<b>2,711</b>	<b>19,054</b>	<b>(53,152)</b>

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

Figures in thousands of €.

## RECONCILIATION

Balance sheet items	31/03/08	31/12/07	31/03/07
Cash and cash equivalents at the beginning of the period	195,250	176,197	176,197
Total net liquidity generated/absorbed during the period	2,711	19,054	(53,152)
Cash and cash equivalents: effect of exchange rate differences	-	-	-
Cash and cash equivalents at period end	197,961	195,250	123,045

Figures in thousands of €

## A.2 Income Statement

As at 31 March 2008 the income statement shows a net profit of € 35.1 million against € 42.1 million registered in the same period of 2007. This result was only marginally affected by the acquisition of the branches from Intesa Sanpaolo Group.

Specifically, **net interest income** totalled € 129.8 million, up by 13.5% in the year. Interest income amounted to € 277 million, with a 21.2% increase, whereas interest expense totalled € 147.2 million, up by 28.8%. Interests on financial

assets sold and not written-off reflect, as for € 10.3 million, the securitisation of performing loans made in 2004 (Argo Mortgage 2), registered in the financial statements upon the first time adoption (FTA) of IAS/IFRS. Specifically, profits from clients, also considering interest expenses on outstanding securities, are up by 18% while interbank margins show a negative balance of € 7.6 million (negative for € 4.3 million at the end of March 2007).

### INTEREST INCOME *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Financial assets held for trading	11,568	99,618	21,928	-10,360	-47.2
Available-for-sale financial assets	4,526	19,171	1,090	3,436	...
Loans to banks	18,942	66,264	10,794	8,148	75.5
Loans to customers	227,534	785,507	181,396	46,138	25.4
Financial assets sold and not cancelled	14,160	55,160	13,254	906	6.8
Other assets	283	1,027	190	93	48.9
<b>TOTAL INTEREST INCOME</b>	<b>277,013</b>	<b>1,026,747</b>	<b>228,652</b>	<b>48,361</b>	<b>21.2</b>

### INTEREST EXPENSES *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Amounts owed to banks	26,516	94,577	15,066	11,450	76.0
Amounts owed to customers	30,966	99,158	22,513	8,453	37.5
Debt securities in issue	66,073	230,442	48,229	17,844	37.0
Financial liabilities designated at fair value	3,739	16,633	4,353	-614	-14.1
Financial liabilities corresponding to assets sold and not cancelled	13,434	48,936	11,149	2,285	20.5
Other liabilities	5	536	19	-14	-73.7
Hedging derivatives	6,433	56,944	12,887	-6,454	-50.1
<b>TOTAL INTEREST EXPENSES</b>	<b>147,166</b>	<b>547,226</b>	<b>114,216</b>	<b>32,950</b>	<b>28.8</b>

**Net commissions** amount to € 46 million, down by 8.8% YoY mainly due to the decrease in management, brokerage and consultancy services.

Commission income totalled € 53.1 million, down by 6.9% against March 2007; the break-down of this figure shows a decrease in commissions deriving from placement of securities (€ 9.7 million, -15.3%), from collection of orders (€ 1.8

million; -21.1%), from the distribution of third party products (€ 4.1 million; -13.1%) and from collection and payment services (€ 10.9 million; -3.7%).

Commission expenses, equal to € 7.2 million, are up by 7.3%; within this data, commissions for management and brokerage services are up by 30.6% to € 1.5 million.

## COMMISSION INCOME *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Guarantees issued	2,137	8,744	2,134	3	0.1
Management, dealing and consultancy services:	19,917	89,845	23,386	-3,469	-14.8
1. Financial instruments trading	127	889	291	-164	-56.4
2. Currency trading	680	2,642	694	-14	-2.0
3. Asset management	1,654	7,662	2,026	-372	-18.4
4. Securities custody and administration	707	1,883	670	37	5.5
5. Custodian bank	1,093	4,616	1,190	-97	-8.2
6. Placement of securities	9,749	45,121	11,511	-1,762	-15.3
7. Collection of orders	1,770	7,624	2,244	-474	-21.1
9. Distribution of third-party services	4,137	19,408	4,760	-623	-13.1
- asset management	172	655	166	6	3.6
- insurance products	1,683	8,689	2,080	-397	-19.1
- other products	2,282	10,064	2,514	-232	-9.2
Collection and payment services	10,868	46,257	11,289	-421	-3.7
Servicing for securitizations	475	2,263	400	75	18.8
Factoring services	287	1,348	350	-63	-18.0
Other services	19,442	78,990	19,499	-57	-0.3
<b>TOTAL COMMISSION INCOME</b>	<b>53,126</b>	<b>227,447</b>	<b>57,058</b>	<b>-3,932</b>	<b>-6.9</b>

## COMMISSION EXPENSES *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Guarantees received	123	400	90	33	36.7
Management and intermediation services	1,484	5,636	1,136	348	30.6
1. Financial instruments trading	239	809	197	42	21.3
3. Asset management	400	1,921	439	-39	-8.9
4. Securities custody and administration	638	2,134	408	230	56.4
5. Financial instruments placement	170	510	24	146	...
6. Door-to-door sale of securities, financial products and	37	262	68	-31	-45.6
Collection and payment services	3,765	16,449	3,880	-115	-3.0
Other services	1,784	7,993	1,566	218	13.9
<b>TOTAL COMMISSION EXPENSES</b>	<b>7,156</b>	<b>30,478</b>	<b>6,672</b>	<b>484</b>	<b>7.3</b>

**Dividends and similar revenues** amount to € 19 thousand (€ 40 thousand in March 2007).

The **net result from trading activities** shows a negative balance of € 21.8 million (whereas in March 2007 registered a positive balance of € 13.9 million).

The **net result of hedging activities** is positive for € 0.9 million (-0.2 million at the end of March 2007).



## INCOME FROM TRADING ACTIVITIES *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Debt securities	-11,002	-24,253	2,358	-13,360	...
Equities & collective investment schemes	-8,890	10,162	4,674	-13,564	...
<b>Total equities, debt securities &amp; collective investment schemes</b>	<b>-19,892</b>	<b>-14,091</b>	<b>7,032</b>	<b>-26,924</b>	...
Financial derivatives	2,193	-5,082	4,567	-2,374	-52.0
Credit derivatives	4,850	1,534	-168	5,018	...
Currency differences	-2,333	12,182	1,228	-3,561	...
Other financial assets/liabilities from trading	-6,630	5,722	1,201	-7,831	...
<b>INCOME FROM TRADING ACTIVITIES</b>	<b>-21,812</b>	<b>265</b>	<b>13,860</b>	<b>-35,672</b>	...

The **profit from sale of loans and financial assets/liabilities** is equal to € 10.7 million (€ 4.4 million in the first quarter of 2007), mainly due to the disposal of financial assets available for sale.

The **net result on financial assets/liabilities designated at fair value** was positive for € 0.4 million (€ -0.2 million in the first quarter of 2007).

**Gross operating income** is down by 9.1% compared with the same period of 2007, to € 166.1 million.

**Impairment losses on loans and other credit risk provisions** amount to € 15.6 million, up by 38.2%.

The **net result from financial operations** thus totalled € 150.5 million, down by 12.2% against the first quarter of 2007.

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

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Loans to banks		-195	-83	83	-100.0
Loans to customers	16,314	67,618	12,032	4,282	35.6
Credit commitments (other financial transactions)	-702	650	-649	-53	8.2
Available-for-sale financial assets		371	-	-	...
<b>NET VALUE ADJUSTMENTS TO LOANS AND OTHER FINANCIAL ITEMS</b>	<b>15,612</b>	<b>68,444</b>	<b>11,300</b>	<b>4,312</b>	<b>38.2</b>

**Operating costs** amount to € 94.1 million, up by 1.6% against March 2007.

In details, **administrative costs** totalled € 107.1 million, up by 5% in the twelve months period; the break-down of this figure shows:

- **staff costs** increase by 4.2% to € 62.9 million;
- **other administrative costs** amount to € 44.2 million (+6.1% against March 2007), mainly reflecting the increase in overheads (+8.4% in the year), due to the increase in leases payable (+21.7% to € 9,451.1 million)

and in maintenance and operating expenses (+58.3% to € 6,427 million).

**Net provisions for risks and charges** recover to € 3.1 million, against value adjustments for 0.2 million in March 2007.

**Value adjustments on tangible and intangible fixed assets** are down to € 5.7 million, up by 36.2% in the twelve month period.

## OPERATING COSTS *(figures in thousands of €)*

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Staff costs	62,871	256,756	60,315	2,556	4.2
Other administrative costs	44,185	170,141	41,640	2,545	6.1
- general costs	34,989	132,889	32,279	2,710	8.4
- indirect taxes	9,196	37,252	9,361	-165	-1.8
Net provisions for risks and charges	-3,144	1,764	246	-3,390	...
Amortization and depreciation on:	5,734	19,949	4,209	1,525	36.2
- intangible fixed assets	3,045	9,416	1,870	1,175	62.8
- tangible fixed assets	2,689	10,533	2,339	350	15.0
Other operating expenses and revenues	-15,587	-56,516	-13,787	-1,800	13.1
<b>TOTAL OPERATING COSTS</b>	<b>94,059</b>	<b>392,094</b>	<b>92,623</b>	<b>1,436</b>	<b>1.6</b>

**Other net operating revenues** are up by 13.1% to € 15.6 million, mainly in connection with higher fees for intragroup service agreements

and the reimbursement of legal expenses on loans.

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

	31/03/08	2007	31/03/07	Change 03/08 - 03/07	
				absolute	%
Lease income and rent	805	3,243	838	-33	-3.9
Charges to third parties:	8,121	32,795	8,282	-161	-1.9
<i>recovery of taxes</i>	7,826	31,504	7,959	-133	-1.7
<i>customer insurance premiums</i>	295	1,291	323	-28	-8.7
Other revenues	8,221	30,389	5,575	2,646	47.5
<b>Total other revenues</b>	<b>17,147</b>	<b>66,427</b>	<b>14,695</b>	<b>2,452</b>	<b>16.7</b>
Operating costs on financial leases	-954	-5,075	-113	-841	...
Ordinary maintenance costs on investment property	-142	-346	-79	-63	79.7
Expenses for improvement of third parties' assets	-124	-862	-203	79	-38.9
Other expenses	-340	-3,628	-513	173	-33.7
<b>Total other expenses</b>	<b>-1,560</b>	<b>-9,911</b>	<b>-908</b>	<b>-652</b>	<b>71.8</b>
<b>TOTAL NET REVENUES</b>	<b>15,587</b>	<b>56,516</b>	<b>13,787</b>	<b>1,800</b>	<b>13.1</b>

**Profit before taxes** totalled € 56.4 million, down by 28.4% against the first quarter of 2007; Income tax provisions are equal to € 21.3 million (€ 36.7 million in March 2007) leading to a **net**

**profit** of € 35.1 million, down by 16.6% compared with the € 42.1 million registered in March 2007.

### A.3 Results from brokerage activities

The aggregate of the **Financial Intermediation Activities on behalf of the clients (FIA)** – direct and indirect deposits – amounts to € 35,415.3 million, up by 12.2% and 14.7%, in the three and twelve month period respectively (-1.3% and +0.9%, respectively, net of the contribution from the business unit purchased from Intesa Sanpaolo Group effective 10 March 2008).

**Direct deposits** totalled € 16,514.1 million, up by 11.5% in the three month period and by 15.5%

in the twelve month period (this increase is limited to +1.6% and +5.2%, respectively without taking into account the branches ex ISP); **indirect deposits** totalled € 18,901.1 million, up by 12.8% from the beginning of the year and by 14% from March 2007 (-3.9% and -2.8%, respectively without taking into account the branches ex ISP); it is comprised by assets under management (50.1%) and assets in custody (49.9%).

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

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08	03/08
				12/07	03/07
<b>Total (A+B)</b>	<b>35,415,254</b>	<b>31,573,913</b>	<b>30,884,120</b>	<b>12.2</b>	<b>14.7</b>
<b>Direct deposits (A)</b>	<b>16,514,105</b>	<b>14,810,357</b>	<b>14,303,142</b>	<b>11.5</b>	<b>15.5</b>
<i>% on Total</i>	<i>46.6%</i>	<i>46.9%</i>	<i>46.3%</i>		
<b>Indirect deposits (B)</b>	<b>18,901,148</b>	<b>16,763,556</b>	<b>16,580,978</b>	<b>12.8</b>	<b>14.0</b>
<i>% on Total</i>	<i>53.4%</i>	<i>53.1%</i>	<i>53.7%</i>		
- Assets under management	9,470,860	8,851,333	8,680,576	7.0	9.1
<i>% on Total</i>	<i>26.7%</i>	<i>28.0%</i>	<i>28.1%</i>		
<i>% on Indirect deposits</i>	<i>50.1%</i>	<i>52.8%</i>	<i>52.4%</i>		
- Assets in custody	9,430,288	7,912,223	7,900,402	19.2	19.4
<i>% on Total</i>	<i>26.6%</i>	<i>25.1%</i>	<i>25.6%</i>		
<i>% on Indirect deposits</i>	<i>49.9%</i>	<i>47.2%</i>	<i>47.6%</i>		

**Global funding**, which includes direct deposits from customers (€ 16,514.1 million) and banks (€ 2,141.4 million), amounts to €18,655.6 million, up by 7.5% from the beginning of the year, and by 16.7% from the end of March 2007.

**Direct deposits** are up from the beginning of the year by 11.5%, and by 15.5% from the end of March 2007. The short term component, equal to € 9,180.9 million, increased by 16.6% in the three month period, and by 23.5% in twelve month, while medium/long term deposits, totalling € 7,333.2 million, grew by 5.7% during the quarter and by 6.7% in the twelve month period, accounting for 44.4% of the total (46.9% in December and 48% in March 2007). Within the direct deposits aggregate, amounts owed to

customers amount to € 9,525 million (+15.6% and 20.9% in the three month and twelve month periods, respectively). Of the aggregate amount of securities outstanding, equal to € 6,478.5 million (+7.2% and + 10.3% in the three and twelve month periods respectively) bonds represent nearly the entire balance (+7.3% in the quarter and + 10.9% YoY). The bonds placed through the network of Bancoposta (€ 426.6 million) are included amongst the liabilities designated at fair value (€ 510.6 million).

**Amounts owed to banks** show a decrease of 15.8% in the quarter, and an increase of 27% from March 2007.

## FUNDING *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>Total (A+B)</b>	<b>18,655,551</b>	<b>17,353,608</b>	<b>15,989,386</b>	<b>7.5</b>	<b>16.7</b>
<b>Direct deposits (A)</b>	<b>16,514,105</b>	<b>14,810,357</b>	<b>14,303,142</b>	<b>11.5</b>	<b>15.5</b>
Amounts owed to customers	9,525,004	8,237,718	7,875,181	15.6	20.9
current accounts and free deposits	8,520,192	7,350,806	6,781,099	15.9	25.6
repurchase agreements	327,434	211,921	213,571	54.5	53.3
term deposits	12,335	12,840	141,863	-3.9	-91.3
loans	50,992	1,798	1,637	...	...
funds managed on behalf of third parties	155	155	199	-	-22.1
other deposits	613,896	660,198	736,812	-7.0	-16.7
Debt securities in issue	6,478,540	6,042,171	5,872,946	7.2	10.3
bonds	6,270,740	5,845,299	5,656,909	7.3	10.9
other securities	207,801	196,872	216,037	5.6	-3.8
Liabilities at fair value	510,561	530,468	555,015	-3.8	-8.0
bonds	510,561	530,468	555,015	-3.8	-8.0
short term	9,180,899	7,871,655	7,432,316	16.6	23.5
<i>% on Total</i>	<i>55.6</i>	<i>53.1</i>	<i>52.0</i>		
medium-long term	7,333,206	6,938,702	6,870,826	5.7	6.7
<i>% on Total</i>	<i>44.4</i>	<i>46.9</i>	<i>48.0</i>		
<b>Amounts owed to banks (B)</b>	<b>2,141,446</b>	<b>2,543,251</b>	<b>1,686,244</b>	<b>-15.8</b>	<b>27.0</b>
Deposits of central banks	50,481	-	-	...	...
Current accounts and free deposits	61,026	60,667	66,258	0.6	-7.9
Term deposits	1,467,857	1,931,479	1,162,321	-24.0	26.3
Repurchase agreements	269,867	255,893	152,327	5.5	77.2
Loans	292,215	295,212	305,338	-1.0	-4.3

**Indirect deposits** (AAF) totalled € 18,901.1 million, up by 12.8% from the end of the previous financial year, and by 14% from the end of March 2007. Assets under management amount to € 9,470.9 million, with an increase of 7% from December 2007 and of 9.1% from the end of March 2007; assets in custody, totalling € 9,403.3 million, register an increase of 19.2% from the beginning of the year and of 19.4% from March 2007.

As regards **deposits under management**, this quarter registered an increase in mutual funds (+13.7% to € 5,118 million), while assets managed (-0.1%) and bancassurance products

(+0.4%) are virtually in line with the figures registered at the end of the previous year. During the twelve month period the positive performance of the aggregate was driven by bancassurance products (+15.4%) and mutual funds (+11.1%).

As regards **assets in custody**, Government bonds grew by 19.6% in the first quarter of 2008, to € 5,035.8 million, equal to an increase of 24.2% YoY; other securities (€ 4,394.5 million) are up 18.7% against the end of 2007 and by 14.2% against March 2007.

## INDIRECT DEPOSITS *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08	03/08
				12/07	03/07
<b>Total (A+B)</b>	<b>18,901,148</b>	<b>16,763,556</b>	<b>16,580,978</b>	<b>12.8</b>	<b>14.0</b>
<b>Assets under management (A)</b>	<b>9,470,860</b>	<b>8,851,333</b>	<b>8,680,576</b>	<b>7.0</b>	<b>9.1</b>
Mutual funds	5,117,998	4,500,264	4,604,594	13.7	11.1
Assets management	2,902,134	2,905,957	2,818,946	-0.1	3.0
<i>including: Securities management (1)</i>	<i>2,209,921</i>	<i>2,252,207</i>	<i>1,995,612</i>	<i>-1.9</i>	<i>10.7</i>
<i>Mutual funds management</i>	<i>692,213</i>	<i>653,750</i>	<i>823,334</i>	<i>5.9</i>	<i>-15.9</i>
Bancassurance products	1,450,728	1,445,112	1,257,036	0.4	15.4
<b>Assets in custody (B)</b>	<b>9,430,288</b>	<b>7,912,223</b>	<b>7,900,402</b>	<b>19.2</b>	<b>19.4</b>
Government securities	5,035,811	4,209,670	4,053,820	19.6	24.2
Other	4,394,477	3,702,553	3,846,582	18.7	14.2

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

**Loans to customers**, net of value adjustments for € 402.7 million, amount to € 15,246 million, with an increase of 8.6% against December 2007 (+15% on a YoY basis). Before value adjustments, the aggregate amounts to € 15,648.7 million, with an increase of 8.5% in the three month period and of 14% YoY (-1% and + 4.9%, respectively, without taking into account the branches ex ISP).

The short term element is equal to € 3,372.3 million, virtually unchanged in the first quarter of 2008 (-0.8%) and in the 12 month period (+0.9%), while medium/long term loans amount to € 11,742.4 million (+12% in the quarter and + 20.4% in the twelve month period), accounting for 75% of the nominal amount (72.7% in December and 71.6% in March 2007).

Bad loans totalled € 534 million (-1.3% from the beginning of the year and + 2.3% YoY) accounting for 3.4% of the aggregate lending,

lower than the 3.8% registered in December and March 2007.

In details, a positive performance was registered by mortgages (€ 8,272.4 million; + 14.8% in this first quarter and +23.5% from March 2007), current accounts (€ 2,057.9 million; +10.8% in the three month period and +16.1% YoY) and credit cards/personal loans/salary-backed loans (*cessione del quinto*) (€ 405 million; +25.5% from December and +40% from March 2007).

Net of value adjustments for €0.6 million, **loans to banks**, amounting to € 1,771.1 million, are down by 2.7% compared with the end of 2007, while show an increase of 60.9% from March 2007.

The **net interbank position** (difference between loans and amounts owed to banks) confirms a net debit balance of € 369.7 million, (€ 723.1 million in December and € 584.9 in March 2007).

## LOANS (figures in thousands of €)

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>Total (A+B)</b>	<b>17,017,152</b>	<b>15,852,129</b>	<b>14,359,519</b>	<b>7.3</b>	<b>18.5</b>
<b>Loans to customers (A)</b>	<b>15,246,012</b>	<b>14,032,624</b>	<b>13,258,624</b>	<b>8.6</b>	<b>15.0</b>
-nominal value (1)	15,648,713	14,421,456	13,614,925	8.5	14.9
<i>current accounts</i>	2,057,904	1,857,311	1,772,622	10.8	16.1
<i>repurchase agreements</i>	-	148,548	-	-100.0	...
<i>mortgage loans</i>	8,272,352	7,207,349	6,696,528	14.8	23.5
<i>credit cards, personal loans and salary-backed loans</i>	405,006	322,759	289,251	25.5	40.0
<i>leasing</i>	832,913	831,811	737,495	0.1	12.9
<i>factoring</i>	115,962	110,505	113,213	4.9	2.4
<i>other loans</i>	2,495,025	2,476,464	2,486,978	0.7	0.3
<i>assets sold and not cancelled</i>	507,443	536,689	626,249	-5.4	-19.0
<i>impaired assets (2)</i>	962,108	930,020	892,589	3.5	7.8
-short term	3,372,295	3,399,264	3,343,379	-0.8	0.9
% on nominal value	21.5	23.6	24.6		
-medium/long term	11,742,443	10,480,974	9,749,387	12.0	20.4
% on nominal value	75.0	72.7	71.6		
- Bad loans	533,975	541,218	522,159	-1.3	2.3
% on nominal value	3.4	3.8	3.8		
-Value adjustments (-)	402,701	388,832	356,301	3.6	13.0
<b>Loans to banks (B)</b>	<b>1,771,140</b>	<b>1,819,505</b>	<b>1,100,895</b>	<b>-2.7</b>	<b>60.9</b>
-nominal value (1)	1,771,787	1,820,152	1,101,386	-2.7	60.9
<i>compulsory reserves</i>	84,732	146,670	165,986	-42.2	-49.0
<i>other loans to central banks</i>	16	14	2	14.3	...
<i>current accounts and free depos.</i>	819,519	448,279	341,268	82.8	...
<i>term deposits</i>	489,606	601,435	289,696	-18.6	69.0
<i>repurchase agreements</i>	268,395	321,954	202,424	-16.6	32.6
<i>loans</i>	93,074	284,921	84,415	-67.3	10.3
<i>impaired assets</i>	16,445	16,879	17,595	-2.6	-6.5
-short term	1,684,481	1,732,348	1,012,231	-2.8	66.4
% on nominal value	95.1	95.2	91.9		
-medium/long term	87,306	87,804	71,829	-0.6	21.5
% on nominal value	4.9	4.8	6.5		
- Bad loans	-	-	17,326	...	-100.0
% on nominal value	-	-	1.6		
-Value adjustments (-)	647	647	491	-	31.8

(1) Before value adjustments.

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

**Non-performing loans**, cash loans and endorsement loans, totalled € 1,019.5 million, up by 3% in this quarter and by 7.5% in the twelve month period, while the corresponding value adjustments amounted to € 346.5 million (+1%

and + 10.2% in the three and twelve month periods, respectively).

Cash loans totalled € 998.4 million (+3.3% from December and + 7.7% from March 2007), endorsement loans amounted to € 21 million (-

10.9% in the first quarter of 2008 and -1.4% in the twelve month period).

As regards **cash loans**, the analysis of the individual aggregates highlights the following:

- **bad loans** are equal to € 534 million, down by 1.3% from the beginning of the year, and by 1% YOY, and were depreciated by 55.9% (55.9% in December and 51.3% in March 2007). the bad loans/loans ratio as regards customers is equal to 3.4%, (3.8% in December and March 2007);
- the **watchlists** amount to € 226.6 million, with an increase of 15.2% against the end of 2007, and of 11.6% YoY. They were depreciated by 13.5% (11.1% in December and 10.8% in March 2007);
- **Rescheduled loans** amount to € 20.3 million, down by 10.4% in the three month period and up by 76.8% YoY. They were depreciated by 3.8% (4.6% in December and

8.6% in March 2007);

- **past due loans** totalled € 217.6 million, with an increase of 5.7% in this quarter and 25.8% YoY. They were depreciated by 5.6% (6.2% in December and 6.1% in March 2007).

**Non-performing endorsement loans** equal € 21 million, down by 10.9% and 1.4% in the three and twelve month periods respectively; they were written down by 20.4% (20.8% in December and 19% in March 2007).

Overall, value adjustments on cash and endorsement loans amounted to € 413 million, € 403.3 million of which refer to cash loans and € 9.6 million refer to endorsement loans.

**CREDIT QUALITY** (figures in thousands of €)

	31/03/08				31/12/07			
	Net exposure (a)	Value adjustments	Net exposure (a-b)	% b/a	Net exposure (a)	Value adjustments	Net exposure (a-b)	% b/a
<b>Cash loans</b>								
Bad loans	533,975	298,692	235,283	55.9	541,218	302,701	238,517	55.9
- banks	-	-	-	-	-	-	-	-
- customers	533,975	298,692	235,283	55.9	541,218	302,701	238,517	55.9
Watchlist loans	226,563	30,478	196,085	13.5	196,666	21,867	174,799	11.1
- banks	41	40	1	97.6	43	40	3	93.0
- customers	226,522	30,438	196,084	13.4	196,623	21,827	174,796	11.1
Rescheduled loans	20,277	778	19,499	3.8	22,625	1,051	21,574	4.6
- banks	16,169	607	15,562	3.8	16,605	607	15,998	3.7
- customers	4,108	171	3,937	4.2	6,020	444	5,576	7.4
Past due loans	217,632	12,277	205,355	5.6	205,898	12,682	193,216	6.2
- banks	235	-	235	-	231	-	231	-
- customers	217,397	12,277	205,120	5.6	205,667	12,682	192,985	6.2
Performing loans	16,422,053	61,123	16,360,930	0.4	15,275,201	51,178	15,224,023	0.3
- banks	1,755,342	-	1,755,342	-	1,803,273	-	1,803,273	-
- customers	14,666,711	61,123	14,605,588	0.4	13,471,928	51,178	13,420,750	0.4
<b>Total cash loans</b>	<b>17,420,500</b>	<b>403,348</b>	<b>17,017,152</b>	<b>2.3</b>	<b>16,241,608</b>	<b>389,479</b>	<b>15,852,129</b>	<b>2.4</b>
- banks	<b>1,771,787</b>	<b>647</b>	<b>1,771,140</b>	<b>0.0</b>	<b>1,820,152</b>	<b>647</b>	<b>1,819,505</b>	<b>0.0</b>
- customers	<b>15,648,713</b>	<b>402,701</b>	<b>15,246,012</b>	<b>2.6</b>	<b>14,421,456</b>	<b>388,832</b>	<b>14,032,624</b>	<b>2.7</b>
<b>Credit commitments</b>								
Impaired	21,011	4,287	16,724	20.4	23,581	4,898	18,683	20.8
- customers	21,011	4,287	16,724	20.4	23,581	4,898	18,683	20.8
Other loans	1,447,126	5,332	1,441,794	0.4	1,386,221	5,074	1,381,147	0.4
- banks	82,045	-	82,045	-	16,304	-	16,304	-
- customers	1,365,081	5,332	1,359,749	0.4	1,369,917	5,074	1,364,843	0.4
<b>Total credit commitments</b>	<b>1,468,137</b>	<b>9,619</b>	<b>1,458,518</b>	<b>0.7</b>	<b>1,409,802</b>	<b>9,972</b>	<b>1,399,830</b>	<b>0.7</b>
- banks	<b>82,045</b>	<b>-</b>	<b>82,045</b>	<b>-</b>	<b>16,304</b>	<b>-</b>	<b>16,304</b>	<b>-</b>
- customers	<b>1,386,092</b>	<b>9,619</b>	<b>1,376,473</b>	<b>0.7</b>	<b>1,393,498</b>	<b>9,972</b>	<b>1,383,526</b>	<b>0.7</b>
<b>Total</b>	<b>18,888,637</b>	<b>412,967</b>	<b>18,475,670</b>	<b>2.2</b>	<b>17,651,410</b>	<b>399,451</b>	<b>17,251,959</b>	<b>2.3</b>
- banks	<b>1,853,832</b>	<b>647</b>	<b>1,853,185</b>	<b>0.0</b>	<b>1,836,456</b>	<b>647</b>	<b>1,835,809</b>	<b>0.0</b>
- customers	<b>17,034,805</b>	<b>412,320</b>	<b>16,622,485</b>	<b>2.4</b>	<b>15,814,954</b>	<b>398,804</b>	<b>15,416,150</b>	<b>2.5</b>

	31/03/07				31/12/06			
	Net exposure (a)	Value adjustments	Net exposure (a-b)	% b/a	Net exposure (a)	Value adjustments	Net exposure (a-b)	% b/a
<b>Cash loans</b>								
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
<b>Total cash loans</b>	<b>14,716,311</b>	<b>356,792</b>	<b>14,359,519</b>	<b>2.4</b>	<b>14,567,292</b>	<b>352,830</b>	<b>14,214,462</b>	<b>2.4</b>
- banks	<b>1,101,386</b>	<b>491</b>	<b>1,100,895</b>	<b>0.0</b>	<b>1,346,118</b>	<b>491</b>	<b>1,345,627</b>	<b>0.0</b>
- customers	<b>13,614,925</b>	<b>356,301</b>	<b>13,258,624</b>	<b>2.6</b>	<b>13,221,174</b>	<b>352,339</b>	<b>12,868,835</b>	<b>2.7</b>
<b>Credit commitments</b>								
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
<b>Total credit commitments</b>	<b>1,323,489</b>	<b>8,673</b>	<b>1,314,816</b>	<b>0.7</b>	<b>1,285,624</b>	<b>9,322</b>	<b>1,276,302</b>	<b>0.7</b>
- banks	<b>4,903</b>	<b>-</b>	<b>4,903</b>	<b>-</b>	<b>2,521</b>	<b>-</b>	<b>2,521</b>	<b>-</b>
- customers	<b>1,318,586</b>	<b>8,673</b>	<b>1,309,913</b>	<b>0.7</b>	<b>1,283,103</b>	<b>9,322</b>	<b>1,273,781</b>	<b>0.7</b>
<b>Total</b>	<b>16,039,800</b>	<b>365,465</b>	<b>15,674,335</b>	<b>2.3</b>	<b>15,852,916</b>	<b>362,152</b>	<b>15,490,764</b>	<b>2.3</b>
- banks	<b>1,106,289</b>	<b>491</b>	<b>1,105,798</b>	<b>0.0</b>	<b>1,348,639</b>	<b>491</b>	<b>1,348,148</b>	<b>0.0</b>
- customers	<b>14,933,511</b>	<b>364,974</b>	<b>14,568,537</b>	<b>2.4</b>	<b>14,504,277</b>	<b>361,661</b>	<b>14,142,616</b>	<b>2.5</b>

The **securities portfolio** amounted to € 2,913.6 million, up by 2.8% in the first quarter of 2008 and down by 5% YoY. In details, debt securities are up both in the three month period (+9%) as well as in the twelve month period (+3.4%), while equity securities (-4.6% and -5.1%) and C.I.S. units (-7.1% and -41.8%) both registered a decrease. Equities available for sale

include the equity investment in Bank of Italy, accounted for at € 663.5 million; this figure results from a valuation at fair value - using shareholders' equity as the most reliable proxy of fair value - performed on the basis of the balance sheet data of Bank of Italy as at 31 December 2006.



## SECURITIES PORTFOLIO *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
Debt securities	1,730,977	1,587,926	1,673,676	9.0	3.4
<i>Held for trading</i>	1,513,101	1,398,142	1,568,219	8.2	-3.5
<i>Available for sale</i>	217,876	189,784	105,457	14.8	...
Equities	958,548	1,004,454	1,009,667	-4.6	-5.1
<i>Held for trading</i>	17,800	24,283	32,337	-26.7	-45.0
<i>Available for sale</i>	940,748	980,171	977,330	-4.0	-3.7
Shares in collective investment schem	224,078	241,232	384,936	-7.1	-41.8
<i>Held for trading</i>	178,291	233,555	384,936	-23.7	-53.7
<i>Available for sale</i>	45,787	7,677	-	...	...
<b>Total</b>	<b>2,913,603</b>	<b>2,833,612</b>	<b>3,068,279</b>	<b>2.8</b>	<b>-5.0</b>
<i>including:</i>					
<i>Held for trading</i>	1,709,192	1,655,980	1,985,492	3.2	-13.9
<i>Available for sale</i>	1,204,411	1,177,632	1,082,787	2.3	11.2

The value of **assets from hedging derivatives** is equal to € 17.1 million, down compared with the € 22.6 million registered in December 2007 (-24.1%) but registering an increase of 20.8% against the € 14.2 million of March 2007. The value of the **liabilities from hedging derivatives**, equal to € 22.9 million, shows an

increase both against December 2007 (+28.6%) and March 2007 (+7.5%). Revaluations for € 11.9 million and write-downs for € 4 million were recorded on hedging derivative contracts; changes in hedged items accounted for a negative figure of € 7 million.

## ASSETS FROM HEDGING DERIVATIVES BY HEDGE TYPE

*(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>Asset hedging derivatives</b>	<b>234</b>	<b>651</b>	<b>1,022</b>	<b>-64.1</b>	<b>-77.1</b>
Fair value hedging	234	651	1,022	-64.1	-77.1
<i>interest rates</i>	234	651	1,022	-64.1	-77.1
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	-	-	-	...	...
<b>Liability hedging derivatives</b>	<b>16,911</b>	<b>21,927</b>	<b>13,172</b>	<b>-22.9</b>	<b>28.4</b>
Fair value hedging	6,438	2,566	7,538	...	-14.6
<i>interest rates</i>	6,438	2,566	7,538	...	-14.6
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	10,473	19,361	5,634	-45.9	85.9
<b>Total</b>	<b>17,145</b>	<b>22,578</b>	<b>14,194</b>	<b>-24.1</b>	<b>20.8</b>

## LIABILITIES FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of €)

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>Asset hedging derivatives</b>	<b>10,064</b>	<b>6,423</b>	<b>9,198</b>	<b>56.7</b>	<b>9.4</b>
Fair value hedging	10,064	6,423	9,198	56.7	9.4
<i>interest rates</i>	10,064	6,423	9,198	56.7	9.4
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	-	-	-	...	...
<b>Liability hedging derivatives</b>	<b>12,864</b>	<b>11,408</b>	<b>12,124</b>	<b>12.8</b>	<b>6.1</b>
Fair value hedging	6,716	10,252	11,820	-34.5	-43.2
<i>interest rates</i>	6,716	10,252	11,820	-34.5	-43.2
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	6,148	1,156	304	...	...
<b>Total</b>	<b>22,928</b>	<b>17,831</b>	<b>21,322</b>	<b>28.6</b>	<b>7.5</b>

Trading derivative contracts amount to € 245.1 million, with a decrease both from the € 281.4 million of December 2007 (-12%) and the € 377.2 million of March 2007. Revaluations for €

50.6 million and write-downs for € 51.9 million were recorded on trading derivatives contracts. Net trading profits are equal to € 8.3 million.

## TRADING DERIVATIVES (figures in thousands of €)

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>Positive countervalues</b>	<b>79,771</b>	<b>109,580</b>	<b>151,982</b>	<b>-27.2</b>	<b>-47.5</b>
Financial derivatives	74,027	107,726	151,879	-31.3	-51.3
<i>forward agreements</i>	7,592	3,299	40,372	...	-81.2
<i>swap</i>	17,620	18,669	17,402	-5.6	1.3
<i>options purchased</i>	48,815	85,758	94,105	-43.1	-48.1
Credit derivatives	5,744	1,854	103	...	...
<i>cds</i>	5,744	1,854	103	...	...
<i>others</i>	-	-	-	...	...
<b>Negative countervalues</b>	<b>165,336</b>	<b>171,830</b>	<b>225,195</b>	<b>-3.8</b>	<b>-26.6</b>
Financial derivatives	163,638	171,197	223,506	-4.4	-26.8
<i>forward agreements</i>	2,228	3,633	2,214	-38.7	0.6
<i>swap</i>	123,910	116,274	165,814	6.6	-25.3
<i>issued options</i>	37,500	51,290	55,478	-26.9	-32.4
Credit derivatives	1,698	633	1,689	...	0.5
<i>tror</i>	26	10	106	...	-75.5
<i>cds</i>	1,672	623	1,583	...	5.6
<b>TOTAL</b>	<b>245,107</b>	<b>281,410</b>	<b>377,177</b>	<b>-12.9</b>	<b>-35.0</b>

With reference to the notional values, the amount of derivative contracts is equal to € 7,081.3 million, in line with the value of December 2007

(+0.6%) and down by 10% compared with the figures registered in March 2007.

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

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
Financial derivatives	6,856,854	6,851,616	7,681,983	0.1	-10.7
<i>futures</i>	11,006	6,040	16,996	82.2	-35.2
<i>forward agreements</i>	591,894	615,497	779,588	-3.8	-24.1
<i>swap</i>	4,594,091	4,541,754	4,828,533	1.2	-4.9
<i>options purchased</i>	1,136,412	1,153,991	1,347,043	-1.5	-15.6
<i>others</i>	523,451	534,334	709,823	-2.0	-26.3
Credit derivatives	224,473	184,527	187,139	21.6	19.9
<i>tror</i>	8,487	13,234	18,094	-35.9	-53.1
<i>cds</i>	215,986	171,293	169,045	26.1	27.8
<b>TOTAL</b>	<b>7,081,327</b>	<b>7,036,143</b>	<b>7,869,122</b>	<b>0.6</b>	<b>-10.0</b>

**Net result on derivative contracts** shows a profit for € 7.9 million: trading contracts accounted for a positive contribution of € 7

million, while hedging contract accounted for the remaining € 0.9 million.

### NET INCOME ON DERIVATIVE CONTRACTS AS AT 31/03/08

*(figures in thousands of €)*

	Revaluations	Write-downs	Net profit on trading	Net income
1. Trading contracts	50,576	- 51,854	8,321	7,043
1.1 Financial derivatives	43,069	- 49,685	8,809	2,193
1.2 Credit derivatives	7,507	- 2,169	- 488	4,850
	Revaluations	Write-downs	Changes in underlying from hedging	Net income
2. Hedging contracts	11,922	- 4,043	- 6,991	888
2.1 Asset hedging	-	- 3,371	3,246	- 125
2.2 Liability hedging	11,922	- 672	- 10,237	1,013
<b>TOTAL</b>	<b>62,498</b>	<b>- 55,897</b>	<b>1,330</b>	<b>7,931</b>

## A.4 Results by economic business segment

The primary reporting section of the information by segment is structured on the basis of the main business segments according to clients segmentation.

No secondary reporting section by geographical areas was presented, in light of the fact that the bank operates in a relatively uniform geographical context. All branches are located in Italy, except for Nice, which accounts for a marginal share of the Bank's activities.

The data of the first quarter of 2007 and those related to FY 2007 were reclassified in accordance with the current internal client segmentation criteria, in order to allow a significant temporal comparison.

As at 31 March 2008, the data related to **ordinary clients** (Private and Affluent, Corporate and Retail) registered the following results:

- The **Private** and **Affluent** segment shows a gross operating income of € 38.3 million (23.1% of the aggregate, up by 5.3% compared with the first quarter of 2007, mainly due to the performance registered in the spreads on deposits. Net of operating costs for € 24 million (25.5% of the aggregate), profits from current operations amount to € 14.2 million, equal to 25.2%

of the aggregate, virtually in line with the results of the first quarter of 2007. The cost/income ratio for this segment is equal to 62.6% (+2.6% against March 2007).

As regards aggregate balance sheet items, amounts owed to customers totalled € 3,341 million (35.1% of the total) up by 32.6% compared with 31 March 2007, and by 19.2% compared with 31 December 2007. Outstanding securities and financial liabilities designated at fair value, equal to € 3,139 million, show an increase of 11.8% on March 2007 data, accounting for 44.9% of the aggregate of the Bank. Lending, equal to € 413 million, is still marginal compared to the total of the Bank (2.7%).

- **Corporate** segment, mainly comprised of small-medium size enterprises, registers a gross operating income of € 39.7 million (23.9% of the total), with an increase of 7.5% over the first quarter of 2007, mainly reflecting the growth in lending volumes; the net result of financial operations is equal to € 37.9 million (25.2% of the total; +16.2% over the first quarter of 2007). Net of operating costs for € 7.8 million (8.3% of the total), the profit from ordinary activities amounts to € 30.1 million with an increase of 23.2% over March 2007: this result accounts for half the result registered by ordinary clients, and 53.4% of the overall result of the Bank. The cost/income ratio for the segment, improving from the previous periods, is equal to 19.6%.

With reference to aggregate balance sheet items, loans to customers amount to € 6,555 million, equal to 43% of the total (+10.4% against the figures registered as at 31 March 2007). The amounts owed to customers, equal to € 1,066 million (11.2% of the total), show an increase of 6.1% compared to March 2007. Outstanding securities and financial liabilities designated at fair value amounted to € 68 million, and continued to represent a marginal share of the total for the Bank (1%).

- **Retail** segment shows a gross operating income of € 81.1 million (48.8% of the total, + 9.3% compared with March 2007)

and a net result from financial operations equal to € 68.8 million (45.7% of the total, +4.6% against the first quarter of 2007): these increases reflect both the effect of volumes of lending, as well as the effect of the spreads on deposits. Net of operating costs for € 52.9 million (56.3% of the total), profits on ordinary activities totalled € 15.8 million (28.1% of the total). The cost/income ratio for the segment is equal to 65.3%, and remains in line with that registered in the first quarter of 2007.

With reference to the aggregate balance sheet items, lending registered an increase of 29.3% from 31 March 2007 (+18.5% against the end of 2007), totalling € 6.661 million (43.7% of the total); amounts owed to customers, equal to €3,486 million (36.6% of the total), also registered an increase, of approximately 30% compared with the previous periods (+31.3% against March 2007, +27.2% against the end of 2007); securities outstanding and financial liabilities designated at fair value, equal to € 1,026 million (14.7% of the total) show a slight decrease from 31 March 2007 (-3.3%);

- the segment **Other** closes the first quarter of 2008 with a gross operating income of € 7 million (4.2% of the total), registering a significant drop compared with the figures of the first quarter of 2007 due to the worst performance registered by the Finance department. Net of operating costs for € 9.4 million (10% of the total), this segment registers a drop in ordinary activities equal to - € 3.8 million.

As regards the aggregate balance sheet items, loans to customers represented 10.6% of the total, amounts owed to customers accounted for 17.1% while outstanding securities and financial liabilities designated at fair value, equal to € 2,756 million (+9.7% against the end of March 2007) represent 39.4% of the total for the Bank.

## Business segments

(figures in thousands of €)

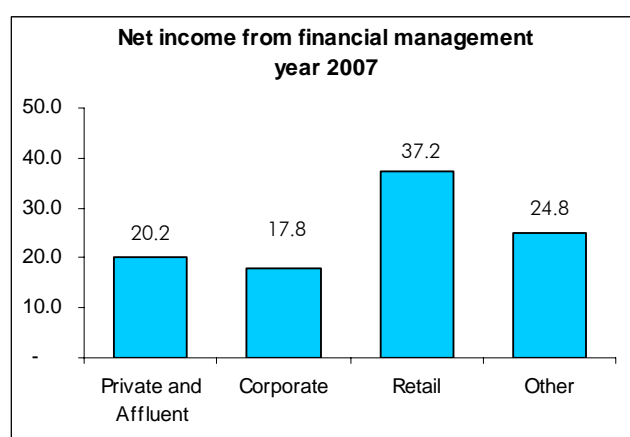
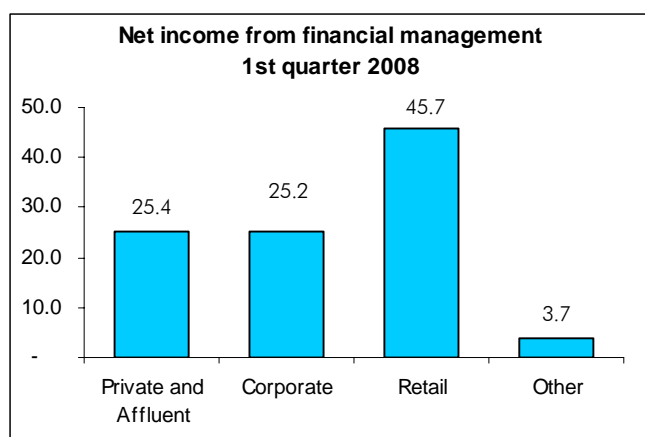
	Private and Affluent	Corporate	Retail	Other	TOTAL
<b>Gross operating income</b>					
1st quarter 2008	38,294	39,687	81,106	6,987	166,074
year 2007	145,948	148,991	308,222	182,801	785,962
1st quarter 2007	36,366	36,906	74,208	35,266	182,746
<b>Net income from financial management <sup>(1)</sup></b>					
1st quarter 2008	38,175	37,900	68,752	5,635	150,462
year 2007	145,796	128,515	268,354	179,098	721,763
1st quarter 2007	36,292	32,612	65,704	36,838	171,446
<b>Operating costs</b>					
1st quarter 2008	-23,963	-7,770	-52,925	-9,401	-94,059
year 2007	-83,201	-34,253	-205,718	-68,924	-392,096
1st quarter 2007	-21,804	-8,161	-48,357	-14,301	-92,623
<b>Profit (loss) from ordinary activities</b>					
1st quarter 2008	14,212	30,130	15,827	-3,766	56,403
year 2007	62,595	94,262	62,636	110,174	329,667
1st quarter 2007	14,488	24,451	17,347	22,537	78,823
<b>Cost income (%)</b>					
1st quarter 2008	62.6	19.6	65.3	134.5	56.6
year 2007	57.0	23.0	66.7	37.7	49.9
1st quarter 2007	60.0	22.1	65.2	40.6	50.7
<b>Net interbank</b>					
31/03/2008				-370,306	-370,306
31/12/2007				-723,746	-723,746
31/03/2007				-585,349	-585,349
<b>Loans to customers</b>					
31/03/2008	413,077	6,554,664	6,661,337	1,616,934	15,246,012
31/12/2007	400,917	6,232,332	5,621,713	1,777,662	14,032,624
31/03/2007	364,756	5,939,202	5,150,523	1,804,143	13,258,624
<b>Amounts owed to customers</b>					
31/03/2008	3,341,068	1,065,848	3,485,988	1,632,100	9,525,004
31/12/2007	2,803,721	950,287	2,740,524	1,743,186	8,237,718
31/03/2007	2,520,577	1,004,152	2,654,172	1,696,280	7,875,181
<b>Securities in issue and financial liabilities designated at fair value</b>					
31/03/2008	3,139,187	68,386	1,025,511	2,756,017	6,989,101
31/12/2007	2,848,259	49,789	1,009,563	2,665,028	6,572,639
31/03/2007	2,808,423	46,072	1,060,243	2,513,223	6,427,961

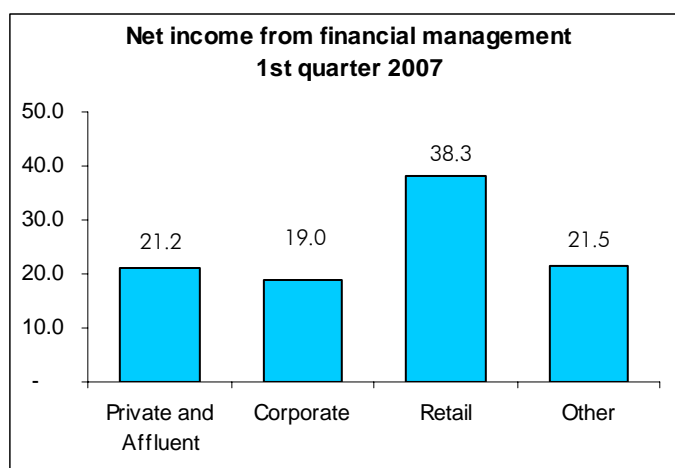
(1) Including the profits (losses) from equity investments and disposal of investments.

## Business segments (% total)

	Private and Affluent	Corporate	Retail	Other	TOTAL
<b>Gross operating income</b>					
1st quarter 2008	23.1	23.9	48.8	4.2	100.0
year 2007	18.6	19.0	39.2	23.3	100.0
1st quarter 2007	19.9	20.2	40.6	19.3	100.0
<b>Net income from financial management (1)</b>					
1st quarter 2008	25.4	25.2	45.7	3.7	100.0
year 2007	20.2	17.8	37.2	24.8	100.0
1st quarter 2007	21.2	19.0	38.3	21.5	100.0
<b>Operating costs</b>					
1st quarter 2008	25.5	8.3	56.3	10.0	100.0
year 2007	21.2	8.7	52.5	17.6	100.0
1st quarter 2007	23.5	8.8	52.2	15.4	100.0
<b>Profit (loss) from ordinary activities</b>					
1st quarter 2008	25.2	53.4	28.1	-6.7	100.0
year 2007	19.0	28.6	19.0	33.4	100.0
1st quarter 2007	18.4	31.0	22.0	28.6	100.0
<b>Loans to customers</b>					
31/03/2008	2.7	43.0	43.7	10.6	100.0
31/12/2007	2.9	44.4	40.1	12.7	100.0
31/03/2007	2.8	44.8	38.8	13.6	100.0
<b>Amounts owed to customers</b>					
31/03/2008	35.1	11.2	36.6	17.1	100.0
31/12/2007	34.0	11.5	33.3	21.2	100.0
31/03/2007	32.0	12.8	33.7	21.5	100.0
<b>Securities in issue and financial liabilities designated at fair value</b>					
31/03/2008	44.9	1.0	14.7	39.4	100.0
31/12/2007	43.3	0.8	15.4	40.5	100.0
31/03/2007	43.7	0.7	16.5	39.1	100.0

(1) Including the profits (losses) from equity investments and disposal of investments.





## A.5 Regulatory capital

### REGULATORY CAPITAL AND SOLVENCY RATIOS

(figures in thousands of €)

	Situation as at		
	31/03/08 (2) (3) (4)	31/12/07 (4)	31/03/07
<b>Regulatory capital</b>			
Tier 1 capital	1,492,225	1,567,728	1,561,387
Tier 2 capital	510,719	525,543	512,792
less: deductions (2)	-350,655	-350,264	-350,859
Total capital	1,652,289	1,743,008	1,723,320
<b>Tier 3 capital (3)</b>	-	-	79,961
<b>Tier 3 calculable portion (3)</b>	-	-	79,961
<b>Regulatory capital including Tier 3 (3)</b>	1,652,289	1,743,008	1,803,281
<b>Weighted assets</b>			
Credit risk	12,450,263	14,201,019	12,953,114
Market risk	1,568,317	1,196,677	1,222,371
Operational risk	1,318,400		
Other prudential requirements	-	508,326	567,357
Total weighted assets	15,336,979	15,906,021	14,742,842
<b>Capital requirements</b>			
Credit risk	996,021	994,071	906,718
Market risk	125,465	83,767	85,566
Operational risk	105,472	-	-
Other prudential requirements	-	35,583	39,715
25% capital reduction (1)	306,740	-	-
Total requirements	920,219	1,113,422	1,031,999
<b>Surplus capital</b>	732,070	629,586	771,282
<b>Solvency ratios (%) (1)</b>			
Tier 1 capital/Credit risk weighted assets	11.99%	11.04%	12.05%
Regulatory capital/Credit risk weighted assets	13.27%	12.27%	13.30%
Tier 1 capital/Total weighted assets	9.73%	9.86%	10.59%
Regulatory capital/Total weighted assets	10.77%	10.96%	12.23%

(1) Regulatory Instructions (Bank of Italy's circ.263 of 27/12/2006, Title II, Chapter 6). In accordance with the computation methods of the capital ratios, these ratios are calculated comparing capital to all capital requirements by the reciprocal of the compulsory minimum ratio of 6%.

(2) Pending official regulatory figures to be disclosed ("Y" information form), figures regarding the capital requirements as at 31/03/2008 result from accounting and management estimates.

(3) The Regulatory capital estimated as at 31.03.08 takes into account the goodwill relating to the acquisition of the Intesa San Paolo branches, temporarily amounting to 1,015 million. It should be mentioned that, following the contract provisions, this amount will be subject to a new calculation that will likely have positive effects on the Regulatory capital during the second quarter.

(4) It should be mentioned that the new disclosure schemes related to the regulatory capital come into effect starting from 31/12/2007. The figure relating to the Tier 3 capital as at 31.03.07 is therefore reported only for information purposes and does not take into account the disclosure schemes which were in force in that period.

## A.6 Transactions with related parties

Transactions with shareholders able to exercise a significant influence and with subsidiaries (subsidiaries subject to a considerable influence)

are governed in accordance with the arm's length principles.

As at 31 March 2008, assets and liabilities balances were the following:

	31/03/08					
	Assets	Liabilities	Guarantees and commitments	Dividends distributed	Other revenues	Expenses
<b>CARIGE SHAREHOLDERS WHO EXERCISE A SIGNIFICANT INFLUENCE</b>	<b>905</b>	<b>1,930</b>	<b>-</b>	<b>0</b>	<b>230</b>	<b>64</b>
Fondazione Cassa di Riparmio di Genova e Imperia	905	1,930	-	-	230	64
Caisse Nationale des Caisses d'epargne et de Prevoyance	-	-	-	-	-	-
<i>Figures in thousands of €</i>						
	31/03/08					
	Assets	Liabilities	Guarantees and commitments	Dividends collected	Other revenues	Expenses
<b>SUBSIDIARIES</b>	<b>607,007</b>	<b>914,589</b>	<b>3,236</b>	<b>-</b>	<b>38,745</b>	<b>20,129</b>
Cassa di Risparmio di Carrara SpA	143,037	57,993	-	-	2,689	1,714
Cassa di Risparmio di Savona SpA	135,187	60,418	240	-	4,404	3,521
Banca del Monte di Lucca SpA	165,000	34,578	-	-	2,204	1,334
Banca Cesare Ponti SpA	37,620	71,449	-	-	612	1,053
Carige Asset Management Sgr SpA	8,879	15,600	-	-	8,447	444
Centro Fiduciario SpA	549	721	-	-	120	97
Argo Finance One Srl	3	12	-	-	3	-
Argo Mortgage Srl	15	11	-	-	3	-
Argo Mortgage 2 Srl	44,012	562,051	-	-	2,117	8,667
Priamar Finance Srl	3	11	-	-	3	-
Galeazzo Srl	4	3,119	-	-	4	35
Columbus Carige Immobiliare SpA	13,467	702	-	-	281	702
Immobiliare Ettore Vernazza SpA	610	30	-	-	15	-
Carige Vita Nuova SpA	1,709	62,320	-	-	16,107	2,134
Carige Assicurazioni SpA	56,711	40,143	2,996	-	1,692	255
Assi 90 Srl	119	2,708	-	-	4	141
Savona 2000 Srl	-	31	-	-	-	-
Dafne Immobiliare Srl	-	187	-	-	-	-
Portorotondo Gardens Srl	-	202	-	-	-	2
Creditis Servizi Finanziari SpA	82	2,012	-	-	40	28
IH Roma	-	291	-	-	-	2
<b>ENTITIES SUBJECT TO SIGNIFICANT INFLUENCE</b>	<b>1,972</b>	<b>2,878</b>	<b>25</b>	<b>-</b>	<b>8</b>	<b>54</b>
Autostrada dei Fiori SpA	1,972	56	-	-	6	28
Assimilano Srl	-	1	-	-	-	-
Assicentro Recina Servizi Srl	-	2,243	-	-	1	24
Consorzio per il Giurista d'Impresa Srl	-	10	-	-	-	-
B.D.A. SpA	-	204	25	-	1	1
U.C. Sport e Sicurezza Srl	-	201	-	-	-	-
WTC SPA in liquidation	-	-	-	-	-	-
Nuova Erzelli Srl	-	163	-	-	-	1
<b>TOTAL</b>	<b>608,979</b>	<b>917,467</b>	<b>3,261</b>	<b>-</b>	<b>38,753</b>	<b>20,183</b>

The transactions with other related parties showed the following situations:



	<b>Assets</b>	<b>Liabilities</b>	<b>Guarantees</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Purchase of assets</b>
			<b>and commitments</b>			<b>and insurance</b>
Other related parties	29,081	8,767	4,808	449	45	-
<b>TOTAL</b>	<b>29,081</b>	<b>8,767</b>	<b>4,808</b>	<b>449</b>	<b>45</b>	<b>-</b>

Figures in thousands of €

Related parties are defined as:

- 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.
- close relatives of one of the parties pursuant to the preceding paragraph; 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.
- parties controlled by, jointly controlled by or subject to the significant influence of one of the entities pursuant to the preceding paragraphs or in which said entities hold, directly or indirectly, a significant portion of the voting rights.

## BANK SUBSIDIARIES

The Financial Intermediation Activities of **Cassa di Risparmio di Savona SpA** amount to € 2,674 million, virtually unchanged compared to both the year end data (-0.9%) as well as on YoY basis (-0.3%).

Direct deposits – equal to € 975.7 million – showed, in the first quarter of 2008, a drop of 3.2% (-2.2% compared with March 2007), mainly due to the failed issue of bonds following the decision to reserve to the Parent Group the role of sole issuer of bonds for the entire Group (this approach is common to all banks within the Group). Indirect deposits – equal to € 1,697.8 million – are in line with the data of December 2007 (+0.5%; +0.8% in the twelve month period); assets under management (€717.9 million) is down by 4.6% in the first quarter of 2008, and by 10.6% YoY; assets in custody (€ 979.9 million), on the other hand, registered an increase of 4.5% against December 2007, and of 11.1% against March 2007. This segment was driven by the strong performance of Government securities, and by the growth of Carige Bonds.

Loans to customers (€ 1,060.5 million) grew by 2.1% and 5.9% in the first quarter of 2008 and YoY, respectively, with the major increase registered in the medium/long term component.

The securities portfolio amount to € 148.5 million, down by 13.1% against the end of 2007 and by 40.1% against the first quarter of 2007.

The income statement shows a net profit equal to € 4.4 million, down by 16.9% compared with the € 5.3 million recorded in March 2007; the cost/income ratio shows an increase from 51.1%, registered in March 2007, to 54.2%.

The drop in profits is due to the increase in administrative costs (+ € 0.5 million) and to impairment losses on loans and other credit risk provisions (-1.3 million), not offset by the increase in the interest income (+ € 1.5 million from March 2007) and by the gains from disposal of financial assets available for sale and other financial assets (+ € 55 thousand).

Gross operating income shows a decrease of 6.5% in the twelve month period to € 16.8 million, mainly due to the drop registered in the net income from trading activities (- € 2.2 million).

Impairment losses on loans and other credit risk provisions amount to € 0.8 million (against write-backs for € 0.6 million in March 2007) while operating costs amounted to € 9.1 million (-0.9% YoY).

Profits from ordinary activities, before tax, totalled € 6.9 million, down by 26.4% from the € 9.3 million of March 2007. Net of income taxes for approximately € 2.4 million, the profit for the year amount to € 4.4 million, down by 16.9%, from the € 5.3 million registered in March 2007.

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

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>BALANCE SHEET</b>					
Total assets	1,418,078	1,385,484	1,396,825	2.4%	1.5%
Direct deposits (A)	975,701	1,008,271	997,302	-3.2%	-2.2%
Indirect deposits (B)	1,697,839	1,690,179	1,685,000	0.5%	0.8%
- Assets under management	717,890	752,517	803,187	-4.6%	-10.6%
- Assets in custody	979,949	937,662	881,813	4.5%	11.1%
Financial Intermediation Activities (FIA) (A+B)	2,673,540	2,698,450	2,682,302	-0.9%	-0.3%
Loans to customers (1)	1,060,476	1,038,184	1,001,816	2.1%	5.9%
Securities portfolio	148,481	170,803	247,699	-13.1%	-40.1%
Capital and reserves	192,573	170,648	186,218	12.8%	3.4%
<b>INCOME STATEMENT</b>					
Gross operating income	16,771	72,417	17,928	-	-6.5%
Net income from financial management	15,946	70,794	18,496	-	-13.8%
Operating profit from ordinary activities before taxes	6,864	34,904	9,328	-	-26.4%
Profit for the period	4,430	21,694	5,330	-	-16.9%
<b>RESOURCES</b>					
Number of branches	50	50	50	-	-
Staff	384	384	403	-	-4.7%

(1) Before value adjustments.

At the end of March 2008 the Financial Intermediation Activities of **Banca del Monte di Lucca SpA** are equal to € 895.6 million, up by 1.3% in the first quarter of the year and virtually unchanged in the twelve month period (+0.4%).

Within the Financial Intermediation Activities, direct deposits totalled € 544.8 million and registered an increase of 2.5% in the quarter, but a decrease of 2.7% when compared with the March 2007 data; indirect deposits amounted to € 350.8 million, stable in the three month period (-0.5%), but growing on a YoY basis (+5.6%): In details, assets in custody, totalling € 248.8 million, grew both from the beginning of the year as well as on a YoY basis (+3.5% and + 21.1%, respectively) while assets under management registered a decrease (-9% from March 2007 and -19.4% from December 2007).

Loans to customers, equal to € 719.3 million, grew by 1.7% in the quarter and by 10.2% in the twelve month period.

The securities portfolio amounted to € 2.5 million, up compared with the figures of the end of 2007 (€ 1.8 million; +37.3%), but down

compared with the € 13.7 million of March 2007 (-81.7%).

The income statement shows a net profit equal to € 1.7 million, down by 10.5% compared with the € 1.9 million recorded in March 2007; the cost/income ratio shows an increase from 45.9%, to 48.2%.

The decrease in the net profit is mainly attributable to the increase in operating costs (+6.9%), particularly with reference to administrative costs (+7.5%), and impairment losses on loans and other credit risk provisions (+70.7%), not fully offset by the increase in the interest income (+5%).

Gross operating income totalled € 8.6 million, up by 1.7% from March 2007.

Taking into account impairment losses on loans and other credit risk provisions – equal to € 1.5 million against € 0.7 million registered in March 2007 – and operating costs for € 4.1 million, profits from ordinary activities amount to € 2.9 million (€ 3.7 million in March 2007; -20.5%).

Net of income taxes for € 1.2 million (€ 1.8 million in March 2007), the profit for the period totalled € 1.7 million, lower than that registered in March 2007 (€ 1.9 million; - 10.5%).

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

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>BALANCE SHEET</b>					
Total assets	803,996	778,242	732,527	3.3%	9.8%
Direct deposits (A)	544,786	531,574	559,874	2.5%	-2.7%
Indirect deposits (B)	350,830	352,420	332,108	-0.5%	5.6%
- Assets under management	101,991	112,028	126,618	-9.0%	-19.4%
- Assets in custody	248,839	240,392	205,490	3.5%	21.1%
Financial Intermediation Activities (FIA) (A+B)	895,616	883,994	891,982	1.3%	0.4%
Loans to customers (1)	719,268	707,102	652,865	1.7%	10.2%
Securities portfolio	2,508	1,827	13,714	37.3%	-81.7%
Capital and reserves	47,164	39,096	40,356	20.6%	16.9%
<b>INCOME STATEMENT</b>					
Gross operating income	8,554	33,601	8,414		1.7%
Net income from financial management	7,040	30,172	7,527		-6.5%
Operating profit from ordinary activities before taxes	2,913	14,476	3,665		-20.5%
Profit for the period	1,713	8,110	1,915		-10.5%
<b>RESOURCES</b>					
Number of branches	21	21	21	-	-
Staff	159	156	153	1.9%	3.9%

*(1) Before value adjustments.*

The Financial intermediation Activities by **Cassa di Risparmio di Carrara SpA** totalled € 1,663.3 million, stable in the first quarter (0.3%) and up by 3.5% on a YoY basis

Within the aggregate of Financial Intermediation Activities, direct deposits (€ 781 million) show a decrease of 3.8% compared with last December, and of 5.2% compared with March 2007; indirect deposits (€ 882.3 million) are up by 4.4% and 12.6% in the quarter and in the twelve month period, respectively. The performance registered by direct deposits is characterised by an increase in assets in custody, which totalled € 568 million (+12.5% against December 2007, and + 29.7% against March 2007), due to both Government securities and other bonds, while assets under management, equal to € 314.4 million show a decrease of 7.8% and 9% against, respectively, December and March 2007.

Loans to customers (€ 968.9 million) are up by 1.6% from the beginning of the year and by 8.4% from March 2007.

The securities portfolio amounted to € 22.6 million, down both against December 2007 (-66.7%) as well as against March 2007 (-75.9%).

The income statement shows a net profit of € 4.3 million, up by 18.9 million compared with the first quarter of 2007; the cost/income ratio goes down from 56.5% to 49.2%.

These positive results reflect the performance of the net interest income (+20%), the reduction in personnel costs (-6.1%), in the net provisions for risks and charges (-90%) and an increase in other net operating revenues (+3%). Net commissions (€ 3.4 million) are down by 3,2% following the decrease in commission income (-3.1); the net result from trading activities (€ 0.3 million) is down by 72.5%.

Gross operating income rose by 7.9% to € 15.3 million compared with the same period of the previous year.

Taking into account impairment losses on loans and other credit risk provisions – equal to € 0.8 million against € 0.2 million registered in March 2007 – and operating costs for € 7.5 million – down by 6% on a YoY basis - profits before tax from ordinary activities amount to € 7 million (€ 6.3 million in March 2007; +9.9%).

Net of income taxes for € 2.7 million, the profit for the period amounts to € 4.3 million, with a 18.9% increase over March 2007.

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

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>BALANCE SHEET</b>					
Total assets	1,145,192	1,161,895	1,118,638	-1.4%	2.4%
Direct deposits (A)	780,953	812,200	824,118	-3.8%	-5.2%
Indirect deposits (B)	882,331	845,538	783,494	4.4%	12.6%
- Assets under management	314,354	340,863	345,614	-7.8%	-9.0%
- Assets in custody	567,977	504,675	437,880	12.5%	29.7%
Financial Intermediation Activities (FIA) (A+B)	1,663,284	1,657,738	1,607,612	0.3%	3.5%
Loans to customers (1)	968,831	953,237	893,672	1.6%	8.4%
Securities portfolio	22,599	67,915	93,908	-66.7%	-75.9%
Capital and reserves	111,793	95,096	106,760	17.6%	4.7%
<b>INCOME STATEMENT</b>					
Gross operating income	15,326	58,632	14,200		7.9%
Net income from financial management	14,504	58,083	14,360		1.0%
Operating profit from ordinary activities before taxes	6,970	29,440	6,343		9.9%
Profit for the period	4,320	16,721	3,633		18.9%
<b>RESOURCES</b>					
Number of branches	34	34	34	-	-
Staff	321	330	339	-2.7%	-5.3%

*(1) Before value adjustments.*

The Financial Intermediation Activities of **Banca Cesare Ponti SpA** amount to € 1,079.3 million, down by 1% compared with March 2007, but with an increase of 3.7% from December 2007.

Within the aggregate of the Financial Intermediation Activities, direct deposits (€ 300.2 million) registered an increase of 0.5% from the beginning of the year and of 17.2% from March 2007. Indirect deposits (€ 779.1 million) are down by 1.6% from the beginning of the year, and by 0.7% from March 2007: in details, assets in custody amount to € 517.2 million (+0.4% and -5.2% compared with December and March 2007), while assets under management totalled € 262 million (-5.3% and + 9.6% compared with December and March 2007).

Loans to customers totalled € 242.7 million, up by 2.4% from December 2007 and 23.9% from March 2007.

The securities portfolio amounts to € 43.6 million compared with € 43.5 million registered in December 2007 (+0.3%) and € 54.7 million registered in March 2007 (-20.3%): financial

assets held for trading represent the major component.

The income statement registered a net profit of € 464 thousand, significantly higher than the € 285 thousand of March 2007 (+62.8%); cost/income ratio grew from 79.6% to 84.5%.

Net interest income, compared with March 2007, grew significantly (+20.1%), while net commissions decreased (-10.8%); the net result from trading activities also decreased, registering a negative balance of € 309 thousand (+ € 310 thousand in March 2007); it is worth noting the 7.3% decrease in operating costs (mainly due to staff costs; -8.5% to € 1.4 million).

Gross operating income, equal to € 3.1 million, registered a decrease by 12.7% compared with the same period of the previous year.

Net write-backs for impairment of loans and other credit risk provisions amount to € 268 thousand, against write-backs for € 156 thousand registered in March 2007.

The profits from ordinary activities, before tax, amount to € 755 thousand (€ 580 thousand in March 2007, +30.2%). Net of income taxes for € 291 thousand, the profit for the period amounts to € 464 thousand (+62.8%).

## BANCA CESARE PONTI *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>BALANCE SHEET</b>					
Total assets	381,580	360,161	338,297	5.9%	12.8%
Direct deposits (A)	300,206	298,859	256,160	0.5%	17.2%
Indirect deposits (B)	779,139	791,552	784,275	-1.6%	-0.7%
- Assets under management	261,983	276,548	239,000	-5.3%	9.6%
- Assets in custody	517,155	515,004	545,275	0.4%	-5.2%
Financial Intermediation Activities (FIA) (A+B)	1,079,345	1,090,411	1,040,435	-1.0%	3.7%
Loans to customers (1)	242,673	237,015	195,882	2.4%	23.9%
Securities portfolio	43,619	43,487	54,727	0.3%	-20.3%
Capital and reserves	31,061	29,108	30,255	6.7%	2.7%
<b>INCOME STATEMENT</b>					
Gross operating income	3,143	16,066	3,601		-12.7%
Net income from financial management	3,411	14,533	3,445		-1.0%
Operating profit from ordinary activities before taxes	755	3,814	580		30.2%
Profit for the period	464	2,356	285		62.8%
<b>RESOURCES</b>					
Number of branches	4	4	4	-	-
Staff	95	95	97	-	-2.1%

(1) Before value adjustments.

## INSURANCE SUBSIDIARIES

The results of the two insurance companies of the Group (Carige Assicurazioni SpA and Carige Vita Nuova SpA) are presented below, prepared in accordance with the applicable provisions of the Italian Civil Code and with the provisions specific for the insurance industry in Italy (Leg.Decree 175/1995, Leg.Decree 174/1995, Leg.Decree 173/1997, Leg.Decree 209/2005, ISVAP Measure 735/1997)

It should be noted that such results are different from those reported in the section "Insurance activities" of this Report, where the information gathered from the so called reporting packages are prepared by the companies based on the joint provisions of the Measure of Bank of Italy no. 262 dated 22 December 2005, of the ISVAP Regulations no. 7 dated 13 July 2007 and of the relevant directions of the Parent Bank.

The net shareholders' equity of **Carige Assicurazioni SpA** as at 31 March 2008 (active in non-life insurance) amounts to € 128.1 million; technical reserves net of reinsurance are down by 0.3% in the three month period while investments, equal to € 809 million, decrease by 0.7% compared with December 2007.

The first quarter of 2008 registered a loss of € 9.5 million, this result is mainly due to the negative performance of the financial markets, still continuing, which led to adjustments entries on the investments with an alignment to the

market equal to € 13.8 million. The Company believes to be able to substantially recover the values of the financial investments of the short term section of the portfolio, given that, in accordance with the strategy selected, these are mainly bonds purchased below par and thus, save in case of unforeseeable events concerning the individual issuers, it will be possible to recover the capital invested upon the maturity of each individual holding. It is, therefore, forecasted a complete recovery, in time, of the capital losses resulting from the valuation of the short term portfolio, which are now registered in the income statement.

In details, the result of the technical account is affected by the increase in the management costs which are up by 9.3% to € 34.1 million due to the higher impact, compared with the past, of the acquisition charges registered in the income statement against the capitalised charges, due to the provisions of the co-called Bersani reform. The positive result recorded by overall reserves led to an increase in the related premiums, net of reinsurance (+3.5% to € 121.2 million) against an increase in the relevant claims, net of reinsurance (+3.1% to € 87.8 million). It should further be noted that the portion of the profits from investments equal, as at the end of March 2008, to € 3.7 million was not transferred to the technical account, nor was the difference between other revenues and other net technical charges, which amounts to € -5.5 million from € -2.6 million.

### CARIGE ASSICURAZIONI *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
Recognised gross premiums	125,477	586,252	129,237		-2.9%
Premiums excluding reinsurance	121,150	529,185	117,028		3.5%
Claims incurred and settled excluding reinsurance	87,780	408,533	85,135		3.1%
Operating costs	34,057	133,886	31,168		9.3%
Profit/loss from technical account	-6,184	-12,554	1,839		...
Net profit	-9,491	-13,362	917		...
Investments	808,995	814,347	763,466	-0.7%	6.0%
Technical reserves excluding reinsurance	829,130	831,982	769,768	-0.3%	7.7%
Shareholders' equity	128,141	137,632	151,912	-6.9%	-15.6%
Insurance agencies	374	375	384	-0.3%	-2.6%
Staff	284	289	286	-1.7%	-0.7%

As at 31 March 2008, shareholders' equity of **Carige Vita Nuova SpA** (operating in the life insurance industry) amounts to € 36 million; investments and technical reserves, net of reinsurance, are down, respectively, by 2.4% (to € 1,780 million) and by 1.9% (to 1,708 million) in the first quarter of 2008.

Operations in 2008, both from economic and equity perspectives, were greatly affected by the negative performance of the financial markets which, in the period, led to significant negative impacts following the alignment of financial investments to market values, especially as regards bond portfolios. The income statement for 2008, impacted by such negative effects, recorded a loss of € 17 million against the profit for € 0.9 million registered in the prior financial year, mainly due to the alignment to market values of the securities, equal to € 26.2 million. The Company believes to be able to substantially recover the values of the financial investments of the short term section of the portfolio, given that, in accordance with the strategy selected, these are mainly bonds purchased below par and thus, save in case of unforeseeable events concerning the individual issuers, it will be possible to recover the capital invested upon the maturity of each individual holding. It is, therefore, forecasted a

complete recovery, in time, of the capital losses resulting from the valuation of the short term portfolio, which are now registered in the income statement. Premiums for the period, net of reinsurance, are down by 51.5% to € 35.6 million, mainly reflecting the lower contribution coming from hedging of "Employment Risk" and the different timing of the issues of index linked policies. Furthermore, the result of the technical account was affected by the balance from financial operations, which amounts to - € 15.38 million, by the increase in charges for claims in the period, net of reinsurance, (+0.6% to € 36.2 million) and by the negative difference between other revenues and other technical charges, net of reinsurance, (-8.3% to + € 1 million). These negative variations were not entirely offset by the higher impact of the difference between revenues and charges related to investments for the benefit of the insured, for € 34.6 million, by lower management expenses (-16.2% to € 4.8 million) and by lower provisions to reserves to - € 30.4 million.

### **CARIGE VITA NUOVA SPA** *(figures in thousands of €)*

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
Recognised gross premiums	37,487	373,507	76,326		-50.9%
Premiums excluding reinsurance	35,619	364,877	73,474		-51.5%
Claims incurred and settled excluding reinsurance (1)	38,226	215,173	38,352		-0.3%
Operating costs	4,818	23,519	5,752		-16.2%
Profit/loss from technical account	-23,842	-22,930	873		...
Net profit	-17,025	-13,229	865		...
Investments (2)	1,780,113	1,823,915	1,770,302	-2.4%	0.6%
Technical reserves excluding reinsurance (2)	1,707,856	1,740,297	1,636,221	-1.9%	4.4%
Shareholders' equity	36,036	53,061	72,228	-32.1%	-50.1%
Insurance agencies	265	271	287	-2.2%	-7.7%
Staff	77	74	73	4.1%	5.5%

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

(2) 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 2008, **Carige A.M. SGR SpA**, manages 17 fully operational funds (15 of which dedicated to retail investors and two to institutional investors), plus the portfolios of those products for which the Companies of the Group delegated the management of the relevant financial resources, specifically 25 individual portfolio managements (GPM and GPF), four internal managements for the Fondo Pensione Aperto Carige and three portfolio managements for the insurance product Gestilink, and, from January 2008, five new portfolio managements for the new "unit link" insurance product of Banca Carige, Rosa dei Venti.

It should further be noted the launch, as from 31 March 2008, of two new funds belonging to the Carige Mosaico system (Carige Mosaico Obbligazionario and Carige Mosaico 75).

Assets under management amount to € 6.2 billion, down against December 2007 (-6.8%) and in the twelve month period (-13%), affected by the negative performance registered in the entire system. In summary, the performance is

characterised by an increase in pension funds (+5.5% and +29.2% in the first quarter of 2008 and over the twelve month period, respectively) and by a decrease in mutual funds (-7.4% from December 2007 and -11.5% from March 2007), in assets under management (-5% from the beginning of the year and -22.8% from March 2007) and in insurance products (-7.8% in the first three months of 2008 and -17.5% over the twelve month period).

The net profit for the first quarter of 2008 is equal to € 670 thousand, slightly lower than the figures registered in the same period of 2007.

Net commissions, virtually in line with 2007 figures, amount to € 2.6 million, being the difference between € 12 million for commission income and € 9.4 million for commission expenses; interest income amounts to € 150 thousand (no interest expenses are recorded). The gross operating income is therefore € 2.7 million (+2.2%). Operating costs amounted to € 1.7 million (+16.7% from March 2007).

The result from operations amount to € 1 million (-16% YoY) and, net of taxes for € 354 thousand, net profit is equal to € 670 thousand, 8.9% lower than that registered in the first quarter of 2007.

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

	Situation as at			Change %	
	31/03/08	31/12/07	31/03/07	03/08 12/07	03/08 03/07
<b>DEALING</b>					
Assets under management	6,169,341	6,618,640	7,093,169	-6.8	-13.0
- Mutual funds	4,831,093	5,219,184	5,456,351	-7.4	-11.5
- Assets management (customer assets)	978,611	1,030,055	1,266,910	-5.0	-22.8
- Insurance products (customer assets)	209,092	226,771	253,357	-7.8	-17.5
- Pension funds	150,545	142,630	116,551	5.5	29.2
Total assets	21,786	21,919	21,625	-0.6	0.7
Capital and reserves	9,411	6,204	8,778	51.7	7.2
<b>INCOME STATEMENT</b>					
Net commissions	2,599	11,114	2,577		0.9
Administrative costs	1,698	6,176	1,443		17.7
Operating income	1,025	5,268	1,219		-15.9
Profit for the period	670	3,203	736		-8.9
<b>RESOURCES</b>					
Staff (1)	29	29	24	-	20.8

(1) Seconded Parent Bank personnel except for one employee and 1 unit seconded from Cassa di Risparmio di Savona.



**Creditis Servizi Finanziari SpA** was incorporated following the agreement signed on 8 May 2006 between Natixis Services Financiers and Banca Carige Group for the creation in Italy of a company specialised in consumer credit.

On 17 January 2008, the Italian Banking Association (ABI) announced the admission of the company as a member of the Association, which automatically followed the inclusion of Banca Carige Group, in light of the fact that the Parent Bank completed the registration to the Association as parent bank.

On 30 January ISVAP registered the company in the unified Register of Insurance and Reinsurance Intermediaries; this registration was required in order to allow the Company to exercise the insurance business.

In the first quarter of 2008, the organisational phase was completed with the start, on 5 May 2008, of the company's operations, with the offer of personal loans through the gradual extension to the branches of the banks of the Group.

By the month of June the placement of the product "instant credit" will be launched through the channel of the insurance agencies of the Group, finalised at the realisation of Third-party Motor liability policies, and of the revolving credit cards, both through the banking and insurance networks. In September 2008 the placement of products on the open market through the web channel is expected to take place.

The resulting capital as at March 2008, equal to € 21 million, was invested in cash on current accounts and securities.

From an economic perspective, the first quarter of 2008 closes with a profit of € 105,015 after taxes. The most significant items are those related with interest income, equal to € 362,101 (€ 334,091 of which on securities and € 28,011 on cash on current accounts), and with operating costs, equal to € 187,550.

**Argo Finance One Srl**, vehicle company in the securitisation of bad loans, effected by Carige towards the end of 2000, in 2008 registered collections for € 4 million. Against a value of the credits transferred equal to € 165.3 million, collections from the beginning of the transaction reached € 198.5 million; the transaction continues, since further recoveries are believed possible.

**Priamar Finance Srl**, vehicle company in the securitisation of bad loans, effected by Cassa di

Risparmio di Savona towards the end of 2002, registered, until March 2008, collections for € 30.1 million, € 2.2 million of which in 2008.

**Argo Mortgage Srl**, vehicle company in the securitisation of mortgage loans to private clients, effected by Banca Carige towards the end of 2001, registered overall collections for € 461.5 million, € 14 million of which in 2008.

**Argo Mortgage 2 Srl**, vehicle company in the securitisation of mortgage loans to private clients, effected by Banca Carige on 30 June 2004, registered overall collections for € 485 million, € 37.6 million of which in 2008.

## THE OTHER MAIN SUBSIDIARIES

**Galeazzo Srl**, company operating in the management of the leasing of own properties, closed the first quarter of 2008 with a net profit of € 21 thousand, with an increase compared with the € 12 thousand registered in March 2007.

**Columbus Carige Immobiliare SpA**, company which follows the lease of properties to the companies of the Group and is active in the purchase of properties for their subsequent resale (merchandise assets), registered a net profit of € 111 thousand, with an increase compared with the € 87 thousand registered in the same period of the previous year.

Operations show revenues from rents and leases of merchandise assets for € 697 thousand and € 102 thousand respectively; revenues from real estate sales in the period amount to € 35 thousand.

The book value of the merchandise assets as at 31 March 2008 amounts to € 10.8 million, against € 13.5 million registered the previous year.

**Immobiliare Vernazza SpA**, company which manages the leases of one single building, registered a net profit of € 145 thousand, against € 196 thousand recorded in the first quarter of 2007. Rents in the period amount to € 359 thousand.

The result of **Immobiliare Carisa Srl**, which manages the leasing of the buildings to the companies of the Group and is active in the purchase of properties to be subsequently sold (merchandise assets), shows a negative balance

of € 17 thousand, against a negative result registered in March 2007 for € 1,300.

The operations, which were characterised by a regular performance, registered income from rents for € 42 thousand,

The book value of the merchandise assets as at 31 March 2008 amount to € 3.9 million, with a decrease from € 4.4 million registered in March 2007.

**Centro Fiduciario CF SpA** closes the first quarter of 2008 with a net profit of € 61 thousand, up by 21.5% on a YoY basis.

Against overall revenues from ordinary activities for € 246 thousand (-3.7% from March 2007), total production costs for € 172 thousand (-6.5%) are recorded; operations thus show a result of € 73 thousand (+3.6%). Profits before tax amount to € 95 thousand (+7.1%); net of taxes for € 35 thousand (€ 39 thousand in March 2007), net profits totalled € 61 thousand.

## MAJOR EVENTS OCCURRED AFTER THE END OF THE QUARTER

On 11 April, following the approval of the Board of Directors dated 4 December 2007 concerning the realisation of a medium-long term funding program through the issue of covered warrants – definitively approved with the resolution of the Board of Directors dated 14 April 2008, for an aggregate amount of € 5 billion, to be implemented within 5 years – Carige SpA purchased from Stitching Otello in Amsterdam, in accordance with the resolution of the Executive Committee dated 14 March 2008, a 5% investment in the share capital of the Vehicle Company Holborn Finance S.r.l. at a price of € 517.00.

On 14 April, in compliance with the resolution of the Board of Directors, Carige SpA, CNCE - Caisse Nationale des Caisses d'Épargne et de Prévoyance S.A. and Natixis Consumer Finance S.A.S. entered into appropriate agreements providing, subject to the prior termination of the existing agreements entered into on 8 May 2006, for new forms of cooperation always in the context of consumer credit activities on the Italian market, through Creditis Servizi Finanziari

SpA. The new agreements specifically provide for the granting to CNCE of the right to subscribe and pay for, in the period between 1 January 2009 and 30 June 2009, a new capital increase of Creditis Servizi Finanziari SpA for a number of shares representing a percentage of between 10% and 49% of the share capital post increase, with a share premium calculated on the basis of the resolution of the extraordinary meeting of Creditis Servizi Finanziari SpA dated 10 October 2006.

On 21 April, in connection with the imminent realisation of a securitisation of performing mortgages, Carige SpA purchased from Stitching Corallo in Amsterdam, in accordance with the resolution of the Board of Directors dated 31 January 2008, a 5% investment in the share capital of the Vehicle Company Cornwall Finance Srl at a price of € 517.00.

On 28 April, following the new agreements entered into by Carige SpA, CNCE - Caisse Nationale des Caisses d'Épargne et de Prévoyance S.A. and Natixis Consumer Finance S.A.S., the Meeting of the subsidiary Creditis Servizi Finanziari SpA, as regards the extraordinary part, revoked the resolution of the Extraordinary Meeting dated 10 October 2006 related to the € 40 million capital increase (the term for the subscription having been extended to 30 June 2008 with the resolution of the extraordinary Meeting dated 27 September 2007) with the subsequent amendment of article 5 of the Articles of Associations. The Meeting of the subsidiary, in the ordinary part, approved the financial statements as at 31 December 2007 and appointed, following the resignations of Mr. Mateau and Ms Chatin Flamant, Mr Jean-Jacques Bonnaud and Mr Jean-Marie Paintendre as Directors.

## OPERATIONAL OUTLOOK

The result for the rest of the financial year is expected to be in line with the budget forecasts, with the strategic plan and above that registered in 2007.

**DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS PURSUANT TO PARAGRAPH 2 OF ARTICLE 154-bis OF THE CONSOLIDATED LAW ON FINANCE**

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

**declare**

that the accounting information contained in the Quarterly Report at 31 March 2008 of the Banca CARIGE Group corresponds to the document, results, books and accounting records.

Genova, 12 May 2008

The Manager responsible  
for preparing the Company's financial reports  
*(signed on the original)*

*This document has been translated into the English language solely  
for the convenience of international readers*