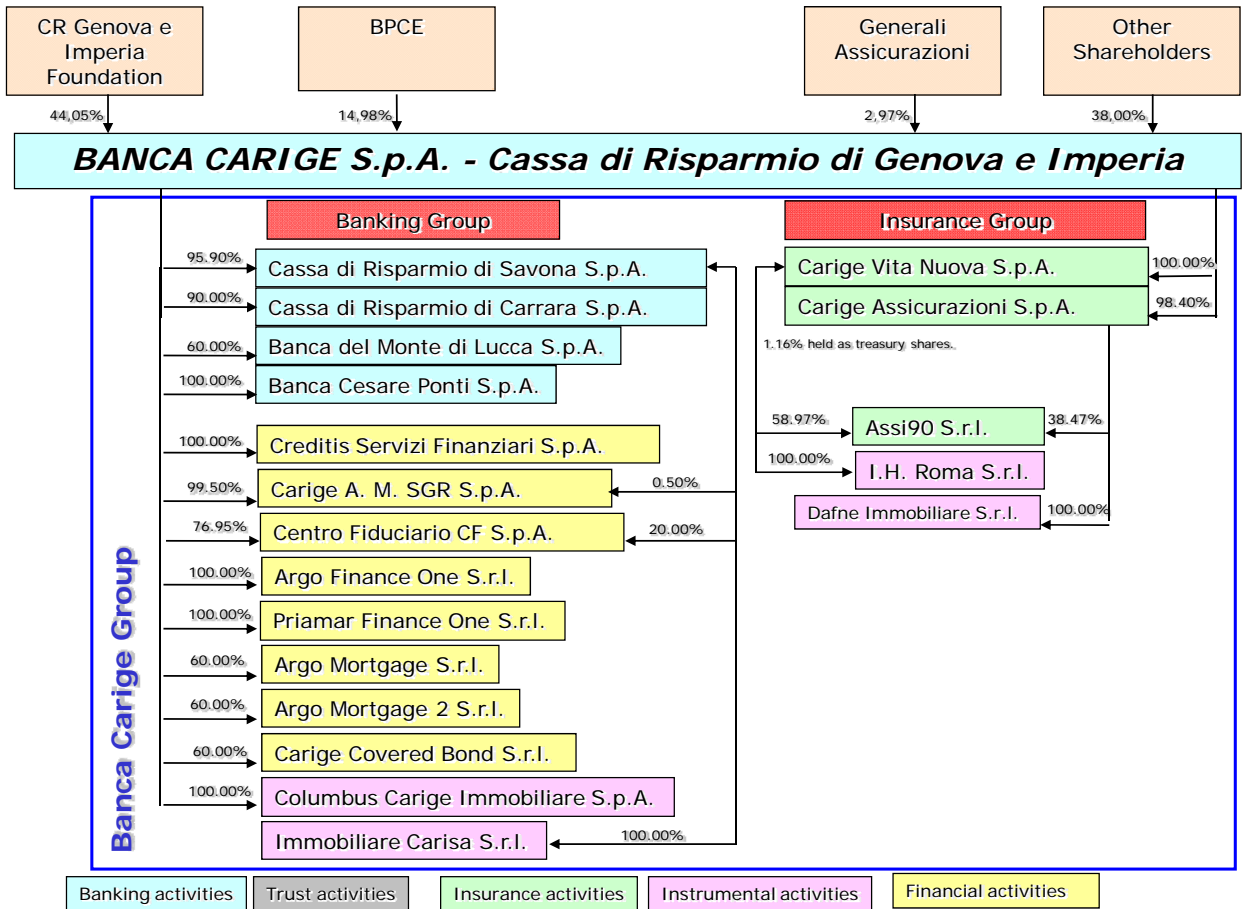


INTERIM REPORT ON OPERATIONS

1st Quarter 2011



THE BANCA CARIGE GROUP



BANCA CARIGE GROUP

INTERIM REPORT ON OPERATIONS

AS AT 31 MARCH 2011

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REMARKS

The following signs are used by convention in the tables:
 - when data are nought
 ... when data are not significant

CONSOLIDATED FINANCIAL HIGHLIGHTS

	Situation as at			Change %	
	31/3/11	31/12/10	31/3/10	3/11 12/10	3/11 3/10
BALANCE SHEET (1)					
Total assets	40,428,390	40,009,957	37,288,763	1.0	8.4
Funding	29,583,627	29,545,550	26,756,889	0.1	10.6
- Direct deposits (a)	26,667,451	26,583,549	25,477,435	0.3	4.7
* Amounts owed to customers	15,122,063	15,592,197	14,860,166	-3.0	1.8
* Securities in issue	10,263,557	9,659,630	9,929,162	6.3	3.4
* Liabilities at fair value (2)	1,281,831	1,331,722	688,107	-3.7	86.3
- Amounts owed to banks	2,916,176	2,962,001	1,279,454	-1.5	...
Indirect deposits (b)	24,481,780	24,090,570	21,078,266	1.6	16.1
- Assets under management	10,285,940	10,341,649	9,180,272	-0.5	12.0
- Assets in custody	14,195,840	13,748,921	11,897,994	3.3	19.3
Financial Intermediation Activities (FIA) (a+b)	51,149,231	50,674,119	46,555,701	0.9	9.9
Investments	36,585,330	36,022,114	33,367,968	1.6	9.6
- Loans to customers (3) (4)	25,188,496	25,373,267	22,865,826	-0.7	10.2
- Loans to banks (3) (4)	1,391,915	1,242,861	2,375,612	12.0	-41.4
- Securities portfolio (5)	10,004,919	9,405,986	8,126,530	6.4	23.1
Capital and reserves	3,792,739	3,516,943	3,805,395	7.8	-0.3
INCOME STATEMENT (1)					
Gross operating income	263,898	1,067,914	252,134		4.7
Net income from financial and insurance management	218,544	895,735	212,205		3.0
Operating profit from ordinary activities before taxes	58,751	261,655	55,656		5.6
Profit for the period	37,005	177,241	32,093		15.3
RESOURCES (6)					
Number of branches	668	667	643	0.1	3.9
Insurance agencies	439	432	394	1.6	11.4
Number of bank employees	5,516	5,536	5,443	-0.4	1.3
Number of bank and insurance employees	5,996	6,003	5,895	-0.1	1.7
FINANCIAL RATIOS					
Operating costs					
/Gross operating income	60.6%	59.9%	62.1%		
Operating profit from ordinary activities before taxes					
/Capital and reserves	1.5%	7.4%	1.5%		
ROE	1.0%	5.0%	0.8%		
ROE (7)	1.2%	6.5%	1.0%		
ROAE (8)	1.0%	5.0%	0.9%		
ROAE (7) (8)	1.3%	6.3%	1.1%		
Earnings per share (in Euro)					
- basic	0.020	0.097	0.014		
- diluted	0.020	0.097	0.014		
RISK ASSETS AND REGULATORY RATIOS (9)					
Total weighted assets	22,230,260	21,887,400	20,037,588	1.6	10.9
Core Tier 1/Total weighted assets (10)	5.9%	6.0%	7.0%		
Tier 1 capital / Total weighted assets	6.6%	6.7%	7.8%		
Regulatory capital including Tier 3 capital/Total weighted assets	9.0%	9.1%	10.0%		

(1) Figures in thousands of euro.

(2) 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.

(3) Before value adjustments.

(4) Net of debt securities classified as L&R

(5) Balance sheet items 20 (net of derivatives), 30, 40, 60 (for the L&R part only) and 70 (for the L&R part only) are included in the aggregate.

(6) Statistics of the end of period.

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

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

(9) The figures as at 31/3/2011 result from accounting and management estimates pending the consolidated official disclosure. It should be mentioned that the full conversion, which can be completed starting from next September, of the bond "Banca Carige 4.75% 2010 - 2015 convertible with the option of reimbursement in shares" at the current stock market share values would determine an increase of the supervisory ratios of 6.9%, 7.6% and 10% respectively.

(10) Indicator inclusive of savings shares following statutory modifications approved by the Shareholders' Meeting of 29/4/2011 aimed at the achievement of the objectives required for inclusion in Core Tier 1.

(11) The data as at 31/3/2010 have been reclassified in order to highlight the components relative to the discontinued groups of assets and liabilities (specifically, the business unit relative to the depositary bank).

MANAGEMENT OF THE PARENT BANK

BOARD OF DIRECTORS *	GENERAL MANAGEMENT*	BOARD OF STATUTORY AUDITORS*
CHAIRMAN Giovanni Berneschi**	GENERAL MANAGER Ennio La Monica	CHAIRMAN Andrea Traverso
DEPUTY CHAIRMAN Alessandro Scajola **	GENERAL JOINT MANAGER (CREDIT AND WEALTH MANAGEMENT) Mario Cavanna	STANDING AUDITORS Massimo Scotton Antonio Semeria
DIRECTORS Piergiorgio Alberti ** Piero Guido Alpa Luca Bonsignore Cesare Castelbarco Albani Remo Angelo Checconi ** Bruno Cordazzo Bruno Deletré Gabriele Galateri di Genola Luigi Gastaldi ** Paul Marie Le Bihan	GENERAL JOINT MANAGER (ADMINISTRATION AND RESOURCES) Giacomo Ottonello	SUBSTITUTE AUDITORS Adriano Lunardi Luigi Sardano
Alain Jean Pierre Lemaire Paolo Cesare Odone ** Renata Oliveri ** Guido Pescione Marco Simeon Mario Venturino	DEPUTY GENERAL MANAGER (GOVERNANCE AND CONTROL) Daria Bagnasco	AUDIT FIRM* Deloitte & Touche SpA
	DEPUTY GENERAL MANAGER (COMMERCIAL) Gabriele Delmonte	MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS* Daria Bagnasco

* as at 31 March 2011

** Member of the Executive Committee

The Board of Directors was appointed by the Ordinary Shareholders' Meeting of 29 April 2009 for the financial years 2009-2010-2011. The Ordinary Shareholders' Meeting of 29 April 2010 appointed Mr. Bruno Deletré and Mr. Paul Marie Le Bihan - already co-opted by the Board of Directors on 14 December 2009 and 22 February 2010 to replace the outgoing Mr. Jean-Marie Paintendre and Mr. Jean-Jacques Bonnaud - as members of the Board of Directors of CARIGE S.p.A., with the same expiry of term in office as the other Board members. The Ordinary Shareholders' Meeting of 31 January 2011 appointed Mr. Marco Simeon - already co-opted by the Board of Directors on 18 October 2010 to replace the outgoing Mr. Pietro Isnardi - as member of the Board of Directors of CARIGE S.p.A., with the same expiry of term in office as the other Board members.

The Executive Committee was appointed by the Board of Directors on 11 May 2009 with term of office up to 31 October 2010. The Board addressed this expiry in its 18 October 2010 meeting by confirming the previously elected members and also appointed Ms. Renata Oliveri as a member, with a term of office lasting from 1 November 2010 until the date of the Ordinary Shareholders' Meeting called for approval of the financial statements as at 31 December 2011.

The Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting of 29 April 2008 for the financial years 2008-2009-2010, with a term of office lasting until the approval of the financial statements as at 31 December 2010. On 29 April 2011, therefore, the Ordinary Shareholders' Meeting appointed the new Board of Statutory Auditors for the years 2011-2012, 2013, comprising the following members: Mr. Andrea Traverso (Chairman), Mr. Massimo Scotton and Mr. Antonio Semeria (Standing Auditors), Mr. Stefano Lunardi and Mr. Domenico Sardano (Substitute Auditors).

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

INTERIM REPORT ON OPERATIONS

THE REAL AND MONETARY SITUATION

The first months of 2011 confirm the slow recovery in the macroeconomic environment, accompanied by many Countries' shift to restrictive fiscal policies. The recession has saddled mature economies with high levels of public debt and persisting uncertainties about the banking system. Socio-political turmoil in North Africa and the Middle East, with the resulting consequences on the prices of raw materials, and the tsunami in Japan, have contributed to slow the recovery in the Western world and to hamper expansion in emerging areas.

In this environment, global growth is increasingly sustained by the rise in emerging Countries living standards, to approach those of advanced Countries.

Global GDP for 2011 is estimated to have increased by 4.5% (+5.3% in 2010) with expected growth in international trade of +8.6% (+13.9% in 2010).

In the **United States**, while growth exceeded expectations, Standard & Poor's lowered its outlook from stable to negative in April, as a result of the deterioration in its national debt.

Tax incentives are promoting the resumption of investments in machinery and plant; however, the persistent unemployment in the private sector maintains household consumption at modest levels, in an environment characterised by rising inflation.

Emerging countries, in order to govern growth and avoid excessive inflationary accelerations, have already begun to adopt restrictive monetary policy measures. In spite of the growing weight on the worldwide economy, their growth rate is decelerating, which should act as a brake on the oil market.

The **EU's** economy grew less than that of the United States, as it was constrained by the adjustment of public finances, differentiated in the various Countries: growth was higher in Germany, more modest in Spain, Greece and Ireland; in the Area as a whole, GDP growth for 2011 is in line with 2010 (+1.7%). With a substantially unchanging business confidence, industrial production in February grew at an annual rate of 7.3% (+15% in Germany). New manufacturing orders rose sharply (+22% in January), whilst retail sales stagnated (+0.2% in

February). The unemployment rate remains high, at 9.9% in February. In March, consumer prices grew at an annual rate of 2.7%, mostly caused, however, by the energy component: core inflation, excluding food and energy, remained at 1.1% in February and was lower than 1% both in Germany and in France. Tensions on Portugal's public accounts remain problematic; the Country is about to ask the EU and the IMF for assistance amounting to about euro 80 billion in three years; it is the third EU Country to submit such a request in a year, after Ireland (euro 85 billion) and Greece (euro 110 billion).

Italy maintains its negative gap compared to the EU average. In the early months of 2011, domestic demand is still less than lively, increasingly affected by ever more restrictive fiscal policies, consequent to the deficit accumulated during the recession; exports, which initially had driven the recovery as a result of the expansion in worldwide demand, nevertheless were increasingly hampered by the appreciating exchange rate; moreover, tensions in North Africa are bound to have more severe repercussions on Italy than on the other European Countries.

The GDP, which grew by 1.2% in 2010, is expected to slow to 0.9% in 2011, mostly as a result of stagnating consumption and investments.

In the first two months, industrial production grew modestly (+1.3% annually), reflecting increases in consumer durables (+2.3%), capital goods (+5.8%), and intermediate goods (+3.3%), whereas there was a contraction in consumer non-durables (-4.6%) and energy (-1.4%). During the same period, industrial revenues and orders were more dynamic, growing respectively at an annual rate of 12.1% and 16.8%, whilst retail sale shrank by 0.6% both in small and large scale distribution.

The job market is confirming its difficult conditions, especially for the young: in February employment dropped at an annual rate of 0.3%, with the unemployment rate stable at 8.4%.

Inflation exhibited a sharply rising trend (+2.8% in March), driven by the energy component.

With regard to foreign trade, exports grew sharply (+21.2% over the first two months of 2010) as did imports (+24.7%), with a current account deficit of euro 10.2 billion, mostly due to the imbalance to non-EU Countries.

Public finance worsened: the cumulative cash requirements of the government sector in the first three months of 2011 amounted to about euro 33.1 billion, higher than the euro 27.1

billion of the first three months of 2010, in part because of the loan issued to Greece and to the higher interest expense.

As a result of the rising prices, **monetary policy** has a more restrictive bias. In April 2011, the ECB, after nearly two years, raised the reference interest rate by a quarter of a percentage point, to 1.25%, whilst in the United States the FED, whose mandate couples control over price stability and full employment, maintained the interest rate in the 0-0.25% range.

The **currency exchange market** was characterised by a gradual appreciation of the Euro against the US Dollar: from 1.34 in late 2010 to 1.48 in April.

Financial markets were affected by tensions on the public accounts of the United States and of the Peripheral Eurozone States; consequently, market rates rose: Euribor 3 months grew from 1.02% in December to 1.16% in March, the Euribor 6 months from 1.25% to 1.47% and the T-bill yield from 3.96% to 4.21%.

In Italy, government bond performance fluctuated even more: BOT (treasury bills), CCT (treasury credit certificates) and CTZ (zero coupon treasury bills) fell, while BTP (long-term treasury bonds) rose.

With regard to banking intermediation, **direct deposits** grew by 3% year on year and were stable in the quarter: customer deposits decelerated (+2.9%; +6.3% in December 2010), whilst bonds recovered slightly (+3%; -1.6% in December 2010).

Bank loans showed further consolidation. In March, year on year growth in loans to the private sector was 6% (+4.3% in December 2010); in particular, loans to companies accelerated (+5.1% year on year in February 2011), returning to the early 2009 levels, whilst loans to households continued to grow briskly (+8.3%). Bank credit quality worsened further, with a bad loans/loans ratio of 2.5% in February (2.4% in December 2010 and 1.9% in February 2010).

Bank interest rates rose slightly. The average rate on loans to households and non-financial companies as at March stood at 3,68% (3.62% at the end of 2010) and the rate on deposits at 0.75% (0.70% as at December 2010).

The strategic goal of the Carige Group is the creation of value in the medium/long term for all stakeholders, with a particular focus on the development of relations with clients and dimensional growth as a key requirement to maintain an important position in the domestic banking system.

The Carige Group's mission is to consolidate the Group's role as a national banking, financial, pension and insurance conglomerate, deep-seated in individual local markets, able to distinguish itself in the quality of the service offered through an integrated and multi-channelled approach and progressive development in terms of quality of resources and structures.

It is reaffirmed in the intention to succeed as:

- Group, in terms of complete range of products and services rendered, continuing to play a role of aggregating centre for other small and medium sized banks, with specific features as regards locations (deeply rooted territorial presence), structures and management;
- At a national level, in terms of presence spread throughout Italy, especially strong in certain area of the Country and with the core centre in Liguria, where it is characterised by the particular care to the development of the relation with the local environment (multi-localism);
- Focused on retail clients, i.e. on families, small and medium size enterprises, craftsmen, merchants sectors as well as on local public entities, leveraging on the widest use of technology;
- Determined to pursue the development of resources and structures, meaning a higher specialisation of networks and productive functions, a uniform management of "key" expertises of the Group and the professional development of the employees for reaching ever growing efficiency also through an IT system compliant with System best practices;
- Determined, furthermore, to pursue the development of an integrated range of different channels, i.e. availability of all the types of channels (traditional, remote, mobile) to allow customers to benefit from

banking services at the time and in the way and location they prefer.

In line with the fundamental strategic goal and in order to fully realise this mission, the outlined strategies were to boost productivity, efficiency, profitability and traded volumes, whilst

maintaining adequate levels of capitalisation, risk monitoring and management.

The strategy pursued by the Group and the results achieved were assessed favourably in the period by International rating agencies. The most recent ratings attributed to the Parent Bank are shown in the table below:

RATING BANCA CARIGE

	data	a breve	a lungo	BFSR (1) (2)	Individual (2)	Support (3)
Fitch	maggio 2010	F1	A	-	B/C	3
Moody's	settembre 2010 (4)	P-1	A2	C-	-	-
Standard & Poor's	maggio 2011	A2	A-	-	-	-

(1) Bank Financial Strength Ratings.

(2) Tali indici esprimono l'intrinseca solidità e sicurezza di una banca, nonché l'affidabilità finanziaria sulla base delle sue attività. Gli indicatori vanno da A ad E.

(3) Indica la probabilità che lo Stato o altro organo pubblico, o al limite gli azionisti, intervengano a sostegno della banca in stato di crisi. L'indicatore va da 1 a 5.

(4) Data dell'ultima credit opinion emessa dall'agenzia di rating.

BUSINESS PERFORMANCE

In the initial months of 2011, the Group's business was carried out in an economic-financial environment characterised by a laborious recovery from the recession, with substantially stagnant household consumption and by little demand for loans by companies, accompanied by high levels of turbulence in financial markets.

In this environment, the Carige Group further developed its traditional intermediation activities, rooted in the community.

Its support to its reference economic fabric was reflected by a growth to euro 25 billion in credits granted to the economy, net of repo transactions (+9.7% and 2.3% respectively in the year and in the quarter; +6.7% year on year on a like-for-like basis, or net of the contribution of the branches acquired in late May 2010 from Banca del Monte dei Paschi di Siena, hereafter also BMPS). Loans to companies amount to euro 15.5 billion¹ (+9.8% and +2.9% respectively in the twelve month period and in the three month period) and those to households, mainly represented by mortgage loans for home purchases and/or renovations, amount to euro 7.9 billion¹ (up 7.3% and 0.4%).

Constant control over credit quality allowed to maintain the bad loans/loans ratio at 4.8%, i.e. lower than the System ratio².

Total traded assets amount to euro 51.1 billion, up 9.9% year on year and 0.9% in the quarter (+7% year on year net of the contribution by former BMPS branches). Medium/long term bond funding, in spite of international market tensions on the supply of funds, grew by 9.9%¹ in the course of the year and by 5.7%¹ in the quarter (+8.8%¹ net of the contribution by former BMPS branches) also thanks to the issue of bonds amounting to about 2.3 billion – including covered and senior bond – placed with Italian and foreign retail and institutional investors.

Asset management products also grew (12% and 7.8% in the twelve month period net of former BMPS branches): particularly impressive, among these products, was the performance of bank assurance products (+19.4% and 12% net of former BMPS branches).

The number of current accounts rose by 0.1% from the start of the year, with a positive balance of about 500 between opened and closed accounts.

The net consolidated income amounted to 37 million, up 15.3% over the previous year. The recovery in interest margin (+15.3% at euro 187.4 million), also sustained by an environment characterised by rising rates and the positive performance of net commissions

¹ Operating data.

² 5.2% in February 2011 (source Bank of Italy: Provincial credit statistics).

(+8.4% at euro 75.3 million) more than offset the effects of market volatility (-94.6% at euro 1.1 million for financial assets), of the increased riskiness of the environment (+24.8% at euro 30.7 million for value adjustments on loans and other financial assets) and of the modest growth in operating costs (+2.1% at euro 159.8 million), thus leading to an improvement in operating efficiency with a reduction in the cost-income ratio from 62.1% in the first quarter of 2010 to the current 60.6%.

In the first months of the financial year, focus on the liquidity profile continued, thanks in part to the aforementioned bond issued, which enabled to maintain a balanced maturity transformation.

The supervisory ratios³ remained at adequate levels: Core Tier 1 ratio 5.9%, Tier 1 ratio 6.6% and Total Capital ratio 9.0%. The full conversion, possible from September 2011, of the convertible bond "Banca Carige 4.75% 2010 – 2015 convertible with the option of reimbursement in shares" at the current stock market share values would determine increases of 6.9%, 7.6% and 10.0%, respectively.

SIGNIFICANT EVENTS OF THE FIRST QUARTER 2011

On 1 January 2011, Nuova Banca Cesare Ponti changed its name to Banca Cesare Ponti SpA and it was registered in the Roll of Banks, per Article 13 of the Consolidated Banking Law. With the same effective date, the new entity took over the business unit constituted by the trademark and by the private banking activities of the former Banca Cesare Point (which merged into the Parent Bank effective 31 December 2010) and the private banking activities of Banca Carige in Lombardia.

On 31 January, the extraordinary Shareholders' Meeting of Banca Carige, approved certain amendments to its Bylaws, mainly to comply with recent regulations disciplining the rights of shareholders of listed companies and the matter of related parties.

On 10 March, within the issue of covered bank bonds, Banca Carige placed the third public issue for a nominal amount of euro 500 million.

On 18 March, the extraordinary Shareholders' Meeting of Carige Vita Nuova SpA, resolved to

proceed, subject to the necessary authorisations of the cognisant Supervisory Authorities, with the paid capital increase for a value of euro 50 million, including share premium.

In relation to the extant tax dispute, on 24 March the Provincial Tax Commission of Genoa accepted the Group's appeal against the finding pertaining to the accrual of costs deducted for tax purposes in 2004 by Carige Insurance SpA for about euro 7.6 million. At the same time, the same Commission rejected the appeal against the assessment notice pertaining to the 2004 tax period that had qualified as "abuse of right" the use of the tax credit for taxes paid abroad on interest pertaining to English bonds for about euro 4.3 million. In this regard, the Group, supported by the opinion of qualified outside professionals, tasked its attorneys to file an appeal as soon as possible with the cognizant Regional Tax Commission for the rejected part of the appeal, deeming that there are still valid grounds for the recognition of the legitimacy of its actions.

On 25 March, as a result of the resolution by the extraordinary Shareholders' Meeting of Banca del Monte di Lucca SpA on 1 March, the shareholders – including the Parent Bank for its share - subscribed the euro 15 million capital increase, including share premium.

RISK MANAGEMENT

In the Carige Group, any policies related to the assumption of risks are set by the Board of Directors of the Parent Bank at the moment of preparation of strategic planning and the annual budget.

The Parent Bank performs orientation and supervisory functions as regards all risks, in particular by managing, in an integrated context, the Pillar 1 and Pillar 2 risks, in accordance with the provisions contained in the Supervisory Instructions of the Bank of Italy (Circular No. 263 dated 27 December 2006 and subsequent updates).

The banks of the Group operate within specific limits of independence and avail themselves of their own supervisory structures.

The analyses are supported not only by regulatory models, but by more advanced methodologies which have made it possible, over time, to expand the range of risks monitored and to improve the assessment of the

³ Estimated data.

capital adequacy, from both a regulatory and an economic perspective. For details on risk management, please refer to the section "Risk management" in the Explanatory notes.

SIGNIFICANT EVENTS OCCURRED AFTER 31 MARCH 2011 AND OUTLOOK FOR THE CURRENT YEAR

On 13 April, within the Euro Medium Term Note (EMTN) program, the Parent Bank placed the senior loan "Banca Carige SpA Fixed Rate 4% 2011/2013" for a nominal amount of euro 750 million.

On 29 April, the ordinary Shareholders' meeting of Carige has, among other matters, appointed to the Board of Statutory Auditors for 2011-2013 Messrs.: Andrea Traverso, Chairman, Massimo Scotto and Antonio Semeria, Standing Auditors, and Stefano Lunardi and Domenico Sardano, Substitute Auditors.

The extraordinary Shareholders' Meeting approved certain amendments to Article 35 of the Bylaws in relation to the changes made to regulatory capital rules. The Shareholders' Meeting also made certain additional refinements to Articles 10, 11, 13 and 18 of the Bylaws, the better to specify certain aspects pertaining to the rights of shareholders of listed companies.

The May meetings of the Boards of Directors of the subsidiaries Banca del Monte di Lucca, Cassa di Risparmio di Carrara and Cassa di Risparmio di Savona expressed their favourable opinion on participation in the Covered Bond Issue Program, launched by the Parent Bank in 2008, further approving the sale to the special purpose vehicle Carige Covered Bond Srl of a portfolio of loans represented by home and commercial mortgage loans fulfilling the requirements set out by current regulations.

In upcoming months, the Group will carry out its business in an environment characterised by expectations of slow growth in the Italian economy, with a manufacturing recovery that should lead to increased demand for companies' investments but with moderate rise in household consumption, negatively affected by the return of inflation, growing unemployment and fiscal policies focused on deficit reduction.

The effects on the profitability of bank intermediaries of an economy whose recovery is weak and laborious will be added to those of

the penalising industry regulations introduced in recent years and by the ongoing revision (known as Basel 3) of prudential supervisory instructions. This revision introduces, in particular, more stringent constraints with respect to capital requirements and liquidity; compliance with them will make it necessary for the banking System gradually to obtain more available capital and liquidity reserves. Moreover, the restrictions that are being adopted or have been announced by the main monetary Authorities to contrast inflationary pressures could cause further stresses on monetary and financial markets and exacerbate the lack of liquidity already being experienced by intermediaries, leading to higher capital costs. At the same time, a scenario of gradually rising interest rates should reflect positively on banks' financial statements.

All these aspects can impact on the profitability levels of the entire banking System and hence also of the Carige Group. The performance of intermediation and profitability in the early months of the current financial year as well as constant focus on liquidity, capitalisation and risk, the efficiency returns from investments in information technology, are deemed to allow to continue a balanced path to growth with adequate profits.

TRANSACTIONS WITH RELATED PARTIES

The Group maintains relations with Banca Carige shareholders who are able to exercise a significant influence, subsidiaries and other related parties regulated under market conditions. Said relations are described in detail in the Explanatory Notes.

Please note that in the first three months, no transactions with related parties subject to information to the public were carried out. The completed transactions also fall within the Group's normal activities.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS *(figures in thousands of euro)*

	31/3/11	31/12/10	31/3/10	Change %	
				12/10	3/10
10 · CASH AND CASH EQUIVALENTS	264,813	300,103	250,415	-11.8	5.7
20 · FINANCIAL ASSETS HELD FOR TRADING	257,635	325,819	711,108	-20.9	-63.8
30 · FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	602,448	641,522	666,315	-6.1	-9.6
40 · AVAILABLE-FOR-SALE FINANCIAL ASSETS	8,761,785	8,109,848	6,396,798	8.0	37.0
60 · LOANS TO BANKS	1,633,263	1,431,781	2,573,621	14.1	-36.5
70 · LOANS TO CUSTOMERS	24,679,267	24,899,599	22,493,105	-0.9	9.7
80 · HEDGING DERIVATIVES	57,902	108,296	109,529	-46.5	-47.1
100 · EQUITY INVESTMENTS	54,994	54,994	55,601	0.0	-1.1
110 · TECHNICAL RESERVES CHARGED ON REINSURERS	156,890	163,930	185,745	-4.3	-15.5
120 · TANGIBLE ASSETS	1,140,569	1,130,288	1,115,430	0.9	2.3
130 · INTANGIBLE ASSETS	1,859,638	1,858,779	1,726,741	0.0	7.7
<i>of which:</i>					
- goodwill	1,779,504	1,779,504	1,649,160	0.0	7.9
140 · TAX ASSETS	445,257	489,253	318,853	-9.0	39.6
a) <i>current</i>	120,590	129,453	90,042	-6.8	33.9
b) <i>advanced</i>	324,667	359,800	228,811	-9.8	41.9
150 · NON-CURRENT ASSETS AND DISCONTINUED GROUPS OF ASSETS	0	0	3,427	...	-100.0
160 · OTHER ASSETS	513,929	495,745	682,075	3.7	-24.7
TOTAL ASSETS	40,428,390	40,009,957	37,288,763	1.0	8.4

LIABILITIES *(figures in thousands of euro)*

	31/3/11	31/12/10	31/3/10	Change %	
				12/10	3/10
10 · AMOUNTS OWED TO BANKS	2,916,176	2,962,001	1,279,454	-1.5	...
20 · AMOUNTS OWED TO CUSTOMERS	15,122,063	15,592,197	14,860,166	-3.0	1.8
30 · SECURITIES IN ISSUE	10,263,557	9,659,630	9,929,162	6.3	3.4
40 · FINANCIAL LIABILITIES FROM TRADING	65,966	69,345	97,222	-4.9	-32.1
50 · FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	1,909,293	1,998,959	1,381,542	-4.5	38.2
60 · HEDGING DERIVATIVES	569,906	580,434	458,851	-1.8	24.2
80 · TAX LIABILITIES	334,939	301,138	316,262	11.2	5.9
(a) <i>current</i>	39,546	17,334	89,039	...	-55.6
(b) <i>deferred</i>	295,393	283,804	227,223	4.1	30.0
100 · OTHER LIABILITIES	1,043,321	872,415	1,189,210	19.6	-12.3
110 · STAFF TERMINATION INDEMNITY	88,077	89,417	93,838	-1.5	-6.1
120 · PROVISIONS FOR RISKS AND CHARGES:	320,270	324,382	340,585	-1.3	-6.0
a) <i>pensions and similar obligations</i>	289,193	292,717	304,808	-1.2	-5.1
b) <i>other provisions</i>	31,077	31,665	35,777	-1.9	-13.1
130 · TECHNICAL RESERVES	3,915,876	3,823,093	3,462,527	2.4	13.1
140 · VALUATION RESERVES	514,481	415,850	562,515	23.7	-8.5
160 · CAPITAL INSTRUMENTS	15,773	15,784	15,785	-0.1	-0.1
170 · RESERVES	458,815	281,836	424,052	62.8	8.2
180 · ADDITIONAL PAID-IN CAPITAL	1,013,279	1,013,164	1,012,742	0.0	0.1
190 · CAPITAL	1,790,391	1,790,309	1,790,301	0.0	0.0
210 · MINORITY INTERESTS (+/-)	49,202	42,762	42,456	15.1	15.9
220 · PROFIT (LOSS) FOR THE PERIOD (+/-)	37,005	177,241	32,093	-79.1	15.3
TOTAL LIABILITIES	40,428,390	40,009,957	37,288,763	1.0	8.4

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT *(figures in thousands of euro)*

	31/3/11	2010	31/03/10	Change % 3/11 3/10
10 - INTEREST INCOME AND SIMILAR REVENUES	289,341	1,102,708	254,869	13.5
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-101,899	-397,072	-92,243	10.5
30 - NET INTEREST INCOME	187,442	705,636	162,626	15.3
40 - COMMISSION INCOME	82,821	332,126	76,846	7.8
50 - COMMISSION EXPENSES	-7,490	-34,811	-7,322	2.3
60 - NET COMMISSIONS	75,331	297,315	69,524	8.4
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	18	8,607	23	-21.7
80 - NET INCOME FROM TRADING ACTIVITIES	2,694	-6,629	5,602	-51.9
90 - NET INCOME FROM HEDGING ACTIVITIES	-801	1,059	200	...
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	1,048	58,632	11,999	-91.3
a) loans	55	2,176	259	-78.8
b) available-for-sale financial assets	612	38,914	9,340	-93.4
d) financial liabilities	381	17,542	2,400	-84.1
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	-1,834	3,294	2,160	...
120 - GROSS OPERATING INCOME	263,898	1,067,914	252,134	4.7
130 - NET VALUE ADJUSTMENTS DUE TO IMPAIRMENT OF:	-30,713	-116,317	-24,607	24.8
a) loans	-28,668	-114,219	-25,157	14.0
b) available-for-sale financial assets	-644	-1,704	-42	...
d) other financial assets	-1,401	-394	592	...
140 - NET INCOME FROM FINANCIAL MANAGEMENT	233,185	951,597	227,527	2.5
150 - NET PREMIUMS	308,148	1,416,805	413,007	-25.4
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-322,789	-1,472,667	-428,329	-24.6
170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT	218,544	895,735	212,205	3.0
180 - ADMINISTRATIVE COSTS:	-172,683	-655,535	-160,048	7.9
a) staff costs	-99,221	-392,386	-93,544	6.1
b) other administrative costs	-73,462	-263,149	-66,504	10.5
190 - NET PROVISIONS FOR RISKS AND CHARGES	-551	-3,206	-496	11.1
200 - DEPRECIATION OF TANGIBLE ASSETS	-6,209	-25,250	-5,926	4.8
210 - AMORTIZATION OF INTANGIBLE ASSETS	-7,590	-27,550	-6,197	22.5
220 - OTHER OPERATING EXPENSES AND REVENUES	27,238	71,467	16,112	69.1
230 - OPERATING COSTS	-159,795	-640,074	-156,555	2.1
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	5,801	-	...
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	2	193	6	-66.7
280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	58,751	261,655	55,656	5.6
290 - INCOME TAXES FOR THE PERIOD	-21,238	-97,954	-23,524	-9.7
300 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	37,513	163,701	32,132	16.7
310 - PROFIT (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAXES	-	15,935	516	-100.0
320 - PROFIT (LOSS) FOR THE PERIOD	37,513	179,636	32,648	14.9
330 - MINORITY INTERESTS	508	2,395	555	-8.5
340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK	37,005	177,241	32,093	15.3

The data as at 31/3/2010 have been reclassified in order to highlight the income statement components related to the group of assets held for sale (specifically, the business unit relative to the parent bank's depositary bank)

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

	31/3/2011	2010	31/3/2010	Change 03/11 - 03/10	
				absolute	%
10 PROFIT (LOSS) FOR THE PERIOD	37,513	179,636	32,648	4,865	15
Other income components after taxes					
20 Available-for-sale financial assets	77,066	(150,830)	1,669	75,397	...
60 Cash flow hedge	21,643	(19,129)	(26,169)	47,812	...
100 Share of the valuation reserves of equity investments designated at equity					
	0	(829)	0	0	...
110 Total other income components after taxes	98,709	(170,788)	(24,500)	123,209	...
120 TOTAL PROFITABILITY (Item 10+ 110)	136,222	8,848	8,148	128,074	...
130 Total consolidated profitability attributable to minority interests	586	2,516	779	(193)	(25)
140 Total consolidated profitability attributable to the Parent bank	135,636	6,332	7,369	128,267	...

Figures in thousands of euro

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Balance as at 31/12/2010	Change in opening balances	Balance as at 1/1/2011	Allocation of profits/losses for the previous period		Changes in the period							Shareholders' equity as at 31/03/2011	Shareholders' equity as at 31/03/2011	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity					Comprehensive income for the period as at 31/03/2011			
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives				Stock options
Capital:	1,811,150	-	1,811,150	-	-	-	3,202	(9)	-	-	-	-	-	1,790,391	23,952
a) ordinary shares	1,636,840	-	1,636,840	-	-	-	3,202	(9)	-	-	-	-	-	1,616,081	23,952
b) other shares	174,310	-	174,310	-	-	-	-	-	-	-	-	-	-	174,310	-
Additional paid-in capital	1,023,099	-	1,023,099	-	-	-	2,995	-	-	-	-	-	-	1,013,279	12,815
Reserves:	289,276	-	289,276	179,603	-	(55)	-	(311)	-	-	-	-	-	458,815	9,698
a) profits	217,323	-	217,323	179,603	-	(55)	-	(311)	-	-	-	-	-	387,059	9,501
b) other	71,953	-	71,953	-	-	-	-	-	-	-	-	-	-	71,756	197
Valuation reserves	418,016	-	418,016	-	-	-	-	-	-	-	-	98,709	-	514,481	2,244
Capital instruments	15,784	-	15,784	-	-	-	-	-	(11)	-	-	-	-	15,773	-
Own shares	(15)	-	(15)	-	-	-	-	-	-	-	-	-	-	-	(15)
Profit (Loss) for the period	179,636	-	179,636	(179,636)	-	-	-	-	-	-	-	37,513	-	37,005	508
Shareholders' equity for the group	3,694,184	-	3,694,184	-	-	(54)	197	(208)	-	(11)	-	135,636	-	3,829,744	X
Minority interests	42,762	-	42,762	(33)	-	(1)	6,000	(112)	-	-	-	586	-	X	49,202

Figures in thousands of euro

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Balance as at 31/12/2009	Change in opening balances	Balance as at 1/1/2010	Allocation of profits/losses for the previous period		Changes in the period						Shareholders' equity as at 31/12/2010	Shareholders' equity as at 31/12/2010	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity							Comprehensive income for the period as at 31/12/2010
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives				Stock options
Capital:	1,810,531	-	1,810,531			1	643	(25)					1,790,309	20,841
a) ordinary shares	1,636,221		1,636,221			1	643	(25)					1,615,999	20,841
b) other shares	174,310		174,310				-						174,310	-
Additional paid-in capital	1,021,418		1,021,418			-	1,787	(106)					1,013,164	9,935
Reserves:	221,587	-	221,587	59,044	-	453	-	8,192	-	-	-	-	281,836	7,440
a) profits	149,634		149,634	59,044		453	-	8,192					210,080	7,243
b) other	71,953		71,953			-	-						71,756	197
Valuation reserves	589,283		589,283			(479)	-	-				(170,788)	415,850	2,166
Capital instruments	1,178		1,178						14,606				15,784	-
Own shares	(15)		(15)											(15)
Profit (Loss) for the period	209,019		209,019	(59,044)	(149,975)							179,636	177,241	2,395
Shareholders' equity for the group	3,811,089	-	3,811,089	-	(146,716)	36	430	8,407	- 14,606	-	-	6,332	3,694,184	X
Minority interests	41,912	-	41,912	-	(3,259)	(61)	2,000	(346)				2,516	X	42,762

Figures in thousands of euro

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Balance as at 31/12/2009	Change in opening balances	Balance as at 1/1/2010	Allocation of profits/losses for the previous period		Changes in the period							Shareholders' equity as at 31/3/2010	Shareholders' equity as at 31/3/2010
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity					Comprehensive income for the period as at 31/3/2010		
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives				Stock options
Capital:	1,810,531	-	1,810,531			-	1	(15)					1,790,301	20,216
a) ordinary shares	1,636,221		1,636,221			-	1	(15)					1,615,991	20,216
b) other shares	174,310		174,310										174,310	-
Additional paid-in capital	1,021,418		1,021,418			-	-	(61)					1,012,742	8,615
Reserves:	221,587	-	221,587	209,019	-	-	-	4,263	-	-	-	-	424,052	10,817
a) profits	149,634		149,634	209,019		-	-	4,263					352,296	10,620
b) other	71,953		71,953			-	-						71,756	197
Valuation reserves	589,283		589,283			-	-	-				(24,500)	562,515	2,268
Capital instruments	1,178		1,178						14,607				15,785	-
Own shares	(15)		(15)										-	(15)
Profit (Loss) for the period	209,019		209,019	(209,019)	-							32,648	32,093	555
Shareholders' equity for the group	3,811,089	-	3,811,089	-	-	-	1	4,422	- 14,607	-	-	7,369	3,837,488	X
Minority interests	41,912	-	41,912	-	-	-	-	(235)				779	X	42,456

Figures in thousands of euro

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT Direct method

A. OPERATING ACTIVITIES	31/03/11	31/12/10	31/3/10
1. Management	191,671	946,258	365,394
- interest income received (+)	240,335	1,082,771	237,590
- interest expenses paid (-)	(91,895)	(367,028)	(81,182)
- dividends and similar revenues (+)	19	8,607	15
- net commissions (+/-)	83,723	306,532	80,506
- staff costs (-)	(87,375)	(341,576)	(78,560)
- net premiums collected	339,256	1,413,811	436,124
- other insurance revenues and expenses (-)	(247,948)	(823,916)	(193,683)
- other costs (-)	(96,342)	(427,234)	(92,480)
- other revenues (+)	54,743	244,198	59,394
- taxes and duties (-)	(2,845)	(152,348)	(2,330)
- costs/revenues from discontinued group assets and net of tax effect (+/-)	-	2,441	-
2. Liquidity generated/absorbed by financial assets	(378,180)	(3,611,733)	(1,126,987)
- financial assets held for trading	59,835	380,277	(13,644)
- financial assets designated at fair value	29,997	82,559	32,899
- available-for-sale financial assets	(364,510)	(1,738,488)	130,718
- loans to customers	211,576	(2,196,196)	283,300
- loans to banks: at sight	213,034	(892,475)	(1,021,071)
- loans to banks: other loans	(648,242)	712,123	(418,175)
- other assets	120,130	40,467	(121,014)
3. Cash generated/absorbed by financial liabilities	170,863	2,982,588	732,222
- amounts owed to banks: at sight	32,432	(20,897)	1,192,433
- amounts owed to banks: other	(145,831)	2,222,659	(379,894)
- amounts owed to customers	(251,083)	655,844	(196,321)
- securities in issue	430,163	(302,172)	(58,996)
- financial liabilities from trading	(6,300)	(35,012)	15,463
- financial liabilities designated at fair value	(31,113)	711,461	66,926
- other liabilities	142,595	(249,295)	92,611
Net liquidity generated/absorbed by operating activities	(15,646)	317,113	(29,371)
B. INVESTING ACTIVITIES			
1. Liquidity generated by	2	25,840	12
- equity investment disposals	-	-	-
- dividends received on equity investments	-	5,608	7
- disposal/reimbursement of financial assets held to maturity	-	-	-
- tangible asset disposals	2	732	5
- subsidiary and business unit disposals	-	19,500	-
2. Liquidity absorbed by	(25,326)	(189,753)	(7,388)
- equity investment acquisitions	-	(41)	-
- acquisitions of financial assets held to maturity	-	-	-
- tangible asset acquisitions	(17,022)	(36,699)	(3,331)
- intangible asset acquisitions	(8,304)	(28,169)	(4,057)
- business unit acquisitions	-	(124,844)	-
Net liquidity generated/absorbed by investing activities	(25,324)	(163,913)	(7,376)
C. FUNDING ACTIVITIES			
- own share issues/acquisitions	5,680	(12,666)	(7,775)
- capital instrument issues/acquisitions	-	14,607	-
- dividend distribution and others	-	(149,975)	-
Net liquidity generated/absorbed by funding activities	5,680	(148,034)	(7,775)
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	(35,290)	5,166	(44,522)

KEY: (+) generated; (-) absorbed

RECONCILIATION

Balance sheet items	Amount		Amount
	31/03/11	31/12/10	31/3/10
Cash and cash equivalents at the beginning of the period	300,103	294,937	294,937
Total net liquidity generated/absorbed during the period	(35,290)	5,166	(44,522)
Cash and cash equivalents: effect of exchange rate differences	-	-	-
Cash and cash equivalents at period end	264,813	300,103	250,415

EXPLANATORY NOTES

ACCOUNTING POLICIES

The Interim Report on Operations of the Banca Carige Group for the first quarter of 2011 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 Commission and in force on 31 March 2011, were applied for the valuation and measurement of the accounting balances, and, where necessary, the directions referred to in the Bank of Italy Circular no. 262 dated 22 December 2005 – update of 18 November 2009 - were observed (financial statements for banks: schemes and rules for preparation) and subsequent clarification letters (so-called “Roneata”).

The interim report on operations has been prepared using the Euro as the accounting currency. Unless otherwise specified, the amounts indicated in the Statements and in the Explanatory notes are expressed in thousands of Euro.

As regards the phases of classification, recording, valuation and cancellation of asset and liability items involved in preparing this Report, as with the methods of entering costs and revenues, the same accounting standards used in preparation of the financial statements as at 31 December 2010 were applied, with the exception of the regulatory changes made to IAS 24 – Related Party Disclosures. In November 2009, IASB published the new version of IAS 24 (Commission Regulation (EU) No. 632/2010 of 19 July 2010) which revised the current definition of the scope of related parties and introduced a partial exemption on the disclosure to be provided for government-related entities; In addition, the following principles (IAS/IFRS), interpretations (SIC/IFRIC), and amendments will be applied to these financial statements, but they did not have a significant impact on their preparation (they became obligatory for financial years starting on 1 January 2011):

- IAS 32 – Financial instruments, exposure in the financial statements (Commission

Regulation (EU) no. 1293/2009 of 23 December 2009). The modified provisions shall be applied starting from the financial statements for the financial years that start on or after 1 February 2010;

- Amendments to IFRS 1 – First-time adoption of IFRS and to IFRS 7 – Financial instruments: disclosures (Commission Regulation (EU) No. 574/2010 of 30 June 2010). The amendments made to the standards apply starting from the financial statements for the financial years that start on or after 1 July 2010;
- IFRS 8 – Operating segments (Commission Regulation (EU) no. 632/2010 of 19 July 2010). The provisions apply starting from the financial statements for the financial years that start on or after 1 January 2011;
- IFRIC 14 – Prepayments of a minimum funding requirement (Commission Regulation (EU) no. 633 of 19 July 2010). The amendments shall apply starting from the financial statements for the financial years that start on or after 1 January 2011;
- Amendments to IFRIC 19 - Extinguishing financial liabilities with equity instruments and to IFRS 1 – First-time adoption of IFRS (Commission Regulation (EU) No. 662/2010 of 23 July 2010). The provisions apply starting from the financial statements for the financial years that start on or after 1 July 2010;
- “Improvements” to the IFRS in the framework of the annual improvement process aimed at simplifying and clarifying international accounting principles IAS/IFRS (Commission Regulation (EU) No. 149/2011 of 18 February 2011); most amendments were effective starting from the financial years starting on or after 1 January 2011, although early application is allowed.

This Interim Report on Operations, not audited, should be read and analysed together with the financial statements for the year ended as at 31 December 2010.

AREA AND METHODS OF CONSOLIDATION

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

Based on the 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) have been consolidated on a line-by-line basis. The concept of control applied is that set out in IAS 27.

During the first three months of 2011 the consolidation scope has not changed compared to that determined for the preparation of the financial statements as at 31 December 2010.

1. Equity investments in wholly-owned subsidiaries and subsidiaries subject to joint control (consolidated proportionally)

Name of the companies	Head offices	Type of relations hip (1)	Shareholding relationship		Availability of votes (2) (3)	
			Holding company	% Shareholding	Actual %	Potential %
A. Companies						
A.1 Consolidated line-by-line						
Banking group						
1. Banca CARIGE SpA	Genoa					
2. Cassa di Risparmio di Savona SpA	Savona	1	A1.1	95.90	95.90	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	100.00		
6. Carige Asset Management SpA	Genoa	1	A1.1	99.50		
			A1.17	0.50		
7. Creditis Servizi Finanziari SpA	Genoa	1	A1.1	100.00		
8. Centro Fiduciario SpA	Genoa	1	A1.1	76.95		
			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. Carige Covered Bond Srl	Genoa	1	A1.1	60.00		
14. Columbus Carige Immobiliare SpA	Genoa	1	A1.1	100.00		
15. Immobiliare CARISA Srl	Savona	1	A1.2	100.00		
Insurance companies						
16. Carige Assicurazioni SpA (4)	Milan	1	A1.1	98.40	99.55	
17. Carige Vita Nuova SpA	Genoa	1	A1.1	100.00		
Other companies						
18. Dafne Immobiliare Srl	Milan	1	A1.16	100.00		
19. I. H. Roma Srl	Milan	1	A1.17	100.00		
20. Assi 90 Srl	Genoa	1	A1.16	38.47		
			A1.17	58.97		
A.2 Consolidated proportionally						
			-			

Key

(1) Type of relationship:

- 1 = majority of voting rights at ordinary shareholders' meeting
- 2 = dominant influence at ordinary shareholders' meeting
- 3 = agreements with other shareholders
- 4 = other forms of control
- 5 = single management pursuant to article 26, paragraph 1 of Legislative Decree 87/92
- 6 = single management pursuant to article 26, paragraph 2 of Legislative Decree 87/92
- 7 = joint control

(2) Availability of voting rights at ordinary shareholders' meeting, distinguishing between actual and potential

(3) Figure entered only if different from the equity investment share

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

With regard to operations, 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 (Carige Asset Management SGR

SpA), financial (Creditis Servizi Finanziari SpA), trust companies (Centro Fiduciario SpA), special purpose vehicles for securitisation transactions (Argo Finance One Srl, Priamar Finance Srl, Argo Mortgage Srl, Argo Mortgage 2 Srl), special purpose vehicles for covered bond issue transactions (Carige Covered Bond Srl), insurance (Carige Vita Nuova SpA, Carige Assicurazioni SpA) real estate (Columbus Carige Immobiliare SpA, Immobiliare Carisa Srl, Dafne Immobiliare Srl and I.H. Roma Srl) and insurance agencies (Assi 90 Srl).

With regard to the four companies established for the same number of securitisation transactions – Argo Finance One, Priamar Finance, Argo Mortgage and Argo Mortgage 2 – and to the company Carige Covered Bond please note that they have all been consolidated in these financial statements on a line-by-line basis.

With regard to the securitisation of Banca Carige's performing loans carried out by Argo Mortgage 2 in 2004, as the transaction does not fully satisfy the conditions of the substantial transfer to third parties of related risks and rewards, consolidation was carried out on the basis of the company's segregated assets.

The consolidated interim financial statements have been prepared using:

- The interim financial statements of the Parent Bank and of the other consolidated companies as at 31 March 2011, approved by their respective Boards of Directors and prepared in accordance with the approved IAS/IFRS in force;
- Reporting packages prepared by those companies that did not adopt the IAS/IFRS and approved by the respective Boards of Directors.

All the subsidiaries were included in the area of consolidation. On the other hand, companies for which shares with voting rights have been received as a form of credit guarantee rather than as a means of exercising control over the companies under review were excluded from the area of consolidation.

2. ADDITIONAL INFORMATION

Associates that are entities in which the Group has significant influence were valued according to the equity method.

Equity investments in companies subject to significant influence (consolidated using the equity method)

Name of the companies	Head offices	Shareholding relationship		Availability of votes	
		Holding company	% Shareholding	Actual %	Potential %
A. Companies consolidated with the equity method					
1. Autostrada dei Fiori SpA	Savona	Banca Carige SpA	16.62		
		Cassa di Risparmio di Savona SpA	4.00		

Companies in which the Group exerts a significant influence that are not considered to be significant have been valued at cost, in accordance with the general principles set out in the framework. Those companies with balance totals of less than euro 10 million, and provided

that the total of the companies excluded does not exceed euro 50 million, have been classified as minor subsidiaries, in accordance with the provisions on consolidated supervisory reporting established by the Bank of Italy with circular no. 115 of 7 August 1990 as amended.

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

Name of the companies	Head offices	Shareholding relationship		Availability of votes	
		Holding company	% Shareholding	Actual %	Potential %
1. Sport e Sicurezza Srl	Milan	Carige Ass.ni SpA	25.00		
		Carige V. N. SpA	25.00		
2. Nuova Erzelli Srl	Genoa	Banca Carige SpA	40.00		
3. World Trade Center Genoa SpA in liquidation	Genoa	Banca Carige SpA	20.32		

INTERMEDIATION ACTIVITIES

As at 31 March 2011 **Financial Intermediation Activities (FIA) on behalf of customers** – direct and indirect deposits – exceeded euro 51 billion. The value does not include Carige Vita Nuova liabilities, designated at fair value, for which investment risk is borne by the insured. Not considering the contribution of the business unit acquired from BMPS with

effect from 31 May 2010, the annual change is 7%.

Direct deposits amounted to euro 26,667.5 million, whilst **indirect deposits** amounted to euro 24,481.8 million. Indirect deposits represent 47.9% of total FIA and are composed of assets under management (42%), and assets in custody for the remaining 58%. During the quarter, the re-composition of FIA continued in favour of indirect deposits, particularly in the government bond component

FINANCIAL INTERMEDIATION ACTIVITIES (figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Total (A+B)	51,149,231	50,674,119	46,555,701	0.9	9.9
Direct deposits (A) (1)	26,667,451	26,583,549	25,477,435	0.3	4.7
% on Total	52.1%	52.5%	54.7%		
Indirect deposits (B)	24,481,780	24,090,570	21,078,266	1.6	16.1
% on Total	47.9%	47.5%	45.3%		
- Assets under management	10,285,940	10,341,649	9,180,272	-0.5	12.0
% on Total	20.1%	20.4%	19.7%		
% on Indirect deposits	42.0%	42.9%	43.6%		
- Assets in custody	14,195,840	13,748,921	11,897,994	3.3	19.3
% on Total	27.8%	27.1%	25.6%		
% on Indirect deposits	58.0%	57.1%	56.4%		

(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.

Total funding, which included direct deposits from clients (euro 26,667.5 million) and banks (euro 2,916.2 million), amounted to Euro 29,583.6 million, basically stable in the quarter and up by 10.6% on a YoY basis.

Direct deposits did not change significantly from the beginning of the year (+0.3%) and grew by 4.7% in the twelve-month period; **amounts owed to customers**, equal to euro 15,122.1 million, decreased in the three-month period (-3%) but rose in the twelve-month period (+1.8%). **Securities in issue** and **liabilities measured at fair value**, as a whole, amounted to euro 11,545,4 million and grew 5% in the last quarter and 8.7% in the year.

The aggregate is almost entirely made up of bonds, 63% of which are placed with ordinary customers, 26% relate to the EMTN and covered bond programmes, 10% are represented by subordinate loans and 1% by placements through the Bancoposta network.

During the first three months of the financial year, euro 888 million worth of bonds subscribed by customers were issued, compared to euro 515 million that reached maturity. In March, a public placement of covered bond was carried out for a total amount of euro 500 million. As a result of the reduction in amounts owed to customers and of the growth in securities in issue, the first quarter was characterised by an increase in the incidence of the medium-long term component, reversing the trend of the previous nine months.

Amounts owed to banks totalled euro 2,916.2 million, a decrease compared to the euro 2,962 million in December 2010 but an increase relative to euro 1,279.5 of March 2010. The increase is mainly due by repo agreements.

FUNDING *(figures in thousands of euro)*

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Total (A+B)	29,583,627	29,545,550	26,756,889	0.1	10.6
Direct deposits (A)	26,667,451	26,583,549	25,477,435	0.3	4.7
Amounts owed to customers	15,122,063	15,592,197	14,860,166	-3.0	1.8
current accounts and free deposits	13,449,138	14,212,395	14,334,807	-5.4	-6.2
repurchase agreements	1,532,169	1,235,022	368,083	24.1	...
term deposits	11,139	9,214	13,375	20.9	-16.7
loans	3,600	2,972	4,008	21.1	-10.2
commitments to repurchase own equity					
instruments	10,845	10,845	17,640	-	-38.5
other deposits	115,172	121,749	122,253	-5.4	-5.8
Securities in issue	10,263,557	9,659,630	9,929,162	6.3	3.4
bonds	10,162,212	9,549,063	9,784,265	6.4	3.9
other securities	101,345	110,567	144,897	-8.3	-30.1
Liabilities at fair value (1)	1,281,831	1,331,722	688,107	-3.7	86.3
bonds	1,281,831	1,331,722	688,107	-3.7	86.3
short term	15,257,958	15,679,513	14,955,467	-2.7	2.0
% on Total	57.2	59.0	58.7		
medium-long term	11,409,493	10,904,036	10,521,968	4.6	8.4
% on Total	42.8	41.0	41.3		
Amounts owed to banks (B)	2,916,176	2,962,001	1,279,454	-1.5	...
Deposits of central banks (2)	700,525	800,789	23,957	-12.5	...
Current accounts and free deposits	72,357	66,266	46,602	9.2	55.3
Term deposits	92,671	63,907	281,106	45.0	-67.0
Repurchase agreements	1,726,708	1,671,345	328,734	3.3	...
Financing (2)	323,903	359,676	599,055	-9.9	-45.9
Other	12	18	-	-33.3	...

(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.

(2) Figures as at 31/12/2010 have been reclassified since financing transactions in "pooling" with the Bank of Italy have been erroneously shown in the line "Financing" instead of in the line "Amounts owed to central banks".

Liguria's contribution to direct deposits rose to 57.1% (56.6% at December and 58.6% at March 2010 when the 22 former BMPS branches in Tuscany were not included). Lombardy recorded the second biggest contribution with 9% (9.5% at December and 10% at March 2010). Tuscany, the third largest

region after the acquisition of former BMPS branches, holds, as in December, an 8.2% share (5.9% in March 2010). Veneto holds a 6.1% share and Lazio 5.6%. The other regions' shares are less than 5%.

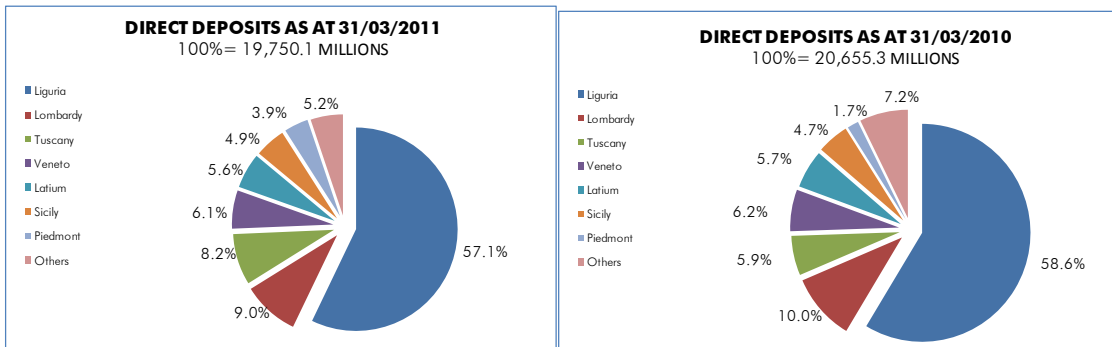
DIRECT DEPOSITS (1) - GEOGRAPHICAL DISTRIBUTION (2) (figures in thousands of euro)

	Situation as at					
	31/03/11		31/12/10		31/03/10	
		%		%		%
Liguria	11,285,032	57.1%	11,542,695	56.6%	12,098,870	58.6%
Lombardy	1,778,245	9.0%	1,934,164	9.5%	2,059,559	10.0%
Tuscany	1,616,013	8.2%	1,668,025	8.2%	1,219,783	5.9%
Veneto	1,204,245	6.1%	1,255,723	6.2%	1,277,563	6.2%
Lazio	1,109,576	5.6%	1,147,689	5.6%	1,176,872	5.7%
Sicily	967,730	4.9%	967,825	4.7%	978,143	4.7%
Piedmont	764,520	3.9%	780,094	3.8%	351,268	1.7%
Emilia Romagna	332,493	1.7%	382,785	1.9%	232,835	1.1%
Apulia	218,621	1.1%	226,818	1.1%	211,102	1.0%
Sardinia	198,580	1.0%	206,402	1.0%	792,237	3.8%
Marches	131,017	0.7%	133,130	0.7%	127,250	0.6%
Valle d'Aosta	74,476	0.4%	64,452	0.3%	62,252	0.3%
Umbria	46,810	0.2%	54,052	0.3%	42,331	0.2%
Total Italy	19,727,355	99.9%	20,363,855	99.9%	20,630,065	99.9%
Abroad	22,750	0.1%	22,684	0.1%	25,206	0.1%
Total Italy + Abroad	19,750,106	100.0%	20,386,538	100.0%	20,655,271	100.0%
Other items (3)	6,917,345		6,197,011		4,822,164	
Total direct deposits	26,667,451		26,583,549		25,477,435	

(1) Items 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.

(2) Figures per branch province. Following adoption of a different criterion to allocate intra-group items, the consistent reclassification of figures relative to 31/3/2010 has been carried out.

(3) Bonds issued under the EMTN programme, covered bonds, subordinated loans, bonds placed through the BancoPosta network, repurchase agreements, convertible bonds not subscribed by customers, other bonds issued by the SPV relating to the securitization of loans, and deposits from the "contoconto" on line deposit account.



68.5% of the amounts owed to customers refers to consumer households with euro 9.306.1 million, up over the previous periods, while the share of non-financial companies and personal businesses fell (euro 2,622.4 million) to 19.3%.

Private social bodies intermediate euro 571.6 million (4.2% of the total), public administrations euro 564.1 million (4.2% of the total) and financial and insurance companies euro 288.2 million (2.1% of the total).

DIRECT DEPOSITS (1) - DISTRIBUTION BY BUSINESS SEGMENT (figures in thousands of euro)

	Situation as at					
	31/03/11		31/12/10		31/03/10	
		%		%		%
Amounts owed to customers	15,122,063		15,592,197		14,860,166	
Public Administration	564,117	4.2%	508,379	3.5%	618,695	4.3%
Financial and insurance businesses (2)	288,206	2.1%	349,345	2.4%	28,471	0.2%
Non-financial businesses and personal businesses	2,622,353	19.3%	2,915,777	20.3%	2,823,254	19.5%
Private social bodies	571,595	4.2%	549,146	3.8%	522,583	3.6%
Families	9,306,103	68.5%	9,699,223	67.6%	10,419,233	71.9%
Total residents	13,352,374	98.3%	14,021,870	97.7%	14,412,236	99.4%
Non residents	237,520	1.7%	335,305	2.3%	79,847	0.6%
Total distribution by business segment	13,589,894	100.0%	14,357,175	100.0%	14,492,083	100.0%
Repurchase agreements	1,532,169		1,235,022		368,083	
Total	15,122,063		15,592,197		14,860,166	
Securities in issue	10,263,557		9,659,630		9,929,162	
Liabilities at fair value	1,281,831		1,331,722		688,107	
Total direct deposits	26,667,451		26,583,549		25,477,435	

(1) Items 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.

(2) Borrowing repurchase agreements are shown separately, for a homogenous comparison previous periods have therefore been reclassified.

Indirect deposits amount to euro 24,481.8 million, up during the three-month period (+1.6%) and in the twelve-month period (+16.1%; +12.2% net of former BMPS branches), being characterised by a progressive significant increase in assets in custody and in particular in government bonds whose yields grew in one year by nearly 100 percentage points on average.

Assets under management, equal to euro 10,285.9 million, shrank by 0.5% compared to December 2010 and grew by 12% in the twelve-month period. These include mutual funds, amounting to euro 5,391.3 million (-2% and +7.7% in the three and twelve-month periods respectively). About 74% of the funds pertain to the subsidiary Carige A.M. SGR, whose management was characterised by the quality of the results obtained, attested on one hand by the 2009 and 2010 recognition of significant performance commissions and, on the other hand, by the obtainment of third-party recognitions such as the Top Rating Milano Finanza Triple A award, recently won as a result

of the excellent performance of the Carige Total Return 1 fund in the flexible funds category.

In spite of the challenging economic situation, the mutual fund sector and, in particular, Carige AM SGR (which only manages Italian funds) should benefit from the regulatory revision prescribed by Law Decree 225 of 29 December 2010 (so-called "2011 One thousand extensions Decree") which made the tax treatment of Italian funds equal to that of foreign funds.

Bank assurance products amount to euro 4,211.6 million (+1.9% and +19.4%); the strong growth that continued regularly in the past twelve months allowed almost entirely to fill the Group's past penetration gap with respect to the System. Asset management amounted to euro 683 million (-3.1% and +5.7%).

Assets in custody amounted to euro 14,195.8 million, up 3.3% in the three-month period and 19.3% in the twelve-month period (+15.6% net of former BMPS branches) driven by government bond performance.

INDIRECT DEPOSITS *(figures in thousands of euro)*

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Total (A+B)	24,481,780	24,090,570	21,078,266	1.6	16.1
Assets under management (A)	10,285,940	10,341,649	9,180,272	-0.5	12.0
Mutual funds and unit trusts	5,391,339	5,502,726	5,006,570	-2.0	7.7
Assets management	682,960	704,916	646,191	-3.1	5.7
Bancassurance products	4,211,642	4,134,007	3,527,511	1.9	19.4
Assets in custody (B)	14,195,840	13,748,921	11,897,994	3.3	19.3
Government securities	5,231,556	4,878,766	4,336,872	7.2	20.6
Other	8,964,284	8,870,154	7,561,122	1.1	18.6

Premiums collected on bank assurance products amounted to euro 149.4 million, compared to euro 271.3 million the first quarter of 2010. Nearly all of them pertain to traditional life insurance policies (euro 146 million versus euro 269.4 million in the three-month period of 2010) with a marginal amount by the Unit

linked and Gestlink policies. The premiums collected in non-life insurance amounted to euro 2.5 million (euro 1.1 million at March 2010), in relation to the performance of elementary segments.

BANCASSURANCE *(figures in thousands of euro)*

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 03/10	
Total premiums collected	149,358	830,158	271,282	-44.9	
Life (1)	146,810	823,515	270,224	-45.7	
. Unit linked/Index policies	857	10,524	809	5.9	
. Traditional policies	145,953	812,991	269,414	-45.8	
Non-life (1)	2,548	6,643	1,058	...	
. Car insurance	239	769	166	44.1	
. Elementary (non-car) insurance	2,309	5,873	892	...	

(1) As a result of the changes in the product allocation, figures as at 31/3/2010 have been consistently restated.

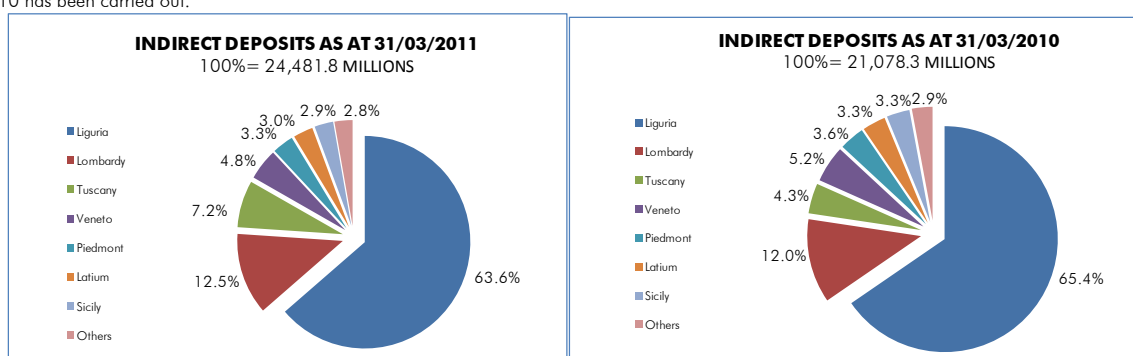
Within indirect deposits, Liguria's contribution was equal to 63.6% (63.4% in December and 65.4% in March 2010), followed by Lombardy (12.5%; 12.4% in December and 12% in March

2010) and by Tuscany thanks to the contribution of the 22 former BMPS branches (7.2%; 7.3% in December and 4.3% in March 2010)

INDIRECT DEPOSITS - GEOGRAPHICAL DISTRIBUTION (1) (figures in thousands of euro)

	Situation as at					
	31/03/11		31/12/10		31/03/10	
		%		%		%
Liguria	15,570,746	63.6%	15,282,182	63.4%	13,786,264	65.4%
Lombardy	3,051,212	12.5%	2,990,305	12.4%	2,523,257	12.0%
Tuscany	1,763,722	7.2%	1,767,251	7.3%	903,446	4.3%
Veneto	1,172,456	4.8%	1,153,565	4.8%	1,104,318	5.2%
Piedmont	802,024	3.3%	797,383	3.3%	756,984	3.6%
Latium	739,204	3.0%	722,957	3.0%	699,511	3.3%
Sicily	705,108	2.9%	712,431	3.0%	689,767	3.3%
Emilia Romagna	277,748	1.1%	270,049	1.1%	250,629	1.2%
Apulia	102,824	0.4%	99,742	0.4%	91,777	0.4%
Valle d'Aosta	89,112	0.4%	86,784	0.4%	79,059	0.4%
Sardinia	84,160	0.3%	85,849	0.4%	78,205	0.4%
Marches	73,262	0.3%	72,596	0.3%	67,383	0.3%
Umbria	46,429	0.2%	45,875	0.2%	44,131	0.2%
Total Italy	24,478,008	100.0%	24,086,968	100.0%	21,074,731	100.0%
Abroad	3,772	0.0%	3,602	0.0%	3,535	0.0%
Total indirect deposits	24,481,780	100.0%	24,090,570	100.0%	21,078,266	100.0%

(1) Figures per branch province. Following adoption of a different criterion to allocate intra-group items, the consistent reclassification of figures relative to 31/3/10 has been carried out.



The main portion of indirect deposits was concentrated in the household segment, with 73.9% (74% at the end of the year and 77% in

March 2010). Financial companies represented 18.5% of the total (18.4% in December and 16.1% in March 2010).

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

	Situation as at					
	31/03/11		31/12/10		31/03/10	
		%		%		%
Public Administration	131,580	0.5%	134,520	0.6%	113,044	0.5%
Financial and insurance businesses	4,517,168	18.5%	4,441,191	18.4%	3,385,583	16.1%
Non-financial businesses and personal businesses	1,407,455	5.7%	1,376,439	5.7%	1,096,392	5.2%
Private social bodies	185,693	0.8%	181,191	0.8%	165,547	0.8%
Families	18,102,888	73.9%	17,821,789	74.0%	16,223,713	77.0%
Total residents	24,344,784	99.4%	23,955,130	99.5%	20,984,280	99.6%
Non residents	136,996	0.6%	135,440	0.6%	93,987	0.4%
Total	24,481,780	100.0%	24,090,570	100.1%	21,078,266	100.0%

Cash loans to customers, before value adjustments for euro 698.7 million, amounted to euro 25,188.5 million, down by 0.7% from the end of 2010 (+10.2% in the twelve-month period and +7.2% net of former BMPS branches).

The aggregate amounted to euro 24,968.4 million, up by 2.3% from the end of 2010 and 9.7% compared to March 2010 (net of repo transactions).

This performance confirms the traditional support to businesses and households, in whose favour the Group has also undertaken significant steps aimed at overcoming the challenging economic situation.

Value adjustments have a coverage level of 2.8%, up from 2.6% in March 2010.

Personal loans, accounting for about 30% of the total, grew by 7.3% in the twelve-month period; loans to companies represent over 60% and, relative to March 2010, they grew by 9.8%.

The short-term component (22.3% of total) amounted to euro 5.609.5 million, an increase of 17.4% in twelve months. The strong growth is mostly correlated to the increase in current accounts.

The medium-long term component amounts to euro 18,379.8 million (+7.1% in the twelve-month period) and about 62% of it is financed by funds beyond the short term.

Loans, amounting to euro 13,792.3 million, are the most sizeable item of the aggregate and they grew by 2% over December and by 12.3% over March 2010.

Bad loans amount to euro 1,199.1 million and during the year they grew by 29.8% in a generalised way because of the prolonged challenging economic situation. Consequently, the incidence on total loans grew to 4.8%, versus 4.4% in December and 4% in March 2010, although it still remained lower than the ratio for the System (5.2% in February 2011).

Loans to banks, net of value adjustments for euro 0.9 million (same value in December and in March 2010), amounted to euro 1,391 million, up in the three month period and down by 41.4% in the twelve month period; they are mostly comprised of short term loans.

The **net interbank position** (difference between loans and amounts owed to banks) shows a net debt position of euro 1,525.1 million, compared to the euro 1,720 million in December (in March 2010, the Group's net interbank position was positive at euro 1,095.3 million).

These changes were partly determined by the effects of the acquisition of former BMPS branches, and partly by the performance of items with customers, where receivables grew faster than deposits. In any case, the liquidity position is adequate in consideration of the presence of suitable liquid reserves.

LOANS (1) (figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Total (A+B)	25,880,842	25,952,366	24,656,636	-0.3	5.0
Loans to customers (A)	24,489,802	24,710,380	22,281,897	-0.9	9.9
-nominal value (2)	25,188,496	25,373,267	22,865,826	-0.7	10.2
<i>current accounts</i>	3,217,003	3,064,385	2,588,863	5.0	24.3
<i>lending repurchase agreements</i>	220,112	958,289	106,975	-77.0	...
<i>mortgage loans</i>	13,792,334	13,525,404	12,283,879	2.0	12.3
<i>credit cards, personal loans and salary-backed loans</i>	633,798	623,132	579,914	1.7	9.3
<i>leasing</i>	837,212	829,974	806,048	0.9	3.9
<i>factoring</i>	180,650	187,986	137,379	-3.9	31.5
<i>other loans</i>	4,124,251	4,088,996	4,369,440	0.9	-5.6
<i>impaired assets</i>	2,183,136	2,095,101	1,993,328	4.2	9.5
-short term	5,609,519	6,122,255	4,779,716	-8.4	17.4
% on nominal value	22.3	24.1	20.9		
-medium/long term	18,379,836	18,140,829	17,162,072	1.3	7.1
% on nominal value	73.0	71.5	75.1		
- Bad loans	1,199,141	1,110,183	924,038	8.0	29.8
% on nominal value	4.8	4.4	4.0		
-Value adjustments (-)	698,694	662,887	583,929	5.4	19.7
Loans to banks (B)	1,391,040	1,241,986	2,374,739	12.0	-41.4
-nominal value (2)	1,391,915	1,242,861	2,375,612	12.0	-41.4
<i>compulsory reserves</i>	233,117	228,511	411,646	2.0	-43.4
<i>current accounts and free deposits</i>	83,175	146,213	147,153	-43.1	-43.5
<i>term deposits</i>	257,853	311,328	345,280	-17.2	-25.3
<i>repurchase agreements</i>	265,917	-	562,109	...	-52.7
<i>loans</i>	535,573	540,650	893,596	-0.9	-40.1
<i>impaired assets</i>	16,280	16,159	15,828	0.7	2.9
-short term	1,326,485	1,177,574	2,356,378	12.6	-43.7
% on nominal value	95.3	94.7	99.2		
-medium/long term	65,430	65,287	19,234	0.2	...
% on nominal value	4.7	5.3	0.8		
-Value adjustments (-)	875	875	873	-	0.2

(1) Net of debt securities classified as L&R.

(2) Before value adjustments.

As regards the geographical breakdown, Liguria accounts for 48.1% of the loans to customers, down from 49.3% in December and 48.2% of March 2010. Lombardy is the second region, with a share of 13.4% (13.2% in December and

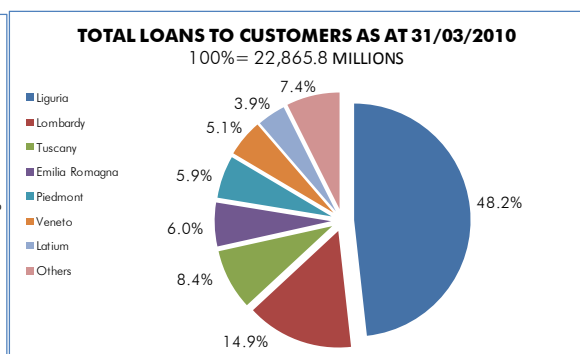
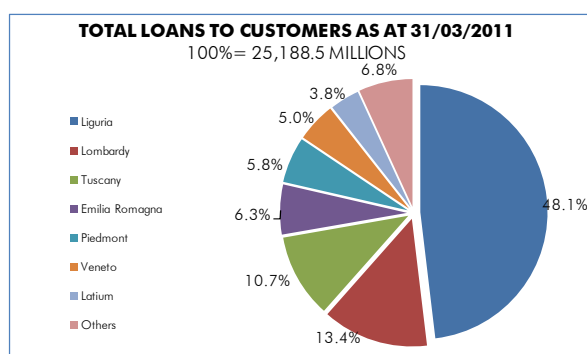
14.9% in March 2010), Tuscany is the third region with a share of 10.7% (10.6% and 8.4% in December and March 2010 respectively).

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

	Situation as at					
	31/03/11		31/12/10		31/03/10	
		%		%		%
Liguria	12,118,827	48.1%	12,499,213	49.3%	11,031,471	48.2%
Lombardy	3,383,088	13.4%	3,355,822	13.2%	3,401,541	14.9%
Tuscany	2,695,357	10.7%	2,679,636	10.6%	1,924,033	8.4%
Emilia Romagna	1,596,931	6.3%	1,514,416	6.0%	1,379,700	6.0%
Piedmont	1,469,802	5.8%	1,440,453	5.7%	1,359,362	5.9%
Veneto	1,256,665	5.0%	1,222,461	4.8%	1,176,459	5.1%
Lazio	947,061	3.8%	944,498	3.7%	902,605	3.9%
Sicily	663,103	2.6%	653,202	2.6%	638,699	2.8%
Sardinia	344,765	1.4%	340,639	1.3%	331,990	1.5%
Apulia	232,611	0.9%	230,901	0.9%	226,702	1.0%
Marches	158,748	0.6%	157,198	0.6%	148,246	0.6%
Umbria	109,098	0.4%	104,671	0.4%	100,928	0.4%
Valle d'Aosta	24,530	0.1%	25,364	0.1%	23,535	0.1%
Total Italy	25,000,585	99.3%	25,168,473	99.2%	22,645,271	99.0%
Abroad	187,911	0.7%	204,794	0.8%	220,555	1.0%
Total loans to customers	25,188,496	100.0%	25,373,267	100.0%	22,865,826	100.0%

(1) Gross of value adjustments and net of debt securities classified as L&R.

(2) Figures per branch province.



With reference to the breakdown by business segment, non-financial businesses and personal businesses represented 59.7% of loans to customers, totalling euro 15,027.4 million (57.3% in December and 59% in March 2010); the share represented by families was equal to 27.6% compared to 27.7% in December and

29.1% in March 2010, totalling euro 6,953.1 million; the share of public administrations was equal to 5.1%, up compared to December (4.5%) and to March 2010 (5%). Financial companies' share was 5.2%, down from the December 2010 figure (5.4%) and up from the 4.6% of March 2010.

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

	31/03/11		Situation as at 31/12/10		31/03/10	
		%		%		%
Public Administration	1,277,878	5.1%	1,147,999	4.7%	1,144,356	5.0%
Financial and insurance businesses	1,307,397	5.2%	1,312,838	5.4%	1,053,965	4.6%
Non-financial businesses and personal businesses (:	15,028,084	60.2%	14,540,912	59.6%	13,500,299	59.3%
Other sales-related services	5,597,097	22.4%	5,493,735	22.5%	4,597,510	20.2%
Wholesale & retail trade, salvage and repairs	2,366,715	9.5%	2,299,031	9.4%	2,210,958	9.7%
Building and public works	2,103,589	8.4%	1,999,967	8.2%	2,072,718	9.1%
Hotel and catering services	735,279	2.9%	720,586	3.0%	671,469	3.0%
Shipping and air transport	381,572	1.5%	368,912	1.5%	422,217	1.9%
Other	3,843,831	15.4%	3,658,681	15.0%	3,525,427	15.5%
Private social bodies	141,275	0.6%	132,373	0.5%	108,373	0.5%
Families	6,953,400	27.8%	7,018,124	28.7%	6,658,373	29.3%
Total residents	24,708,032	99.0%	24,152,246	98.9%	22,465,367	98.7%
Non residents	260,352	1.0%	262,732	1.1%	293,484	1.3%
Total distribution by business segment	24,968,384	100.0%	24,414,978	100.0%	22,758,851	100.0%
Lending repurchase agreements with financial firms	220,112		958,289		106,975	
Total	25,188,496		25,373,267		22,865,826	

(1) Gross of value adjustments and net of debt securities classified as L&R.

(2) Lending repurchase agreements with financial firms are shown separately, for a homogenous comparison previous periods have therefore been restated.

Total **impaired loans** rose to euro 2,220.6 million, up by 4.2% in the quarter and by 9.4% in the twelve-month period. More than 99.3% of these relate to ordinary customers; the corresponding value adjustments stand at euro 613.7 million (+4.9% and +21% in three and twelve months respectively).

Impaired cash loans to customers equalled euro 2,183.1 million (+4.2% from December and +9.5% from March 2010). Impaired credit commitments equalled euro 21.2 million (+5.3% in the three-month period and +4.3% in the twelve-month period).

As regards **cash loans** to customers, the analysis of the individual aggregates shows the following:

- Bad loans were equal to euro 1,199.1 million, up by 8% from the beginning of the year, and by 29.8% over the twelve month period; they were written down by 44.9% (45.7% in December and 47.1% in March 2010). The bad loans/loans ratio as regards customers equals 4.8% (4.4% in December and 4% in March 2010);
- Watch list loans amounted to euro 578.9 million, up by 3% from the end of the year and 31% in the twelve-month period. They were written down by 10.5% (11.2% in December and 11.5% in March 2010);
- Rescheduled loans amount to euro 129.5 million, up compared with euro 126 million in December 2010 (euro 129.8 million in March 2010). They comprise some significant positions with a high level of

collateral and, to a lesser extent, renegotiated loans pursuant to Law 126/2008 with overdue payments in existence at the moment of renegotiation. They were written down by 2.4% (2.4% in December and 2.3% in March 2010).

- Past due loans amount to euro 275.6 million and they decreased in the last quarter (-7.2%) and in the year (-44.6%). They are almost entirely made up of mortgage loans, mostly represented by positions with instalments overdue between 90 and 180 days which must be included in the aggregate by banks that use the standard method in calculating capital requirements. They were written down by 1.7% (2% in December and 2.4% in March 2010).

Impaired **credit commitments** amounted to euro 21.2 million, up by 5.3% in the three month period and 4.3% in the twelve month period; they were written down by 25.5% (24.9% in December and 24% in March 2010). Overall, also considering performing loans, value adjustments on cash and endorsement loans amounted to euro 711 million, euro 699.6 million of which refer to cash loans and euro 11.4 million of which refer to endorsement loans (2.6% hedging level).

CREDIT QUALITY (1) (figures in thousands of euro)

	31/03/11				31/12/10			
	Gross exposure	Value adjustments	Net exposure	%	Gross exposure	Value adjustments	Net exposure	%
	(a)	(b)	(a)-(b)	b/a	(a)	(b)	(a)-(b)	b/a
Cash loans								
Bad loans	1,199,141	538,858	660,283	44.9	1,110,183	507,399	602,784	45.7
- customers	1,199,141	538,858	660,283	44.9	1,110,183	507,399	602,784	45.7
Watchlist loans	595,135	61,564	533,571	10.3	578,151	63,753	514,398	11.0
- banks	16,280	875	15,405	5.4	16,159	875	15,284	5.4
- customers	578,855	60,689	518,166	10.5	561,992	62,878	499,114	11.2
Rescheduled loans	129,495	3,141	126,354	2.4	125,958	2,988	122,970	2.4
- customers	129,495	3,141	126,354	2.4	125,958	2,988	122,970	2.4
Past due loans	275,645	4,701	270,944	1.7	296,968	5,826	291,142	2.0
- customers	275,645	4,701	270,944	1.7	296,968	5,826	291,142	2.0
Total Impaired loans	2,199,416	608,264	1,591,152	27.7	2,111,260	579,966	1,531,294	27.5
Performing loans	24,380,995	91,305	24,289,690	0.4	24,504,868	83,796	24,421,072	0.3
- banks	1,375,635	-	1,375,635	-	1,226,702	-	1,226,702	-
- customers	23,005,360	91,305	22,914,055	0.4	23,278,166	83,796	23,194,370	0.4
Total cash loans	26,580,411	699,569	25,880,842	2.6	26,616,128	663,762	25,952,366	2.5
- banks	1,391,915	875	1,391,040	0.1	1,242,861	875	1,241,986	0.1
- customers	25,188,496	698,694	24,489,802	2.8	25,373,267	662,887	24,710,380	2.6
Endorsement loans								
Impaired	21,204	5,417	15,787	25.5	20,129	5,007	15,122	24.9
- customers	21,204	5,417	15,787	25.5	20,129	5,007	15,122	24.9
Other loans	1,902,906	5,987	1,896,919	0.3	1,926,341	4,997	1,921,344	0.3
- Banks (2)	50,651	-	50,651	-	48,286	-	48,286	-
- customers	1,852,255	5,987	1,846,268	0.3	1,878,055	4,997	1,873,058	0.3
Total endorsement loans	1,924,110	11,404	1,912,706	0.6	1,946,470	10,004	1,936,466	0.5
- banks	50,651	-	50,651	-	48,286	-	48,286	-
- customers	1,873,459	11,404	1,862,055	0.6	1,898,184	10,004	1,888,180	0.5
Total	28,504,521	710,973	27,793,548	2.5	28,562,598	673,766	27,888,832	2.4
- banks	1,442,566	875	1,441,691	0.1	1,291,147	875	1,290,272	0.1
- customers	27,061,955	710,098	26,351,857	2.6	27,271,451	672,891	26,598,560	2.5

	31/3/10				31/12/09			
	Gross exposure	Value adjustments	Net exposure	%	Gross exposure	Value adjustments	Net exposure	%
	(a)	(b)	(a)-(b)	b/a	(a)	(b)	(a)-(b)	b/a
Cash loans								
Bad loans	924,038	435,642	488,396	47.1	835,879	393,942	441,937	47.1
- customers	924,038	435,642	488,396	47.1	835,879	393,942	441,937	47.1
Watchlist loans	457,713	51,642	406,071	11.3	459,831	67,111	392,720	14.6
- banks	15,828	873	14,955	5.5	15,727	873	14,854	5.6
- customers	441,885	50,769	391,116	11.5	444,104	66,238	377,866	14.9
Rescheduled loans	129,841	2,935	126,906	2.3	132,073	2,840	129,233	2.2
- banks	-	-	-	...	-	-	-	...
- customers	129,841	2,935	126,906	2.3	132,073	2,840	129,233	2.2
Past due loans	497,564	12,176	485,388	2.4	474,207	10,160	464,047	2.1
- banks	-	-	-	...	-	-	-	...
- customers	497,564	12,176	485,388	2.4	474,207	10,160	464,047	2.1
Total Impaired loans	2,009,156	502,395	1,506,761	25.0	1,901,990	474,053	1,427,937	24.9
Performing loans	23,232,282	82,407	23,149,875	0.4	22,289,274	75,639	22,213,635	0.3
- banks	2,359,784	-	2,359,784	-	1,058,811	-	1,058,811	-
- customers	20,872,498	82,407	20,790,091	0.4	21,230,463	75,639	21,154,824	0.4
Total cash loans	25,241,438	584,802	24,656,636	2.3	24,191,264	549,692	23,641,572	2.3
- banks	2,375,612	873	2,374,739	0.0	1,074,538	873	1,073,665	0.1
- customers	22,865,826	583,929	22,281,897	2.6	23,116,726	548,819	22,567,907	2.4
Endorsement loans								
Impaired	20,335	4,874	15,461	24.0	22,459	4,969	17,490	22.1
- customers	20,335	4,874	15,461	24.0	22,459	4,969	17,490	22.1
Other loans	1,665,482	4,091	1,661,391	0.2	1,731,109	4,588	1,726,521	0.3
- Banks (2)	58,500	-	58,500	-	120,643	-	120,643	-
- customers	1,606,982	4,091	1,602,891	0.3	1,610,466	4,588	1,605,878	0.3
Total endorsement loans	1,685,817	8,965	1,676,852	0.5	1,753,568	9,557	1,744,011	0.5
- banks	58,500	-	58,500	-	120,643	-	120,643	-
- customers	1,627,317	8,965	1,618,352	0.6	1,632,925	9,557	1,623,368	0.6
Total	26,927,255	593,767	26,333,488	2.2	25,944,832	559,249	25,385,583	2.2
- banks	2,434,112	873	2,433,239	0.0	1,195,181	873	1,194,308	0.1
- customers	24,493,143	592,894	23,900,249	2.4	24,749,651	558,376	24,191,275	2.3

(1) Net of debt securities classified as L&R.

(2) Based on the new provisions issued by the Bank of Italy in the first update to Circular 262/2005 also commitments taken towards the guarantee interbank systems have now been recorded among endorsement loans. Previous periods have been reclassified.

An analysis of impairment by geographical area shows a slow-down in the first quarter of 2011. The incidence of Liguria (30.6%), Lombardy (24%), Tuscany (8.9%) and Emilia Romagna

(7.6%), among the main regions in terms of exposure, decreased. The shares of Piedmont and, above all, of Veneto, instead, increased,

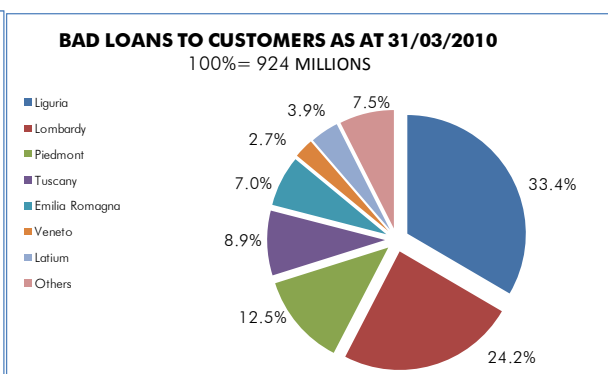
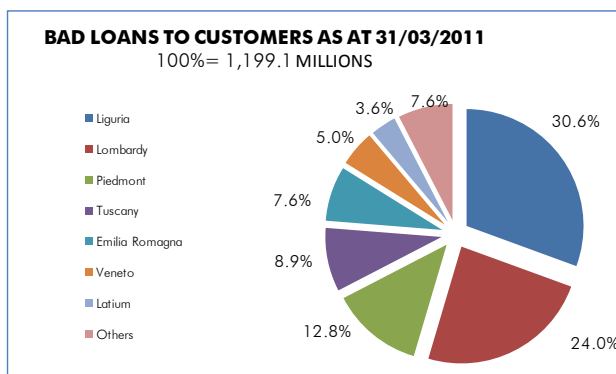
because of the entry of a significant position during the quarter.

BAD LOANS (1) - GEOGRAPHICAL DISTRIBUTION (2) (figures in thousands of euro)

	Situation as at					
	31/03/11		31/12/10		31/03/10	
		%		%		%
Liguria	366,570	30.6%	358,254	32.3%	308,891	33.4%
Lombardy	287,948	24.0%	275,502	24.8%	223,331	24.2%
Piedmont	153,644	12.8%	134,989	12.2%	115,899	12.5%
Tuscany	106,175	8.9%	98,436	8.9%	81,976	8.9%
Emilia Romagna	91,329	7.6%	85,537	7.7%	64,399	7.0%
Veneto	59,803	5.0%	31,766	2.9%	24,748	2.7%
Lazio	42,700	3.6%	41,958	3.8%	35,902	3.9%
Sicily	26,743	2.2%	24,880	2.2%	20,256	2.2%
Apulia	20,060	1.7%	19,482	1.8%	16,290	1.8%
Sardinia	18,266	1.5%	15,456	1.4%	12,569	1.4%
Marches	12,503	1.0%	12,411	1.1%	10,735	1.2%
Umbria	7,944	0.7%	7,624	0.7%	6,556	0.7%
Valle d'Aosta	3,090	0.3%	1,532	0.1%	1,028	0.1%
Total Italy	1,196,774	99.8%	1,107,826	99.8%	922,580	99.8%
Abroad	2,367	0.2%	2,357	0.2%	1,458	0.2%
Total	1,199,141	100.0%	1,110,183	100.0%	924,038	100.0%

(1) Gross of value adjustments and net of debt securities classified as L&R.

(2) Figures per branch province.



The bad loans/lending ratio stood at 4.8%, a rise in all regions: Liguria had the lowest ratio, 3% increasing relative to 2.8% in March 2010; in Lombardy it grew to 8.5%, versus 6.6% in

March 2010. Piedmont has the highest ratio (10.5%), up both relative to December (9.4%) and to March 2010 (8.5%).

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

(Percentage values)

	Situation as at		
	31/03/11	31/12/10	31/03/10
Piedmont	10.5%	9.4%	8.5%
Apulia	8.6%	8.4%	7.2%
Lombardy	8.5%	8.2%	6.6%
Marches	7.9%	7.9%	7.2%
Umbria	7.3%	7.3%	6.5%
Emilia Romagna	5.7%	5.6%	4.7%
Valle d'Aosta	12.6%	6.0%	4.4%
Latium	4.5%	4.4%	4.0%
Sardinia	5.3%	4.5%	3.8%
Sicily	4.0%	3.8%	3.2%
Tuscany	3.9%	3.7%	4.3%
Liguria	3.0%	2.9%	2.8%
Veneto	4.8%	2.6%	2.1%
Total Italy	4.8%	4.4%	4.1%
Abroad	1.3%	1.2%	0.7%
Total	4.8%	4.4%	4.0%

(1) Gross of value adjustments and net of debt securities classified as L&R.

(2) Figures per branch province.

The breakdown by business segment showed an increase in bad loans for non-financial businesses and personal businesses (euro 837.1 million) with a share of 69.9% (68.1% in December and 67.8% in March 2010). The segment with the highest share of bad loans was the building and public works segment (euro

195.3 million, 16.3%), followed by the wholesale and retail trade and repairs segments (euro 165 million, 13.8%).

Households represented the second sector by volume with a share of 27.4% of the aggregate, significantly lower than December (29.2%) and March 2010 (28.5%).

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

	Situation as at					
	31/03/11		31/12/10		31/03/10	
		%		%		%
Public Administration	-	-	-	-	-	-
Financial and insurance businesses	24,832	2.1%	22,851	2.1%	22,649	2.5%
Non-financial businesses and personal businesses	837,088	69.9%	755,973	68.1%	626,763	67.8%
<i>Building and public works</i>	195,334	16.3%	182,200	16.4%	159,131	17.2%
<i>Sales-related services</i>	169,345	14.1%	133,880	12.1%	105,052	11.4%
<i>Wholesale & retail trade, salvage and repairs</i>	164,951	13.8%	150,124	13.5%	133,375	14.4%
<i>Hotel and catering services</i>	39,867	3.3%	36,352	3.3%	24,647	2.7%
<i>Metal products</i>	34,605	2.9%	33,210	3.0%	28,587	3.1%
<i>Other</i>	232,985	19.5%	220,207	19.8%	175,972	19.0%
Private social bodies	1,994	0.2%	1,875	0.2%	1,901	0.2%
Families	328,117	27.4%	324,035	29.2%	263,628	28.5%
Total residents	1,192,031	99.5%	1,104,734	99.5%	914,942	99.0%
Non residents	5,462	0.5%	5,449	0.5%	9,096	1.0%
Total	1,197,494	100.0%	1,110,183	100.0%	924,038	100.0%

(1) Gross of value adjustments and net of debt securities classified as L&R.

The bad loans/loans ratio is above average for non-financial companies and personal businesses, at 5.6% (5.2% and 4.6% in December and March 2010, respectively) while

for households it is equal to 4.7% (4.6% in December and 4% in March 2010).

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

	Situation as at		
	31/03/11	31/12/10	31/03/10
Public Administration	-	-	-
Financial businesses	1.9%	1.7%	2.1%
Non-financial businesses and personal businesses	5.6%	5.2%	4.6%
- of which (2):			
Sales-related services	3.0%	2.4%	2.3%
Wholesale & retail trade, salvage and repairs	7.0%	6.5%	6.0%
Building and public works	9.3%	9.1%	7.7%
Hotel and catering services	5.4%	5.0%	3.7%
Shipping and air transport	5.4%	5.6%	1.3%
Private social bodies	1.4%	1.4%	1.8%
Families	4.7%	4.6%	4.0%
Total residents	4.8%	4.6%	4.1%
Rest of the world	2.1%	2.1%	3.1%
Total	4.8%	4.5%	4.1%

(1) Gross of value adjustments and net of debt securities classified as L&R.

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

Securities in the portfolio amounted to euro 10,004.9 million, up by 6.4% in the last quarter and 23.1% in the year, mainly in relation to investments in Italian Government bonds classified as “available for sale”.

Debt securities (euro 8,617.2 million) comprise 86.1% of the portfolio and they grew by 7.4% during the year.

Equities amounted to euro 1,044.7 million. Equities included the 4.03% equity investment in Bank of Italy, accounted for at euro 834 million; this figure resulted 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 2009 (latest approved financial statements), consistently with the accounting principle adopted for the preparation of the consolidated financial statements of the Banca Carige Group and of the financial statements of the Bank as at 31 December 2010. The effects of this valuation at fair value are neutralised by a valuation reserve of the same amount, net of deferred taxes. The other equities and the UCITS shares, considered as a whole, amount to euro 342 million, substantially stable since December 2010 (-0.4%) but decreased relative to March 2010 (-10.4%).

With regard to the breakdown prescribed by the international accounting standards IAS/IFRS, securities Available for Sale, or AFS (euro

8,761.8 million), which account for 87.6%, increased both in the last quarter (+8% for investments made mostly in government bonds), and relative to March 2010 (+37%); securities Held for Trading, or HFT, amounting to euro 217.6 million, account for 2.2% and decreased respectively by 22.8% and by 67.1% in the last quarter and in the year.

Assets deriving from Loans and Receivables (L&R) amount to euro 431.7 million and grew by 13.9% in the last quarter (+5.3% in the year).

Securities at fair value (euro 593.9 million) represent 5.9% of the portfolio and they exhibited a downward trend during the year. They are now held in the Carige Vita Nuova portfolio and being issued with respect to policies with the burden of risk on the insured party, they are offset in the liabilities by a similar amount.

The Group exercised the right, provided by the Bank of Italy instruction of 18 May 2010 for the calculation of the regulatory capital to neutralise capital gains and capital losses on securities classified as AFS and issued by central governments of EU countries; the positive impact on the capital in terms of lower negative reserves as at 31 March 2011 amounted to euro 139 million net of tax effects.

SECURITIES PORTFOLIO (figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Debt securities	8,618,207	8,026,195	6,723,188	7.4	28.2
Held for trading	202,383	281,237	616,322	-28.0	-67.2
Available for sale	7,583,100	6,937,801	5,250,175	9.3	44.4
Fair value	401,036	428,143	446,601	-6.3	-10.2
Loans and Receivable	431,688	379,014	410,090	13.9	5.3
Equities	1,044,699	1,036,475	1,021,789	0.8	2.2
Held for trading	146	446	117	-67.3	24.8
Available for sale	1,044,553	1,036,029	1,021,672	0.8	2.2
Shares in collective investment schemes	342,013	343,316	381,553	-0.4	-10.4
Held for trading	15,052	84	45,802	...	-67.1
Available for sale	134,132	136,018	124,951	-1.4	7.3
Fair value	192,829	207,214	210,800	-6.9	-8.5
Total (1)	10,004,919	9,405,986	8,126,530	6.4	23.1
of which:					
Held for trading	217,581	281,767	662,241	-22.8	-67.1
Available for sale	8,761,785	8,109,848	6,396,798	8.0	37.0
Fair value	593,865	635,357	657,401	-6.5	-9.7
Loans and Receivable	431,688	379,014	410,090	13.9	5.3
Held to maturity	-	-	-	...	...

(1) Balance sheet items 20 (net of derivatives), 30, 40, 60 (only for the part relative to L&Rs) and 70 (only for the part relative to L&Rs) are included in the aggregate.

The amendments made to international accounting principles IAS 39 and IFRS 7 in October and November 2008 allowed for new types of reclassifications, with the possibility of retroactive effectiveness to 1 July 2008 if carried out before 31 October 2008.

Pursuant to said amendments, the Group reclassified securities, effective 1 July and 1 October, for a total residual amount of euro 535.4 million as at 31 March 2011, as detailed in the table below:

TRANSFERS BETWEEN PORTFOLIOS: BOOK VALUE, FAIR VALUE AND EFFECT ON THE TOTAL PROFITABILITY (figures in thousands of euro)

Type of financial instrument	Origin portfolio	Allocation portfolio	Book value as at 31/03/11	Fair Value as at 31/03/11	Income components in the absence of the transfer (before taxes)		Income components recorded for the period (before taxes)	
					Valuation-related	Other	Valuation-related	Other
Debt securities	HFT	AFS	98,559	98,559	2,785	1,419	2,201	1,168
Equities	HFT	AFS	11,408	11,408	401	1	372	1
Shares in collect. inv. schemes	HFT	AFS	79,894	79,894	(586)	-	(639)	16
Debt securities	HFT	HTM (1)	8,758	8,758	355	146	(439)	239
Debt securities	HFT	L&R	125,316	112,938	1,682	509		700
Debt securities	AFS	L&R	211,503	205,717	94	1,814		1,814
Total			535,438	517,274	4,731	3,889	1,495	3,938

(1) An information disclosure has been provided for securities which, after being previously classified from HFT to HTM, have been reclassified from the latter to AFS following the application of forecasts set forth in paragraph 52 of IAS 39 in financial statements as at 31/12/2009.

If the Group had not reclassified the financial assets listed above, the quarter would have recorded positive income components amounting to euro 4.7 million instead of euro 1.5 million reported.

The exposure to *Financial* instruments perceived by the market as risky (according to the definition in the Recommendation issued on 7 April 2008 by the Financial Stability Forum and the joint document issued by the Bank of Italy / CONSOB / ISVAP no. 2 of 6 February 2009) amounted to euro 189 million, equal to 2% of the security portfolio and concerns:

- Securities resulting from securitisation transactions (with the exclusion of CDOs - Collateralised Debt Obligations), allocated to both the trading portfolio and to the portfolio of assets available for sale, for an aggregate book value of euro 51.8 million, (0.52% of the securities portfolio). They do not include any exposure to subprime mortgages, and 71.1% of these transactions is comprised of Junior, Mezzanine and Senior tranches of the securitisations of

mortgages granted by the banks of the Group and originating from proprietary

vehicles.

SECURITIES FROM SECURITISATION TRANSACTIONS

(figures in thousands of euro)

	countervalues at cost price	% portion on total securities portfolio
Senior	13,330	0.13%
Mezzanine	1,668	0.02%
Junior	-	-
Securitisations of consumer credit, leases, mortgages, other	14,998	0.15%
Senior	2,067	0.02%
Mezzanine	2,463	0.02%
Junior	32,322	0.32%
Securitisations of mortgages of the Group	36,852	0.37%
Total	51,850	0.52%

CDOs portfolio, for a book value of approximately euro 11.2 million (0.11% of the aggregate portfolio), comprised of synthetic securitisations which include CDS (Credit Default Swaps), and by securitisations of securitisations with exposures to RMBS

(Residential Mortgage-Backed Securities), CMBS (Commercial Mortgage-Backed Securities), ABS (Asset-Backed Securities), and by subprime positions (which have a book value of euro 0.1 million, equal to 0.001% of the aggregate portfolio).

CDOS PORTFOLIO (1) (figures in thousands of euro)

Rating	countervalues at cost price	% portion on total securities portfolio
A+	4,370	0.04%
B+	1,367	0.01%
BB-	2,306	0.02%
CCC	3,138	0.03%
n.a.	12	-
Total	11,192	0.11%

(1) CDO = Collateralized debt obligation: bonds backed by loans (see glossary)

- Securities and derivatives related to leveraged finance transactions comprised of funded and unfunded securities. The former have a book value of euro 125.9 million (equal to 1.26% of the aggregate portfolio) and 99% of these is structured in a protected/guaranteed format, with the hedging of the specific risk or, in any case, with the provision for the repayment at par at maturity.

Unfunded securities are broken down into credit and interest rate instruments; credit instruments have a notional amount of euro 10 million and a negative economic impact of euro 0.03 million in 2011. Interest rate structured derivatives, on the other hand, against a notional amount of euro 25 million had a limited negative impact, i.e. euro 0.2 million.

SECURITIES/DERIVATIVES RELATED TO LEVERAGED TRANSACTIONS

(figures in thousands of euro)

	countervalues at cost price	% portion on total securities portfolio
Unhedged leveraged instruments:	125,924	1.26%
credit	48,599	0.49%
of which with repayment at par	47,182	0.47%
rate	77,325	0.77%
of which with repayment at par	76,175	0.76%
Hedged leveraged instruments:	33,860	0.34%
rate	33,860	0.34%
Total	159,784	1.60%

The exposures to *Special Purpose Entities* (SPE) were limited to vehicle companies in the securitisation transactions carried out directly by the Group.

As regards exposure in financial instruments issued by countries experiencing difficulties, the Carige Group is exposed to the Portuguese government (roughly euro 55 million), to the Greek government (euro 53 million) and, lastly, to the Spanish government (euro 18 million). There are no exposures either to the Irish government, or to Arab countries, Libya and Egypt in particular, affected by recent political and social upheavals. On the whole these exposures amount to euro 126 million and represent about 1.26% of the securities portfolio.

As at 31 March 2011, valuation reserves pertaining to the group and minority interests, relative to securities classified in the AFS (Available For Sale) category amounted to euro 543.7 million (an increase of euro 77.1 million compared with the positive balance of euro 466.6 million at 31 December 2010) and

comprised euro 867.4 million in positive reserves, relating mainly to the valuation of the equity investment in the Bank of Italy (euro 780.0 million), and euro 323.8 million in negative reserves. The latter refer to debt securities (euro 200.6 million), composed almost entirely of government, bank and corporate bonds with high credit ratings, and to equities of leading banking and insurance issuers and shares in collective investment schemes (euro 123.2 million).

The notional value of **derivative contracts** is equal to euro 13,082.7 million, up by 26% in the twelve months (+4.6% in the last quarter). Financial derivatives, which represent 96.1% of the total, increased by 23.1% in the year, to euro 12,568.2 million (+1.6% in the last quarter), credit derivatives increased to euro 514.6 million (euro 130.6 million in December and euro 168.3 million in March 2010).

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

	Situation as at			Change %	
	31/03/11	31/12/2010	31/03/2010	03/11 12/10	03/11 03/10
Financial derivatives	12,568,156	12,372,549	10,211,125	1.6	23.1
<i>futures</i>	740	740	-	0.0	...
<i>forward agreements (1)</i>	593,734	668,400	621,706	-11.2	-4.5
<i>swap</i>	10,549,123	10,332,080	8,485,106	2.1	24.3
<i>options purchased</i>	1,275,653	1,210,794	969,298	5.4	31.6
<i>others</i>	148,906	160,535	135,015	-7.2	10.3
Credit derivatives	514,578	130,560	168,338	...	...
<i>tror</i>	-	-	-	...	...
<i>cds</i>	114,578	130,560	168,338	-12.2	-31.9
<i>other</i>	400,000	-	-	...	...
Total	13,082,734	12,503,109	10,379,463	4.6	26.0

(1) Sub-item "forward agreements" includes also the so-called "regular way" transactions.

The value of hedging derivatives (assets and liabilities) stood at euro 627.8 million (euro 688.7 million in December 2010; euro 568.4 million in March 2010). Positive values amount

to euro 57.9 million, while negative values amount to euro 569.9 million.

ASSETS FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Asset hedging derivatives	7,604	5,928	-	28.3	...
Fair value hedging	304	1,033	-	-70.6	...
<i>interest rates</i>	304	1,033	-	-70.6	...
Cash flow hedging	7,300	4,895	-	49.1	...
<i>interest rates</i>	7,300	4,895	-	49.1	...
General interest rate risk hedging	-	-	-	...	...
Liability hedging derivatives	50,297	102,368	109,529	- 50.9	- 54.1
Fair value hedging	35,835	89,724	106,128	-60.1	-66.2
<i>interest rates</i>	35,835	89,724	106,128	-60.1	-66.2
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	14,462	12,644	3,401	14.4	...
Total	57,901	108,296	109,529	- 46.5	- 47.1

LIABILITIES FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Asset hedging derivatives	461,897	445,797	348,835	3.6	32.4
Fair value hedging	461,897	445,797	348,835	3.6	32.4
<i>interest rates</i>	461,897	445,797	348,835	3.6	32.4
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	-	-	-	...	...
Liability hedging derivatives	108,009	134,637	110,016	- 19.8	- 1.8
Fair value hedging	35,835	27,247	101	31.5	...
<i>interest rates</i>	35,835	27,247	101	31.5	...
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	72,174	107,390	109,915	-32.8	-34.3
Total	569,906	580,434	458,851	- 1.8	24.2

The positive and negative values of trading derivative contracts amount to euro 106 million, down by 27.4% during the year (-6.5% in the last quarter). Positive values amount to euro

40.1 million and negative values amount to euro 66 million.

TRADING DERIVATIVES (figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Positive countervalues	40,054	44,052	48,867	-9.1	-18.0
Financial derivatives	38,561	41,648	47,827	-7.4	-19.4
<i>forward agreements</i>	13,273	4,048	4,285	...	...
<i>swap</i>	11,529	24,336	24,336	-52.6	-52.6
<i>options purchased</i>	13,759	13,264	19,206	3.7	-28.4
<i>others</i>	-	-	-	...	...
Credit derivatives	1,493	2,404	1,040	-37.9	43.6
<i>cds</i>	1,493	2,404	1,040	-37.9	43.6
Total	40,054	44,052	48,867	-9.1	-18.0
Negative countervalue:	65,966	69,345	97,222	-4.9	-32.1
Financial derivatives	61,102	63,726	93,430	-4.1	-34.6
<i>forward agreements</i>	2,165	7,765	12,070	-72.1	-82.1
<i>swap</i>	55,567	53,258	79,743	4.3	-30.3
<i>issued options</i>	3,370	2,703	1,617	24.7	...
Credit derivatives	4,864	5,619	3,792	-13.4	28.3
<i>tror</i>	-	-	-	...	...
<i>cds</i>	4,383	5,619	3,792	-22.0	15.6
Total	65,966	69,345	97,222	-4.9	-32.1

Net income on derivative contracts was euro 1.2 million: it included, as indicated in the following table, also the "Exchange rate differences" related to the valuation of foreign currency assets and liabilities (negative by euro 18.7 million). The Group manages the overall

exchange rate position with the aim to achieve an even balance; the position includes, in addition to assets and liabilities, also forward agreements on currencies, included in the financial derivatives per 1.1 above.

NET INCOME ON DERIVATIVE CONTRACTS AS AT 31/03/2011

(figures in thousands of euro)

	Revaluations	Write-downs	Net profit/loss on trading	Net income
1. Trading contracts	36,159	- 20,520	5,072	20,711
1.1 Financial derivatives	34,189	- 19,520	5,138	19,807
1.2 Credit derivatives	1,970	- 1,000	- 66	904
	Revaluations	Write-downs	Changes in underlying from hedging	Net income
2. Hedging contracts	47,704	- 139,270	90,765	- 801
2.1 Asset hedging	47,690	- 73,307	24,590	- 1,027
2.2 Liability hedging	14	- 65,963	66,175	226
3. Currency differences				- 18,674
Total	83,863	- 159,790	95,837	1,236

ECONOMIC RESULTS

In particular, net interest income and net commissions grew, returns from financial items contracted and value adjustments on credits increased along with operating costs.

The first three months of 2010 closed with a net profit of euro 37 million, versus euro 32.1 million in the same period in 2009 (+15.3%).

INCOME STATEMENT (figures in thousands of euro)

	31/03/11	2010	31/03/10	Change 03/11 - 03/10	
				absolute	%
10 - INTEREST INCOME AND SIMILAR REVENUES	289,341	1,102,708	254,869	34,472	13.5
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-101,899	-397,072	-92,243	-9,656	10.5
30 - NET INTEREST INCOME	187,442	705,636	162,626	24,816	15.3
40 - COMMISSION INCOME	82,821	332,126	76,846	5,975	7.8
50 - COMMISSION EXPENSES	-7,490	-34,811	-7,322	-168	2.3
60 - NET COMMISSIONS	75,331	297,315	69,524	5,807	8.4
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	18	8,607	23	-5	-21.7
80 - NET INCOME FROM TRADING ACTIVITIES	2,694	-6,629	5,602	-2,908	-51.9
90 - NET INCOME FROM HEDGING ACTIVITIES	-801	1,059	200	-1,001	...
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	1,048	58,632	11,999	-10,951	-91.3
a) loans	55	2,176	259	-204	-78.8
b) available-for-sale financial assets	612	38,914	9,340	-8,728	-93.4
d) financial liabilities	381	17,542	2,400	-2,019	-84.1
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-1,834	3,294	2,160	-3,994	...
120 - GROSS OPERATING INCOME	263,898	1,067,914	252,134	11,764	4.7
130 - NET VALUE ADJUSTMENTS DUE TO IMPAIRMENT OF:	-30,713	-116,317	-24,607	-6,106	24.8
a) loans	-28,668	-114,219	-25,157	-3,511	14.0
b) available-for-sale financial assets	-644	-1,704	-42	-602	...
d) other financial assets	-1,401	-394	592	-1,993	...
140 - NET INCOME FROM FINANCIAL MANAGEMENT	233,185	951,597	227,527	5,658	2.5
150 - NET PREMIUMS	308,148	1,416,805	413,007	-104,859	-25.4
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE	-322,789	-1,472,667	-428,329	105,540	-24.6
170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT	218,544	895,735	212,205	6,339	3.0
180 - ADMINISTRATIVE COSTS:	-172,683	-655,535	-160,048	-12,635	7.9
a) staff costs	-99,221	-392,386	-93,544	-5,677	6.1
b) other administrative costs	-73,462	-263,149	-66,504	-6,958	10.5
190 - NET PROVISIONS FOR RISKS AND CHARGES	-551	-3,206	-496	-55	11.1
200 - DEPRECIATION OF TANGIBLE ASSETS	-6,209	-25,250	-5,926	-283	4.8
210 - AMORTIZATION OF INTANGIBLE ASSETS	-7,590	-27,550	-6,197	-1,393	22.5
220 - OTHER OPERATING EXPENSES AND REVENUES	27,238	71,467	16,112	11,126	69.1
230 - OPERATING COSTS	-159,795	-640,074	-156,555	-3,240	2.1
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	5,801	-	-	...
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	2	193	6	-4	-66.7
280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	58,751	261,655	55,656	3,095	5.6
290 - INCOME TAXES FOR THE PERIOD	-21,238	-97,954	-23,524	2,286	-9.7
300 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	37,513	163,701	32,132	5,381	16.7
310 - PROFIT (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAXES	-	15,935	516	-516	-100.0
320 - PROFIT (LOSS) FOR THE PERIOD	37,513	179,636	32,648	4,865	14.9
330 - MINORITY INTERESTS	508	2,395	555	-47	-8.5
340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK	37,005	177,241	32,093	4,912	15.3

Figures as at 31/3/2010 have been restated in order to show economic items concerning the discontinued groups of assets (in particular the Custodian Bank business unit of the Parent Bank).

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

	31/03/11	31/03/10	CHANGE	4th quarter 2010
10 - INTEREST INCOME AND SIMILAR REVENUES	289,341	254,869	34,472	278,850
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-101,899	-92,243	-9,656	-94,210
30 - NET INTEREST INCOME	187,442	162,626	24,816	184,640
40 - COMMISSION INCOME	82,821	76,846	5,975	93,685
50 - COMMISSION EXPENSES	-7,490	-7,322	-168	-9,645
60 - NET COMMISSIONS	75,331	69,524	5,807	84,040
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	18	23	-5	1,836
80 - NET INCOME FROM TRADING ACTIVITIES	2,694	5,602	-2,908	-259
90 - NET INCOME FROM HEDGING ACTIVITIES	-801	200	-1,001	2,893
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	1,048	11,999	-10,951	31,873
a) loans	55	259	-204	1,556
b) available-for-sale financial assets	612	9,340	-8,728	14,125
c) financial assets held to maturity	-	-	-	-
d) financial liabilities	381	2,400	-2,019	16,192
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-1,834	2,160	-3,994	-2,091
120 - GROSS OPERATING INCOME	263,898	252,134	11,764	302,932
130 - NET VALUE ADJUSTMENTS DUE TO IMPAIRMENT OF:	-30,713	-24,607	-6,106	-32,092
a) loans	-28,668	-25,157	-3,511	-31,057
b) available-for-sale financial assets	-644	-42	-602	-853
d) other financial assets	-1,401	592	-1,993	-182
140 - NET INCOME FROM FINANCIAL MANAGEMENT	233,185	227,527	5,658	270,840
150 - NET PREMIUMS	308,148	413,007	-104,859	329,685
160 - BALANCE OF OTHER EXPENSES/REVENUES FROM INSURANCE MANAGEMENT	-322,789	-428,329	105,540	-346,459
170 - NET INCOME FROM FINANCIAL AND INSURANCE MANAGEMENT	218,544	212,205	6,339	254,066
180 - ADMINISTRATIVE COSTS:	-172,683	-160,048	-12,635	-167,399
a) staff costs	-99,221	-93,544	-5,677	-97,731
b) other administrative costs	-73,462	-66,504	-6,958	-69,668
190 - NET PROVISIONS FOR RISKS AND CHARGES	-551	-496	-55	-2,160
200 - DEPRECIATION OF TANGIBLE ASSETS	-6,209	-5,926	-283	-6,859
210 - AMORTIZATION OF INTANGIBLE ASSETS	-7,590	-6,197	-1,393	-7,727
220 - OTHER OPERATING EXPENSES AND REVENUES	27,238	16,112	11,126	19,567
230 - OPERATING COSTS	-159,795	-156,555	-3,240	-164,578
240 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	-	-	3,484
270 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	2	6	-4	-
280 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	58,751	55,656	3,095	92,972
290 - INCOME TAXES FOR THE PERIOD	-21,238	-23,524	2,286	-29,353
300 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	37,513	32,132	5,381	63,619
320 - PROFIT (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAXES	-	516	-516	14,121
320 - PROFIT (LOSS) FOR THE PERIOD	37,513	32,648	4,865	77,740
330 - MINORITY INTERESTS	508	555	-47	619
340 - PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK	37,005	32,093	4,912	77,121

Figures as at 31/3/2010 have been restated in order to show economic items concerning the discontinued groups of assets (in particular the Custodian Bank business unit of the Parent Bank).

Net interest income amounted to euro 187.4 million, up 15.3% over March 2010 grazie thanks to the still positive quantity performance and to the spread that is starting to benefit from

the rise in market rates. Interest income grew to euro 289.3 million (+13.5%) while interest expenses grew to euro 101.9 million (+10.5%).

INTEREST INCOME (figures in thousands of euro)

	31/03/11	2010	31/03/10	Change 03/11 - 03/10	
				absolute	%
Financial assets held for trading	1,798	18,607	5,578	- 3,780	-67.8
Available-for-sale financial assets	63,856	248,887	45,643	18,213	39.9
Loans to banks	5,575	12,738	3,471	2,104	60.6
Loans to customers (1)	217,110	819,656	199,773	17,337	8.7
Other assets	1,002	2,820	404	598	...
Total interest income	289,341	1,102,708	254,869	34,472	13.5

(1) Figures as at 31/3/2010 have been restated in order to show the economic items concerning the discontinued groups of assets (in particular the Custodian Bank business unit of the Parent Bank).

INTEREST EXPENSES *(figures in thousands of euro)*

	31/03/11	2010	31/03/10	Change 03/11 - 03/10	
				absolute	%
Amounts owed to banks	6,227	17,858	2,273	3,954	...
Amounts owed to customers (1)	20,080	83,560	24,707	- 4,627	-18.7
Securities in issue	69,077	238,954	57,510	11,567	20.1
Financial liabilities designated at fair value	5,102	16,129	1,947	3,155	...
Other liabilities	475	379	71	404	...
Hedging derivatives	938	40,192	5,735	- 4,797	-83.6
Total interest expenses	101,899	397,072	92,243	9,656	10.5

(1) Figures as at 31/3/2010 have been restated in order to show the economic items concerning the discontinued groups of assets (in particular the Custodian Bank business unit of the Parent Bank).

Net commissions, amounting to euro 75.3 million, rose by 8.4%.

Commission income grew by 7.8% to euro 82.8 million, mainly due to the growth in current account fees and commissions for intermediation, management and consultancy services as well as for collection and payment

services; the increase is also connected to the expansion in the number of customers, deriving from the 22 former BMPS branches. Commission expenses, at euro 7.5 million, grew by 2.3% without significant changes in their various components.

COMMISSION INCOME *(figures in thousands of euro)*

	31/03/11	2010	31/03/10	Change 03/11 - 03/10	
				absolute	%
Guarantees issued	4,423	15,549	3,659	764	20.9
Management, intermediation and consultancy services:	23,529	101,703	22,107	1,422	6.4
1. Financial instruments trading	45	371	163	- 118	-72.4
2. Currency trading	799	3,236	772	27	3.5
3. Portfolio management	11,212	51,922	9,869	1,343	13.6
4. Securities custody and administration	804	3,090	850	- 46	-5.4
5. Custodian bank (1)	-	-	-	-	...
6. Placement of securities	2,956	13,595	3,064	- 108	-3.5
7. receipt and issue of orders	3,136	12,002	3,375	- 239	-7.1
8. Consultancy services	6	16	-	6	...
9. Distribution of third-party services	4,571	17,471	4,014	557	13.9
- portfolio management	24	93	21	3	14.3
- insurance products	474	1,710	266	208	78.2
- other products	4,073	15,668	3,727	346	9.3
Collection and payment services	16,250	62,899	15,019	1,231	8.2
Servicing for securitizations	171	709	125	46	36.8
Factoring services	436	1,951	377	59	15.6
Maintenance and management of the current accounts	28,075	103,023	24,360	3,715	15.3
Other services	9,937	46,292	11,199	- 1,262	-11.3
Total commission income	82,821	332,126	76,846	5,975	7.8

(1) Figures as at 31/3/2010 have been restated in order to show the economic items concerning the discontinued groups of assets (in particular the Custodian Bank business unit of the Parent Bank).

COMMISSION EXPENSES *(figures in thousands of euro)*

	31/03/11	2010	31/03/10	Change 03/11 - 03/10	
				absolute	%
Guarantees received	163	505	184	- 21	-11.4
Management and intermediation services:	487	2,938	524	- 37	-7.1
1. Financial instruments trading	51	473	86	- 35	-40.7
3. Portfolio management	2	13	4	- 2	-50.0
4. Securities custody and administration (1)	358	2,159	384	- 26	-6.8
5. Financial instruments placement	8	14	-	8	...
6. Door-to-door sale of securities, financial products and services	68	279	50	18	36.0
Collection and payment services	3,830	19,169	3,709	121	3.3
Other services	3,010	12,199	2,905	105	3.6
Total commission expenses	7,490	34,811	7,322	168	2.3

Dividends and other similar revenues amounted to euro 18 thousand (euro 23 thousand in the

first quarter of 2010).

The net profit from trading activities amounted to euro 2.7 million (-51.1% relative to March 2010); the contraction is mainly linked to the

sovereign debt crisis of so-called peripheral EMU countries, which also influenced the prices of Italian government bonds.

INCOME FROM TRADING ACTIVITIES (figures in thousands of euro)

	31/03/11	2010	31/03/10	Change 03/11 - 03/10	
				absolute	%
Debt securities	1	-9,278	5,859	-5,858	- 100.0
Equities & collective investment schemes	5	105	173	-168	- 97.1
Total equities, debt securities & collective investment schemes	6	-9,173	6,032	-6,026	- 99.9
Financial derivatives	19,807	-26,659	-18,471	38,278	...
Credit derivatives	904	-1,871	-140	1,044	...
Currency differences	-18,674	28,316	345	-19,019	...
Other financial assets/liabilities from trading	651	2,758	17,836	-17,185	- 96.4
Total net income from trading activities	2,694	-6,629	5,602	-2,908	-51.9

Hedging activities instead yielded a net loss of euro 801 thousand, versus a net income of euro 200 thousand in March 2010. Profit from the sale or repurchase of loans and financial assets/liabilities was also lower (euro 1 million versus euro 12 million in March 2010) as was net income from financial assets measured at fair value (negative euro 1.8 million versus euro 2.2 million in March 2010).

Gross operating income reached euro 263.9 million, an increase of 4.7%.

Impairment losses on loans and other credit risk provisions totalled euro 30.7 million, up 24.8% over the first quarter of 2010. The item includes net adjustments to loans for euro 28.7 million, up compared to the first quarter of 2010 (+14%), while net adjustments amounting to euro 1.4 million were recognised for other financial transactions (write-backs of euro 592 thousand in March 2010).

NET VALUE ADJUSTMENTS TO LOANS AND OTHER FINANCIAL ITEMS

(figures in thousands of euro)

	31/03/11	2010	31/03/10	Change 03/11 - 03/10	
				absolute	%
Loans to banks	-	2	-	-	...
Loans to customers	28,668	114,217	25,157	3,511	14.0
Credit commitments (other financial transactions)	1,401	394	- 592	1,993	...
Available-for-sale financial assets	644	1,704	42	602	...
Total net value adjustments to loans and other financial items	30,713	116,317	24,607	6,106	24.8

Insurance management yielded a net loss of euro 14.6 million (net loss of euro 15.3 million in March 2010): net premiums (euro 308.1 million) decreased by 25.4% while net expenses (euro 322.8 million) decreased by 24.6%. This result would seem to contradict the significant increase in Insurance Company activities, and is due to the special accounting treatment which only considers the technical items and not the financial items that go to make up the gross operating margin; the net result of the insurance management, including the financial items, is positive for about euro 14,1 million. Please refer to the section on "Insurance activities" herein for more details.

Net income from financial and insurance management increased by 3%, amounting to euro 218.5 million.

Operating costs amounted to euro 159.8 million, up by 2.1% compared to March 2010. In detail, administrative costs amounted to euro 172.7 million, up by 7.9% over the twelve-month period and within these:

- Staff costs rose by 6.1% to euro 99.2 million, as a result of the acquisition of the former BMPS branches;
- The other administrative costs amount to euro 73.5 million (+10.5%); general expenses were contained (-9%), whilst indirect taxes nearly doubled relative to the 1st quarter of 2010, as a result of the inclusion of the substitute tax on lease agreements.

Net provisions for risks and charges amount to euro 551 thousand (euro 496 thousand in March 2010; +11.1%).

Value adjustments on tangible and intangible fixed assets amounted to euro 13.8 million, increasing in the twelve-month period (euro 12.1 million in March 2010) because of sizeable investments made, especially in

information technology, to maintain high levels of profitability in the future.

The cost/income ratio was 60.6% down from 62.1% in March 2010.

OPERATING COSTS *(figures in thousands of euro)*

	31/03/11	2010	31/03/10	Change 03/11 - 03/10	
				absolute	%
Staff costs (1)	99,221	392,386	93,544	5,677	6.1
Other administrative costs	73,462	263,149	66,504	6,958	10.5
- general costs	48,486	208,147	53,307	- 4,821	-9.0
- indirect taxes(2)	24,976	55,002	13,197	11,779	89.3
Net provisions for risks and charges	551	3,206	496	55	11.1
Amortization and depreciation on:	13,799	52,800	12,123	1,676	13.8
- intangible fixed assets	7,590	27,550	6,197	1,393	22.5
- tangible fixed assets	6,209	25,250	5,926	283	4.8
Other operating expenses and revenues	- 27,238	- 71,467	- 16,112	- 11,126	69.1
Total operating costs	159,795	640,074	156,555	3,240	2.1

(1) Figures as at 31/3/2010 have been restated in order to show the economic items concerning the discontinued groups of assets (in

(2) The Item includes the substitute tax due on existing leasing agreements set forth in L. 220/2010, the recovery of which from the customers has been recorded in Item 190 of the income statement "Other operating revenues/expenses".

Other net operating revenues increased by 69.1% to euro 27.2 million relative to the first quarter of 2010, mainly due to the inclusion of

the recouped substitute tax on lease contracts, whose cost is included among general expenses.

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

	31/03/11	2010	31/03/10	Change 03/11 - 03/10	
				absolute	%
Lease income and rent	3,157	14,627	4,474	- 1,317	- 29.4
Charges to third parties:	23,050	46,327	11,514	11,536	...
recovery of taxes (1)	23,034	46,261	11,487	11,547	...
customer insurance premiums	16	66	27	- 11	- 40.7
Other revenues	5,073	34,229	4,256	817	19.2
Total other revenues	31,280	95,183	20,244	11,036	54.5
Operating costs on financial leases	- 103	- 509	- 179	76	- 42.5
Ordinary maintenance costs on investment property	- 1,192	- 3,230	- 1,923	731	- 38.0
Expenses for improvement of third parties' assets	- 325	- 954	- 236	- 89	37.7
Other expenses	- 2,422	- 19,023	- 1,794	- 628	35.0
Total other expenses	- 4,042	- 23,716	- 4,132	90	- 2.2
Total net revenues	27,238	71,467	16,112	11,126	69.1

(1) The Item includes the recoveries from the customers of the substitute tax due on existing leasing agreements set forth in L.220/2010, the cost of which is recorded in Item 150 b) "Other administrative costs - indirect taxes".

Profit from ordinary activities amounts to euro 58.8 million (+5.6% compared with 55.7 million in the first quarter of 2010).

Net of income tax provisions, equal to euro 21.2 million (euro 23.5 million in March 2010), and profit attributable to minority interests, equal to euro 0.5 million, **net profit pertaining to the parent bank** amounted to euro 37 million versus euro 32.1 million of the first quarter 2010.

Comprehensive income attributable to the parent bank, which includes income components charged directly to shareholders' equity amounted to euro 135.6 million, versus euro 7.4 million in the first quarter 2010. The increase is mainly due to the changes in the reserves of securities available for sale and for cash flow hedging.

INSURANCE ACTIVITIES

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

Figures relative to the insurance group	31/03/2011	31/12/2010	31/03/2010	Change %	
				03/11 12/10	03/11 03/10
Insurance management	-19,849	-76,941	-21,308		- 6.8
Premiums excluding reinsurance	308,148	1,416,805	413,007		- 25.4
Life insurance	164,688	874,429	282,186		- 41.6
<i>recognised gross premiums (+)</i>	166,596	882,573	283,724		- 41.3
<i>premiums ceded to reinsurers (-)</i>	1,908	8,144	1,538		24.1
Non-life insurance	143,460	542,376	130,821		9.7
<i>recognised gross premiums (+)</i>	157,081	604,609	138,309		13.6
<i>premiums ceded to reinsurers (-)</i>	14,492	57,970	6,570		...
<i>variations (+/-) to premium reserve gross balances</i>	950	-3,948	-759		...
<i>variations (-/+) to premium reserves charged on reinsurers</i>	-79	-315	-159		- 50.3
Net variations to technical reserves	-121,440	-769,885	-255,566		- 52.5
Life insurance	-121,440	-769,977	-255,566		- 52.5
Non-life insurance	-	92	-		...
Claims incurred and settled during the period	-164,351	-572,642	-134,656		22.1
Life insurance	-59,528	-169,001	-42,505		40.0
Non-life insurance	-104,823	-403,641	-92,151		13.8
Other insurance revenues and expenses	-42,206	-151,219	-44,093		- 4.3
Life insurance	-6,254	-13,008	-9,146		- 31.6
Non-life insurance	-35,952	-138,211	-34,947		2.9
Net income from financial management	32,990	141,654	37,795		- 12.7
Other items in the income statement	-8,246	-35,015	-7,319		12.7
Gross profit	4,895	29,698	9,168		- 46.6
Taxation	- 2,215	- 11,980	- 3,169		- 30.1
Minority interests	- 10	- 15	- 41		- 75.6
Net profit	2,670	17,703	5,958		- 55.2
Technical reserves	3,915,876	3,823,093	3,462,527	2.4	13.1
Non-life insurance	888,960	902,082	928,582	- 1.5	- 4.3
<i>premium reserves</i>	246,913	247,863	244,673	- 0.4	0.9
<i>accident reserves</i>	641,374	653,546	683,144	- 1.9	- 6.1
<i>other reserves</i>	673	673	765	-	- 12.0
Life insurance	3,026,916	2,921,011	2,533,945	3.6	19.5
<i>mathematical reserves</i>	3,129,725	3,010,609	2,526,372	4.0	23.9
<i>reserves for amounts payable</i>	6,962	12,239	4,214	- 43.1	65.2
<i>other reserves</i>	-109,771	-101,837	3,359	7.8	...
Technical reserves charged on reinsurers	163,230	163,930	185,745	- 0.4	- 12.1
Non-life insurance	81,723	84,669	100,597	- 3.5	- 18.8
<i>premium reserves</i>	9,137	10,007	13,677	- 8.7	- 33.2
<i>accident reserves</i>	72,586	74,662	86,920	- 2.8	- 16.5
<i>other reserves</i>	-	-	-	...	...
Life insurance	81,507	79,261	85,148	2.8	- 4.3
<i>mathematical reserves</i>	75,072	77,286	83,429	- 2.9	- 10.0
<i>reserves for amounts payable</i>	3,260	5,220	2,294	- 37.5	42.1
<i>other reserves</i>	3,175	-3,245	-575	...	...

(1) Figures are gross of relations with the companies belonging to the banking group

The IAS income of the insurance group amounted to euro 2.7 million, a decrease from euro 6 million in March 2010. The premiums from insurance activities, net of reinsurance, amount to euro 308.1 million, down by 25.4% from March 2010;

in detail, net premiums from non-life business increased by 9.7% to euro 143.5 million, whilst those from life business decreased from euro 282.2 million in March 2010 to euro 164.7 million. The largest portion refers to the bank chan-

nel, which accounts for 87.7% of the total. This performance, with particular reference to the bank channel, is not indicative of a trend because it is influenced by contingent factors that have led to a much more modest production in the first three months of 2011 relative to the same period of 2010, characterised instead by a satisfactory production level. The net change in technical reserves was euro 121.4 million (euro 255.6 million in March 2010) and net insurance management costs were euro 42.2 million, compared to euro 44.1 million in March 2010. Technical reserves stood at euro 3,916 million, up 2.4% compared to December 2010; the change mainly concerned the life insurance segment, with a decrease of 3.6% (up from euro 2,921 to euro 3,027 million in the three month period) while the technical reserves of the non-life insurance segment fell by 1.5% (from euro 902 million to euro 889 million in the three month period). Technical reserves charged on reinsurers (euro 163.2 million) decreased by 0.4% relative to December 2010. Net income decreased from March 2010, from euro 6 million to euro 2.7 million due in part to the missed contribution of the trading transactions carried out during the previous financial year whose benefits, at the end of the quarter, had not yet been fully allocated to the insured by separate management mechanisms.

TRANSACTIONS WITH RELATED PARTIES

In this interim report on operations, the regulatory changes made to IAS 24 – Related Party Disclosures were applied. In November 2009, IASB published the new version of IAS 24 (Commission Regulation (EU) no. 632/2010 of 19 July 2010) which revised the current definition of the scope of related parties.

The Group maintains relations with Banca Carige shareholders who are able to exercise a significant influence, subsidiaries and other related parties regulated at market conditions. Please note that in the first three months of 2011, no transactions were concluded with related parties subject to public disclosure; in fact, the transactions completed during the period fall within the ordinary operations of the Group.

As at 31 March 2011, asset and liability transactions (with the exception of directors' and statutory auditors' fees, which are published annually in the Explanatory Notes to the Consolidated Financial Statements) were as follows:

RELATIONS WITH SHAREHOLDERS WHO EXERCISE A SIGNIFICANT INFLUENCE AND WITH INVESTEE COMPANIES (1) (figures in thousands of euro)

	Assets	Liabilities	Guarantees and commitments	Revenues	Expenses	Dividends (2) (3)
Carige shareholders who exercise a significant influence	14,103	54,573	-	4,830	16,636	-
Subsidiaries outside the area of consolidation	-	-	-	-	-	-
Companies subject to significant influence	1,517	17,475	279	6	238	-
TOTAL	15,620	72,048	279	4,836	16,874	-

(1) Relations with subsidiaries included in the area of consolidation were not taken into account.

(2) Dividends collected by companies subject to significant influence netted off in the consolidation process were not shown.

(3) Dividends distributed by Banca Carige.

RELATIONS WITH OTHER RELATED PARTIES (figures in thousands of euro)

Assets	Liabilities	Guarantees and commitments	Revenues	Expenses	Purchase of assets and services	Insurance redemptions	Indemnities and insurance redemptions
46,840	16,643	9,626	326	34	5	325	49
46,840	16,643	9,626	326	34	5	325	49

Other related parties are defined as:

- Executives with strategic responsibility for the entity and its Parent Bank; this refers to those who have the power and responsibility, directly or indirectly, for the management and control of the Parent 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 subjects referred to in the previous point; this refers to persons that can be expected to influence, or be influenced by, the interested party in their relations with the Bank and therefore, by way of example, may include the common-law spouse and persons dependent upon the interested party or upon the common-law spouse;
- Parties controlled by, jointly controlled by or subject to the significant influence of one of

the entities pursuant to the previous points or in which said entities hold, directly or indirectly, a significant portion of the voting rights.

Overall, the share of the total of transactions with related parties is shown in the following table:

WEIGHT OF TRANSACTIONS WITH OTHER RELATED PARTIES AS AT 31/3/2011 (figures in thousands of euro)

	Amount of transactions with related parties	Amount of balance sheet item	% weight
Assets			
Item 70 - Loans to customers	54,794	24,679,267	0.2%
Other asset items	7,666	15,749,123	0.0%
Liabilities			
Item 20 - Amounts owed to customers	34,217	15,122,063	0.2%
Other liability Items (1)	54,474	18,548,653	0.3%
Income statement			
Item 10 - Interest income	353	289,341	0.1%
Item 20 - Interest expenses net of hedging spreads	(442)	(100,961)	0.4%
Item 20 - Interest expenses hedging spreads	3,022	(938)	...
Item 160 - Balance of other expenses/revenues from insurance management	95	(322,789)	0.0%
Other positive Items in the income statement	1,287	421,969	0.3%
Other negative Items in the income statement (2)	-15,790	(227,871)	6.9%

(1) The weight is calculated on the other liability items, except for those referred to the shareholders' equity.

(2) The weight is calculated on the other negative items, except for taxes and profit attributed to minority interests.

EQUITY INVESTMENTS

Autostrada dei Fiori, a company subject to significant influence, valued in accordance with the equity method, and euro 2.6 million refers to the companies valued at cost where there is significant influence

Equity investments amount to euro 55 million, (euro 55.6 million in March 2010); they refer to

ANNUAL CHANGES IN EQUITY INVESTMENTS

(figures in thousands of euro)

	31/3/11	31/12/10	31/3/10
A. Opening balance	54,994	55,601	55,601
B. Additions	-	41	-
B.1 Acquisitions	-	-	-
B.3 Revaluations	-	-	-
B.4 Other changes	-	41	-
C. Decreases	-	648	-
C1. Sales	-	-	-
C2. Value adjustments	-	75	-
C3. Other changes	-	573	-
D. Closing balance	54,994	54,994	55,601

OWN SHARES, CASH FLOW STATEMENT AND SHAREHOLDERS' EQUITY

As at 31 March 2011, Banca Carige holds in its portfolio 44 old shares with par value of Lire 10,000, equivalent to 228 current shares of common stock, for a value of euro 426.

The Group absorbed euro 35.3 million in cash in the first three months. Operating assets absorbed cash amounting to euro 15.6 million. In particular, operations generated a positive flow of euro 191.7 million, financial activities absorbed liquidity totalling euro 378.2 million, and financial liabilities generated cash amounting to euro 170.9 million. Liquidity absorbed by investment activities amounted to euro 25.3 million, while liquidity generated by funding activity totalled euro 5.7 million.

The consolidated shareholders' equity and the net consolidated income pertaining to the Parent Bank are obtained from Banca Carige's net shareholders' equity and income for the year through the following changes:

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

(figures in thousands of euro)

	Shareholders' equity	Income statement
Balance as at 31/03/2011 - Banca Carige	3,937,285	28,516
Variations on book value	-46,324	11,630
Value adjustments to allocated gains	-3,447	-190
Share options survey - subsidiaries	-10,845	-
Amortised goodwill (previous accounting periods)	-43,298	-
Dividends distributed by subsidiaries and written off	-2,524	-2,524
Dividends distributed by associated companies and written off	-	-
Other	-1,103	-427
Consolidated balance as at 31/03/2011	3,829,744	37,005

RESOURCE MANAGEMENT

The Carige Group's distribution system is split into three major categories of channels: traditional, remote and mobile.

The system of **traditional channels** are made up of branches, *private* and *corporate* consultancy districts, affluent advisors and small business advisors, based on a customer service specialisation model that provides for the gradual passage, when possible and deemed useful, from one management of relations connected with an operating unit to a customised management of customers, looked after by specific advisors.

In branch, the number of branches was 668, up from March 2010 due to the acquisition of 22 branches from Banca del Monte dei Paschi di Siena in May, of 2 Banca Cesare Point private centres in Monza and Brescia in July and to the opening, in January, of Branch 9 Duomo Metro Station in Milan under the Carige brand. 254 branches are located in Liguria and 414 in the other regions. In the early days of May, Banca Carige opened two new branches, one in

Monza in one in Piacenza; therefore, the number of branches rose to 670.

The number of private advisors amounted to 135 (130 in December and 114 in March 2010) while the number of affluent advisors was 304 (307 in December and in March 2010). The financial consultancy service, composed of 152 advisors (148 in December and 137 in March 2010), is dedicated to corporate customers, and the small business service is structured into a network of 287 advisors, an increase compared to 265 in December and to 279 in March 2010.

Within **remote channels**, the number of "Bancacontinua" branches remained unchanged at 19 compared to December 2010, while the number of ATMs rose to 778 (777 in December and 760 in March 2010). Contracts for on-line and call centre services exceeded 288 thousand, an increase over both the three and twelve-month periods.

With regard to **mobile channels**, the Group also has a network of 439 insurance agencies (296 of which also place bank products) located throughout Italy (432 in December and 394 in March 2010).

BRANCH NETWORK

A) TRADITIONAL CHANNELS

	31/03/11		2010		31/03/10	
	number	%	number	%	number	%
NORTHWEST	385	57.6	384	57.6	382	59.4
Liguria	254	38.0	254	38.1	254	39.5
- Genoa	140	21.0	140	21.0	140	21.8
- Savona	64	9.6	64	9.6	64	10.0
- Imperia	29	4.3	29	4.3	29	4.5
- La Spezia	21	3.1	21	3.1	21	3.3
Lombardy	74	11.1	73	10.9	71	11.0
Piedmont	56	8.4	56	8.4	56	8.7
Valle d'Aosta	1	0.1	1	0.1	1	0.2
NORTHEAST	74	11.1	74	11.1	74	11.5
Veneto	46	6.9	46	6.9	46	7.2
Emilia Romagna	28	4.2	28	4.2	28	4.4
CENTRE	125	18.7	125	18.7	103	16.0
Tuscany	79	11.8	79	11.8	57	8.9
Latium	39	5.8	39	5.8	39	6.1
Marches	5	0.7	5	0.7	5	0.8
Umbria	2	0.3	2	0.3	2	0.3
SOUTH AND ISLANDS	83	12.4	83	12.4	83	12.9
Sicily	63	9.4	63	9.4	63	9.8
Apulia	9	1.3	9	1.3	9	1.4
Sardinia	11	1.6	11	1.6	11	1.7
ABROAD: Nice (France)	1	0.1	1	0.1	1	0.2
Total number of branches	668	100.0	667	100.0	643	100.0
	31/03/11		02/07/1905		31/03/10	
Private consultants	135		130		114	
Corporate consultants	152		148		137	
Affluent consultants	304		307		307	
Small business consultants	287		265		279	
Total consultants	878		850		837	
B) REMOTE CHANNELS	31/03/11		02/07/1905		31/03/10	
ATM - Bancomat	778		777		760	
Self-service "Bancacontinua" branches	19		19		19	
On line services (1)	288,354		243,493		196,682	
C) MOBILE CHANNELS	31/03/11		02/07/1905		31/03/10	
Insurance agencies	439		432		394	
- including: distributing banking products	296		288		279	

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

At the end of March 2011, Group **personnel** totalled 5,996 employees (6,003 in December and 5,895 in March 2010). There were 5,516 banking employees, 20 fewer than at the start of the quarter. Executives represented 1.2% of the aggregate and managers 25.4%, while the rest of the personnel accounted for 73.4% of the aggregate.

The number of the employees operating on the market was equal to 71.4% of the total (71.9% in December and 70.8% in March 2010). Insurance personnel amounted to 480 units (467 and 452 as at 31 December and 31 March 2010, respectively).

PERSONNEL

	31/03/11		2010		31/03/10	
	number	%	number	%	number	%
<i>Number of bank employees</i>						
Grade						
Executives	66	1.2	66	1.2	69	1.3
Managers	1,402	25.4	1,415	25.6	1,402	25.8
Other employees	4,048	73.4	4,055	73.2	3,972	73.0
Total	5,516	100.0	5,536	100.0	5,443	100.0
Activities (1)						
Head offices	1,576	28.6	1,554	28.1	1,588	29.2
Branches	3,940	71.4	3,982	71.9	3,855	70.8
<i>Insurance personnel</i>	480		467		452	
Total (banking and insurance)	5,996		6,003		5,895	

(1) Figures related to the previous periods have been reclassified based on a different criterion of allocation of personnel absent from the service.

RISK MANAGEMENT

General issues

Any policies related to the assumption of risks are set by the Parent Bank's Board of Directors when strategic planning and the annual budget are prepared.

The various risk categories are monitored by the competent functions of the Parent Bank: Research, Risk Management, Credit Monitoring, Compliance (which contains the anti-money laundering function) - and the outcome is subject to periodic reporting to the Board of Directors, the Asset & Liability Management Committee and to the ICAAP (Internal Capital Adequacy Assessment Process) Committee and to the Executive Management:

The analyses are supported not only by regulatory models, but by more advanced methodologies which have made it possible, over time, to expand the range of risks monitored and to improve the assessment of the capital adequacy, from both a regulatory and an economic perspective.

The Parent Bank performs orientation and supervisory functions as regards all risks, in particular by managing, in an integrated context, the Pillar 1 and Pillar 2 risks, in accordance with the provisions contained in the Supervisory Instructions of the Bank of Italy (Circular No. 263 dated 27 December 2006 and subsequent updates).

The banks of the Group operate within specific limits of independence and avail themselves of their own supervisory structures.

The Second Pillar regulations provide that the Banks, also through the use of proprietary procedures, assess their current and future capital adequacy, expanding the range of risks to be taken into account compared with the First Pillar.

Carige carried out activities aimed at identifying the risks to which the Group is exposed, with regard to its own operations and reference markets and were included within the perimeter of analysis for ICAAP purposes, as well as credit, market, operating, concentration (both the single name and geo-sectorial components), interest rate, liquidity, insurance, reputational, strategic and residual risks, and those deriving from securitisations.

Then, the related assessment procedures - of a quantitative nature when measurement methods are present, of a qualitative nature if related to organisational controls - were defined. In the risk area, management activities, which are mostly already in place, were traced to an organic framework.

With reference to the methods used, internal models for the quantification of the credit, market and interest rate risks were used, together with regulatory models for operating and concentration risk.

The analyses related to the remaining risks were performed through the use of specific scorecards aimed at using qualitative techniques to identify the potential level of risk and the supervision measures introduced.

As regards capitalisation aspects and the hedging of existing risk with its own capital means, the Group confirms its compliance with the expected thresholds for all Bank of Italy ratios currently in force and calculated on the basis of In-

structions for the compilation of reports on the regulatory capital and prudential coefficients (Bank of Italy circular no. 155 of 18 December 1991), and new provisions of prudential supervision for banks (Bank of Italy circular no. 263 of 27 December 2006).

As regards the Bank of Italy Measure of 18 May 2010: Regulatory Capital – Prudential filters¹, at a meeting on 14 June, the Board of Directors resolved to exercise the option to apply the approach in accordance with annex a) of the Provision with application to the calculation of regulatory capital starting with the one referred to 30 June 2010.

The Group thus showed higher Total Capital Ratio (9.01%) Tier 1 Ratio (6.59%) and Core Tier 1 Ratio (5.87%) than the supervisory limits, and an excess capital of Euro 224.7 million, and it expects, also in the remainder of the financial year, to maintain capitalisation levels above the supervisory limits.

The analyses of the impacts on capital of the second pillar regulations confirm, increasing it, the solid capitalisation of the Group because the proprietary methods set up in this sector, albeit with a prudential attitude, take into account some assets for which first pillar regulations impose neutralisation in the regulatory capital: this refers specifically to controlling interests in insurance companies and to the portion of goodwill deriving from acquisitions made in recent years, deemed for all intents and purposes to be 'tangible assets'.

This setup allows the implicit higher capitalisation of the Carige Group to fully emerge, it is able more than adequately to face all first and second pillar risks, as well as the insurance risk in a financial conglomerate context, both in case of normal business conditions and in case of stress.

From 1 January 2013 on, the new supervisory regulations known as Basel 3 will progressively take effect.

The Group's target is to comply as soon as possible with the more stringent capital require-

ments of the new regulations, leveraging, on one hand, the capital strengthening steps taken in 2010 and, on the other hand, the ability to generate new capital resources internally. About the first aspect, with the issue, in March 2010, of a convertible bond, Banca Carige has already strengthened its capital structure; the characteristics of the loan allow for conversion into shares both at the subscriber's and at the Bank's initiative starting from September 2011 and through 2015: any conversion would take place, obviously, at the most convenient time on the basis of market conditions. In addition to this opportunity, the activation of initiatives to optimise the capital structure and to attain adequate economic results enable the Group to await the conclusion of the Basel 3 regulatory process without any trouble.

¹ This provision gives Banks, Stock Brokerage Firms and financial intermediaries registered in the "Special List" - limited to securities issued by the central administrations of EU countries included in the "available for sale financial assets" (AFS) portfolio – the possibility of adopting, for the purposes of determination of regulatory capital, an approach that makes provision for "fully neutralising both capital gains and losses, as if securities were valued at cost" – sub-approach a) – as an alternative to the approach set out by the supervisory provisions in force – sub-approach b) – which provides for "fully deducting capital losses from tier 1 capital and partially including capital gains in Tier 2 capital, according to an "asymmetric" approach.

BREAKDOWN OF CONSOLIDATED REGULATORY CAPITAL

(figures in thousands of euro)

	Situation as at		
	31/3/11 (1)	31/12/10	31/3/10 (2)
Tier 1 capital: positive elements (a)	3,450,918	3,450,918	3,395,427
Share capital	1,810,426	1,810,426	1,809,807
Reserves	413,267	413,267	354,352
Additional paid-in capital	1,022,942	1,022,942	1,021,261
Profit for the period	44,383	44,383	50,107
Innovative capital instruments (h)	159,900	159,900	159,900
Tier 1 capital: negative elements (b)	1,775,682	1,775,682	1,663,061
Goodwill	1,698,474	1,698,474	1,587,598
Other negative elements	77,208	77,208	75,463
Prudential filters for regulatory capital (c)	-113,599	-113,599	-81,767
Deductions (d)	97,521	97,521	91,293
Total Tier 1 capital (e = a-b+c-d)	1,464,116	1,464,116	1,559,306
Core Tier 1 Capital (e-h) (3)	1,304,216	1,304,216	1,399,406
Tier 2 capital (f)	860,565	858,717	765,594
Deductions (g)	339,812	339,812	350,012
Regulatory capital (e+f-g)	1,984,869	1,983,021	1,974,888
Tier 3 capital (4)	45,741	45,741	96,675
Tier 3 calculable portion	18,273	18,238	21,085
Regulatory capital including Tier 3	2,003,143	2,001,259	1,995,973
Tier 3 subordinated loans not calculable in the Tier 3	27,467	27,503	75,590

(1) Figures as at 31/03/2011 result from accounting and management estimates pending the official consolidated figures.

(2) Figures as at 31/03/2010 result from accounting and management estimates, as the official consolidated figures are provided every three months only from 2011.

(3) It includes savings shares following the changes to the articles of association approved during the Shareholders' Meeting on 29/4/2011 aimed at reaching the requirements for inclusion in Core Tier 1.

(4) It is the portion of Lower Tier 2 subordinates exceeding the limit for the calculation of the Tier 2 capital.

CONSOLIDATED REGULATORY CAPITAL AND SOLVENCY RATIOS

(figures in thousands of euro)

	Situation as at		
	31/3/11 (1)	31/12/10	31/3/10
Regulatory capital			
Core Tier 1 Capital	1,304,216	1,304,216	1,399,406
Tier 1 capital	1,464,116	1,464,116	1,559,306
Regulatory capital including Tier 3	2,003,143	2,001,259	1,995,973
Weighted assets			
Credit risk	20,069,125	19,726,863	17,837,313
Market risk	319,910	319,313	369,125
Operational risk	1,841,225	1,841,225	1,831,150
Other prudential requirements	-	-	-
Total weighted assets	22,230,260	21,887,400	20,037,588
Capital requirements			
Credit risk	1,605,530	1,578,149	1,426,985
Market risk	25,593	25,545	29,530
Operational risk	147,298	147,298	146,492
Other prudential requirements	-	-	-
Total	1,778,421	1,750,992	1,603,007
Subordinated loans covering market risks	-	-	-
Surplus capital	224,722	250,267	392,966
Solvency ratios (%)			
Tier 1 capital/Credit risk weighted assets	7.3%	7.4%	8.7%
Regulatory capital/Credit risk weighted assets	9.9%	10.1%	11.1%
Core Tier 1/Total Risk-Weighted Assets (2)	5.9%	6.0%	7.0%
Tier 1 capital/Total weighted assets	6.6%	6.7%	7.8%
Regulatory capital including Tier 3 capital/Total weighted assets	9.0%	9.1%	10.0%

(1) Figures as at 31/03/2011 result from accounting and management estimates pending the official consolidated figures.

(2) It includes savings shares following the changes to the articles of association approved during the Shareholders' Meeting on 29/4/2011 aimed at reaching the requirements for inclusion in Core Tier 1.

B. Risks

Credit and counterparty risk

The risk measurement, management and control process is carried out through the activities of:

- Credit Risk Management, aimed at the strategic governance of the Group's lending activities, through the monitoring of the portfolio quality on the basis of analyses regarding the performance of the risk indicators from rating sources (Probability of Default PD, Loss Given Default LGD and Exposure At Default EAD) and the timely verification of compliance with the limits prescribed by the Supervisory Regulations pertaining to concentration and capital adequacy in view of the risks assumed. The Parent Bank developed the internal rating models on historical data with reference to the Retail segments (Private Individuals and Small Businesses), Corporate (SME) and Large Corporate for the determination of PD, LGD and EAD. The Expected Loss (product of PD, LGD and EAD) is used as a parameter for the deliberation of loan approval procedures to counterparts in the Retail, Corporate and Large Corporate segments;
- Operational nature, aimed at overseeing the quality of the credit disbursed, by means of diversified action based on differentiated criteria on the basis of the customer segment, the product type, etc., which envisage a standardised approach on the portions of portfolio with greater fragmentation of the risk and targeted measures for the positions which, by size or pertinent segment, are included within the core business of the Bank's lending activities.

Market risk

This is measured on the securities and derivatives portfolio through the daily determination of the Value at Risk (VaR) in accordance with the Montecarlo approach, with a confidence interval of 99% and a holding period of ten days. VaR analysis is supplemented by daily monitoring of profitability profiles with the calculation of accrued interests, profit and loss, and capital gains/losses recognised on the financial instruments held in the portfolio. The profitability determined in this way is constantly compared with the scenarios set out in the budget. The foreign exchange risk and the gamma and vega risk on

options are calculated with the standard Bank of Italy approach.

Operational risk

The basic Bank of Italy approach is used, which provides for capital absorption equal to 15% of the average gross operating income of the last three years. Since its inception at the ABI's initiative, the Group has participated in the DIPO Consortium (*Database Italiano Perdite Operative*, Italian Database of Operating Losses) and it defined a Business Continuity and Disaster Recovery plan aimed at identifying critical processes and strategies to minimise their risks and the correlated economic consequences, in order to guarantee a timely resumption of operating processes.

Interest rate risk

The analysis of the interest rate risk is performed on a monthly basis with *Gap analysis* (with the three methodologies of incremental gap, incremental beta gap and *shifted beta gap*), *Duration analysis* and Sensitivity analysis techniques. In addition, at the consolidated level, the Parent Bank periodically monitors its exposure to interest rate risk, in application of the standard Supervisory model.

Concentration risk

This risk is quantified using the Herfindhal index in accordance with the procedures provided by the Bank of Italy, as regards the *single name* application; as regards geo-sectorial concentration risk, reference is made to the method proposed by ABI and validated by the Bank of Italy.

Liquidity risk

Many analyses are performed which are aimed at assessing the financial balance in both the treasury items and at the structural level.

Exposure to short term liquidity risk is assessed on the basis of instruments and methods (Maturity Ladder and Stress Testing) expressed in the Group's Liquidity Policy, which prescribes specific operating limitations on the time buckets calibrated using a stress test scenario.

The medium-/long-term liquidity risk is analysed by monitoring both asset and liability items maturing in the future and comparing them with the growth objectives provided under strategic planning. In addition, one on hand, indicators have been defined in terms of gap ratios on maturities beyond one year which place restrictions on the possibility of financing long-term assets with

short-term liabilities, consistent with the maturity transformation limitation approach; on the other, a Contingency Plan was defined, approved by the Board of Directors, which defines and describes the intervention strategies and processes in stress and crisis situations, the reference organisational structure and risk indicators, with the associated *trigger points* and calculation methods.

Reputational risk, strategic risk, risk on securitisations and residual risk

Risk is analysed through the use of specific *scorecards* which assess the risk exposure as well as the control processes and the existing mitigation instruments. In particular, reputational risk is assessed through certain indicators related to a variety of stakeholders (customers, shareholders, bond holders and employees) and is mitigated by providing organisational controls. Strategic risk is monitored through a scorecard which assesses aspects such as the extent of the difference between forecasts and final results, the solidity of the market assumptions underlying the model, the ability to understand the impact of relevant normative drivers, as well as the risk of inadequate implementation of decisions. Securitisation transaction risks are assessed through a qualitative investigation, with reference to the monitoring of expected cash flows linked to securitisation, entities involved in the transaction and legal aspects. Finally, residual risk is evaluated on the basis of qualitative opinions provided by different managers regarding the process of acquisition, management, monitoring and enforcement of guarantees.

The Parent Bank, in line with law and supervisory regulations and consistently with the indications of the Code of Conduct of listed companies, to assure a sound and prudent management that combines enterprise profitability with a consistent assumption of risks and operations conducted according to transparency and correctness criteria, has implemented an internal control system (the "Internal Controls System or SCI"), to detect, measure and continuously verify the typical risks of the business activities.

From the operating viewpoint, the SCI provides for 3 levels of control:

1. **Line controls** (1st Level) aimed at assuring the correct conduct of operations; they are carried out by the operating organisations or incorporated in supporting IT procedures;
2. **Controls over risk management** (2nd Level) aimed at defining the methods for

measuring risk and verifying compliance with the limits assigned to the various operating functions, are carried out by organisations that are different from productive ones: Officer in charge of preparing the company's accounting documents, Risk management (which includes the Rating system Validation Office), Credit Monitoring, Planning and management control, Insurance company planning and control, Compliance (which includes the Anti-money laundering Function);

3. **Internal review** (3rd Level) is carried by Internal Controls (an organisation that is different from and independent of the production organisations) and it is aimed at checking the regularity of operations and risk trends, overseeing compliance with internal and external regulations.

The organisation of the Internal Controls System is discussed more thoroughly in the "Annual Report on Corporate Governance and the ownership structures for financial year 2010", available on the website www.gruppocarige.it.

C. Risks of the insurance sector

The operations of Group insurance companies are subject to three distinct risk categories:

- **Insurance risks**, which are generated from the specific activities of the insurer, which acts as an intermediary able to determine an assignment and a subsequent reduction of the risk, through the professional centralised management of risks;
- **Financial risks**, generated by the management of the investment portfolios of the Companies, comprised of real estate properties, securities, receivables of different types and other liquid assets;
- **Operational risks**, or possible losses, including missed opportunities, originating from deficiencies and/or inadequate performances of processes and/or control systems, due to both internal and external reasons.

Insurance risks result from the fact that insurance policies are characterised by the non-financial risk that an uncertain event may occur. The uncertainty concerns the likelihood, timing and the seriousness of the occurrence of that event.

Three sub-categories may be identified: assumed risk, reserve risk and reinsurance risk.

Assumed risk is linked to the underwriting of insurance policies, for which actuarial models are

used to determine pricing needs and to monitor claims. In addition, underwriting guidelines are issued along with rules for assumption limits for each individual risk category. As regards the reserve risk, which represents the possibility that the actual amounts of claims and settlements to be paid would exceed the book value of the insurance liabilities, comprised of amounts registered under reserve, the Company constantly monitors the development in the reserves related to claims occurred but not yet paid and the changes in said reserves. For this purpose, independent actuaries are appointed to apply special actuarial methods.

With regard to reinsurance risks, after the definition of self-retention levels, arrangements are made to underwrite cover contracts for the main business lines, only with leading market counterparts, in order to mitigate the risk of insolvency.

Financial risks affecting companies may be broken down into credit risks, liquidity risks and market risks.

The companies manage the credit risk level through a careful and appropriate counterpart selection policy. Credit risks are inherent in loans to customers, receivables from reinsurers, in securities and other financial instruments including derivative contracts.

Loans to customers are managed through the direct collection carried out by the intermediaries, the payments of which, made on a decadal basis, are subject to careful supervision by the central and peripheral structures for the purpose of limiting the risk of insolvency.

As regards receivables from reinsurers, the counterparties are constantly monitored and the exposure limits are reviewed annually, in compliance with the reinsurance policy outlined by Management, in order to verify the credit standing of the reinsurer and any potential need to carry out write-downs.

With regard to securities and other financial instruments, the Boards of Directors of the Companies defined the limits of investment as regards the individual issuer based on the nature and on the rating of the counterparty and on the type of instruments purchased.

Finally, as regards derivative instrument transactions, the Insurance Companies operate in compliance with the provisions of the Supervisory Body and in accordance with the resolutions of the individual Boards of Directors. Derivative contracts for hedging and for the effective management of investments are stipulated

with counterparties of high standing and involve financial instruments with a high degree of liquidity. In any case, the Insurance Companies do not take any proprietary positions, except for the derivatives implicit in the structured financial instruments and for the derivatives – with exclusively defensive purposes – that may be connected with the unit- or index-linked policies marketed by Carige Vita Nuova.

The company manages and minimises the liquidity risk in the short-term by accurately managing the incoming cash flows (premiums and other amounts collected), linking them to the outgoing cash flows (settlements and other payments), whereas for long-term management, an ALM (*Asset Liability Management*) system is being implemented, which will allow a comparative analysis between the incoming flows from investments and the expected maturities of the liability commitments (as of now, the incoming cash flow component has been completed while the part relating to the outgoing cash flows is in the implementation phase).

The Insurance Companies control the market risk through sensitivity analysis and stress testing, also conducting impairment tests for the purpose of identifying, where it may be objectively determined, the need for value adjustments.

As regards specifically the activities of Carige Vita Nuova, in some cases there is a direct link between investments and obligations towards the insured; in addition, certain types of Life insurance policies are subject to the minimum guaranteed interest rate risk; said risk is monitored through specific Asset–Liability Management (ALM) models.

For the management of **operational risks**, the Risk Management function has been implemented, with the definition of an operational information collection tool (*database*) in which the company risks subject to monitoring are assessed. They are attributed to different risk areas and company processes, and in addition, assigned a risk owner.

This function is implementing the methods and analyses aimed at obtaining a more efficient risk evaluation that conforms to the requirements of Solvency Directive II which will come into force on 31 October 2012 and makes provision, for insurance companies and Groups, for: the change of the capital requirement calculation method; different methods of calculation of technical reserves and of solvency requirements; amendments to the criteria for the admissibility

of assets for the hedging of reserves and the elements of available capital.

RESULTS BY BUSINESS SEGMENT

Carige Group's business model has a dual dimension: territorial, since the sales network is broken down into geographical areas, Liguria and Extra Liguria; and the dimension by customer segment, considering that the organisational and operational structure provides for specific service approaches (in terms of products, prices and infrastructures) aimed at the different types of customer.

In accordance with the management approach defined by IFRS 8, the bank chose the territory model as a model of reference for segment reporting, which breaks down the results and the activities into the following operating segments:

- **"Liguria"**: operating customers at the branches of the Parent Bank located in said geographical area, together with the results of Cassa di Risparmio di Savona, situated prevalently in said area;
- **"Extra-Liguria"**: operating customers at the branch banks of the Parent Bank located in other regions, together with the results of subsidiary banks located in these geographical areas (Cassa di Risparmio di Carrara, Banca del Monte di Lucca and Banca Cesare Ponti);
- **"Other operating segments"**: includes residual customers and the other Group companies that perform asset management, insurance (life and non-life segments), financial and instrumental activities;
- **"Netting-off and unallocated items"**: remaining sector explicitly provided for by legislation to give evidence of the intra-group netting-off and reconciliation items compared with the accounting figures.

This report shall be integrated with a summary representation by customer segment of the income statement and balance-sheet values.

In order to permit a significant time-based comparison, the data for preceding periods are reworked in line with current disclosure approaches.

At the end of the first quarter of 2011 the results of the geographical operating sectors were as follows:

- The Liguria network has growing values compared to the first three months of 2010: the gross operating income amounted to euro 112.4 million (45.1% of the Group total), the financial and insurance profit from operations was euro 107.2 million (49% of the Group total) and operating costs totalled euro 57.7 million (36.1% of the Group total). These values are reflected in the pre-tax operating profit of euro 49.5 million and in a cost/income ratio of 51.3% (57.1% at the end of the third quarter 2010).

With regard to volumes, loans to customers stood at euro 11,056 million, +6% over 31 March 2010; amounts owed to customers totalled euro 6,774 million (-14.3%); securities in issue and financial liabilities designated at fair value amounted to euro 4,232 million (+3.8%) indirect deposits amounted to euro 11,866 million (+4.4%). Comprehensively, financial intermediation activities totalled euro 22,872 million (-2%).

- The Extra Liguria network achieved a gross operating income of euro 114.2 million, an income from financial management and insurance amounting to euro 90.2 million and operating costs for euro 76.4 million: these amounts contribute to a pre-tax operating profit of euro 13.9 million. The cost/income ratio is equal to 66.8% (75.3% at the end of Q1 2010).

As regards the performance of equity volumes, there were significant increases over 31 March 2010: receivables due from customers are at euro 12,030 million (+12.4%), amounts owed to customers are euro 6,558 million (+2.4%), debt securities in issue amount to euro 2,715 million (+3.5%) and there are euro 9,599 million (+22.3%) in indirect customer deposits.

Overall, financial intermediation activities amounted to euro 18,871 million, an increase of 11.8% compared to 31 March 2010.

- The other operating segments showed a gross operating income of euro 24.4 million, income from financial management and insurance amounting to euro 23 mil-

lion and operating costs for euro 24 million. With reference to financial aggregates, 52.1% of debt securities in issue, along with the Group's financial liabilities of euro

6.018 million, fall under this segment. Comprehensively, financial intermediation activities were euro 12,131 million (23,7% of the Group total).

Business geographic areas

(figures in thousands of euro)

	Liguria	Outside the region of Liguria	Other operating segments	Netting-off and other items	Total financial statements
Gross operating income (1)					
1st Q 2011	112,431	114,248	24,406	-1,828	249,257
year 2010	422,739	429,885	213,115	-53,687	1,012,052
1st Q 2010	100,282	97,637	40,514	-1,621	236,812
Net income from financial and insurance management (2)					
1st Q 2011	107,169	90,214	22,991	-1,828	218,546
year 2010	393,756	355,964	199,812	-47,803	901,729
1st Q 2010	91,831	80,242	41,759	-1,621	212,211
Operating costs					
1st Q 2011	-57,697	-76,366	-24,045	-1,687	-159,795
year 2010	-208,834	-277,572	-146,401	-7,267	-640,074
1st Q 2010	-57,221	-73,474	-23,784	-2,076	-156,555
Operating profit (Loss) from ordinary activities					
1st Q 2011	49,472	13,848	-1,054	-3,515	58,751
year 2010	184,922	78,392	53,411	-55,070	261,655
1st Q 2010	34,610	6,768	17,975	-3,697	55,656
Cost income (%)					
1st Q 2011	51.3	66.8	98.5		64.1
year 2010	49.4	64.6	68.7		63.2
1st Q 2010	57.1	75.3	58.7		66.1
Net interbank					
31/03/2011			-368,242	-914,671	-1,282,913
31/12/2010			-785,155	-745,065	-1,530,220
31/03/2010			3,070,318	-1,776,151	1,294,167
Loans to customers					
31/03/2011	11,056,004	12,030,511	2,078,515	-485,763	24,679,267
31/12/2010	10,507,199	11,692,080	3,146,283	-445,963	24,899,599
31/03/2010	10,427,349	10,701,869	1,713,307	-349,420	22,493,105
Amounts owed to customers (a)					
31/03/2011	6,773,678	6,557,616	2,171,402	-380,633	15,122,063
31/12/2010	6,980,975	6,921,757	2,061,565	-372,100	15,592,197
31/03/2010	7,900,693	6,405,938	1,908,023	-1,354,488	14,860,166
Securities in issue and financial liabilities designated at fair value (3) (b)					
31/03/2011	4,232,457	2,715,037	6,018,356	-1,420,462	11,545,388
31/12/2010	4,141,660	2,104,571	6,816,039	-2,070,918	10,991,352
31/03/2010	4,078,764	2,623,803	4,871,714	-957,012	10,617,269
Other financial assets (c)					
31/03/2011	11,865,961	9,598,785	3,941,323	-924,289	24,481,780
31/12/2010	11,826,396	9,270,142	3,830,755	-836,723	24,090,570
31/03/2010	11,370,648	7,848,695	2,731,192	-872,269	21,078,266
Financial Intermediation Activities (FIA) (d= a+b+c)					
31/03/2011	22,872,096	18,871,438	12,131,080	-2,725,383	51,149,231
31/12/2010	22,949,031	18,296,471	12,708,357	-3,279,740	50,674,119
31/03/2010	23,350,106	16,878,437	9,510,927	-3,183,769	46,555,701

(1) Including income from insurance management

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

(3) 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.

Business geographic areas

(% on total)

	Liguria	Outside the region of Liguria	Other operating segments	Netting-off and other items	TOTAL
Gross operating income (1)					
1st Q 2011	45.1	45.8	9.8	-0.7	100.0
year 2010	41.8	42.5	21.0	-5.3	100.0
1st Q 2010	42.3	41.2	17.2	-0.7	100.0
Net income from financial and insurance management (2)					
1st Q 2011	49.0	41.3	10.5	-0.8	100.0
year 2010	43.7	39.5	22.1	-5.3	100.0
1st Q 2010	43.3	37.8	19.7	-0.8	100.0
Operating costs					
1st Q 2011	36.1	47.8	15.0	1.1	100.0
year 2010	32.6	43.4	22.9	1.1	100.0
1st Q 2010	36.6	46.9	15.2	1.3	100.0
Operating profit (Loss) from ordinary activities					
1st Q 2011	84.2	23.6	-1.8	-6.0	100.0
year 2010	70.7	30.0	20.3	-21.0	100.0
1st Q 2010	62.2	12.2	32.2	-6.6	100.0
Loans to customers					
31/03/2011	44.8	48.7	8.5	-2.0	100.0
31/12/2010	42.2	47.0	12.6	-1.8	100.0
31/03/2010	46.4	47.6	7.6	-1.6	100.0
Amounts owed to customers (a)					
31/03/2011	44.8	43.4	14.3	-2.5	100.0
31/12/2010	44.8	44.4	13.2	-2.4	100.0
31/03/2010	53.2	43.1	12.8	-9.1	100.0
Securities in issue and financial liabilities designated at fair value (3) (b)					
31/03/2011	36.7	23.5	52.1	-12.3	100.0
31/12/2010	37.7	19.1	62.0	-18.8	100.0
31/03/2010	38.4	24.7	45.9	-9.0	100.0
Other financial assets (c)					
31/03/2011	48.5	39.2	16.1	-3.8	100.0
31/12/2010	49.1	38.5	15.9	-3.5	100.0
31/03/2010	53.9	37.2	13.0	-4.1	100.0
Financial Intermediation Activities (FIA) (d= a+b+c)					
31/03/2011	44.7	36.9	23.7	-5.3	100.0
31/12/2010	45.3	36.1	25.1	-6.5	100.0
31/03/2010	50.2	36.3	20.3	-6.8	100.0

(1) Including income from insurance management

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

(3) Carige Vita Nuova liabilities, designated at fair value and relating to products for which risk of the investment is borne by the insured, are not included in this table.

Concerning customer segments, the Private and Affluent segment recorded gross operating income amounting to euro 47.9 million, an increase of 26.4% compared to the first nine months of 2010, while operating costs amounted to euro 34.2 million: pre-tax operating profit amounted to euro 13.7 million, up with respect to 31 March 2010. The cost/income ratio is 71.5% (73.3% at the end of Q1 2010). Observing the performance of volumes, euro 5,884 million is owed to customers, -4.7% compared to 31 March 2010, debt securities in issue amount to euro 4,501 million (-

3.4%) and other financial assets equalled euro 15,705 million (+12.6%). Financial intermediation activities came out at euro 26,090 million (+5.3%) and represent 51% of the Group total. The corporate segment closed the first nine months of 2010 with gross operating income amounting to euro 66.3 million, income from financial management and insurance amounting to euro 45.7 million and operating costs for euro 26.1 million: pre-tax operating profit amounts to euro 19.5 million. The cost/income ratio is 39.5% (38.9% at 31 March 2010). Concerning equity items, loans to customers

amounted to euro 11,655 million, an increase of 9.4% compared to 31 March 2010. these represent 47.2% of the aggregate at the Group level.

The retail segment closed the first three months of 2011 with gross operating income amounting to euro 99.9 million, income from financial management and insurance amounting to euro 90 million and operating costs of euro 73.2 million: the cost/income ratio is 73.2%. As regards

financial aggregates, receivables from customers equal euro 8,710 million (35.3% of the Group total), euro 5,011 million is owed to customers (33.1% of the Group total), debt securities in issue and financial liabilities measured at fair value came out to euro 1,423 million (12.3% of the Group total); indirect deposits amount to euro 3,187 million (13% of the Group total) and Financial Intermediation Activities amounted to euro 9,621 million (18.8%).

Customer segments

(Figures in thousands of euro)

	Private and Affluent	Corporate	Retail	Total customer segments	Total financial statements
Gross operating income (1)					
1st Q 2011	47,855	66,253	99,897	214,005	249,257
year 2010	158,345	259,138	363,498	780,981	1,012,052
1st Q 2010	37,871	59,172	79,018	176,061	236,812
Net income from financial and insurance management (2)					
1st Q 2011	47,898	45,661	89,967	183,526	218,546
year 2010	158,111	210,715	308,967	677,793	901,729
1st Q 2010	37,895	47,799	64,638	150,332	212,211
Operating costs					
1st Q 2011	-34,224	-26,139	-73,169	-133,532	-159,795
year 2010	-111,712	-98,314	-260,543	-470,569	-640,074
1st Q 2010	-27,745	-23,027	-60,527	-111,299	-156,555
Operating profit (Loss) from ordinary activities					
1st Q 2011	13,674	19,522	16,798	49,994	58,751
year 2010	46,399	112,401	48,424	207,224	261,655
1st Q 2010	10,150	24,772	4,111	39,033	55,656
Number of customers					
1st Q 2011	178,689	18,716	892,201	1,089,606	1,167,680
year 2010	190,035	19,250	1,093,370	1,302,655	1,383,866
1st Q 2010	175,761	17,924	897,353	1,091,038	1,166,377
Profit per customer (figures in euro)					
1st Q 2011	76.5	1,043.1	18.8		
year 2010	244.2	5,839.0	44.3		
1st Q 2010	57.7	1,382.1	4.6		
Cost income (%)					
1st Q 2011	71.5	39.5	73.2		64.1
year 2010	70.5	37.9	71.7		63.2
1st Q 2010	73.3	38.9	76.6		66.1
Loans to customers					
31/03/2011	589,882	11,654,868	8,710,087	20,954,837	24,679,267
31/12/2010	609,257	11,282,604	8,933,006	20,824,867	24,899,599
31/03/2010	529,288	10,657,980	8,083,749	19,271,017	22,493,105
Amounts owed to customers (a)					
31/03/2011	5,883,550	1,476,890	5,011,277	12,371,717	15,122,063
31/12/2010	6,041,045	1,752,798	5,085,413	12,879,256	15,592,197
31/03/2010	6,171,073	1,612,690	5,542,278	13,326,041	14,860,166
Securities in issue and financial liabilities designated at fair value (3) (b)					
31/03/2011	4,501,063	164,925	1,422,812	6,088,800	11,545,388
31/12/2010	4,548,249	165,945	1,430,490	6,144,684	10,991,352
31/03/2010	4,659,347	138,293	1,362,306	6,159,946	10,617,269
Other financial assets (c)					
31/03/2011	15,705,249	995,431	3,187,284	19,887,964	24,481,780
31/12/2010	15,414,151	1,015,134	3,148,630	19,577,915	24,090,570
31/03/2010	13,953,353	792,945	2,919,701	17,665,999	21,078,266
Financial Intermediation Activities (FIA) (d) = a + b + c)					
31/03/2011	26,089,862	2,637,245	9,621,373	38,348,480	51,149,231
31/12/2010	26,003,445	2,933,877	9,664,533	38,601,855	50,674,119
31/03/2010	24,783,773	2,543,928	9,824,285	37,151,986	46,555,701

(1) Including income from insurance management

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

(3) 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.

THE PARENT BANK: FINANCIAL STATEMENTS AND EXPLANATORY NOTES

Financial highlights

	31/3/11	Situation as at		Change %	
		31/12/10	31/3/10	3/11 12/10	3/11 3/10
BALANCE SHEET (1)					
Total assets	33,634,516	33,491,277	31,495,175	0.4	6.8
Funding	27,738,495	27,844,425	25,561,284	-0.4	8.5
- Direct deposits (a)	24,698,018	24,798,250	24,115,554	-0.4	2.4
* Amounts owed to customers	13,213,185	13,933,214	13,965,365	-5.2	-5.4
* Securities in issue	10,204,583	9,535,038	9,464,098	7.0	7.8
* Liabilities at fair value	1,280,250	1,329,998	686,091	-3.7	86.6
- Amounts owed to banks	3,040,477	3,046,175	1,445,730	-0.2	...
- Indirect deposits (b)	20,219,452	21,601,123	17,717,401	-6.4	14.1
- Assets under management	8,544,490	9,149,946	7,795,004	-6.6	9.6
- Assets in custody	11,674,962	12,451,177	9,922,397	-6.2	17.7
Financial Intermediation Activities (FIA) (a+b)	44,917,470	46,399,373	41,832,955	-3.2	7.4
Investments	29,869,382	29,598,151	27,687,872	0.9	7.9
- Loans to customers (2) (3)	21,503,178	21,861,238	19,377,792	-1.6	11.0
- Loans to banks (2) (3)	1,755,200	1,391,888	2,629,214	26.1	-33.2
- Securities portfolio (4)	6,611,004	6,345,025	5,680,866	4.2	16.4
Capital and reserves	3,908,768	3,632,626	3,901,530	7.6	0.2

	31/3/11	Situation as at		Change %	
		31/12/10	31/3/10 (10)	3/11 12/10	3/11 3/10
INCOME STATEMENT (1)					
Gross operating income	189,879	829,254	180,213		5.4
Net income from financial management	164,571	733,722	158,244		4.0
Operating profit from ordinary activities before taxes	42,796	230,850	37,634		13.7
Profit for the period	28,516	180,601	22,012		29.5

RESOURCES (5)					
Number of branches	555	560	534	-0.9	3.9
Staff	4,609	4,692	4,521	-1.8	1.9

FINANCIAL RATIOS					
Operating costs / Gross operating income	64.1%	60.6%	66.9%		
Operating profit from ordinary activities before taxes /Capital and reserves	1.1%	6.4%	1.0%		
ROE	0.7%	5.0%	0.6%		
ROE (6)	0.9%	6.3%	0.7%		
ROAE (7)	0.8%	4.9%	0.6%		
ROAE (6) (7)	0.9%	6.2%	0.7%		

RISK ASSETS AND REGULATORY RATIOS (8)					
Total Weighted Assets (1)	19,552,389	19,342,954	17,633,370	1.1	10.9
Core Tier 1 / 75% Total Weighted Assets (9)	10.0%	9.8%	8.7%		
Tier 1 capital / 75% Total weighted assets	11.1%	10.9%	9.6%		
Regulatory capital including Tier 3 capital / 75% Total weighted assets	14.8%	14.7%	11.9%		

- (1) Figures in thousands of euro.
- (2) Before value adjustments.
- (3) Net of debt securities classified as L&R
- (4) Balance sheet items 20 (net of derivatives), 30, 40, 60 (for the L&R part only) and 70 (for the L&R part only) are included in the aggregate.
- (5) Statistics of the end of period.
- (6) Net of the AFS reserve established against the revaluation of the equity investment in the Bank of Italy.
- (7) Net profit on average shareholders' equity (Return On Average Equity).
- (8) It should be mentioned that the full conversion, which can be completed starting from next September, of the bond "Banca Carige 4.75% 2010 - 2015 convertible with the option of reimbursement in shares" at the current stock market share values would determine an increase of the supervisory ratios at 31/3/2011 of 11.6%, 12.6% and 16.4% respectively.
- (9) Indicator inclusive of savings shares following statutory modifications approved by the Shareholders' Meeting of 29/4/2011 aimed at the achievement of the objectives required for inclusion in Core Tier 1.
- (10) The data as at 31/3/2010 have been reclassified in order to highlight the components relative to the discontinued groups of assets and liabilities (specifically, the business unit relative to the depositary bank).

1. Financial statements as at 31 March 2011

ASSETS (figures in thousands of euro)

	31/3/11	31/12/10	31/3/10	Change %	
				3/11 12/10	3/10 3/11
10 · CASH AND CASH EQUIVALENTS	218,275	252,852	207,390	(13.7)	5.2
20 · FINANCIAL ASSETS HELD FOR TRADING	313,673	373,000	736,140	(15.9)	(57.4)
40 · AVAILABLE-FOR-SALE FINANCIAL ASSETS	5,161,459	4,851,828	4,136,986	6.4	24.8
60 · LOANS TO BANKS	2,901,071	2,507,446	3,443,430	15.7	(15.8)
70 · LOANS TO CUSTOMERS	20,992,790	21,373,808	18,986,493	(1.8)	10.6
80 · HEDGING DERIVATIVES	48,705	100,708	104,806	(51.6)	(53.5)
100 · EQUITY INVESTMENTS	1,104,350	1,044,350	1,069,463	5.7	3.3
110 · TANGIBLE ASSETS	668,012	680,027	653,728	(1.8)	2.2
120 · INTANGIBLE ASSETS	1,595,627	1,634,043	1,481,722	(2.4)	7.7
of which:					...
- goodwill	1,526,407	1,564,992	1,415,493	(2.5)	7.8
130 · TAX ASSETS	274,752	324,240	204,821	(15.3)	34.1
a) current	74,809	84,981	47,768	(12.0)	56.6
b) advanced	199,943	239,259	157,053	(16.4)	27.3
150 · OTHER ASSETS	355,802	348,975	470,196	2.0	(24.3)
TOTAL ASSETS	33,634,516	33,491,277	31,495,175	0.4	6.8

LIABILITIES (figures in thousands of euro)

	31/3/11	31/12/10	31/3/10	Change %	
				3/11 12/10	3/10 3/11
10 · AMOUNTS OWED TO BANKS	3,040,477	3,046,175	1,445,730	(0.2)	...
20 · AMOUNTS OWED TO CUSTOMERS	13,213,185	13,933,214	13,965,365	(5.2)	(5.4)
30 · SECURITIES IN ISSUE	10,204,583	9,535,038	9,464,098	7.0	7.8
40 · FINANCIAL LIABILITIES FROM TRADING	121,070	107,251	157,335	12.9	(23.0)
50 · FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	1,280,250	1,329,998	686,091	(3.7)	86.6
60 · HEDGING DERIVATIVES	524,305	553,538	413,067	(5.3)	26.9
80 · TAX LIABILITIES	230,552	208,367	245,733	10.6	(6.2)
(a) current	27,151	12,664	68,693	...	(60.5)
(b) deferred	203,401	195,703	177,040	3.9	14.9
100 · OTHER LIABILITIES	728,059	604,031	816,910	20.5	(10.9)
110 · STAFF TERMINATION INDEMNITY	62,773	64,266	65,724	(2.3)	(4.5)
120 · PROVISIONS FOR RISKS AND CHARGES:	291,978	296,172	311,580	(1.4)	(6.3)
a) pensions and similar obligations	268,808	272,143	283,340	(1.2)	(5.1)
b) other provisions	23,170	24,029	28,240	(3.6)	(18.0)
130 · VALUATION RESERVES	530,846	435,492	558,301	21.9	(4.9)
150 · CAPITAL INSTRUMENTS	15,773	15,784	15,785	(0.1)	(0.1)
160 · RESERVES	558,479	377,877	524,401	47.8	6.5
170 · ADDITIONAL PAID-IN CAPITAL	1,013,279	1,013,164	1,012,742	0.0	0.1
180 · CAPITAL	1,790,391	1,790,309	1,790,301	0.0	0.0
200 · PROFIT (LOSS) FOR THE PERIOD	28,516	180,601	22,012	(84.2)	29.5
TOTAL LIABILITIES	33,634,516	33,491,277	31,495,175	0.4	6.8

INCOME STATEMENT (figures in thousands of euro)

	31/3/11	2010	31/3/10	Change % 3/11 3/10
10 - INTEREST INCOME AND SIMILAR REVENUES	225,625	854,071	201,019	12.2
20 - INTEREST EXPENSES AND SIMILAR CHARGES	(100,512)	(368,191)	(89,574)	12.2
30 - NET INTEREST INCOME	125,113	485,880	111,445	12.3
40 - COMMISSION INCOME	70,202	282,081	65,508	7.2
50 - COMMISSION EXPENSES	(7,031)	(33,018)	(6,657)	5.6
60 - NET COMMISSIONS	63,171	249,063	58,851	7.3
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	12	63,663	15	(20.0)
80 - NET INCOME FROM TRADING ACTIVITIES	3,868	(8,802)	4,077	(5.1)
90 - NET INCOME FROM HEDGING ACTIVITIES	(1,039)	452	263	...
100 - PROFIT (LOSS) ON DISPOSAL OR REPURCHASE OF:	354	36,244	3,441	(89.7)
a) loans	53	775	218	(75.7)
b) available-for-sale financial assets	(13)	18,119	845	...
d) financial liabilities	314	17,350	2,378	(86.8)
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	(1,600)	2,753	2,121	...
120 - GROSS OPERATING INCOME	189,879	829,253	180,213	5.4
130 - NET VALUE ADJUSTMENTS DUE TO IMPAIRMENT OF:	(25,308)	(95,532)	(21,969)	15.2
a) loans	(24,059)	(95,026)	(22,656)	6.2
b) available-for-sale financial assets	-	(101)	36	(100.0)
d) other financial assets	(1,249)	(405)	651	...
140 - NET INCOME FROM FINANCIAL MANAGEMENT	164,571	733,721	158,244	4.0
150 - ADMINISTRATIVE COSTS:	(138,283)	(531,939)	(127,263)	8.7
a) staff costs	(79,233)	(320,125)	(74,644)	6.1
b) other administrative costs	(59,050)	(211,814)	(52,619)	12.2
160 - NET PROVISIONS FOR RISKS AND CHARGES	(197)	(1,885)	(172)	14.5
170 - DEPRECIATION OF TANGIBLE ASSETS	(4,260)	(17,178)	(3,919)	8.7
180 - AMORTIZATION OF INTANGIBLE ASSETS	(6,444)	(23,899)	(5,389)	19.6
190 - OTHER OPERATING EXPENSES AND REVENUES	27,409	72,109	16,132	69.9
200 - OPERATING COSTS	(121,775)	(502,792)	(120,611)	1.0
210 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	(82)	-	...
240 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-	3	1	(100.0)
250 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	42,796	230,850	37,634	13.7
260 - INCOME TAXES FOR THE PERIOD	(14,280)	(66,074)	(16,137)	(11.5)
270 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	28,516	164,776	21,497	32.7
280 - PROFIT (LOSS) OF GROUPS OF OPERATIONS BEING DISCONTINUED AFTER TAXES	-	15,825	515	(100.0)
290 - PROFIT (LOSS) FOR THE PERIOD	28,516	180,601	22,012	29.5

The data as at 31/3/2010 have been reclassified in order to highlight the income statement components relative to the business unit of the depositary bank that was discontinued in 2010.

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

	31/3/11	31/3/10	CHANGE	4th quarter 2010
10 - INTEREST INCOME AND SIMILAR REVENUES	225,625	201,019	24,606	226,408
20 - INTEREST EXPENSES AND SIMILAR CHARGES	(100,512)	(89,574)	(10,938)	(96,888)
30 - NET INTEREST INCOME	125,113	111,445	13,668	129,520
40 - COMMISSION INCOME	70,202	65,508	4,694	81,425
50 - COMMISSION EXPENSES	(7,031)	(6,657)	(374)	(10,461)
60 - NET COMMISSIONS	63,171	58,851	4,320	70,964
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	12	15	(3)	4,991
80 - NET INCOME FROM TRADING ACTIVITIES	3,868	4,077	(209)	(548)
90 - NET INCOME FROM HEDGING ACTIVITIES	(1,039)	263	(1,302)	3,016
100 - NET VALUE ADJUSTMENT ON DISPOSAL OR REPURCHASE OF:	354	3,441	(3,087)	24,981
a) loans	53	218	(165)	420
b) available-for-sale financial assets	(13)	845	(858)	8,393
d) financial liabilities	314	2,378	(2,064)	16,168
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	(1,600)	2,121	(3,721)	(1,611)
120 - GROSS OPERATING INCOME	189,879	180,213	9,666	231,313
130 - NET VALUE ADJUSTMENTS DUE TO IMPAIRMENT OF:	(25,308)	(21,969)	(3,339)	(27,339)
a) loans	(24,059)	(22,656)	(1,403)	(27,054)
b) available-for-sale financial assets	-	36	(36)	(32)
d) other financial assets	(1,249)	651	(1,900)	(253)
140 - NET INCOME FROM FINANCIAL MANAGEMENT	164,571	158,244	6,327	203,974
150 - ADMINISTRATIVE COSTS:	(138,283)	(127,263)	(11,020)	(145,064)
a) staff costs	(79,233)	(74,644)	(4,589)	(85,189)
b) other administrative costs	(59,050)	(52,619)	(6,431)	(59,875)
160 - NET PROVISIONS FOR RISKS AND CHARGES	(197)	(172)	(25)	(1,187)
170 - DEPRECIATION OF TANGIBLE ASSETS	(4,260)	(3,919)	(341)	(4,866)
180 - AMORTIZATION OF INTANGIBLE ASSETS	(6,444)	(5,389)	(1,055)	(6,703)
190 - OTHER OPERATING EXPENSES AND REVENUES	27,409	16,132	11,277	19,552
200 - OPERATING COSTS	(121,775)	(120,611)	(1,164)	(138,268)
210 - PROFIT (LOSS) FROM EQUITY INVESTMENTS	-	-	-	(75)
240 - PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS	-	1	(1)	5
250 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	42,796	37,634	5,162	65,636
260 -				
INCOME TAXES FOR THE PERIOD	(14,280)	(16,137)	1,857	(19,854)
270 - OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	28,516	21,497	7,019	45,782
280 -				
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAXES	-	515	(515)	14,122
290 - PROFIT (LOSS) FOR THE PERIOD	28,516	22,012	6,504	59,904

Figures as at 31/3/2010 have been restated in order to highlight in Item 280 income items of the Custodian Bank business unit which has been disposed of.

STATEMENT OF COMPREHENSIVE INCOME

	31/3/11	31/12/10	31/3/10	Change 03/11 - 03/10	
				absolute	%
10 PROFIT (LOSS) FOR THE PERIOD	28,516	180,601	22,012	6,504	29.5
Other income components after taxes					
20 Available-for-sale financial assets	67,482	(145,638)	(16,646)	84,128	...
60 Cash flow hedge	21,534	(19,066)	(26,031)	47,565	...
110 Total other income components after taxes	89,016	(164,704)	(42,677)	131,693	...
120 TOTAL PROFITABILITY (Item 10+110)	117,532	15,897	(20,665)	138,197	...

Figures in thousands of euro

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (figures in thousands of euro)

	Balance as at 31/12/2010	Change in opening balances	Balance as at 1/1/2011	Allocation of profits/losses for the previous period		Changes in reserves	Changes in the period						Comprehensive income for the period as at 31/12/2010	Shareholders' equity as at 31/03/2011
				Reserves	Dividends and other allocations		Transactions on shareholders' equity							
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives	Stock options		
Capital:	1,790,309	-	1,790,309	-	-	-	82	-	-	-	-	-	-	1,790,391
a) ordinary shares	1,615,999	-	1,615,999	-	-	-	82	-	-	-	-	-	-	1,616,081
b) other shares	174,310	-	174,310	-	-	-	-	-	-	-	-	-	-	174,310
Additional paid-in capital	1,013,163	-	1,013,163	-	-	-	116	-	-	-	-	-	-	1,013,279
Reserves:	377,877	-	377,877	180,601	-	1	-	-	-	-	-	-	-	558,479
a) profits	347,371	-	347,371	180,601	-	1	-	-	-	-	-	-	-	527,973
b) other	30,506	-	30,506	-	-	-	-	-	-	-	-	-	-	30,506
Valuation reserves:	435,493	-	435,493	-	-	6,337	-	-	-	-	-	89,016	-	530,846
Capital instruments	15,784	-	15,784	-	-	-	-	-	-	(11)	-	-	-	15,773
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	180,601	-	180,601	(180,601)	-	-	-	-	-	-	-	28,516	-	28,516
Shareholders' equity	3,813,227	-	3,813,227	-	-	6,338	198	-	-	(11)	-	117,532	-	3,937,284

	Balance as at 31/12/2009	Change in opening balances	Balance as at 1/1/2010	Allocation of profits/losses for the previous period		Changes in the period						Shareholders' equity as at 31/12/2010		
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity						Comprehensive income for the period as at 31/12/2010	
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives			Stock options
Capital:	1,790,300	-	1,790,300	-	-	-	9	-	-	-	-	-	-	1,790,309
a) ordinary shares	1,615,990	-	1,615,990	-	-	-	9	-	-	-	-	-	-	1,615,999
b) other shares	174,310	-	174,310	-	-	-	-	-	-	-	-	-	-	174,310
Additional paid-in capital	1,012,742	-	1,012,742	-	-	-	421	-	-	-	-	-	-	1,013,163
Reserves:	323,298	-	323,298	54,393	-	186	-	-	-	-	-	-	-	377,877
a) profits	292,978	-	292,978	54,393	-	-	-	-	-	-	-	-	-	347,371
b) other	30,320	-	30,320	-	-	186	-	-	-	-	-	-	-	30,506
Valuation reserves:	600,978	-	600,978	-	-	(782)	-	-	-	-	-	(164,704)	-	435,492
Capital instruments	1,178	-	1,178	-	-	-	-	-	-	14,606	-	-	-	15,784
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	201,103	-	201,103	(54,393)	(146,710)	-	-	-	-	-	-	-	180,601	180,601
Shareholders' equity	3,929,600	-	3,929,600	-	(146,710)	(596)	430	-	-	14,606	-	-	15,897	3,813,226

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (figures in thousands of euro)

	Balance as at 31/12/2009	Change in opening balances	Balance as at 1/1/2010	Allocation of profits/losses for the previous period		Changes in the period							Shareholders' equity as at 31/03/2010	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity					Comprehensive income for the period as at 31/3/2010		
							New shares issued	Own shares purchased	Extraordinary distribution of dividends	Changes in capital instruments	Own shares derivatives			Stock options
Capital:	1,790,300	-	1,790,300	-	-	-	1	-	-	-	-	-	-	1,790,301
a) ordinary shares	1,615,990	-	1,615,990	-	-	-	1	-	-	-	-	-	-	1,615,991
b) other shares	174,310	-	174,310	-	-	-	-	-	-	-	-	-	-	174,310
Additional paid-in capital	1,012,742	-	1,012,742	-	-	-	-	-	-	-	-	-	-	1,012,742
Reserves:	323,298	-	323,298	201,103	-	-	-	-	-	-	-	-	-	524,401
a) profits	292,978	-	292,978	201,103	-	-	-	-	-	-	-	-	-	494,081
b) other	30,320	-	30,320	-	-	-	-	-	-	-	-	-	-	30,320
Valuation reserves:	600,978	-	600,978	-	-	-	-	-	-	-	-	(42,677)	-	558,301
Capital instruments	1,178	-	1,178	-	-	-	-	-	14,607	-	-	-	-	15,785
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	201,103	-	201,103	(201,103)	-	-	-	-	-	-	-	22,012	-	22,012
Shareholders' equity	3,929,600	-	3,929,600	-	-	-	1	-	14,607	-	-	(20,665)	-	3,923,542

CASH FLOW STATEMENT

Direct method

	Amount		
	31/03/11	31/12/10	31/03/10
A. OPERATING ACTIVITIES			
1. Management	45,350	254,608	71,073
- interest income received (+)	179,018	849,164	177,743
- interest expenses paid (-)	(95,176)	(352,949)	(81,683)
- dividends and similar revenues (+)	12	7,847	8
- net commissions (+/-)	63,171	249,063	59,704
- staff costs (-)	(67,510)	(276,074)	(62,815)
- other costs (-)	(79,860)	(336,149)	(67,353)
- other revenues (+)	46,239	205,640	45,635
- taxes and duties (-)	(544)	(94,265)	(166)
- costs/revenues from discontinued groups of assets and net of tax effect	-	2,331	-
2. Liquidity generated/absorbed by financial assets	(375,026)	(3,001,642)	(1,679,041)
- financial assets held for trading	70,115	351,010	(10,149)
- available-for-sale financial assets	(405,426)	(1,205,770)	(537,018)
- loans to customers	279,380	(1,941,866)	301,293
- loans to banks: at sight	(35,749)	(629,681)	(108,934)
- loans to banks: other loans	(394,732)	440,186	(1,201,181)
- other assets	111,386	(15,521)	(123,052)
3. Cash generated/absorbed by financial liabilities	315,068	3,028,237	1,588,102
- amounts owed to banks: at sight	27,859	(73,370)	1,146,162
- amounts owed to banks: other	(33,889)	2,143,195	(575,591)
- amounts owed to customers	(370,731)	492,445	789,995
- securities in issue	617,239	6,768	60,795
- financial liabilities from trading	(7,857)	(35,087)	14,798
- financial liabilities designated at fair value	(30,965)	711,796	66,986
- other liabilities	113,412	(217,510)	84,957
Net liquidity generated/absorbed by operating activities	(14,608)	281,203	(19,866)
B. INVESTING ACTIVITIES			
1. Liquidity generated by	-	74,576	8
- dividends received on equity investments	-	55,072	7
- tangible asset disposals	-	4	1
- intangible asset disposals	-	-	-
- business unit disposals	-	19,500	-
2. Liquidity absorbed by	(19,968)	(212,314)	(14,242)
- equity investment acquisitions	(9,000)	(55,040)	(7,775)
- tangible asset acquisitions	(4,347)	(29,995)	(2,591)
- intangible asset acquisitions	(6,621)	(25,200)	(3,876)
- business unit acquisitions	-	(102,079)	-
Net liquidity generated/absorbed by investing activities	(19,968)	(137,738)	(14,234)
C. FUNDING ACTIVITIES			
- own share issues/acquisitions	-	-	-
- additional paid-in capital	-	-	-
- capital instrument issues/acquisitions	-	14,606	-
- dividend distribution and others	-	(146,710)	-
Net liquidity generated/absorbed by funding activities	-	(132,104)	-
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	(34,576)	11,361	(34,100)

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

RECONCILIATION

	Amount		
	31/03/11	31/12/010	31/03/10
Balance sheet items			
Cash and cash equivalents at the beginning of the period	252,851	241,490	241,490
Total net liquidity generated/absorbed during the period	(34,576)	11,361	(34,100)
Cash and cash equivalents at period end	218,275	252,851	207,390

Figures in thousands of euro

2. Intermediation activities

It should be pointed out that, effective from 2006 (Law 262/2005, Provisions for the protection of savings and regulation of financial markets), the Carige Group introduced an organisational change which reserves the role of bond issuer for the Parent Bank, and entrusts the activity of placement to all Group Banks; subsequently, to avoid problems connected with maturity transformation, Carige's Board of Directors resolved the hedging of the medium/long-term financial requirements of subsidiary banks through the subscription of bonds issued by the subsidiary. For the Parent Bank, said operations determined a re-composition of FIA in favour of direct deposits and an increase in the volume of the securities portfolio.

Moreover, in 2010 the implementation process of the business plan of Banca Cesare Ponti was started, which led to the merger by take-over of the subsidiary into Banca Carige on 31 December 2010. On 1 January 2011, Carige transferred a business unit constituted by the trademark and by the private banking activities of the taken-over Banca Cesare Ponti, and by the activities referred to the private customers of Banca Carige in Lombardy, as an increase in kind of the share capital of Nuova Banca Cesare Ponti, which changed its name to Banca Cesare Ponti SpA on the same date. As a result of these transactions,

the changes to intermediation items A were not homogeneous during the quarter.

Total **Financial Intermediation Activities (FIA) on behalf of customers** – direct and indirect deposits – amounted to euro 44,917.5 million, down 3.2% in the quarter but up 7.4% in the twelve-month period; excluding the contribution of the former BMPS branches, growth during the year was 4.7%, whilst excluding December 2010 of the contribution of Banca Cesare Ponti, change in the quarter amounted to 1.2%.

Direct deposits amounted to euro 24,698 million, a decrease of 0.4% in three months and an increase of 2.4% in twelve months; **indirect deposits** totalled euro 20,219.5 million, a decrease from the start of the year (-6.4%; +0.8% net of the contribution of Banca Cesare Ponti). During the year, indirect deposits increased by 14.1%, of which 42.3% is made up of assets under management and 57.7% of assets in custody; not considering the contribution of former BMPS branches, growth during the year was 10.3%.

During the quarter, the re-composition of FIA continued in favour of indirect deposits, particularly in the government bond component.

FINANCIAL INTERMEDIATION ACTIVITIES (figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Total (A+B)	44,917,470	46,399,373	41,832,955	-3.2	7.4
Direct deposits (A)	24,698,018	24,798,250	24,115,554	-0.4	2.4
% on Total	55.0%	53.4%	57.6%		
Indirect deposits (B)	20,219,452	21,601,123	17,717,401	-6.4	14.1
% on Total	45.0%	46.6%	42.4%		
- Assets under management	8,544,490	9,149,946	7,795,004	-6.6	9.6
% on Total	19.0%	19.7%	18.6%		
% on Indirect deposits	42.3%	42.4%	44.0%		
- Assets in custody	11,674,962	12,451,177	9,922,397	-6.2	17.7
% on Total	26.0%	26.8%	23.7%		
% on Indirect deposits	57.7%	57.6%	56.0%		

Total funding, which includes direct deposits from customers (euro 24,698 million) and banks (euro 3,040.5 million), amounted to euro

27,738.5 million, down by 0.4% since December 2010 but up by 8.5% since the start of the year.

Direct deposits decreased by 0.4% since December and increased by 2.4% since the start of the year. The short-term component, accounting for 52.8% of the total, amounts to euro 13,041.7 million, down by 5.2% in the quarter and by 5.3% in the twelve-month period. Medium/long-term deposits, equal to euro 11,656.3 million, rose by 5.6% during the quarter and by 12.7% during the year, accounting for 47.2% of the total (44.5% as at December and 42.9% as at March 2010). Within direct deposits, amounts owed to customers totalled euro 13,213.2 million (-5.2% and -5.4% in three and twelve months respectively). Securities in issue were represented almost entirely by bonds

(+7.2% in the three month period and +8.4% in the twelve month period), equalling a total of euro 10,204.6 million (+7% and +7.8% in the three and twelve month periods respectively).

Liabilities measured at fair value (euro 1,280.3 million) decreased by 3.7% in the quarter and nearly doubled in the twelve month period; they are mostly made up of step up bonds which, for hedging reasons, were classified at fair value, and partially by structured notes placed through Poste Italiane.

Amounts owed to banks (euro 3,040.5 million) decreased by 0.2% in the quarter and more than doubled in the twelve-month period. The increase is mainly due by repo agreements.

FUNDING *(figures in thousands of euro)*

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Total (A+B)	27,738,495	27,844,425	25,561,284	-0.4	8.5
Direct deposits (A)	24,698,018	24,798,250	24,115,554	-0.4	2.4
Amounts owed to customers	13,213,185	13,933,214	13,965,365	-5.2	-5.4
current accounts and free deposits	11,387,708	12,343,849	13,210,722	-7.7	-13.8
repurchase agreements	1,467,857	1,212,675	331,500	21.0	...
term deposits	5,527	6,270	11,776	-11.9	-53.1
loans	1,770	2,972	1,958	-40.4	-9.6
funds managed on behalf of third parties	-	-	-	...	...
other deposits	350,323	367,448	409,409	-4.7	-14.4
Securities in issue	10,204,583	9,535,038	9,464,098	7.0	7.8
bonds	10,107,318	9,428,850	9,327,104	7.2	8.4
other securities	97,265	106,188	136,994	-8.4	-29.0
Liabilities at fair value	1,280,250	1,329,998	686,091	-3.7	86.6
bonds	1,280,250	1,329,998	686,091	-3.7	86.6
short term	13,041,690	13,757,007	13,773,217	-5.2	-5.3
% on Total	52.8	55.5	57.1		
medium-long term	11,656,328	11,041,243	10,342,337	5.6	12.7
% on Total	47.2	44.5	42.9		
Amounts owed to banks (B)	3,040,477	3,046,175	1,445,730	-0.2	...
Deposits of central banks	700,525	800,789	23,957	-12.5	...
Current accounts and free deposits	124,028	135,218	142,625	-8.3	-13.0
Term deposits	113,198	76,648	332,971	47.7	-66.0
Repurchase agreements	1,779,194	1,674,212	347,501	6.3	...
Loans	323,532	359,308	598,676	-10.0	-46.0

Indirect deposits amounted to euro 20,219.5 million, a decrease in three months (-6.4%; +0.8% excluding Banca Cesare Ponti), but an increase by 14.1% in the twelve-month period. Assets under management amount to euro 8,544.5 million, down from December 2010 (-6.6%; -1.9% excluding Banca Cesare Ponti) but up from March 2010 (+9.6%); the component in custody, amounting to euro 11,675 million, decreased from December 2010 (-6.2%; +2.9% excluding Banca Cesare Ponti) and increased from March 2010 (+17.7%). Not considering the contribution from former BMPS branches, growth during the year reached 14%.

With reference to **assets under management**, mutual funds amounted to euro 4,305.3 million (-8.8% in the three-month period; -3.8% excluding Banca Cesare Ponti; +4.9% in the twelve-month period), asset management amounted to euro 465.6 million (-31% in the three-month period, -6.4% excluding Banca Cesare Ponti; in line in the twelve-month period), and bank assurance products amounted to euro 3,773.6 million (+0.4% in the three-month period, +0.8% excluding BCP; +17% in the twelve-month period).

As regards **assets in custody**, government bonds decreased by 0.6% in the three month

period (+6.6% excluding BCP) to euro 4,132.7 million, while they increased by 18.7% on a year-on-year basis. The other securities (euro 7,542.3 million) decreased compared to the end of the

year (-9%, +0.9% excluding Banca Cesare Ponti) but increased compared to March 2010 (+17.1%).

INDIRECT DEPOSITS *(figures in thousands of euro)*

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Total (A+B)	20,219,452	21,601,123	17,717,401	-6.4	14.1
Assets under management (A)	8,544,490	9,149,946	7,795,004	-6.6	9.6
Mutual funds	4,305,257	4,718,406	4,105,222	-8.8	4.9
Assets management	465,590	674,720	465,137	-31.0	0.1
Bancassurance products	3,773,643	3,756,820	3,224,645	0.4	17.0
Assets in custody (B)	11,674,962	12,451,177	9,922,397	-6.2	17.7
Government securities	4,132,697	4,158,961	3,482,959	-0.6	18.7
Other	7,542,265	8,292,216	6,439,438	-9.0	17.1

Cash loans to customers, net of value adjustments of euro 587.1 million, amounted to euro 20,916.1 million, down by 1.8% compared to December but up by 10.7% in twelve months. This value does not include debt securities classified as L&R.

Before the value adjustment, the total amount was euro 21,503.2 million, down 1.6% in the three-month period (-0.5% excluding the transfer of Banca Cesare Ponti) but up by 11% in the twelve-month period (+7.9% not considering the former BMPS branches).

The aggregate amounted to euro 21,283 million, up by 1.8% in the quarter and 10.4 in the twelve-month period (net of repo transactions). The growth in credits confirms the traditional support both to businesses and to households, in whose favour the Bank has also undertaken significant steps aimed at overcoming the challenging economic situation.

The short-term component, accounting for 23.8% of the total, amounts to euro 5,117.5 million, down by 7.6% in the quarter but increasing by 24% in the twelve-month period. The medium-long term component amounted to euro 15,321.1 million (-0.1% since December and +6.1% in the twelve-month period), with 76.1% of it covered by medium-long deposits. The strong annual growth is correlated to the performance of the loans item; in particular, they amounted to euro 11,779.4 million (+0.9% in the quarter and +13% in the year).

Value adjustments have a coverage level of 2.7%, up from 2.5% in March 2010.

Personal loans, accounting for about 30% of the total, grew by 5.3% in the twelve-month period; loans to companies represent over 60% of the total aggregate and, relative to March 2010, they grew by 11.2%.

The trend in consumer credit - credit cards, personal loans and salary backed loans - felt the effects, as of 1 July 2008, of the placement activities of subsidiary Creditis Servizi Finanziari SpA; if we include loans granted by Creditis, consumer credit rises by 4.4% in the quarter and 19% in twelve months.

Bad loans amounted to euro 1,064.6 million (+7.8% since December and +32% in the twelve-month period), i.e. 5% of total loans, higher than the 4.5% of December and the 4.2% of March 2010, but still lower than the System ratio (5.2% in February 2011).

Net of value adjustments of euro 0.9 million, **loans to banks** amounted to euro 1,754.3 million, up by 26.1% in the quarter but down by 33.3% in the year.

The **net interbank position** (difference between loans and amounts owed to banks) showed a net debt position of euro 1,285.3 million versus a net debt of euro 1,654.3 million in December but a net credit position of euro 1,183.5 million in March 2010. These changes were determined by the effects deriving from the acquisition of the former BMPS branches, in addition to the performance of items with customers that had greater growth on the asset than on the liability side; the liquidity position is in any case adequate, considering the presence of appropriate liquid reserves.

LOANS (1) (figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Total (A+B)	22,670,395	22,687,388	21,521,242	-0.1	5.3
Loans to customers (A)	20,916,070	21,296,375	18,892,901	-1.8	10.7
-nominal value (2)	21,503,178	21,861,238	19,377,792	-1.6	11.0
<i>current accounts</i>	2,651,487	2,557,488	2,319,411	3.7	14.3
<i>repurchase agreements</i>	220,112	958,289	106,975	-77.0	...
<i>mortgages (3)</i>	11,779,353	11,678,887	10,426,492	0.9	13.0
<i>credit cards, personal loans and salary-backed loans</i>	165,957	181,250	229,449	-8.4	-27.7
<i>leasing</i>	837,212	829,974	806,048	0.9	3.9
<i>factoring</i>	180,650	187,986	137,379	-3.9	31.5
<i>other loans</i>	3,722,350	3,604,192	3,608,445	3.3	3.2
<i>impaired assets (3)</i>	1,946,057	1,863,172	1,743,593	4.4	11.6
-short term	5,117,530	5,537,877	4,127,072	-7.6	24.0
% on nominal value	23.8	25.3	21.3		
-medium/long term	15,321,085	15,335,925	14,444,076	-0.1	6.1
% on nominal value	71.2	70.2	74.5		
- Bad loans	1,064,563	987,436	806,644	7.8	32.0
% on nominal value	5.0	4.5	4.2		
-Value adjustments (-)	587,108	564,863	484,891	3.9	21.1
Loans to banks (B)	1,754,325	1,391,013	2,628,341	26.1	-33.2
-nominal value (2)	1,755,200	1,391,888	2,629,214	26.1	-33.2
<i>compulsory reserves</i>	233,117	228,511	411,648	2.0	-43.4
<i>other loans to central banks</i>	-	-	-	...	...
<i>current accounts and free deposits</i>	242,733	206,913	376,275	17.3	-35.5
<i>term deposits</i>	294,547	351,990	370,426	-16.3	-20.5
<i>repurchase agreements</i>	433,181	47,951	562,109	...	-22.9
<i>loans</i>	535,342	540,364	892,928	-0.9	-40.0
<i>impaired assets</i>	16,280	16,159	15,828	0.7	2.9
-short term	1,689,769	1,326,602	2,584,627	27.4	-34.6
% on nominal value	96.3	95.3	98.3		
-medium/long term	65,431	65,286	44,587	0.2	46.7
% on nominal value	3.7	4.7	1.7		
- Bad loans	-	-	-	...	...
% on nominal value	-	-	-		
-Value adjustments (-)	875	875	873	-	0.2

(1) Net of debt securities classified as L&R.

(2) Before value adjustments.

(3) Based on the new provisions issued by the Bank of Italy in the first update to Circular 262/2005 dated 18 November 2009 ("The bank financial statements: drafting tables and provisions"), including the reorganisation of the information on "impaired assets" and "assets sold and not cancelled", the latter are now recorded under the relevant technical forms and no more as an independent item. The corresponding figures as at 31/12/2008 have been adequately reclassified to allow a homogeneous comparison.

Non performing loans amount to euro 1,981.5 million, up by 4.4% since December and by 11.5% in the twelve month period. More than 99.2% of these relate to ordinary customers; the corresponding value adjustments stand at euro 544.5 million (+4.8% and +22.4% in three and twelve months respectively), representing a coverage value of about 27.7%.

Impaired cash loans to customers equalled euro 1,946.1 million (+4.4% from December and +11.6% from March 2010). Impaired credit commitments equalled euro 19.2 million (+6% in the three-month period and +5.3% in the twelve-month period).

As regards **cash loans to customers**, the

following should be highlighted:

- Bad loans totalled euro 1,064.6 million, up by 7.8% during the quarter, and by 32% in the year; they were written down by 45% (45.7% in December and 47.5% in March 2010). The bad loans/loans ratio, with reference to customers, is equal to 5%.
- Watch list loans amounted to euro 514.2 million, up by 2.5% in the quarter and 29.8% in the twelve-month period. They were written down by 10.2%;
- Rescheduled loans amounted to euro 119.2 million, up 1.7% in the three month period but down by 0.9% since March 2010. They comprise some significant positions with a

high level of collateral and, to a lesser extent, renegotiated loans pursuant to Law 126/2008 with overdue payments in existence at the moment of renegotiation. They were written down by 1.9%;

- Past due loans amounted to euro 248.1 million, down by 3.4% since December 2010 and by 41% since March 2010. They are almost entirely made up of mortgage loans, mostly represented by positions with instalments overdue between 90 and 180 days which must be included in the aggregate by banks that use the standard method in calculating capital requirements. They were

written down by 1.7%.

Impaired **credit commitments** amounted to euro 19.2 million, up by 6% in the three month period and 5.3% in the twelve month period; they were written down by 27.2% (26.6% in December and 25.2% in March 2010).

Overall, value adjustments on cash and endorsement loans amounted to euro 597.7 million, euro 587.1 million of which refers to cash loans and euro 10.6 million of which refers to endorsement loans.

increased by 4.7% since December and by 20.3% in the twelve-month period, mainly. Equities rose by 0.8% since December and 2.6% in twelve months; shares in UCITS grew by 13.4% in the three-month period but shrank by 16.1% in the twelve-month period. Equities available for sale included the 4% equity investment in the Bank of Italy, accounted for at euro 818.4 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 the Bank of Italy as at 31 December 2009 (last approved financial statements), consistent with the accounting principle adopted for the preparation of the financial statements of the Bank and of the consolidated financial statements of the Banca Carige Group as at 31 December 2010. The effects of this valuation at

fair value are neutralised by a valuation reserve of the same amount, net of deferred taxes.

With regard to the breakdown prescribed by the international accounting standards IAS/IFRS, securities Available for Sale, or AFS (euro 5,161.5 million), which account for 78%, increased both in the last quarter (+6.4%), and relative to March 2010 (+24.8%) for investments made mostly in government bonds; securities Held for Trading, or HFT, amounting to euro 226.1 million, account for 3.4% and decreased respectively by 24.5% and by 64.4% in the last quarter and in the year. Assets deriving from Loans and Receivables (L&R) amount to euro 1,223.5 million and grew by 2.5% in the last quarter (+34.6% in the year) and they mostly comprise subsidiary banks' bonds.

SECURITIES PORTFOLIO *(figures in thousands of euro)*

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Debt securities	5,476,934	5,232,030	4,551,199	4.7	20.3
<i>Held for trading</i>	210,882	298,800	589,297	-29.4	-64.2
<i>Available for sale</i>	4,042,586	3,739,364	3,053,221	8.1	32.4
<i>Loans & Receivable</i>	1,223,466	1,193,866	908,681	2.5	34.6
<i>Held to maturity</i>	-	-	-	...	...
Equities	1,020,448	1,012,779	994,180	0.8	2.6
<i>Held for trading</i>	145	447	100	-67.6	45.0
<i>Available for sale</i>	1,020,303	1,012,332	994,080	0.8	2.6
Shares in collective investment schemes	113,622	100,216	135,487	13.4	-16.1
<i>Held for trading</i>	15,052	84	45,802	...	-67.1
<i>Available for sale</i>	98,570	100,132	89,685	-1.6	9.9
Total (1)	6,611,004	6,345,025	5,680,866	4.2	16.4
<i>of which:</i>					
<i>Held for trading</i>	226,079	299,331	635,199	-24.5	-64.4
<i>Available for sale</i>	5,161,459	4,851,828	4,136,986	6.4	24.8
<i>Loans & Receivable</i>	1,223,466	1,193,866	908,681	2.5	34.6
<i>Held to maturity</i>	-	-	-	...	...

(1) Balance sheet items 20 (net of derivatives), 30, 40, 60 (only for the part relative to L&Rs) and 70 (only for the part relative to L&Rs) are included in the aggregate.

The amendments made to international accounting principles IAS 39 and IFRS 7 in October and November 2008 allowed for new types of reclassifications, with the possibility of retroactive effectiveness to 1 July 2008 if carried out before 31 October 2008.

Pursuant to said amendments, Banca Carige reclassified securities, effective 1 July and 1 October, for a total residual amount of euro 280.4 million as at 31 March 2010, as detailed in the table below:

TRANSFERS BETWEEN PORTFOLIOS: BOOK VALUE, FAIR VALUE AND EFFECT ON THE TOTAL PROFITABILITY (figures in thousands of euro)

Type of financial instrument	Origin portfolio	Allocation portfolio	Book value as at 31/03/11	Fair Value as at 31/03/11	Income components in the absence of the transfer (before taxes)		Income components recorded for the period (before taxes)	
					Valuation-related	Others	Valuation-related	Other
Debt securities	HFT	AFS	54,667	54,667	1,501	1,038	619	610
Equities	HFT	AFS	11,116	11,116	392	-	381	-
Shares in collect. inv. schemes	HFT	AFS	57,863	57,863	(454)	-	(507)	16
Debt securities	HFT	HTM (1)	5,969	5,969	6	23	3	25
Debt securities	HFT	L&R	116,140	104,292	1,721	491	-	629
Debt securities	AFS	L&R	34,648	33,916	(101)	278	-	278
Total			280,403	267,823	3,065	1,830	496	1,558

(1) An information disclosure has been provided for securities which, after being previously classified from HFT to HTM, have been reclassified from the latter to AFS following the application of forecasts set forth in paragraph 52 of IAS 39 in financial statements as at 31/12/2009.

If the Bank had not reclassified the financial assets listed above, the quarter would have recorded positive income components amounting to euro 3.1 million instead of euro 0.5 million reported.

The portfolio of debt securities reclassified in the AFS (Available For Sale, HTM (Held To Maturity) and L&R (Loans & Receivables) for a nominal value of euro 214 million has an effective interest rate of 3.4% with expected cash flows estimated at euro 290 million.

As at 31 March 2011, valuation reserves related to securities classified in the AFS (Available For Sale) category amounted to euro 568.2 million (an increase of euro 73.8 million compared with the positive balance of euro 494.4 million at 31 December 2010) and were made up by euro 775.0 million of positive reserves, relating mainly to the valuation of the equity investment in the Bank of Italy (euro 767.3 million), and by euro 206.8 million of negative reserves.

The latter refer to debt securities (euro 86.4 million), composed almost entirely of Government, bank and corporate bonds with high credit ratings, and to equities of leading banking and insurance issuers and shares in collective investment schemes (euro 120.4 million).

The notional value of **derivative contracts** is equal to euro 13,661.7 million, up by 6.6% in the quarter and 23.4% in the twelve month period. Financial derivatives, which represent 96.2% of the total, increased by 3.7% in the quarter, to euro 13,147.2 million (+20.6% in the twelve-month period), credit derivatives decreased to euro 514.6 million (euro 130.6 million in December and euro 168.3 million in March 2010).

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

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Financial derivatives	13,147,162	12,683,327	10,905,776	3.7	20.6
<i>futures</i>	740	740	-	-	...
<i>forward agreements (1)</i>	582,348	650,087	611,109	-10.4	-4.7
<i>swap</i>	10,921,684	10,442,803	8,968,685	4.6	21.8
<i>options purchased</i>	1,276,603	1,211,797	970,296	5.3	31.6
<i>others</i>	365,787	377,900	355,686	-3.2	2.8
Credit derivatives	514,578	130,560	168,338	...	...
<i>cds</i>	114,578	130,560	168,338	-12.2	-31.9
<i>others</i>	400,000	-	-	...	...
Total	13,661,740	12,813,887	11,074,114	6.6	23.4

(1) Sub-item "forward agreements" includes also the so-called "regular way" transactions.

The value of hedging derivatives (assets and liabilities) stood at euro 573 million (euro 654.2 million in December and euro 517.9 million in

March 2010). Positive values amount to euro 48.7 million, while negative values amount to euro 524.3 million.

ASSETS FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Asset hedging derivatives	304	1,033	-	-70.6	...
Fair value hedging	304	1,033	-	-70.6	...
<i>interest rates</i>	304	1,033	-	-70.6	...
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	-	-	-	...	...
Liability hedging derivatives	48,401	99,675	104,806	-51.4	-53.8
Fair value hedging	34,030	87,144	101,480	-60.9	-66.5
<i>interest rates</i>	34,030	87,144	101,480	-60.9	-66.5
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	14,371	12,531	3,326	14.7	...
Total	48,705	100,708	104,806	-51.6	-53.5

LIABILITIES FROM HEDGING DERIVATIVES BY HEDGE TYPE

(figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Asset hedging derivatives	416,587	419,388	303,537	-0.7	37.2
Fair value hedging	416,587	419,388	303,537	-0.7	37.2
<i>interest rates</i>	416,587	419,388	303,537	-0.7	37.2
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	-	-	-	...	...
Liability hedging derivatives	107,718	134,150	109,530	-19.7	-1.7
Fair value hedging	35,835	27,247	101	31.5	...
<i>interest rates</i>	35,835	27,247	101	31.5	...
Cash flow hedging	-	-	-	...	...
General interest rate risk hedging	71,883	106,903	109,429	-32.8	-34.3
Total	524,305	553,538	413,067	-5.3	26.9

The total positive and negative values of trading derivative contracts amount to euro 208.7 million,

down from euro 180.9 million in December and euro 258.3 million in March 2010.

TRADING DERIVATIVES (figures in thousands of euro)

	Situation as at			Change %	
	31/03/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Positive countervalues	87,594	73,669	100,941	18.9	-13.2
Financial derivatives	86,101	71,265	99,901	20.8	-13.8
<i>forward agreements</i>	13,163	4,018	4,173	...	...
<i>swap</i>	59,086	53,859	76,444	9.7	-22.7
<i>options purchased</i>	13,852	13,388	19,284	3.5	-28.2
Credit derivatives	1,493	2,404	1,040	-37.9	43.6
<i>cds</i>	1,493	2,404	1,040	-37.9	43.6
Negative countervalues	121,070	107,251	157,335	12.9	-23.0
Financial derivatives	116,206	101,632	153,543	14.3	-24.3
<i>forward agreements</i>	2,061	7,736	11,999	-73.4	-82.8
<i>swap</i>	103,528	83,466	130,913	24.0	-20.9
<i>issued options</i>	10,617	10,430	10,631	1.8	-0.1
Credit derivatives	4,864	5,619	3,792	-13.4	28.3
<i>cds</i>	4,383	5,619	3,792	-22.0	15.6
<i>others</i>	481	-	-	...	...
Total	208,664	180,920	258,276	15.3	-19.2

Net income on derivative contracts was euro 1.1 million included, as indicated in the following table, also the “Exchange rate differences” related to the valuation of foreign currency assets and liabilities (negative by euro 18.7 million). The Bank manages its overall

exchange rate position with the aim to achieve a balance; the position includes, in addition to assets and liabilities, also forward agreements on currencies, included in the financial Derivatives per 1.1 above.

NET INCOME ON DERIVATIVE CONTRACTS AS AT 31/03/2011

(figures in thousands of euro)

	Revaluations	Write-downs	Net profit on trading	Net income
1. Trading contracts	50,204	- 34,278	4,930	20,856
1.1 Financial derivatives	48,234	- 33,278	4,996	19,952
1.2 Credit derivatives	1,970	- 1,000	- 66	904
	Revaluations	Write-downs	Changes in underlying from hedging	Net income
2. Hedging contracts	42,951	- 134,380	90,390	- 1,039
2.1 Asset hedging	42,937	- 68,982	24,846	- 1,199
2.2 Liability hedging	14	- 65,398	65,544	160
3. Currency differences				- 18,686
Total	93,155	- 168,658	95,320	1,131

3. Economic results

As at 31 March 2011, the income statement posted a net profit of euro 28.5 million versus euro 22 million in 2010 (+29.5%).

In particular, net interest income grew, mainly because of the positive quantity effect and an improvement in the commission margin. On the other hand, there were greater value adjustments, as a result of the negative balance of hedging activities, lower income from the sale and reacquisition of financial liabilities and a negative

result in financial assets and liabilities measured at fair value.

The net interest income amounted to euro 125.1 million, up by 12.3%. In detail, interest income amounted to euro 225.6 million, up by 12.2%; interest expenses amounted to euro 100.5 million, up by 12.2% mainly as a result of the rise in interest rates on securities in issue (+27% at euro 69.5 million).

INTEREST INCOME *(figures in thousands of euro)*

	31/3/11	2010	31/3/10	Change 3/11 - 3/10	
				absolute	%
Financial assets held for trading	2,094	18,643	4,905	-2,811	-57.3
Available-for-sale financial assets	31,480	119,959	22,343	9,137	40.9
Loans to banks (1)	10,631	28,597	6,828	3,803	55.7
Loans to customers (1) (2)	180,499	684,423	166,633	13,866	8.3
Other assets	921	2,449	310	611	...
Total interest income	225,625	854,071	201,019	24,606	12.2

(1) This item includes interest income on the L&R credit component.

(2) Figures as at 31/3/2010 have been restated in order to show in Item 280 of the income statement income items of the Custodian Bank business unit which has been disposed of.

INTEREST EXPENSES *(figures in thousands of euro)*

	31/3/11	2010	31/3/10	Change 3/11 - 3/10	
				absolute	%
Amounts owed to banks	6,430	16,346	2,469	3,961	...
Amounts owed to customers (1)	18,923	84,474	25,064	-6,141	-24.5
Securities in issue	69,523	233,311	54,749	14,774	27.0
Financial liabilities designated at fair value	5,094	16,089	1,935	3,159	...
Other liabilities	40	439	100	-60	-60.0
Hedging derivatives	502	17,532	5,257	-4,755	-90.5
Total interest expenses	100,512	368,191	89,574	10,938	12.2

(1) Figures as at 31/3/2010 have been restated in order to show in Item 280 of the income statement income items of the Custodian Bank business unit which has been disposed of.

Net commissions amounted to euro 63.2 million, an increase of 7.3% over the year.

Commission income reached euro 70.2 million, up by 7.2% over March 2010; of note is the strong increase in commissions for holding current accounts (+17.3% at euro 23.3 million) and for collection and payment services (euro 13.8 million; +11.1%); the increase is also connected

to the expansion of the number of customers, resulting from the 20 branches acquired from BMPS.

Commission expenses amounted to euro 7 million and grew by 5.6%, as a result of increased commissions for collection and payment services and other services.

COMMISSION INCOME (figures in thousands of euro)

	31/3/11	2010	31/3/10	Change 3/11 - 3/10	
				absolute	%
Guarantees issued	4,078	14,165	3,280	798	24.3
Management, intermediation and consultancy services:	21,617	94,520	21,994	-377	-1.7
1. Financial instruments trading	110	1,238	332	-222	-66.9
2. Currency trading	677	2,859	644	33	5.1
3. Asset management	1,347	7,290	981	366	37.3
4. Securities custody and administration	620	2,664	670	-50	-7.5
5. Custodian bank (1)	-	-	-	-	...
6. Placement of securities	8,114	35,773	7,971	143	1.8
7. Collection of orders	2,337	10,561	2,513	-176	-7.0
8. Consultancy services	7	16	3	4	...
9. Distribution of third-party services	8,405	34,119	8,880	-475	-5.3
- portfolio management	315	1,140	265	50	18.9
- insurance products	4,109	16,937	4,868	-759	-15.6
- other products	3,981	16,042	3,747	234	6.2
Collection and payment services	13,768	52,193	12,389	1,379	11.1
Servicing for securitizations	714	2,561	526	188	35.7
Factoring services	436	1,950	377	59	15.6
Maintenance and management of the current accounts	23,255	85,383	19,822	3,433	17.3
Other services	6,334	31,309	7,120	-786	-11.0
Total commission income	70,202	282,081	65,508	4,694	7.2

(1) Figures as at 31/3/2010 have been restated in order to show in Item 280 of the income statement income items of the Custodian Bank business unit which has been disposed of.

COMMISSION EXPENSES (figures in thousands of euro)

	31/3/11	2010	31/3/10	Change 3/11 - 3/10	
				absolute	%
Guarantees received	160	485	167	-7	-4.2
Management and intermediation services	1,277	6,434	1,293	-16	-1.2
1. Financial instruments trading	17	465	19	-2	-10.5
3. Portfolio management	223	1,441	211	12	5.7
4. Securities custody and administration	234	1,773	284	-50	-17.6
5. Financial instruments placement	803	2,714	779	24	3.1
6. Door-to-door sale of securities, financial products and services	-	41	-	-	...
Collection and payment services	3,258	16,504	3,054	204	6.7
Other services	2,336	9,595	2,143	193	9.0
Total commission expenses	7,031	33,018	6,657	374	5.6

The net result from trading activities showed a positive balance of euro 3.9 million (versus a positive balance of euro 4.1 million last year). In particular, profits of euro 1.1 million were recorded on debt securities (euro 5.5 million in March 2010); both financial and credit derivatives

generated profits. Exchange rate differences yielded a net loss of euro 18.7 million, whilst the other financial assets/liabilities for trading yielded a net income of euro 0.6 million.

INCOME FROM TRADING ACTIVITIES (figures in thousands of euro)

	31/3/11	2010	31/3/10	Change 3/11 - 3/10	
				absolute	%
Debt securities	1,111	(10,321)	5,499	(4,388)	-79.8
Equities & collective investment schemes	2	101	169	(167)	-98.8
Total equities, debt securities & collective investment schemes	1,113	(10,220)	5,668	(4,555)	-80.4
Financial derivatives	19,952	(27,362)	(18,937)	38,889	...
Credit derivatives	904	(1,872)	(140)	1,044	...
Currency differences	(18,686)	28,253	(120)	(18,566)	...
Other financial assets/liabilities from trading	585	2,399	17,606	(17,021)	-96.7
Total income from trading activities	3,868	(8,802)	4,077	(209)	-5.1

The net result of hedging activities is negative for euro 1 million (positive for euro 263 thousand in March 2010).

Net income from the disposal of loans and financial assets/liabilities equals euro 354 thousand (euro 3.4 million as at 31 March 2010), mainly as a result of the repurchase of financial liabilities (euro 314 million).

Net income from financial assets/liabilities designated at fair value was negative by euro 1.6 million (positive by euro 2.1 million as at March 2010).

Gross operating income reached euro 189.9 million, an increase of 5.4%.

Net value adjustments due to impairment of loans and of other financial items totalled euro 25.3 million, up by 15.2% relative to March 2010. In this item, net adjustments to loans amounted to euro 24.1 million, up by +6.2%, and those on other financial transactions amounted to euro 1.2 million.

Therefore, the net income from financial management amounted to euro 164.6 million, up by 4% year on year.

NET VALUE ADJUSTMENTS TO LOANS AND OTHER FINANCIAL ITEMS

(figures in thousands of euro)

	31/3/11	2010	31/3/10	Change 3/11 - 3/10	
				absolute	%
Loans to banks	-	2	-	...	...
Loans to customers	24,059	95,023	22,656	1,403	6.2
Credit commitments (other financial transactions)					...
	1,250	405	(651)	1,901	...
Available-for-sale financial assets	0	101	(36)	36	-100.0
Total net value adjustments to loans and other financial items	25,309	95,531	21,969	3,340	15.2

Operating costs amounted to euro 121.8 million, up by 1% compared to March 2010.

In detail, administrative costs amounted to euro 138.3 million, up by 8.7% over the twelve-month period and within these:

- Staff costs increased by 6.1% to euro 79.2 million;
- The other administrative costs amount to euro 59.1 million (+12.2%); general expenses were contained (-12.3%), whilst indirect taxes nearly doubled relative to the 1st quarter of 2010, as a result of the inclusion of the substitute tax on lease agreements (euro 11.2 million).

Net provisions for risks and charges amount to euro 197 thousand (euro 172 thousand in March 2010; +14.5%).

Value adjustments on tangible and intangible fixed assets amounted to euro 10.7 million, increasing by 15% in the twelve-month period because of sizeable investments made, especially in information technology, to maintain high levels of profitability in the future.

The cost/income ratio was 64.1% down from 66.9% in March 2010.

OPERATING COSTS (figures in thousands of euro)

	31/3/11	2010	31/3/10	Change 3/11 - 3/10	
				absolute	%
Staff costs (1)	79,233	320,125	74,644	4,589	6.1
Other administrative costs	59,050	211,814	52,619	6,431	12.2
- general costs	36,706	166,378	41,844	-5,138	-12.3
- indirect taxes(2)	22,344	45,436	10,775	11,569	...
Net provisions for risks and charges	197	1,885	172	25	14.5
Amortization and depreciation on:	10,704	41,077	9,308	1,396	15.0
- intangible fixed assets	6,444	23,899	5,389	1,055	19.6
- tangible fixed assets	4,260	17,178	3,919	341	8.7
Other operating expenses and revenues	(27,409)	(72,109)	(16,132)	-11,277	69.9
Total operating costs	121,775	502,792	120,611	1,164	1.0

(1) Figures as at 31/3/2010 have been restated in order to show in Item 280 of the income statement income items of the Custodian Bank business unit which has been disposed of.

(2) The Item includes the substitute tax due on existing leasing agreements set forth in L.220/2010 amounting to euro 11.2 million, the recovery of which from the customers has been recorded in Item 190 of the income statement "Other operating revenues/expenses".

Other net operating income increased by 69.9%, reaching euro 27.4 million as a result of the

inclusion of euro 11.2 pertaining to the recouped substitute tax on lease agreements.

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

	31/3/11	2010	31/3/10	Change 3/11 - 3/10	
				absolute	%
Lease income and rent	1,395	5,269	1,447	-52	-3.6
Charges to third parties:	20,570	37,634	9,503	11,067	...
recovery of taxes (1)	20,556	37,577	9,488	11,068	...
customer insurance premiums	14	57	15	-1	-6.7
Other revenues	7,591	39,331	6,418	1,173	18.3
Total other revenues	29,556	82,234	17,368	12,188	70.2
Operating costs on financial leases	(103)	(509)	(135)	32	-23.7
Ordinary maintenance costs on investment	(284)	(572)	(69)	-215	...
Expenses for improvement of third parties' assets	(153)	(624)	(158)	5	-3.2
Other expenses	(1,607)	(8,419)	(874)	-733	83.9
Total other expenses	(2,147)	(10,124)	(1,236)	-911	73.7
Total revenues and expenses	27,409	72,110	16,132	11,277	69.9

(1) The Item includes the recoveries from the customers of the substitute tax due on existing leasing agreements set forth in L.220/2010 amounting to euro 11.2 million, the cost of which is recorded in Item 150 b) "Other administrative costs - indirect taxes".

Taking into account euro 14.3 million for allocations for income tax, the **net profit** comes out at euro 28.5 million, an increase of 29.5% from the euro 22 million of the first quarter 2010. **Comprehensive income**, which includes

income components charged directly to shareholders' equity, was a positive euro 117.5 million, compared to the negative result of euro 20.7 million in March 2011.

4. Transactions with related parties

Asset and liability relations with shareholders who are able to exercise a significant influence, relations with investee companies (subsidiaries subject to considerable influence) and with other related parties (excluding the fees paid to

Directors and Statutory Auditors, which are published annually in the Explanatory Notes to the Consolidated Financial Statements) as at 31 March 2011 were as follows:

RELATIONS WITH SHAREHOLDERS AND WITH INVESTEE COMPANIES *(figures in thousands of euro)*

	31/03/11					
	Assets	Liabilities	Guarantees and commitments	Dividends distributed	Other revenues	Expenses
CARIGE SHAREHOLDERS WHO EXERCISE A SIGNIFICANT INFLUENCE	14,103	54,573	-	-	4,812	16,636
Fondazione Cassa di Risparmio di Genova e Imperia	8,049	32,047	-	-	123	374
Caisses d'Epargne Participations - Groupe BPCE	6,054	22,526	-	-	4,689	16,262
	31/03/11					
	Assets	Liabilities	Guarantees and commitments	Dividends collected	Other revenues	Expenses
SUBSIDIARIES	1,945,840	634,228	20,454	-	37,104	14,386
Cassa di Risparmio di Carrara SpA	434,871	128,911	68	-	3,153	1,868
Cassa di Risparmio di Savona SpA	506,580	77,397	2,240	-	4,437	5,298
Banca del Monte di Lucca SpA	412,709	39,117	2,326	-	3,098	1,563
Banca Cesare Ponti SpA	89,926	41,771	253	-	8,184	3,232
Carige Asset Management Sgr SpA	7,030	16,581	-	-	7,029	204
Centro Fiduciario SpA	731	1,572	-	-	179	147
Argo Finance One Srl	3	12	-	-	3	-
Argo Mortgage Srl	3	12	-	-	3	-
Argo Mortgage 2 Srl	3	11	-	-	3	-
Priamar Finance Srl	3	11	-	-	3	-
Columbus Carige Immobiliare SpA	5,322	311	-	-	100	-
Carige Vita Nuova SpA	2,431	269,245	-	-	5,024	1,944
Carige Assicurazioni SpA	69,908	27,346	13,867	-	1,540	99
Assi 90 Srl	31	1,913	-	-	1	4
Dafne Immobiliare Srl	-	1,024	-	-	-	-
IH Roma Srl	-	755	-	-	-	-
Creditis Servizi Finanziari SpA	416,277	28,229	1,700	-	4,347	27
Carige Covered Bond Srl	12	10	-	-	-	-
ENTITIES SUBJECT TO SIGNIFICANT INFLUENCE	-	17,475	279	-	6	39
Autostrada dei Fiori SpA	-	17,092	50	-	6	34
Sport e Sicurezza Srl	-	287	229	-	-	-
WTC SPA in liq.	-	9	-	-	-	5
Nuova Erzelli Srl	-	87	-	-	-	-
Total	1,945,840	651,703	20,733	-	37,110	14,425

RELATIONS WITH OTHER RELATED PARTIES *(figures in thousands of euro)*

	Assets	Liabilities	Guarantees and commitments	Revenues	Expenses	Purchase of goods and services
Other related parties	24,061	9,967	2,340	128	27	5
TOTAL	24,061	9,967	2,340	128	27	5

For the definition of other related parties, refer to the paragraph "Transactions with related parties" in the Explanatory Notes to the Consolidated Interim Financial Statements.

5. Regulatory capital

REGULATORY CAPITAL AND SOLVENCY RATIOS

(figures in thousands of euro)

	Situation as at		
	31/03/11	31/12/10	31/03/10
Regulatory capital			
Core Tier 1 Capital (1)	1,464,226	1,421,675	1,790,301
Tier 1 capital	1,624,126	1,581,575	1,693,040
Tier 2 capital	887,892	885,858	740,358
less: deductions	-339,811	-339,811	-350,012
Total capital	2,172,207	2,127,622	2,083,386
Tier 3 capital	-	-	96,675
Tier 3 calculable portion	-	-	14,997
Regulatory capital including Tier 3	2,172,207	2,127,622	2,098,383
Weighted assets			
Credit risk	17,685,598	17,474,351	15,728,910
Market risk	285,347	287,159	350,073
Operational risk	1,581,444	1,581,444	1,554,387
Other prudential requirements	-	-	-
Total weighted assets	19,552,389	19,342,954	17,633,370
Capital requirements			
Credit risk	1,414,848	1,397,948	1,258,313
Market risk	22,828	22,973	28,006
Operational risk	126,516	126,516	124,351
Other prudential requirements	-	-	-
Capital reduction by 25%	391,048	386,859	352,667
Total requirements	1,173,143	1,160,577	1,058,002
Surplus capital	999,063	967,045	1,040,381
Solvency ratios (%)			
Tier 1 capital/Credit risk weighted assets	9.2%	9.1%	10.8%
Regulatory capital/Credit risk weighted assets	12.3%	12.2%	13.2%
Core Tier 1/Total Risk-Weighted Assets (1)	10.0%	9.8%	8.7%
Tier 1 capital/ 75% Total weighted assets	11.1%	10.9%	9.6%
Regulatory capital including Tier 3 capital/ 75% Total weighted assets	14.8%	14.7%	11.9%

(1) It includes savings shares following the changes to the articles of association approved during the Shareholders' Meeting on 29/4/2011 aimed at reaching the requirements for inclusion in Core Tier 1.

BANK SUBSIDIARIES

In examining the data regarding the financial assets intermediated by the subsidiary banks, note that starting from 2006, the Parent Bank decided to be the only bond issuer, leaving only the placement activity to the other banks of the Group: consequently, subsidiary banks do not take account of bonds placed with customers in direct deposits, but in indirect deposits, especially in the assets in custody segment.

In this context, in order to maintain a balanced distribution of maturities, subsidiary banks issue bonds fully subscribed by the Parent Bank and recognised in direct deposits.

For bank subsidiaries these transactions resulted in a higher amount of assets in custody and bonds and a decrease in interbank liabilities.

Financial intermediation activities (FIA) of the **Cassa di Risparmio di Savona SpA**, amounting to euro 3,072.6 million, remained substantially stable compared to December 2010 and rose by 7.2% compared to March 2010. Direct deposits showed a decrease of 3.8% in the three month period whilst it increased by 10.8% in twelve months, amounting to euro 1,246.7 million. Excluding bonds issued fully subscribed by the Parent Bank, at euro 347.1 million, and including those issued by the Parent Bank and placed with customers of the subsidiary, at euro 407.1 million, direct deposits would total euro 1,306.6 million (-1.7% and -4.8% in three and twelve months respectively). Short-term deposits, at euro 842.1 million, decreased by 3.2% compared to the end of the year and by 3.5% in the twelve months. The medium/long-term component, at euro 404.6 million, fell by 5.1% in three months and increased by 60.1% in twelve months. Indirect deposits increased by 2.2% in the three months and 4.8% in the twelve months, amounting to euro 1,826.1 million; more specifically, assets under management came to euro 704.8 million (-1.7% and +4.6% respectively in three and twelve months), while assets in custody amounted to euro 1,121.3 million (+4.7% and +4.9% respectively in three and twelve months). Excluding bonds issued by the Parent Bank and placed with customers of Cassa di Risparmio di Savona, indirect deposits would amount to euro 1,419.1 million (+0.8% and +5.2% respectively over three and twelve months).

Loans to customers amounted to euro 1,428.4 million (+3.7% and +11.1% in the three and in the twelve-month period). Gross bad loans/lending ratio was equal to 2.2% (1.9% in December and 1.8% in March 2010).

The securities portfolio amounted to euro 180.1 million, up by 1.4% compared to December but down by 15.1% in the twelve month period.

The income statement showed a net profit of euro 2.1 million, up by 1.9% compared to March 2010, mainly due to the performance of net interest income and net commissions in spite of increased value adjustments.

The cost/income ratio decreased from 67% to 63% year on year.

Net interest income grew by 12% to euro 9.9 million; net commissions grew by 2.4% to euro 5.6 million; the net result from trading activities, positive by euro 123 thousand in March 2010, this year is negative by euro 174 thousand; gross operating income rose by 6.4%, reaching euro 15.3 million.

Net value adjustments due to impairment of loans and other financial assets amounted to euro 1.9 million, versus euro 1.1 million in March 2010.

Operating costs were stable at euro 9.7 million. The profit from ordinary activities before taxes amounts to euro 2.1 million (+1.9% over March 2010). Net of income taxes of euro 1.6 million, the profit for the period amounted to euro 2.1 million, down by 1.9%, compared with March 2010.

During the quarter, the number of employees was reduced by 5 as a result of terminations.

CASSA DI RISPARMIO DI SAVONA (figures in thousands of euro)

	Situation as at			Change %	
	31/3/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
BALANCE SHEET					
Total assets	1,701,032	1,659,531	1,614,747	2.5	5.3
Direct deposits (a)	1,246,672	1,296,444	1,125,035	-3.8	10.8
Indirect deposits (b)	1,826,138	1,787,382	1,742,190	2.2	4.8
- Assets under management	704,812	716,776	673,580	-1.7	4.6
- Assets in custody	1,121,326	1,070,606	1,068,610	4.7	4.9
Financial Intermediation Activities (FIA) (a+b)	3,072,810	3,083,826	2,867,225	-0.4	7.2
Loans to customers (1)	1,428,423	1,377,798	1,285,173	3.7	11.1
Securities portfolio	180,090	177,686	212,148	1.4	-15.1
Capital and reserves	187,311	175,486	191,067	6.7	-2.0
INCOME STATEMENT					
Gross operating income	15,341	60,798	14,417		6.4
Net income from financial management	13,397	56,764	13,302		0.7
Operating profit from ordinary activities before taxes	3,728	18,256	3,636		2.5
Profit for the period	2,121	11,388	2,081		1.9
RESOURCES					
Number of branches	50	50	50	-	-
Staff	342	347	353	-1.4	-3.1

(1) Before value adjustments.

Financial intermediation activities on behalf of customers (FIA) of **Banca del Monte di Lucca SpA** totalled euro 1,320.8 million, substantially stable in the three month period and up by 12.6% in the twelve month period. Within the FIA, direct deposits stood at euro 800.6 million (-4.7% and +3.1% in the three and twelve month period, respectively) whereas indirect deposits increased to euro 520.3 million (+7.5% and +31.2% compared to December and March 2010). Excluding bonds issues fully subscribed by the Parent Bank, at euro 296.4 million, and including those issued by the Parent Bank and placed with customers of the bank, at euro 146.2 million, direct deposits amounted to euro 650.3 million (-1.4% and +1.7% in three and twelve months respectively). Short-term deposits, at euro 407.1 million, showed a decrease of 2.1% in the three months but were up by 6.1% in the twelve-month period. The medium/long-term component, at euro 393.5 million, fell by 7.3% compared with December (stable from March 2010, +0.1%). Within indirect deposits, assets under management amounted to euro 129.3 million (-3% over three months and +35.7% over twelve months), while assets under custody totalled euro 391 million (+11.4% and +29.7% respectively); excluding bonds issued by the Parent Bank and placed with the customers of Banca del Monte di Lucca, indirect deposits amounted to euro 374.1 million (+2.5% and +28.6% in three and twelve months respectively). Loans to customers, amounting to euro 929.3 million, grew by 0.6% over three months and by 8.2% over twelve months. The gross bad loans/lending ratio stood

at 5.8% (higher than the 5.3% in December and 4.6% in March 2010). The securities portfolio amounted to euro 26.4 million, euro 25.9 million at December and euro 16.3 million at March 2010.

The income statement showed a net profit of euro 702 thousand, down by 16% compared with the first three months of 2010, mainly due to the increase in operating costs and loan adjustments. The cost/income ratio increased over the period from 63.4% in March 2010 to 65.5%. Net interest income increased by 3.1%, to euro 5.3 million. Net commissions rose by 8.1%, standing at euro 2.3 million. In total, the gross operating margin increased by 3.4%, to euro 7.6 million. Net value adjustments due to impairment of loans and other financial assets amounted to euro 1.3 million (euro 1.1 million at 31 March 2010).

Operating costs increased by 6.8 to euro 5 million. In particular, staff costs rose by 9.3%, reaching euro 3.1 million, while other administrative costs increased by 7.5% to euro 2.3 million. Profit from ordinary activities before taxes amounted to euro 1.3 million, 17.3% less than the euro 1.6 million of March 2010. Net of income taxes of euro 0.6 million, the profit for the period amounted to euro 0.7 million, down by 16%, compared with March 2010.

There are 167 employees, three fewer than at year end as a result of 3 terminations.

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

	Situation as at			Change %	
	31/3/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
BALANCE SHEET					
Total assets	1,002,057	997,132	931,591	0.5	7.6
Direct deposits (a)	800,550	840,184	776,761	-4.7	3.1
Indirect deposits (b)	520,289	484,179	396,613	7.5	31.2
- Assets under management	129,316	133,336	95,280	-3.0	35.7
- Assets in custody	390,973	350,843	301,333	11.4	29.7
Financial Intermediation Activities (FIA) (a+b)	1,320,839	1,324,363	1,173,374	-0.3	12.6
Loans to customers (1)	929,258	923,634	859,007	0.6	8.2
Securities portfolio	26,449	25,874	16,287	2.2	62.4
Capital and reserves	69,259	50,661	54,333	36.7	27.5
INCOME STATEMENT					
Gross operating income	7,647	30,438	7,399		3.4
Net income from financial management	6,342	24,552	6,299		0.7
Operating profit from ordinary activities before taxes	1,332	6,366	1,610		-17.3
Profit for the period	702	3,603	836		-16.0
RESOURCES					
Number of branches	22	22	21	-	4.8
Staff	167	170	160	-1.8	4.4

(1) Before value adjustments.

Financial intermediation activities on behalf of customers (FIA) of **Cassa di Risparmio di Carrara SpA** totalled euro 2,153.7 million, substantially stable in the three month period and up by 11% in the twelve month period. Within the FIA, direct deposits totalled euro 1,092.2 million (-1.6% and +9.9% on December and March 2010); excluding bonds fully subscribed by the Parent Bank, at euro 349.3 million, and including those issued by the Parent Bank and placed with customers of the subsidiary, at euro 351.4 million, direct deposits amounted to euro 1,093.3 million (-0.4% and +5.7% in three and twelve months respectively). Short-term deposits, at euro 728 million, showed an increase of 2.4% in three months and were up by 8% in twelve months. The medium/long-term component, equal to euro 363.2 million, was in line with December (+0.2%) and increased by 13.7% over March 2010.

Indirect deposits stood at euro 1,062.5 million (+0.7% and +12.2% in three and twelve months). These included assets under custody, which reached euro 725.6 million (+1.8% and +10.1% over December and March 2010) and assets under management at euro 336.8 million (-1.4% and +17% in three and twelve months respectively). Excluding bonds issued by the Parent Bank and placed with customers of Cassa di Risparmio di Carrara, indirect deposits would amount to euro 711 million (-0.8% and +14.7% respectively over three and twelve months). Loans to customers amounted to euro 1,087.8 million, up from the start of the year (+3.1%) and over twelve months (+9.2%). Gross bad loans/lending ratio was equal to 4.2% (4.3% in December and 3.9% in March 2010).

The securities portfolio amounted to euro 137 million, a rise of 8.5% over December and a decrease of 12.7% compared to March 2010.

The income statement showed a net profit of euro 1.3 million, up 46.1% compared to March 2010, mainly due to the reduction in value adjustments on loans, to lower operating costs and to higher net commissions.

The cost/income ratio rose to 74.8%, compared to 73.6% in March 2010. The net interest income was in line (+0.9%) relative to 31 March 2010, at euro 7.1 million. Net commissions increased by 3.9% to euro 3.9 million; the net profit from trading activities fell by 83.1% to euro 23 thousand. Gross operating income was stable (+0.8%) at about euro 11 million. At 31 March 2011, net value adjustments due to impairment of loans and other financial assets amounted to euro 0.5 million, versus euro 1.1 million at March 2010. Operating costs increased by 2.3% to euro 8.2 million, because of the increase in other administrative expenses (euro 4.2 million, +4.7%) and of value adjustments on tangible fixed assets (euro 0.2 million, +13.9%), although staff costs remained substantially stable (euro 4.4 million, +0.4%) and provisions for risks and charges decreased (euro 0.2 million, -13.7%).

Operating profit from ordinary activities before tax amounted to euro 2.2 million, 24.8% higher than the figure in the corresponding period in the previous year. Net of income taxes of about euro 1 million, the profit for the period amounted to euro 1.3 million, up by 46.1% compared with March 2010.

The Bank's staff comprised 318 employees; their number decreased during the quarter as a result of seven terminations (of which six were voluntary redundancies) and no new hires.

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

	Situation as at			Change %	
	31/03/11	31/12/10	31/3/10	03/11 12/10	03/11 03/10
BALANCE SHEET					
Total assets	1,378,042	1,338,112	1,256,959	3.0	9.6
Direct deposits (a)	1,091,182	1,108,569	993,314	-1.6	9.9
Indirect deposits (b)	1,062,487	1,054,609	947,095	0.7	12.2
- Assets under management	336,841	341,591	287,925	-1.4	17.0
- Assets in custody	725,646	713,017	659,170	1.8	10.1
Financial Intermediation Activities (FIA) (a+b)	2,153,669	2,163,178	1,940,409	-0.4	11.0
Loans to customers (1)	1,087,763	1,055,349	995,984	3.1	9.2
Securities portfolio	137,016	126,296	156,970	8.5	-12.7
Capital and reserves	123,333	118,084	108,544	4.4	13.6
INCOME STATEMENT					
Gross operating income	10,997	43,952	10,913		0.8
Net income from financial management	10,468	40,026	9,837		6.4
Operating profit from ordinary activities before taxes	2,247	8,457	1,801		24.8
Profit for the period	1,255	4,742	859		46.1
RESOURCES					
Number of branches	35	35	34	-	2.9
Staff	318	325	317	-2.2	0.3

(1) Before value adjustments.

To be able to carry out a homogeneous comparison with the period data for intermediation, the values as at 1 January 2011 are reported; on that date, Banca Carige transferred the business unit constituted by the trademark and by the private banking activities of the old perimeter of the bank and of the private activities of the Parent Bank in Lombardy. During the year, the Financial Assets Intermediated on behalf of customers (FAI) of **Banca Cesare Ponti SpA** increased by 1.5%, to euro 2,166.3 million. Within FIA, direct deposits amounted to euro 327.8 million (-10.2% compared to 1 January 2011) and indirect deposits totalled euro 1,838.4 million (+3.9%); the latter included assets under management of euro 570.5 million (+8.4% in the three months of new operations); assets in custody amounted to euro 1.268 million (+2%). Short-term deposits, at euro 311.6 million, showed a decrease of 10.6% in three months, while medium/long term deposits, amounting to euro 16.2 million, decreased by 1.5%. Including bonds issued by the Parent Bank and placed with customers of the bank, amounting to euro 80.3 million, direct deposits would decrease by 7.6% in the three-month period while indirect deposits would increase in the three-month

period (+3.8%). Loans to customers, amounting to euro 111.6 million, grew by 2.8% over three months. The gross bad loans/loans ratio is nil, since bad loans amount only to euro 8 thousand. The securities portfolio amounts to euro 265.1 million, up 29.7% in the three-month period.

The income statement shows a net profit of euro 472 thousand. The cost/income ratio is 79.9%. Net interest income amounted to euro 2 million. Net commissions were euro 1.8 million: commission income amounted to euro 1.9 million and commission expenses were euro 0.1 million. Hence, the gross operating income amounts to euro 4 million. Net value adjustments due to impairment of credit and of other financial items totalled euro 61 thousand. Operating costs stood at euro 3.2 million, of which euro 1.2 million of staff costs and euro 1.4 million other administrative expenses. The profit from ordinary activities before taxes amounted to euro 864 thousand. Net of income taxes for euro 392 thousand, the profit for the financial year amounts to euro 472 thousand.

The Bank's staff comprises 78 employees, of which 22 work at the main office and 56 in the market.

BANCA CESARE PONTI (figures in thousands of euro)

	Situation as at		Change %
	31/03/11	1/1/11 (1)	03/11 12/10
BALANCE SHEET			
Total assets	456,228	420,847	8.4
Direct deposits (a)	327,847	365,052	-10.2
Indirect deposits (b)	1,838,434	1,769,653	3.9
- Assets under management	570,482	526,068	8.4
- Assets in custody	1,267,952	1,243,585	2.0
Financial Intermediation Activities (FIA) (a+b)	2,166,281	2,134,705	1.5
Loans to customers (2)	111,617	108,575	2.8
Securities portfolio	265,131	204,416	29.7
Capital and reserves	53,706	50,922	5.5
	31/03/11	31/12/10	
INCOME STATEMENT			
Gross operating income	3,988	40	
Net income from financial management	4,049	40	
Operating profit from ordinary activities before taxes	864	35	
Profit for the period	472	23	
RESOURCES			
Number of branches	6	-	...
Staff	78	-	...

(1) For the purposes of a homogeneous comparison, figures of the bank upon the contribution of business unit by the Parent Bank are compared (01/01/2011).

(2) 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 (Legislative Decree 175/1995, Legislative Decree 174/1995, Legislative Decree 173/1997, Legislative Decree 209/2005, ISVAP Regulations No. 22/2008 amended and supplemented by ISVAP Provision 2771/2010 and by ISVAP Provision No. 2845/2010).

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 Bank of Italy Instruction no. 262 dated 22 December 2005, of ISVAP Regulations no. 7 dated 13 July 2007 amended by ISVAP Provision No. 2784/2010 and instructions from the Parent Bank.

The shareholders' equity as at 31 March 2011 of **Carige Assicurazioni SpA** (operating in the non-life segment) amounted to euro 137.5 million; technical reserves excluding reinsurance, at euro 812.6 million, fell by 2.4%, while investments decreased by 2% to euro 832 million (including liquidity positions).

The quarter was closed with a positive result of euro 0.4 million versus euro 2.1 million in the same period of 2010. More specifically, this result was characterised by the transfer of the share of profit from investments of euro 4.3 million versus euro 5.8 million of last year, by the increase in claims in the period, including claims from previous financial years, net of reinsurance (+13.7% at euro 105.1 million) and by the increase in operating expenses (+8.7% at euro 36.5 million) which exceeded the increase in the premiums in the period, net of reinsurance (+11% at 143.5 million). The income statement includes, as in 2010, the effects of the issue by ISVAP of Provision no. 2825 of 6 August 2010, containing a reiteration of the provisions in Law Decree 185 of 2008, converted with Law no. 2 of 28 January 2009, which allows to neutralise value adjustments on securities. This neutralisation determined an unavailable reserve at 31 March 2011 and at 31 December 2010 respectively amounting to euro 9.2 million and euro 11.8 million.

The result includes write-backs of euro 1.9 million (versus euro 3.3 million in March 2010) and value adjustments for euro 0.4 million (euro 0.6 million in March 2010). Additionally, net profit from the technical account decreased slightly, at euro 0.6 million versus euro 1.1 million in March 2010.

CARIGE ASSICURAZIONI *(figures in thousands of euro)*

	Situation as at			Change %	
	31/3/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Recognised gross premiums	157,081	604,610	138,308		13.6
Premiums excluding reinsurance	143,460	539,950	129,249		11.0
Claims incurred and settled net of reinsurance	105,075	404,793	92,440		13.7
Operating costs	36,457	145,383	33,549		8.7
Profit/loss from technical account	602	-5,531	1,106		-45.6
Net profit	380	-6,086	2,083		-81.8
Investments (1)	832,017	828,862	849,080	0.4	-2.0
Technical reserves net of reinsurance	812,554	822,730	832,346	-1.2	-2.4
Shareholders' equity with income	137,461	137,082	145,250	0.3	-5.4
Insurance agencies	437	431	412	1.4	6.1
Staff	371	361	353	2.8	5.1

(1) Included cash equivalents.

As at 31 March 2011, the shareholders' equity of **Carige Vita Nuova SpA** (operating in the life insurance industry) amounted to euro 169 million; investments (including liquidity positions) and technical reserves in the twelve-month period grew respectively by 14.9% (to euro 3,888 million) and by 17.3% (to euro 3,719 million).

The result of the 1st Quarter 2011 is positive for euro 4.3 million, compared to a profit of euro 9 million in March 2010.

The result of the period, in line with expectations for 2011, was determined by a slight decrease in the income from technical operations, as a result of the contraction in the net income from investments, which contracted from euro 32 million in March 2010 to euro 29.7 million in March 2011, partly as a result of the missed contribution from the trading transactions carried out the past financial year whose benefits, in March 2010, had not yet been fully attributed to the insured by the separate management mechanisms. Specifically, there were net value adjustments of - euro 0.7 million (+ euro 4.4 million in March 2010) and losses considered to be irrecoverable on securities classified as long-term, of euro 0.04 million.

The income from financial management, i.e. euro 29.7 million, was determined by the alignment of the securities portfolio to the market, partly offset by the increase in ordinary income on securities

consequent to the growth in the volume of managed funds.

The issued premiums decreased from euro 284.5 million to euro 167.4 million; the bankassurance channel decreased by 43.9% mainly because of the contraction in traditional individual products, and a reduction of 8.8% in the deposits of the agencies channel, concentrated in the individual capitalisations sector. This performance, with particular reference to the bank channel, is not indicative of a trend because it is influenced by contingent factors that have led to a much more modest production in the first three months of 2011 relative to the same period of 2010, characterised instead by a satisfactory production level.

The charges for claims in the financial year (net of reinsurance ceded), which also included redemptions and expirations, amount to euro 98.8 million, up by 53.7% over the same period last year. This increase is due mainly to the expiration, during the financial year, of an index-linked policy, and it also includes the payment of coupons on the *Soluzione Rendimento* product, for a total amount of euro 13.5 million versus euro 6.8 million in the same period last year.

CARIGE VITA NUOVA SPA (figures in thousands of euro)

	Situation as at			Change %	
	31/3/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
Recognised gross premiums	167,389	893,131	284,458		-41.2
Premiums excluding reinsurance	165,481	884,987	282,920		-41.5
Claims incurred and settled net of reinsurance (1)	98,821	271,230	64,307		53.7
Operating costs	6,558	28,412	8,017		-18.2
Profit/loss from technical account	4,059	12,467	6,018		-32.6
Net profit	4,253	16,476	9,012		-52.8
Investments (2)	3,887,639	3,795,785	3,384,485	2.4	14.9
Technical reserves net of reinsurance (2)	3,718,776	3,641,442	3,169,584	2.1	17.3
Shareholders' equity with income	169,049	174,815	182,220	-3.3	-7.2
Insurance agencies	301	304	299	-1.0	0.7
Staff	109	106	99	2.8	10.1

(1) The item 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

Carige A.M. SGR SpA manages 15 mutual Funds (of which 15 targeted at retail customers and one reserved for institutional investors), the 4 sub funds of the Fondo Pensione Aperto Carige, as well as the portfolios of products for which Group companies delegated the management of the related financial resources; specifically, asset management lines of the Parent Bank, 3 internal lines of the Gestilink insurance fund, and the insurance product Rosa dei Venti.

The number of funds was reduced from the previous year as a result of the merger by take-over of Fondo Carige Azionario America into Fondo Carige Azionario Internazionale.

Total managed assets amounted to nearly euro 5 billion, down 2.5% compared to the end of 2010. During the quarter, the mutual Funds

contracted (-2.5%) and the Fondo Pensione Aperto expanded further (+5.9%). Among the products managed by virtue of delegation, Asset Management decreased by 6.9% and insurance products decreased by 4.9%.

Net income amounted to euro 245 thousand (euro 272 thousand at 31 March 2010).

In particular, the gross operating income was euro 2.2 million as the balance between euro 9.8 million in commission income and euro 7.6 million in commission expense. The operating costs amounted to euro 1.7 million (0.03% of the managed volumes). The resulting Profit from operations stood at euro 422 thousand. After taxes for euro 177 thousand, the profit for the quarter amounted to euro 245 thousand.

Carige A.M. SGR has 32 employees, all seconded by the Parent Bank.

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

	Situation as at			Change %	
	31/3/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
DEALING					
Assets under management	4,992,832	5,122,834	4,775,116	-2.5	4.6
- Mutual funds	4,060,037	4,162,017	3,877,936	-2.5	4.7
- Assets management (customer asset)	482,848	518,768	477,562	-6.9	1.1
- Insurance products (customer assets)	161,048	169,282	175,404	-4.9	-8.2
- Pension funds	288,899	272,767	244,214	5.9	18.3
Total assets	23,770	24,045	28,936	-1.1	-17.9
Capital and reserves	13,845	7,123	16,282	94.4	-15.0
INCOME STATEMENT					
Net commissions	2,196	16,590	2,056		6.8
Administrative costs	1,784	6,524	1,603		11.3
Operating income	422	10,046	454		-7.0
Profit for the period	245	6,713	272		-9.9
RESOURCES)					
Staff (1)	32	32	31	-	3.2

(1) Seconded Parent Bank personnel.

Creditis Servizi Finanziari SpA continued its strategy to expand its commercial offer and increase its penetration into financial services to customers of the group and the *open market*, through the bank and insurance sales network, improving its skills and professionalism. Loans to customers reached euro 430 million, compared to euro 399.1 million at 31 December 2010. During the quarter, over 4,700 personal loans were granted totalling euro 52.8 million, and over 800 pension-backed loans totally euro 9.6 million. In the same period, almost 5 thousand revolving cards were issued and approximately 1,500 were activated by customers; there were 32 thousand uses for a total of euro 3.9 million. More than 1,800 instant credit contracts were agreed (revolving credit lines using the insurance network to divide the third party motor liability policies into instalments when subscribing to the policy or renewing it) by the 154 insurance agents with arrangements with the Company, with a total of euro 1.2 million financed. From a financial perspective, the first quarter of 2011 closed with a profit of euro 1.9 million.

The net interest income stood at euro 4.7 million. Interest income amounted to euro 7.6 million and interest expense, essentially made up of loans disbursed by the Parent Bank, amount to euro 2.9 million. Commission income amounted to euro 1.1 million, of which euro 0.8 million was in commissions from insurance companies for the distribution of policies. Commission expenses amounted to euro 0.2 million, of which euro 0.1 million in bank commissions paid to the Parent Company. Value adjustments for impairment losses on loans amount to euro 0.5 million. Costs for the staff seconded from the Parent Bank amount to euro 0.8 million. Other administrative costs, including amortisation and depreciation, total euro 1.5 million. The pre-tax result was a positive euro 2.9 million; net of income taxes of euro 1 million, a profit of euro 1.9 million was generated.

CREDITIS SERVIZI FINANZIARI *(figures in thousands of euro)*

	Situation as at			Change %	
	31/3/11	31/12/10	31/03/10	03/11 12/10	03/11 03/10
DEALING					
Loans to customers (1)	430,028	399,134	291,702	7.7	47.4
- Personal loans (1)	369,775	348,046	279,691	6.2	32.2
- Revolving credit cards (1)	16,535	15,641	11,874	5.7	39.3
- Salary-backed loans (1)	43,718	35,447	137	23.3	...
Total assets	472,004	424,271	322,810	11.3	46.2
Capital and reserves	45,238	39,533	21,453	14.4	...
INCOME STATEMENT					
Net interest income	4,749	15,477	3,344		42.0
Net commissions	952	3,645	733		29.9
Administrative costs	2,347	8,183	2,019		16.2
Operating income	2,936	8,509	1,546		89.9
Profit for the period	1,907	5,464	933		...
RESOURCES)					
Staff (2)	34	30	30	13.3	13.3

(1) Before value adjustments.

(2) Seconded Parent Bank personnel.

Argo Finance One Srl, special purpose vehicle for the securitisation of bad loans established by Banca Carige at the end of 2000, collected euro 2.5 million in the 1st quarter of 2011. Against a net value from disposal of loans of euro 165.3 million, year-to-date collections amounted to euro 226.1 million. euro 17.8 million in class C securities entirely subscribed by Carige remain to be paid.

Priamar Finance Srl, special purpose vehicle for the securitisation of bad loans established by Cassa di Risparmio di Savona at the end of 2002, collected euro 175 thousand in the first quarter of 2011. Against a net value from disposal of loans of euro 28 million, year-to-date collections amounted to euro 39 million. euro 4.3 million in class B securities entirely subscribed by the subsidiary Cassa di Risparmio di Savona remain to be paid.

Argo Mortgage Srl, a special purpose vehicle for the securitisation of private mortgage loans established by Banca Carige at the end of 2001, collected a total of euro 559.5 million, of which euro 4.5 million in the first quarter of 2011. At 31 March 2011 the following securities were in issue:

- Class A securities for euro 28.6 million;
- Class B securities for euro 22 million;
- Class C securities for euro 11.5 million;
- Class D securities for euro 9.2 million;

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Argo Mortgage 2 Srl, a special purpose vehicle in the securitisation of mortgage loans to private customers, established by Banca Carige in June 2004, had total collections of euro 778.8 million, euro 14.3 million of which in the first quarter of 2011. At 31 March 2011 the following securities were in issue:

- Class A securities for euro 196.8 million;
- Class B securities for euro 26.8 million;
- Class C securities for euro 29.3 million;

Carige Covered Bond Srl, special purpose vehicle for the medium-/long-term deposit programme for a maximum of euro 5 billion over a period of five years (2008-2013). The total credits transferred by Carige to the special purpose vehicle amount to euro 4.01 billion, with a residual value of euro 3.32 billion.

Covered bonds as at 31 March 2011 amount to euro 2,393.5 million .

THE OTHER MAIN SUBSIDIARIES

Columbus Carige Immobiliare SpA closed the 1st Quarter of 2011 with a loss of euro 66 thousand (the loss in the 1st Quarter of 2010 had been euro 121 thousand), mainly due to a slow-down in property sales and interest paid on credit lines granted by the Parent Bank.

Immobiliare Carisa Srl, in the 1st Quarter of 2011, posted a profit of about euro 6 thousand (in the same period of the previous year, it had posted a loss of about euro 25 thousand); this positive result is still linked to the sale of a property asset in the 2nd half of 2010 and to the lesser incidence of interest paid on credit lines granted by Cassa di Risparmio di Savona.

Centro Fiduciario C.F. SpA ended the first quarter of 2011 with a net profit of euro 92 thousand, down by 31.8% compared to the same period in 2010.

Revenues from production totalled euro 367 thousand, down by 9.9%, as a result of the marked decrease in compensation for fiduciary services paid by the Parent Company, because of the significant margin contraction in the banking industry.

Characteristic costs, which reached euro 233 thousand, grew by 12.5%. The increase derives from higher staff costs resulting from the early payment, compared to the previous financial year, of extraordinary compensation, which therefore do not represent actual higher costs on an annual basis.

The ordinary operating profit amounted to euro 134 thousand, a decrease of 33.1%.

Net of taxes of euro 52 thousand, net profit stood at euro 92 thousand.

Genoa, 10 May 2011

The Board of Directors