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2006 FINANCIAL REPORTS SHOW NET INCOME GROWTH OF 14.6% (€156.9 MILLION) FOR BANCA CARIGE AND 4.9% (€137.9 MILLION) FOR THE GROUP

- Financial year 2006, the best year in Carige's history, at both individual and consolidated levels, highlights the achievement of ever growing income, as well as positive financial and equity results. Compared to the previous financial year, net income of the Parent Company increased by 14.6% (from 136.9 to 156.9 million) and consolidated net income by 4.9% (from 131.4 to 137.9 million);
- The consolidated income statement results derive from an expansion in intermediation activities, both in loans to customers (up 14.7% year over year, to €16.1 billion) and in total deposits (TFIA up 6.6% to €35.8 billion euro). Turning to products, mortgages and personal loans recorded particularly positive results (up 23.3% and up 49.1%, respectively);
- The increase in volumes intermediated, along with higher interest rates, resulted in a remarkable increase in net interest income (+17.4% on a yearly basis, to €558.1) and a positive trend in net commission income (up 2.9% to 253.2 million). Therefore, gross operating income increased by 12.3%, to €874.1 million euro;
- Improved cost management, with overall operating costs decreasing by 4.2%, to €503.1 million, resulted in a further recover of efficiency; cost income decreased by almost 10 points, from 66.4% to 56.6%. This result was achieved in spite of the fact that significant investments were made, primarily in technology and 15 new branches were opened;
- The results achieved enabled the strengthening of the policy of further improvements in monitoring bank and insurance assets;
- With reference to the bank business, value adjustments on loans amounted to €86.3 million, equal to 0.52% of gross loans to customers, which improved coverage of impaired loans;
- In the insurance business, Carige Assicurazioni decided to strengthen significantly its claim reserves, also according to recent evaluations of the Supervisory Body, as described in the following comments on the results of this business. Therefore, with respect to claim reserves for motor and watercraft third party liability insurance, extraordinary allocations were made, totalling €48 million (€84.6 million of total provisions). The claim reserves/premium ratio regarding the above branches increased from 125.9% at end-2005, to 144% at end-2006, in accordance with the company's gradual alignment to the best competitors. This operation led to a negative result of €27.5 million at year end, attributable to the insurance subsidiary for the casualty branch;
- Within the asset strengthening measures implemented by the Group, a significant operation was the increase in share capital of the Parent Company Banca Carige, in 2006, resulting in an improvement in the Tier I Ratio from 5.40% to 8.44% and in the Total Capital Ratio from 8.35% to 10.67%.
- At individual level, the Parent Company recorded a net income of €156.9 million (up 14.6%), in line with expectations of the Strategic Plan;
- At consolidated level, the year ended with an income of €137.9 million, recording an increase of 4.9%. Without the effect of the above measures implemented for the strengthening of the claim reserves, income would have been in line with expectations of the Strategic Plan (approx. €160 million). According to the performance of the first few months of the current year, the expected budget result for 2007, equal to €200 million, can be confirmed.
- Net income achieved by the Parent Company increased the proposed dividend to €0.0750 per ordinary share and €0.0950 per savings share. The dividend coupon will be available on 7th May 2007, with payment from 10th May 2007. The total dividend pay out amounts to €107.7 million (pay out ratio of 68.7%), and refers to outstanding ordinary and savings shares, in addition to shares deriving from the conversion of bonds (conversion right exercisable within 23rd March 2007) issued within the Banca Carige subordinated loan "Banca Carige 1.50% 2003 – 2013 subordinated hybrid convertible bond issue".

Genoa, 26th March 2007 – Banca Carige's Board of Directors, chaired by Mr. Giovanni Berneschi, examined and approved the 2006 Annual Report, presented to the Board by the General Manager, Mr. Alfredo Sanguinetto.

Banca Carige Group Consolidated Results for 2006

• *Consolidated results of the Carige Group's funding and lending activities*

The **Total financial intermediation activities** on behalf of customers (TFIA) – customer and indirect deposits – equalled €35,794.1 million, recording an increase of 6.6%, compared to December 2005 and 1.2% in the last quarter. Customer deposits amounted to €16,313.2 million, up by 5.3% over the year and 2.6% in the quarter; indirect deposits totalled €19,481 million, in robust growth (up 7.7%) over the twelve months, mainly due to the positive performance of assets in custody, which remained unchanged in the last quarter (+0.1%).

- The positive yearly change recorded in **customer deposits** (up 5.3%, to €16,313.2 million) resulted from an increase in amounts owed to customers (up 6.8%), as well as in bonds and deposit certificates, considered jointly (outstanding securities and liabilities at fair value; up 3.3%). Outstanding securities include a subordinated loan amounting to €500 million, issued by the Parent Company in May, within the Company's EMTN programme. Liabilities measured at fair value are mainly composed of structured bonds, placed through Poste Italiane at end-2005. Short-term deposits (€9,557.7 million), accounting for 58.6% of the total, highlights a 5.9% increase over the year, while medium/long-term deposits increased by 4.4%, to €6,755.4 million.
- **Indirect deposits** totalled 19,481 million euro, recording an increase of 7.7% over the year. **Assets under management** balances increased by 5.1%, to 10,242.2 million euro, and **assets in custody** increased by 10.6%, reaching 9,238.8 million euro. The analysis highlights a shifting in customers' choices from mutual funds (€5,626.3 million; down 2.3% over the year) to assets in custody, i.e. asset management (€3,219 million; up 12.3% over the twelve months) and bank-insurance products (€1,396.9 million; up 25%).

Loans to customers, before value adjustments (equal to €414.5 million), recorded a 14.7% increase over the twelve months, to €16,061.5 million (up 4.6% in the quarter). Medium/long term loans (11,110.2 million euro; up 11.4% over twelve months) accounted for 69.2 percent of the total, showing a decrease of 71.2% in December 2005, whilst short-term loans, amounting to €4,352.5 million, increased by 23.5%, reaching 27.1 percent of the total (25.2% in December 2005). Bad debts, although increasing by 18.4% over the twelve months, amounting to €598.7 million, had the same impact over total loans as in the previous year (bad debt/lending ration was 3.7% in 2006 and 3.6% in 2005). The positive performance of mortgages is worth noting, totalling €7,758.4 million (almost half of the entire aggregate), for a 23.3% growth over the year, as well as personal loans, growing by 49.1%, to €361.5 million. Current accounts increased by 10.5%, reaching €1,953.6 million. Leasing expanded by 5.8%, to €728.9 million, and factoring increased by 8.2%, to €113.3 million. Impaired assets increased by 13.2% over the twelve months, amounting to €1,002.6 million.

• *Consolidated Income Statement Results*

The remarkable results achieved in assets were accompanied by growth in the Group's profitability, and a decrease in costs. This resulted in an almost 10-point decrease in the cost/income ratio (56.6%), compared to 2005 (66.35%). These results were achieved despite the implementation of a policy targeted to further strengthening bank and insurance assets, by improving hedging of impaired loans and the technical reserves/premium ratio for the Motor and Watercraft TPL branches.

- **Net interest income** amounted to €558.1 million, up by 17.4% compared to 2005. This result was due to a growth in volumes intermediated and the performance of interest rates. More specifically, interest income increased by 5.6%, to €944.4 million euro, whilst interest charges decreased by 7.9%, to €386.4 million. The performance of interest income and interest charges is influenced by the accounting effects of some operations carried out in own securities. If such amounts were excluded, interest income would have grown by 19.1%, and interest charges by 24.3%;
- Net commission income amounted to €253.2 million (up 2.9%). In particular, commission income (€290.2 million) and commission expenses (€36.9 million) decreased by 1.8% and 25.1%, respectively, after recognition of commissions on financial instrument trading linked to the placement of a Carige bond issue made through an external distribution network;

- As regards financial operations, dividends were almost unchanged (equal to €24 million). Net income of trading activity showed a decrease of 13.6% over the year, to €31.2 million, while net result of hedging activity recorded a negative balance of €3.9 million with respect to a negative balance of €1.3 million in 2005;
- As a consequence of the above results, **gross operating income** amounted to €874.1 million, up by 12.3% on the previous year.
- **Net value adjustments** on loans and other financial assets amounted to €89.1 million, up by 64.2% on a yearly basis. The significant balance of this item results from the policy of further strengthening assets linked to the Group's bank business, in the presence of excellent economic and equity results: the net adjustment ratio on loans and loans to customers increased to 0.52%, with respect to 0.41% in 2005;
- **Income from insurance management** showed a negative figure of €50.9 million, compared to the positive result of €8.7 million in 2005. This negative figure derives from net charges for the insurance business, which recorded an increase of 17.8%, to €757.7 million, influenced by the policy of strengthening claim reserves, carried out by the insurance company to ameliorate the Motor and Watercraft TPL claim reserves/premium ratio (from 125.9% in 2005 to 144% in 2006) and to align this segment to the best standards recorded in the sector. Conversely, net premiums increased by 8.4%, to €706.8 million.

As regards the insurance business, it is worth noting some aspects set forth in the ISVAP observations during March:

- With reference to Carige Assicurazioni, operating in the casualty branch, the Supervisory Body commented on both the application of its statistical models to measure the claim reserves of the Motor TPL branch and the alleged lack of such reserves. This opinion is not shared by the Company. To this purpose, it is worth noting that, in the 2006 Financial Statements, the Company carried out extraordinary allocations to the Motor and Watercraft TPL claim reserve for the amount of €48 million (€84.6 million of total allocations). This was also done in compliance with instructions given by the actuary in charge who, on 22nd March 2007, issued the certification of the correct measurement of the estimate of technical reserves in the branches involved, totalling €359.3 million, with respect to gross premiums accounted for during the year, amounting to €249.5 million. Also with the aid of qualified professionals, the Company is taking all measures required in order to respond to the above notifications. With regards to solvency margin, the Supervisory Body deemed it necessary to make further deductions regarding hidden losses generated by market trends on the investment securities portfolio - for which impairment is not deemed to be lasting - and the assumed impairment of a real estate investment, for which a new expert assessment is being requested by the competent bodies. In spite of the above deductions, the Company's solvency margin still greatly exceeds the minimum required;
- As for Carige Vita Nuova, as at 31st December, 2006 hidden losses were recorded, generated by market trends on investment securities. The Supervisory Body deemed it necessary to deduct such losses in order to measure the Company's solvency margin. The Company deems that such losses are not lasting, not even over the medium/long-term, also considering that they have decreased by 64% with respect to their value as at 31st December 2002. In spite of the deduction of these losses from the measurement of solvency margin, such figures are still positive, also due to the recent share capital issue in October 2006 for the amount of €15.1 million. Furthermore, it is to be noted that as at 31st December 2006, the security portfolio of the Company reported hidden gains to be taken into account for the measurement of the solvency margin.
- As a consequence of the above, **net result from financial and insurance management** remains substantially unchanged at €734 million.
- **Operating costs** decreased by 4.2% compared to 2005, to €503.1 million, due to the policy of strict monitoring of the segment. In detail, **administrative costs** amounted to €520.4 million euro, recording a 2.7% decrease compared to 2005. In particular: staff costs decreased by 6.6% with respect to 2005, dropping to €312.7 million. This decrease is due to the efforts made by the Group to enhance the efficiency of the production process. Other administrative costs increased by 4%, to 207.7 million euro in connection with charges linked to the opening of new branches (15 during 2006) and investments, especially in technology, within the implementation of management and development projects.

- **Operating income** before taxation totalled €239.2 million (up 10.3% compared to €216.8 million in 2005);
- Turning to provisions for income taxes, equal to €96.2 million (€81.7 million in 2005), and income attributable to minority interests, equal to €5.1 million (€3.6 million in 2005), **net income** of €137.9 million can be measured, up 4.9% compared to €131.4 million in of the previous year.
- **ROE**, without revaluation of investments in Banca d'Italia, amounted to 7.1%; **ROAE** (taking into consideration the average net equity for the year), after the same revaluation, amounted to 7.8%.

Banca Carige SpA Results for 2006

• *Results of the funding and lending activities*

Total financial intermediation activities on behalf of customers (TFIA) – customer and indirect deposits – totalled €29,855.2 million, up by 7% over the twelve months. In detail:

- **Customer deposits** totalled €13,704.1 million, an increase of 5.4% over the twelve months. This growth is almost entirely due to new issues within the Company's EMTN programme (€1.2 billion, compared to €0.5 billion of maturities). Medium/long-term borrowing volumes increased by 7 percent, for 43.5% of the total aggregate (42.8% in 2005), while short-term borrowing increased by 4.2 percent. The item "amounts owed to customers" increased by 3.1% over the year. Outstanding securities recorded an 8.5% increase, amounting to €4,958 million;
- **Indirect deposits** rose by 8.4% over the year, to €16,151.1 million. There was a particularly sharp growth across the area of assets under management solutions, with strong performances of asset management and insurance products, as well as assets in custody, almost entirely due to the positive performance of government bonds. **Assets under management** amounted to €8,686.3 million, recording an increase over end-2005 figures (€8,093.5 million; up 7.3%). Within this segment, against a 1.8% decrease in mutual funds, asset management recorded a 17.8% increase and bank-insurance products increased by 24.6%. **Assets in custody** increased by 9.6% over end-2005, amounting to €7,464.8 million.

Loans to customers, before value adjustments (€352.3 million), rose to €13,221.2 million, recording a 14.4% increase, mainly due to the continuing positive performance of mortgages. Turning to maturities, long-term loans (€9,499.5 million) accounted for 71.9% of the total aggregate, with a 17% increase; short-term loans showed a 6.3% increase, reaching €3,196.1 million. Bad debts amounted to €525.6 million, up by 21.6%. However, the bad debts/lending ratio has slightly increased, from 3.7% to 4%.

• *Income Statement Results*

The income statement for the year highlights a net income of €156.9 million, a 14.6% increase over the 2005 results.

- **Net interest income** rose by 16.9% to reach €413.3 million. This increase was due to the joint effect of growth in volumes intermediated and the increase in spreads. Interest income amounted to €767.5 million, recording an increase of 4.3% over the previous year (€735.6 million), whilst interest expenses amounted to €354.2 million, showing a decrease of 7.3%. The occurrence, in the previous year, of structured operations which had an impact on both interest income and interest expenses, net of which the gross operating income would have increased by 21.3%, remarkably influenced both interest income and expenses for the year;
- **Net commission income** recorded an increase of 4.5%, to €197.4 million, due to the positive performance of insurance products (up 65.9%), savings management (up 17.3%) and collection of stock exchange orders (up 21.6%);
- **Dividends and other similar revenues** recorded a 9.4% decrease, from €49 million in 2005 to €44.4 million, mainly due to extraordinary distribution of dividends by some subsidiaries occurred in the previous year;
- The Company's trading of financial assets generated a 28.5% decrease in **net result**, from €45.3 to €32.4 million, due to the presence, in the previous year, of net capital gains of €33.2 million (nil in 2006);
- **Gross operating income** rose to €691.3 million, up by 9.4% compared to the previous year;
- **Net value adjustment** on loans and other financial items amounted to €86 million, up by 93.9% due to the significant increase in adjustments to loans (€82.8 million; up 92.7%) in connection with the policy of strengthening assets, in the presence of excellent economical and equity results;

- **Operating costs** amounted to €367.4 million, down by 6.7% compared to 2005. In particular, staff costs decreased by 8.5%, to €236.1 million and other administrative costs amounted to €165.3 million, recording a growth of 6.1% with respect to investments made for the development of the Bank;
- **Income before taxation** therefore amounted to €238 million, up by 22.7% compared to 2005;
- With regards to provisions for income taxes, equal to €81.1 million (€57.1 million in 2005), **net income** was €156.9 million, 14.6% higher than 2005 results (€136.9 million).

At the end of 2006, the total number of the Group staff was 5,029 (5,101 at end 2005). The number of branches rose from 497 to 512, and the number of insurance offices decreased from 395 to 386.

The Board of Directors also resolved to submit proposed changes to the Articles of Association to the Stockholders' General Meeting, targeted to an adjustment to regulatory changes introduced by Law 262/2005 (Law on Savings) - as amended and integrated by Law Decree 303/2006 - as well as to the Consolidated Finance Act (Testo Unico della Finanza) (Law Decree no. 58/98), CONSOB regulations on issues and to the required adjustment of the Bank's governance system to regulations set forth by Code of Conduct for Listed Companies. Such changes will be submitted to the ordinary Stockholders' Meeting, called on 27th April, 2007, at 10:30, on first call, and on second call on 30th April 2007, at 10:30, specifically for the approval of the Financial Statements as at 31st December, 2006.

The highlights of the Carige Group and Banca Carige SpA are hereunder shown. The 2006 Financial Statements will be available at www.gruppocarige.it.

INVESTOR RELATIONS

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**FINANCIAL STATEMENTS OF THE
BANCA CARIGE GROUP**

CARIGE GROUP: SUMMARY STATEMENT

	Situation as at				Change %	
	31/12/2006	30/09/2006	31/12/05	31/12/04 pro forma (1)	12/06 9/06	12/06 12/05
BALANCE SHEET (2)						
Total assets	25.287.094	24.239.905	23.066.391	22.139.492	4,3	9,6
Funding	18.213.547	17.445.364	16.605.505	16.012.981	4,4	9,7
- Customer Deposits (a)	16.313.160	15.895.035	15.493.556	15.031.155	2,6	5,3
* Amounts owed to customers	9.364.602	9.033.902	8.764.559	8.441.767	3,7	6,8
* Debt securities in issue	6.395.131	6.293.200	6.244.770	6.589.388	1,6	2,4
* Liabilities at fair value	553.427	567.933	484.227	-	-2,6	14,3
Deposits from banks	1.900.387	1.550.329	1.111.949	981.826	22,6	70,9
Other Financial Intermediation Activities (OFIA) or Indirect deposits (b)	19.480.975	19.463.330	18.095.202	16.615.838	0,1	7,7
- Assets under management	10.242.164	9.960.282	9.743.308	8.406.719	2,8	5,1
- Assets in custody	9.238.811	9.503.048	8.351.894	8.209.119	-2,8	10,6
Total Financial Intermediation Activities (TFIA) (a+b)	35.794.135	35.358.365	33.588.758	31.646.993	1,2	6,6
Lending (3)	22.216.444	21.587.259	19.924.634	19.059.330	2,9	11,5
- Loans to customers (3)	16.061.524	15.362.112	14.005.478	12.378.009	4,6	14,7
- Loans to banks (3)	1.101.039	1.005.431	856.388	1.576.919	9,5	28,6
- Financial assets (3)	5.053.881	5.219.716	5.062.768	5.104.402	-3,2	-0,2
Stockholders' equity	2.553.816	2.538.520	2.136.595	2.117.018	0,6	19,5
					Change %	
	31/12/2006	30/09/2006	31/12/05		12/06 9/06	12/06 12/05
INCOME STATEMENT (2)						
Gross operating income	874.110	628.135	778.569			12,3
Net income from financial and insurance management	734.034	586.661	733.000			0,1
Operating income from ordinary activities before taxation	239.175	216.829	216.808			10,3
Net income	137.872	124.159	131.437			4,9
RESOURCES (4)						
Number of branches	512	503	497	495	1,8	3,0
Number of employees	4.669	4.705	4.736	4.787	-0,8	-1,4
FINANCIAL RATIOS						
Operating costs						
/Gross operating income (5)	56,59%	58,37%	66,35%			
Operating income from ordinary activities before taxation						
/ Stockholders' equity	9,37%	8,54%	10,15%			
ROE	5,40%	4,89%	6,15%			
ROAE (6)	5,88%	5,31%	6,18%			
RISK ASSETS AND SOLVENCY RATIOS (7)						
Total Risk-Weighted Assets (2)	15.846.775	15.314.563	15.295.275	12.439.675	3,5	3,6
Tier1 % of RWA	8,44%	8,68%	5,40%	7,38%		
Total capital % of RWA	10,67%	11,12%	8,35%	9,64%		

(1) Amounts calculated on the basis of IAS/IFRS, including IAS 32, 39 and IFRS 4.

(2) Thousands of euros.

(3) Gross of value adjustments.

(4) Statistics of the end of period.

(5) Net of provisions for risks and charges.

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

(7) Risk-Weighted Assets calculated on the basis of supervisory regulations in force from time to time.

CARIGE GROUP: CONSOLIDATED BALANCE SHEET

ASSETS

	31/12/06	31/12/05
10 - Cash and highly liquid deposits	219.595	195.470
20 - Financial assets held for trading	2.850.206	3.333.537
30 - Financial assets designated at fair value	674.312	602.966
40 - Financial assets available for sale	1.875.721	1.186.091
50 - Financial assets held to maturity	2.615	2.764
60 - Loans to banks	1.100.548	855.875
70 - Loans to customers	15.647.004	13.661.663
80 - Hedging derivatives	18.876	61.290
100 - Equity investments	66.844	69.917
110 - Technical reserves charged on reinsurers	165.468	176.905
120 - Tangible assets	1.179.260	1.070.990
130 - Intangible assets	689.899	676.812
including:		
goodwill	659.850	651.104
140 - Tax assets	260.117	327.298
a) currents	82.795	153.493
b) anticipated	177.322	173.805
160 - Other assets	536.629	844.813
Total assets	25.287.094	23.066.391

LIABILITIES AND STOCKHOLDERS' EQUITY

	31/12/06	31/12/05
10 - Amounts owed to banks	1.900.387	1.111.949
20 - Amounts owed to customers	9.364.602	8.764.559
30 - Debt securities in issue	6.395.131	6.244.770
40 - Financial liabilities held for trading	131.787	130.617
50 - Financial liabilities designed at fair value	1.269.993	1.087.193
60 - Hedging derivatives	23.009	42.401
80 - Tax liabilities	299.613	331.794
a) currents	73.867	102.912
b) differed	225.746	228.882
100 - Other liabilities	892.645	1.052.397
110 - Reserves for termination indemnities	125.653	130.966
120 - Reserves for risks and charges:	368.694	379.549
a) reserves for pensions and similar commitments	321.750	320.079
b) other reserves	46.944	59.470
130 - Technical reserves	1.794.516	1.494.945
140 - Revaluation reserves	658.249	721.982
160 - Capital instruments	5.228	11.517
170 - Reserves	77.778	26.558
180 - Additional paid-in capital	438.103	263.211
190 - Capital stock	1.374.459	1.113.327
200 - Own shares (-)	-	-
210 - Minority interests (+/-)	29.375	27.219
220 - Income (Loss) for the period (+/-)	137.872	131.437
Total liabilities and stockholders' equity	25.287.094	23.066.391

Thousands of euros

CARIGE GROUP: CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (thousands of euros)

	2006	30/9/06	2005	Change 2006-2005	
				absolute	%
10 - INTEREST INCOME AND SIMILAR REVENUES	944.433	672.993	894.656	49.777	5,6
20 - INTEREST EXPENSES AND SIMILAR CHARGES	-386.368	-265.489	-419.412	33.044	-7,9
30 - NET INTEREST INCOME	558.065	407.504	475.244	82.821	17,4
40 - COMMISSION INCOME	290.151	213.711	295.462	-5.311	-1,8
50 - COMMISSION EXPENSES	-36.919	-26.045	-49.280	12.361	-25,1
60 - NET COMMISSIONS	253.232	187.666	246.182	7.050	2,9
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	24.065	6.865	24.495	-430	-1,8
80 - INCOME (LOSS) ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING (NET)	31.247	19.765	36.166	-4.919	-13,6
90 - INCOME (LOSS) FROM HEDGING ACTIVITIES	-3.912	-1.725	-1.269	-2.643	...
100 - INCOME (LOSS) ON DISPOSAL OF:	10.523	7.821	-1.972	12.495	...
<i>a) loans</i>	1.528	1.069	2.075	-547	-26,4
<i>b) financial assets available for sale</i>	6.176	5.500	1.314	4.862	...
<i>d) financial liabilities</i>	2.819	1.252	-5.361	8.180	...
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	890	239	-277	1.167	...
120 - GROSS OPERATING INCOME	874.110	628.135	778.569	95.541	12,3
130 - NET VALUE ADJUSTMENT ON:	-89.129	-44.583	-54.276	-34.853	64,2
<i>a) loans</i>	-86.323	-45.374	-53.049	-33.274	62,7
<i>b) financial assets available for sale</i>	-2.999	-	-	-2.999	...
<i>d) other financial assets</i>	193	791	-1.227	1.420	...
140 - NET INCOME FROM FINANCIAL MANAGEMENT	784.981	583.552	724.293	60.688	8,4
150 - NET PREMIUMS	706.794	511.526	651.853	54.941	8,4
160 - NET INCOME (LOSS) FROM INSURANCE MANAGEMENT	-757.741	-508.417	-643.146	-114.595	17,8
170 - NET RESULT FROM FINANCIAL AND INSURANCE MANAGEMENT	734.034	586.661	733.000	1.034	0,1
180 - ADMINISTRATIVE COSTS:	-520.418	-381.445	-534.638	14.220	-2,7
<i>a) staff costs</i>	-312.700	-234.518	-334.935	22.235	-6,6
<i>b) other administrative costs</i>	-207.718	-146.927	-199.703	-8.015	4,0
190 - NET PROVISIONS FOR RISKS AND CHARGES	-8.422	-7.413	-8.320	-102	1,2
200 - AMORTIZATION AND DEPRECIATION OF TANGIBLE FIXED ASSETS	-18.267	-13.602	-18.058	-209	1,2
210 - AMORTIZATION AND DEPRECIATION OF INTANGIBLE FIXED ASSETS	-10.760	-8.121	-11.735	975	-8,3
220 - OTHER OPERATING EXPENSES AND REVENUES	54.811	36.501	47.850	6.961	14,5
230 - OPERATING COSTS	-503.056	-374.080	-524.901	21.845	-4,2
240 - INCOME (LOSS) FROM EQUITY INVESTMENTS	6.329	2.689	5.376	953	17,7
270 - INCOME (LOSS) FROM DISPOSAL OF INVESTMENTS	1.868	1.559	3.333	-1.465	-44,0
280 - OPERATING INCOME (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	239.175	216.829	216.808	22.367	10,3
290 - TAX EXPENSE (INCOME) RELATED TO PROFIT OR LOSS FROM ORDINARY ACTIVITIES	-96.233	-89.039	-81.745	-14.488	17,7
300 - INCOME (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	142.942	127.790	135.063	7.879	5,8
320 - NET INCOME (LOSS) FOR THE PERIOD	142.942	127.790	135.063	7.879	5,8
330 - MINORITY INTERESTS	5.070	3.631	3.626	1.444	39,8
340 - NET INCOME (LOSS) FOR THE PERIOD AFTER MINORITY INTERESTS	137.872	124.159	131.437	6.435	4,9

Amounts in thousands of euros

**FINANCIAL STATEMENTS OF
BANCA CARIGE SPA**

BANCA CARIGE SPA: SUMMARY STATEMENT

	Situation as at				Change %	
	31/12/06	30/9/06	31/12/05	31/12/04 pro forma (1)	12/06 9/06	12/05 12/05
BALANCE SHEET (2)						
Total assets	19.891.618	19.056.331	18.025.874	17.359.526	4,4	10,4
Funding	15.710.853	14.990.921	14.181.081	13.684.454	4,8	10,8
- Customer Deposits (a)	13.704.066	13.333.967	13.001.506	12.555.030	2,8	5,4
* Amounts owed to customers	8.195.325	7.959.216	7.948.647	7.619.224	3,0	3,1
* Debt securities in issue	4.957.986	4.809.541	4.568.632	4.935.806	3,1	8,5
* Liabilities at fair value	550.755	565.210	484.227	-	-2,6	13,7
- Deposits from banks	2.006.787	1.656.954	1.179.575	1.129.424	21,1	70,1
Other Financial Intermediation Activities (OFIA) or Indirect deposits (b)	16.151.104	16.165.403	14.904.776	13.640.556	-0,1	8,4
- Assets under management	8.686.300	8.398.670	8.093.515	6.977.540	3,4	7,3
- Assets in custody	7.464.804	7.766.733	6.811.261	6.663.016	-3,9	9,6
Total Financial Intermediation Activities (TFIA) (a+b)	29.855.170	29.499.370	27.906.282	26.195.586	1,2	7,0
Lending (3)	17.324.767	16.646.635	15.224.738	14.674.789	4,1	13,8
- Loans to customers (3)	13.221.174	12.733.209	11.554.376	10.144.242	3,8	14,4
- Loans to banks (3)	1.346.118	1.100.573	955.909	1.595.471	22,3	40,8
- Financial assets (3)	2.757.475	2.812.853	2.714.453	2.935.076	-2,0	1,6
Stockholders' equity	2.601.696	2.586.609	2.184.222	2.188.632	0,6	19,1

	Situation as at			Change %	
	31/12/06	30/9/06	31/12/05	12/06 9/06	12/06 12/05
INCOME STATEMENT (2)					
Gross operating income	691.324	502.596	632.154		9,4
Net income from financial and insurance management	605.347	459.220	587.818		3,0
Operating income from ordinary activities before taxation	237.963	186.482	193.973		22,7
Net income	156.910	124.381	136.899		14,6

RESOURCES (4)						
Number of branches	403	397	393	393	1,5	2,5
Number of employees	3.670	3.698	3.695	3.719	-0,8	-0,7

FINANCIAL RATIOS					
Operating costs					
/Gross operating income (6)	52,25%	53,45%	61,37%		
Operating income from ordinary activities before taxation					
/ Stockholders' equity	9,15%	7,21%	8,88%		
ROE	6,03%	4,81%	6,27%		
ROAE (5)	6,56%	5,21%	6,26%		
Earnings per share (EPS)	0,114	0,091	0,123		

RISK ASSETS AND SOLVENCY RATIOS (7)						
Total Risk-Weighted Assets (2)	13.804.600	13.476.622	13.146.279	10.955.800	2,4	5,0
Tier1 % of RWA	11,14%	11,48%	9,25%	10,73%		
Total capital % of RWA	13,35%	13,91%	11,27%	13,19%		

(1) Amounts calculated on the basis of IAS/IFRS, including IAS 32, 39

(2) Thousands of euros.

(3) Gross of value adjustments.

(4) Statistics of the end of period.

(5) Net income on average stockholders' equity (Return On Average Equity).

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

(7) Balance sheet data has been calculated based on supervisory regulations in force from time to time.

BANCA CARIGE SPA: BALANCE SHEET

ASSETS

	31/12/06	31/12/05
10 - Cash and highly liquid deposits	176.197	156.987
20 - Financial assets held for trading	1.779.675	2.029.427
30 - Financial assets designated at fair value	-	-
40 - Financial assets available for sale	1.078.126	776.419
50 - Financial assets held to maturity	-	-
60 - Loans to banks	1.345.627	955.396
70 - Loans to customers	12.868.835	11.272.526
80 - Hedging derivatives	17.423	54.985
90 - Value adjustments to macro-hedged financial assets (+/-)	-	-
100 - Equity investments	950.054	895.795
110 - Tangible assets	644.342	629.397
120 - Intangible assets	466.316	461.101
including:		
goodwill	446.642	446.642
130 - Tax assets	179.189	259.312
a) current	42.918	115.266
b) anticipated	136.271	144.046
140 - Non-current assets and groups of discontinued operations	-	-
150 - Other assets	385.834	534.529
Total assets	19.891.618	18.025.874

LIABILITIES AND STOCKHOLDERS' EQUITY

	31/12/06	31/12/05
10 - Amounts owed to banks	2.006.787	1.179.575
20 - Amounts owed to customers	8.195.325	7.948.647
30 - Debt securities in issue	4.957.986	4.568.632
40 - Financial liabilities held for trading	166.598	151.120
50 - Financial liabilities designated at fair value	550.755	484.227
60 - Hedging derivatives	20.657	39.697
70 - Value adjustments to macro-hedged financial liabilities (+/-)	-	-
80 - Tax liabilities	255.355	260.473
a) current	63.504	66.446
b) deferred	191.851	194.027
90 - Liabilities from discontinued operations	-	-
100 - Other liabilities	560.982	638.284
110 - Reserves for termination indemnities	85.044	88.614
120 - Reserves for risks and charges	333.523	345.484
a) reserves for pensions and similar commitments	298.202	296.791
b) other reserves	35.321	48.693
130 - Revaluation reserves	637.362	698.526
140 - Redeemable shares	-	-
150 - Capital instruments	5.228	11.517
160 - Reserves	146.544	97.641
170 - Additional paid-in capital	438.103	263.211
180 - Capital stock	1.374.459	1.113.327
190 - Own shares (-)	-	-
200 - Income (Loss) for the period (+/-)	156.910	136.899
Total liabilities and stockholders' equity	19.891.618	18.025.874

Thousands of euros

BANCA CARIGE SPA: INCOME STATEMENT

INCOME STATEMENT *(thousands of Euros)*

	2006	30/09/06	2005	Change 2006-2005	
				absolute	%
10 Interest income and similar revenues	767.544	546.068	735.641	31.903	4,3
20 Interest expenses and similar charges	- 354.226	- 243.487	- 382.037	27.811	-7,3
30 NET INTEREST INCOME	413.318	302.581	353.604	59.714	16,9
40 Commission income	227.695	166.675	232.510	- 4.815	-2,1
50 Commission expenses	- 30.322	- 21.551	- 43.691	13.369	-30,6
60 NET COMMISSIONS	197.373	145.124	188.819	8.554	4,5
70 Dividends and other similar revenues	44.406	35.686	49.025	- 4.619	-9,4
80 Income (loss) on financial assets and liabilities held for trading (net)	32.400	16.681	45.337	- 12.937	-28,5
90 Income (loss) from hedging activities	- 2.534	- 1.453	- 1.376	- 1.158	84,2
100 Income (loss) on disposal of:	5.519	3.830	- 2.978	8.497	...
<i>a) loans</i>	1.528	1.069	2.075	- 547	-26,4
<i>b) financial assets available for sale</i>	1.737	1.755	- 7	1.744	...
<i>d) financial liabilities</i>	2.254	1.006	- 5.046	7.300	...
110 Net value adjustment on financial assets designated at fair value	842	147	- 277	1.119	...
120 GROSS OPERATING INCOME	691.324	502.596	632.154	59.170	9,4
130 Net value adjustment on:	- 85.977	- 43.376	- 44.336	- 41.641	93,9
<i>a) loans</i>	- 82.802	- 44.124	- 42.969	- 39.833	92,7
<i>b) financial assets available for sale</i>	- 2.999	-	-	- 2.999	...
<i>d) other financial assets</i>	- 176	748	- 1.367	1.191	-87,1
140 NET INCOME FROM FINANCIAL MANAGEMENT	605.347	459.220	587.818	17.529	3,0
150 Administrative costs:	- 401.305	- 294.624	- 413.736	12.431	-3,0
<i>a) staff costs</i>	- 236.051	- 177.415	- 257.952	21.901	-8,5
<i>b) other administrative costs</i>	- 165.254	- 117.209	- 155.784	- 9.470	6,1
160 Net provisions for risks and charges	- 6.178	- 4.130	- 5.677	- 501	8,8
170 Amortization and depreciation of tangible fixed assets	- 10.035	- 7.314	- 10.260	225	-2,2
180 Amortization and depreciation of intangible fixed assets	- 6.353	- 4.750	- 7.270	917	-12,6
190 Other operating expenses and revenues	56.478	38.074	43.305	13.173	30,4
200 OPERATING COSTS	- 367.393	- 272.744	- 393.638	26.245	-6,7
210 Income (loss) from equity investments	- 41	-	- 180	139	-77,2
240 Income (loss) from disposal of investments	50	6	- 27	77	...
250 OPERATING INCOME (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES	237.963	186.482	193.973	43.990	22,7
260 Tax expenses (income) related to profit or loss from ordinary activities	- 81.053	- 62.101	- 57.074	- 23.979	42,0
290 NET INCOME (LOSS) FOR THE PERIOD	156.910	124.381	136.899	20.011	14,6