



**BANCA CARIGE BOARD APPROVES 2005 REPORT: NET PROFIT UNDER IFRS UP TO € 137 MILLION (VS € 108 MILLION OF 2004 UNDER ITALIAN GAAP)**

*The Annual Reports of Banca Carige and the Banca Carige Group 2005 were prepared under IFRS for the first time (FTA). In order to aid comparison between these statements and those for 2004, IFRS-compliant pro forma income statement figures have been prepared for 2004, with the exception of IAS 32 and IAS 39. Pro forma balance sheet results for 2004 under IFRS for Banca Carige and the Group have also been prepared and include the adoption of IAS 32 and IAS 39.*

- **Consolidated results:** growth in the Group's financial intermediation activities, savings management and sale of insurance products along with positive financial performances pushed gross operating income, net to € 779 million (up 8.1 per cent over 2004), and net profit to € 131.4 million (+18.2 per cent). These results were achieved despite a reduction in the spread between lending and borrowing interest, staff salary increases, and investments made to support Group expansion.

Encouraging results recorded by the Group's banks, insurance companies, and the bank branches acquired in recent years, in addition to being a crucial source of revenue, also meant not having to proceed to amortisation of goodwill arising on acquisitions following the confirmation of their original value after impairment testing.

Lending balances rose 13.1 per cent to € 14 billion and total deposits (direct and indirect) amounted to € 33 billion, up 4.8 per cent. There was particularly robust growth in asset under management volumes (+15.9 per cent), thanks also to the Group's recently formed manager trust company, Carige Asset Management SGR SpA: funds managed totalled € 9.7 billion at 31/12/05 and account for nearly a third of total deposits. Turning to lending, mortgage growth remained positive: mortgage balances rose by 26.4 per cent over the year. There was expansion also in other lending forms such as consumer credit, which rose 45 per cent. Within indirect deposit products, bancassurance premiums increased by 46.8 per cent.

Risk levels of the Carige Group's lending portfolio improved in 2005 with the bad loans/total lending ratio dropping from 4.3 per cent in 2004 to 3.6 per cent.

The financial solidity of the Group continues to represent an important platform for future growth. The upcoming share capital increase is expected to raise fresh equity of € 200 million in fully-paid up capital and around € 165 million in the form of a free capital increase. Only including the free capital increase (not the paid capital increase), the Group's Tier 1 capital ratio is 6.5 per cent and its Total Capital ratio 8,3 per cent.

- **Banca Carige SpA's results** are similar to those of the Group outlined above: lending to customers rose 13.9 per cent to € 11.6 million, whilst balances of customer deposits increased to € 27 million, of which € 8 million was in the form of asset under management deposits (+16 per cent). Net profit as a result rose to € 136.9 million (+52.2 per cent), so raising the proposed ordinary share dividend from € 0.0723 to € 0.0750. The proposed dividend on the Company's savings share also rises, from € 0.0923 to € 0.0950.

These results are in line with the objectives set in Banca Carige's strategy plan, which targeted for 2008 net profit for the Group and Banca Carige at € 220 and € 207 million, respectively.

Genoa, 20<sup>th</sup> March 2006. Banca Carige's Board of Directors chaired by Mr Giovanni Berneschi approved the Annual Report 2004. Highlights of the report, presented to the Board by Carige's General Manager Mr Alfredo Sanguinetto, include a **net profit for Banca Carige** of € 136.9 million, an increase of 52.2 per cent in comparison to the previous year's pro forma result of € 90 million (figures calculated on the basis of IFRS with the exception of IAS 32 and 39). Consolidated net profit also rose encouragingly from 2004's pro forma result of € 111.2 million to € 131.4 million (+18.2 per cent).

The Annual General Meeting called for 20<sup>th</sup> April 2006 (by adjournment on 21<sup>st</sup> April 2006) will therefore be asked to approve an increased dividend per ordinary share of € 0.0750 (2004: € 0.0723) and one per savings share of € 0.0950 (2004: € 0.0923). The dividend coupon will be available on 24<sup>th</sup> April 2006 with payment from 27<sup>th</sup> April onwards. The total dividend payout amounts to € 88 million (payout ratio of 64.2 per cent), and refers to ordinary and savings shares in addition to shares deriving from the conversion of bonds (conversion right exercisable within 17<sup>th</sup> March 2006) issued in Banca Carige's subordinated loan issue ("Banca Carige 1.50 per cent 2003-2013 subordinated hybrid convertible bond issue").

## **Banca Carige Group Headline Results 2005**

- **Headline Income Statement Results**

*Comparison with income statement figures as at 31<sup>st</sup> December 2004 is made on the basis of pro forma IFRS-compliant data, with the exception of IAS 32 and IAS 39. First time adoption of these standards ("financial instruments") is for the period beginning 1<sup>st</sup> January 2005. As a result some revenue and cost comparatives for 2004 and 2005 may be absent, particularly those items referring to interest income and value adjustments.*

- Net interest income (€ 475.2 million), despite a narrowing of spreads, rose 3 per cent thanks to increases in volumes handled. Interest income moved forward by 18.9 per cent to € 894.7 million, whilst interest charges increased by 44 per cent to € 419.4 million;
- Net commission income amounted to € 246.2 million, up 18.2 per cent on the back of increased business throughout the Group in the areas of fund management and placement, asset management, and increased revenues generated by traditional banking services. Dividends and similar revenues increased by € 5.8 million over year end 2004 reaching € 24.5 million, principally due to improved profitability levels of the Group's companies;
- Gross operating income totalled € 778.6 million, an increase of 8.1 per cent over the previous year;
- Impairment charges on loans and other financial assets fell by 66.7 per cent to € 54.3 million in comparison to 2004's figure, a year marked by the collapse of the Genoa-based cruise operator "Festival";
- Service-generated non-interest income benefited from good results generated by the Group's insurance business: € 733 million at 31/12/05 (+17.3 per cent);
- Operating costs rose by 22.8 per cent to € 524.9 million partially as a result of: the recognition in 2004 of extraordinary revenues totalling € 61.1 million relating to a securitisation transaction performed by Banca Carige; significant investments in technology and equipment as part of the Group's branch expansion programme (82 new branches) outlined in the strategic policy document for 2005-08; increased staff costs following the renewal of the banking sector's national labour contract for 2005, which also foresees back pay settlements for 2004. Following impairment testing, the original value of bank and branch acquisitions was confirmed so making amortisation of related goodwill unnecessary;
- The cost/income ratio dropped subsequently from 67.9 per cent at 31/12/04 to 66.4 per cent at 31/12/05;
- Operating income after the recognition of profits distributed by subsidiaries and associated companies, and gains from the sale of investments amounted to € 216.8 million, 32.3 per cent higher than at the end of 2004;
- The Group's average ROE rose from 5.8 to 6.2 per cent.

- **Results of the Carige Group's borrowing and lending activities**

*Comparison between balance sheet figures at 31<sup>st</sup> December 2004 and 31<sup>st</sup> December 2005 is made on the basis of pro forma IFRS compliant statements for 2004, inclusive of IAS 32 and IAS 39.*

- With regards to the Group's borrowing activities, direct and indirect deposits amounted to € 33.1 billion at 31/12/05, up 4.8 per cent in comparison to the previous year. In more detail, direct deposits totalled € 15 billion, basically unchanged over twelve months following the repayment of € 300 million relating to a tranche of the Company's EMTN programme, which effectively neutralised increases in customer deposit balances. Turning to maturities, medium/long-term borrowing volumes dropped 4.7 per cent and at 31/12/05 accounted for 39.9 per cent of the total aggregate; short-term borrowing rose by 3.6 per cent, increasing its share of the aggregate total from 58.1 to 60.1 per cent. Bonds in particular as a result of the maturity of an EMTN tranche mentioned above fell 4.8 per cent to € 6 billion. Within the item "amounts owed to customers", current account balances rose by 6 per cent to € 7.8 billion, more than offsetting the fall in sale and repurchase agreements, and savings deposits. Indirect deposits rose by 9 per cent over the year to € 18.1 billion. There was particularly strong growth across the area of savings management solutions, with vibrant performances recorded by mutual funds, thanks to the contribution of the Group's manager trust, Carige Asset Management SGR SpA. In detail, there was a 15.9 per cent increase in savings management balances, up to € 9.7 billion, which was generated by expansion in all its components: mutual funds, asset management, and bancassurance. Savings under administration remained unchanged and accounts for only 46 per cent of the indirect deposits aggregate;
- Turning to lending, loans to customers after value adjustments of € 343.4 million amounted to € 13.7 billion. This result is 13.8 per cent higher than that recorded at the end of 2004 and is due above all to growth in medium/long-term lending, which now accounts for 66 per cent of the total before value adjustments. The medium/long-term segment rose by 18 per cent, pushed by continuing strong demand for mortgages and growth in consumer credit. There was also growth in the short-term component, albeit at a slower rate: up 5.3 per cent to € 4.3 billion.

## **Banca Carige Headline Results 2005**

- **Headline Income Statement Results**

*Comparison with income statement figures as at 31<sup>st</sup> December 2004 is made on the basis of pro forma IFRS-compliant data, with the exception of IAS 32 and IAS 39. Banca Carige, in line with the reporting approach adopted throughout the Group, opted for first time adoption of these standards ("financial instruments") from 1<sup>st</sup> January 2005 onwards. As a result some revenue and cost comparatives for 2004 and 2005 may be absent, particularly those items referring to interest income and value adjustments.*

- Net interest income rose 3.3 per cent over 2004 to reach € 353.6 million. This increase was thanks to significant growth in volumes handled, which offset the current reduction of interest margins. Interest income - € 735.6 million - was 22.9 per cent higher than in 2004; interest expenses rose 49.1 per cent to € 382 million;
- Net commission income recorded an increase of 12.8 per cent to € 188.8 million at the end of the year. This result benefited from the positive contribution of the Group's manager trust Carige Asset Management SGR, which is nearing full operational status, plus growth in savings management and insurance products. Net commission income on management, intermediation and consultancy services totalled € 76.6 million (+19.7 per cent), whilst collection and payment service revenues amounted to € 30.4 million, up 4.1 per cent. Commissions on traditional banking services reached € 81.8 million, an increase over 2004 of 10.3 per cent;
- Dividends and other similar revenues recorded a 42.5 per cent increase, moving from € 34.4 to € 49 million, principally due to increased dividends received by the Group's banks and the encouraging results achieved by Carige Asset Management SGR;
- The Company's trading of financial assets generated a net result of € 45.1 million (2004: € 18.1 million), boosted in particular by certain equity investments. Gross operating income rose subsequently to € 632.2 million, a 10.4 per cent increase over 2004;

- Total impairment charges on credits and other financial assets were down 71.3 per cent to € 44.3 million in comparison to 2004, a year negatively impacted by the collapse of the Genoa-based cruise operator “Festival”;
- Operating costs rose 28.8 per cent to € 393.6 million for the same reasons outlined above for the Group;
- As a result, Banca Carige’s cost/income ratio fell from 63.6 per cent to 61.4 per cent;
- Operating income at 31<sup>st</sup> December 2005 amounted to € 194 million, 72.6 per cent higher than in 2004;
- After provisions and income tax amounting to € 57.1 million (2004: € 22.4 million), net profit at 31/12/05 was € 136.9 million, 52.2 per cent higher than the previous year’s result;
- The Company’s ROE rose from 5.1 to 6.3 per cent.

- **Results of Banca Carige borrowing and lending activities**

*Comparison between balance sheet figures at 31<sup>st</sup> December 2004 and 31<sup>st</sup> December 2005 is made on the basis of pro forma IFRS compliant statements for 200, inclusive of IAS 32 and IAS 39.*

- With regards to Banca Carige’s borrowing activities, direct and indirect deposits amounted to € 27.4 billion at 31/12/05, up 4.7 per cent in comparison to the previous year. In detail, direct deposits totalled € 12.5 billion, basically unchanged over twelve months following the repayment of € 300 million relating to a tranche of the Company’s EMTN programme, which effectively neutralised increases in customer deposit balances. Turning to maturities, medium/long-term borrowing volumes dropped 7.7 per cent and at 31/12/05 accounted for 40.5 per cent of the total aggregate (2004: 43.7 per cent); short-term borrowing rose by 5.4 per cent, increasing its share of the aggregate total to 59.5 per cent. Indirect deposits rose by 9.3 per cent over the year to € 14.9 billion. There was particularly strong growth across the area of savings management solutions, with vibrant performances recorded by mutual funds, thanks to the contribution of the Group’s manager trust, Carige Asset Management SGR SpA. In detail, there was a 16 per cent increase in savings management balances, up to € 8.1 billion, which was generated by expansion in all its components: mutual funds (+17.5 per cent), assets under management (+11.5 per cent), and bancassurance (+20.7 per cent). Savings under administration balances rose 2.2 per cent to € 6.8 billion, with a fall in Italian government stock and rises in other securities;
- With regards to lending, loans to customers after value adjustments of € 281.9 billion amounted to € 11.3 billion. This result is 14.4 per cent higher than in 2004 and is due above all to continuing growth in mortgages and expansion in consumer credit. Inclusive of value adjustments, the aggregate total rises to 11.6 billion (+13.7 per cent). The medium/long-term segment rose by 19 per cent to € 7.8 billion (67.4 per cent of total lending), whilst short-term lending balances increased 4.3 per cent to € 3.3 billion.

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At the end of 2005, the total number of Banca Carige staff was 5,101. In comparison to the previous year, the number of branch employees rose by 2, whilst the total of employees at the Group’s insurance offices amounted to 395.

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The 2005 Financial Statements will be available at [www.gruppocarige.it](http://www.gruppocarige.it).

## **INVESTOR RELATIONS**

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## CONSOLIDATED HIGHLIGHTS

	31/12/05	30/9/05	31/12/04 (2)	31/12/04 pro forma (1)	Change %	
					12/05 9/05	12/05 12/04 p.f.
<b>BALANCE SHEET (3)</b>						
Total assets	23.066.391	22.875.356	20.786.316	22.139.492	0,8	4,2
Funding	16.121.278	16.262.775	15.247.225	15.971.165	-0,9	0,9
- Customer Deposits (a)	15.009.329	14.707.403	14.265.399	14.989.339	2,1	0,1
* Amounts owed to customers	8.657.736	8.301.384	8.365.078	8.317.489	4,3	4,1
* Debt securities in issue	6.351.593	6.406.019	5.900.321	6.671.850	-0,8	-4,8
- Deposits from banks	1.111.949	1.555.372	981.826	981.826	-28,5	13,3
Other Financial Intermediation Activities (OFIA) (b)	18.105.200	17.945.723	16.615.838	16.615.838	0,9	9,0
- Assets under management	9.743.308	9.446.816	8.406.719	8.406.719	3,1	15,9
- Assets in custody	8.361.892	8.498.907	8.209.119	8.209.119	-1,6	1,9
Total Financial Intermediation Activities (TFIA) (a+b)	33.114.529	32.653.126	30.881.237	31.605.177	1,4	4,8
Lending (4)	19.924.055	19.690.250	17.787.545	19.059.277	1,2	4,5
- Loans to customers (4)	14.004.899	13.309.713	11.609.693	12.378.009	5,2	13,1
- Loans to banks (4)	856.388	824.387	1.576.866	1.576.866	3,9	-45,7
- Financial assets (4)	5.062.768	5.556.150	4.600.986	5.104.402	-8,9	-0,8
Shareholders' equity	2.136.595	2.134.301	1.734.456	2.115.717	0,1	1,0

	31/12/05	30/9/05	31/12/04 (2)	Change %	
				12/05 9/04	12/05 12/04
<b>INCOME STATEMENT (3)</b>					
Gross operating income	778.569	602.203	720.364		8,1
Net income from financial management	733.000	548.604	557.425		27,3
Operating income from ordinary activities before taxation	216.808	188.299	163.824		32,3
Net income	131.437	111.230	111.214		18,2

<b>RESOURCES (5)</b>					
Number of branches	497	496	495		0,2
Number of employees	4.736	4.759	4.787		-0,5

<b>FINANCIAL RATIOS</b>					
Operating costs					
/gross operating income (8)	66,35%	59,95%	67,91%		
Operating income from ordinary activities before taxation					
/Shareholders' equity	10,15%	8,82%	9,45%		
ROE	6,15%	5,21%	6,41%		
ROAE (6)	6,18%	5,23%	5,77%		

<b>SOLVENCY RATIOS (7)</b>					
Risk-Weighted Assets (3)	15.295.275	13.663.836	12.439.675		11,9
Tier 1 % of RWA	6,48%	6,84%	7,38%		23,0
Total capital % of RWA	8,33%	9,50%	9,64%		

(1) IAS/IFRS compliant data, IAS 32 and IAS 39 included.

(2) IAS/IFRS compliant data, but for IAS 32 and IAS 39.

(3) Thousands of euros.

(4) Gross of value adjustments.

(5) Statistics at the end of period.

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

(7) Risk-Weighted Assets calculated on the basis of the supervision rules in force time by time. Free capital increase of 164.8 million of euro included.

(8) Ratio calculated net of the provisions to reserves for risks and charges. Data 2004 are net of the extraordinary events.

## CONSOLIDATED INCOME STATEMENT (thousands of Euros)

	31/12/05	30/9/05	31/12/04	Var % 2005-2004
10 - INTEREST INCOME AND SIMILAR REVENUES	894,656	673,441	752,985	18.8
20 - INTEREST EXPENSES AND SIMILAR CHARGES	- 419,412	- 307,604	- 291,640	43.8
<b>30 . NET INTEREST INCOME</b>	<b>475,244</b>	<b>365,837</b>	<b>461,345</b>	<b>3.0</b>
40 - COMMISSION INCOME	295,462	192,336	225,481	31.0
50 - COMMISSION EXPENSES	- 49,280	- 14,985	- 17,191	...
<b>60 . NET COMMISSIONS</b>	<b>246,182</b>	<b>177,351</b>	<b>208,290</b>	<b>18.2</b>
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	24,495	13,149	5,784	...
80 - INCOME (LOSS) ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING (NET)	36,166	44,723	34,926	3.6
90 - INCOME (LOSS) FROM HEDGING ACTIVITIES	- 1,269	- 617	226	...
100 - INCOME (LOSS) ON DISPOSAL OF:	- 1,972	1,760	9,793	...
a) loans	2,075	1,948	- 430	...
b) financial assets available for sale	1,314	937	10,223	-87.1
d) financial liabilities	- 5,361	- 1,125	-	...
110 - NET VALUE ADJUSTMENT ON FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	- 277	-	-	...
<b>130 . GROSS OPERATING INCOME</b>	<b>778,569</b>	<b>602,203</b>	<b>720,364</b>	<b>8.1</b>
140 - NET VALUE ADJUSTMENT ON:	- 54,276	- 53,599	- 162,939	-66.7
a) loans	- 53,049	- 50,834	- 163,348	-67.5
b) financial assets available for sale	-	-	125	-100.0
d) other financial assets	- 1,227	- 2,765	284	...
<b>150 . NET INCOME FROM FINANCIAL MANAGEMENT</b>	<b>724,293</b>	<b>548,604</b>	<b>557,425</b>	<b>29.9</b>
160 - NET PREMIUMS	651,853	428,950	632,025	3.1
170 - NET INCOME (LOSS) FROM INSURANCE MANAGEMENT	- 643,146	- 427,028	- 613,618	4.8
<b>180 . NET RESULT FROM FINANCIAL AND INSURANCE MANAGEMENT</b>	<b>733,000</b>	<b>550,526</b>	<b>575,832</b>	<b>27.3</b>
190 - ADMINISTRATIVE COSTS:	- 534,638	- 376,243	- 492,906	8.5
a) staff costs	- 334,935	- 234,714	- 311,392	7.6
b) other administrative costs	- 199,703	- 141,529	- 181,514	10.0
200 - NET PROVISIONS FOR RISKS AND CHARGES	- 8,320	- 3,599	1,284	...
210 - AMORTIZATION AND DEPRECIATION OF TANGIBLE FIXED ASSETS	- 18,058	- 13,533	- 17,971	0.5
220 - AMORTIZATION AND DEPRECIATION OF INTANGIBLE FIXED ASSETS	- 11,735	- 11,154	- 12,128	-3.2
230 - OTHER OPERATING EXPENSES AND REVENUES	47,850	39,922	94,444	-49.3
<b>240 . OPERATING COSTS</b>	<b>- 524,901</b>	<b>- 364,607</b>	<b>- 427,277</b>	<b>22.8</b>
250 - INCOME (LOSS) FROM EQUITY INVESTMENTS	5,376	2,256	14,507	-62.9
280 - INCOME (LOSS) FROM DISPOSAL OF INVESTMENTS	3,333	124	762	...
<b>290 . OPERATING INCOME (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>216,808</b>	<b>188,299</b>	<b>163,824</b>	<b>32.3</b>
300 - TAX EXPENSE (INCOME) RELATED TO PROFIT OR LOSS FROM ORDINARY ACTIVITIES	- 81,745	- 74,920	- 49,688	64.5
<b>310 . INCOME (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES</b>	<b>135,063</b>	<b>113,379</b>	<b>114,136</b>	<b>18.3</b>
<b>330 . NET INCOME (LOSS) FOR THE PERIOD</b>	<b>135,063</b>	<b>113,379</b>	<b>114,136</b>	<b>18.3</b>
340 - MINORITY INTERESTS	- 3,626	2,149	- 2,922	24.1
<b>350 . NET INCOME (LOSS) FOR THE PERIOD AFTER MINORITY INTERESTS</b>	<b>131,437</b>	<b>111,230</b>	<b>111,214</b>	<b>18.2</b>

2004 IAS compliant data

## CONSOLIDATED BALANCE SHEET

### ASSETS (thousands of Euros)

	31/12/05	31/12/04
<b>10</b> · CASH AND HIGHLY LIQUID DEPOSITS	195,470	189,053
<b>20</b> · FINANCIAL ASSETS HELD FOR TRADING	3,333,537	3,535,528
<b>30</b> · FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	602,966	527,672
<b>40</b> · FINANCIAL ASSETS AVAILABLE FOR SALE	1,186,091	597,054
<b>50</b> · HELD-TO-MATURITY INVESTMENTS	2,764	2,907
<b>60</b> · LOANS TO BANKS	855,875	1,572,180
<b>70</b> · LOANS TO CUSTOMERS	13,661,663	11,405,391
<b>80</b> · HEDGING DERIVATIVES	61,290	23,351
<b>100</b> · EQUITY INVESTMENTS	69,917	66,979
<b>110</b> · TECHNICAL RESERVE PROVISIONS PAYABLE BY REINSURERS	176,905	180,376
<b>120</b> · TANGIBLE ASSETS	1,070,990	1,006,631
<b>130</b> · INTANGIBLE ASSETS	676,812	673,073
including:		
- goodwill	651,104	646,146
<b>140</b> · TAX ASSETS	327,298	181,779
a) currents	153,493	132,242
b) anticipated	173,805	49,537
<b>160</b> · OTHER ASSETS	844,813	824,342
<b>TOTAL ASSETS</b>	<b>23,066,391</b>	<b>20,786,316</b>

### LIABILITIES AND STOCKHOLDERS' EQUITY (thousands of Euros)

	31/12/05	31/12/04 (1)
<b>10</b> · AMOUNTS OWED TO BANKS	1,111,949	981,826
<b>20</b> · AMOUNTS OWED TO CUSTOMERS	8,657,736	8,365,078
<b>30</b> · DEBT SECURITIES IN ISSUE	6,351,593	5,900,321
<b>40</b> · FINANCIAL LIABILITIES HELD FOR TRADING	130,617	73,834
<b>50</b> · FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	1,087,193	527,672
<b>60</b> · HEDGING DERIVATIVES	42,401	2,813
<b>80</b> · TAX LIABILITIES	331,794	172,909
(a) currents	102,912	25,038
(b) differed	228,882	147,871
<b>100</b> · OTHER LIABILITIES	1,052,397	1,085,011
<b>110</b> · RESERVE FOR TERMINATION INDEMNITIES	130,966	131,353
<b>120</b> · RESERVES FOR RISKS AND CHARGES:	379,549	360,707
a) reserves for pensions and similar commitments	320,079	319,812
b) other reserves	59,470	40,895
<b>130</b> · TECHNICAL RESERVE PROVISIONS	1,494,945	1,292,769
<b>140</b> · REVALUATION RESERVES	721,982	191,073
<b>160</b> · CAPITAL INSTRUMENTS	11,517	-
<b>170</b> · RESERVES	26,558	168,518
<b>180</b> · ADDITIONAL PAID-IN CAPITAL	263,211	262,839
<b>190</b> · CAPITAL STOCK	1,113,327	1,113,327
<b>200</b> · OWN SHARES (-)	-	- 1,301
<b>210</b> · MINORITY INTERESTS (+/-)	27,219	46,353
<b>220</b> · INCOME (LOSS) FOR THE PERIOD (+/-)	131,437	111,214
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>23,066,391</b>	<b>20,786,316</b>

2004 IAS compliant data except for IAS 32 and 39.

## BANCA CARIGE HIGHLIGHTS

	31/12/05	30/9/05	31/12/04 (2)	31/12/04 pro forma (1)	Change %	
					12/05 9/05	12/05 12/04 p.f.
<b>BALANCE SHEET (3)</b>						
Total assets	18,025,874	17,805,258	16,014,217	17,359,526	1.2	3.8
Funding	13,696,854	13,893,044	12,941,390	13,684,454	-1.4	0.1
- Customer Deposits (a)	12,517,279	12,182,710	11,811,966	12,555,030	2.7	-0.3
* Amounts owed to customers	7,841,871	7,442,647	6,710,231	7,536,891	5.4	4.0
* Debt securities in issue	4,675,408	4,740,063	5,101,735	5,018,139	-1.4	-6.8
- Deposits from banks	1,179,575	1,710,334	1,129,424	1,129,424	-31.0	4.4
Other Financial Intermediation Activities (OFIA) (b)	14,904,776	14,765,913	13,640,556	13,640,556	0.9	9.3
- Assets under management	8,093,515	7,834,622	6,977,540	6,977,540	3.3	16.0
- Assets in custody	6,811,261	6,931,291	6,663,016	6,663,016	-1.7	2.2
Total Financial Intermediation Activities (TFIA) (a+b)	27,422,055	26,948,623	25,452,522	26,195,586	1.8	4.7
Lending (4)	15,224,737	15,033,818	13,403,810	14,689,752	1.3	3.7
- Loans to customers (4)	11,554,376	10,993,957	9,349,132	10,159,205	5.1	13.9
- Loans to banks (4)	955,908	877,540	1,595,471	1,595,471	8.9	-40.1
- Financial assets (4)	2,714,453	3,162,321	2,459,207	2,935,076	-14.2	-7.5
Shareholders' equity	2,184,222	2,182,418	1,772,242	2,188,632	0.1	-0.2

	31/12/05 (1)	30/9/05 (1)	31/12/04 (2)	31/12/04 (2)	Change %	
					12/05 9/05	12/05 12/04
<b>INCOME STATEMENT (3)</b>						
Gross operating income	632,154	497,127	572,483			10.4
Net income from financial management	587,818	455,510	418,106			40.6
Operating income from ordinary activities before taxation	193,973	186,457	112,395			72.6
Net income	136,899	128,288	89,969			52.2

<b>RESOURCES (5)</b>						
Number of branches	393	393	393			-
Number of employees	3,695	3,709	3,709			-0.4

<b>FINANCIAL RATIOS</b>						
Operating costs						
/gross operating income (8)	61.37%	53.39%	63.59%			
Operating income from ordinary activities before taxation						
/Shareholders' equity	8.88%	8.54%	6.34%			
ROE	6.27%	5.88%	5.08%			
ROAE (6)	6.26%	5.87%	5.10%			
Share profits						
- base	0.118	0.115	0.081			

<b>SOLVENCY RATIOS (7)</b>						
Risk-Weighted Assets (3)	13,146,279	12,184,861	10,955,798		7.9	20.0
Tier 1 % of RWA	9.25%	9.80%	10.73%			
Total capital % of RWA	10.90%	12.64%	13.19%			

(1) IAS/IFRS compliant data, IAS 32 and IAS 39 included.

(2) IAS/IFRS compliant data, but for IAS 32 and IAS 39.

(3) Thousands of euros.

(4) Gross of value adjustments.

(5) Statistics at the end of period.

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

(7) Risk-Weighted Assets calculated on the basis of the supervision rules in force time by time. Estimates on the basis of IAS/IFRS principles:  
Risk Weighted Assets: 12,918 million; Tier1: 9.29%; Total Capital Ratio: 11%.

(8) Ratio calculated net of the provisions to reserves for risks and charges. Data 2004 are net of the extraordinary events.

**BANCA CARIGE INCOME STATEMENT** *(thousands of Euros)*

	2005	30/9/05	2004	Var. 2005/2004 %
10 - INTEREST INCOME AND SIMILAR REVENUES	735,641	554,653	598,502	22.9
20 - INTEREST EXPENSES AND SIMILAR CHARGES	- 382,037	- 279,456	- 256,169	49.1
<b>30 - NET INTEREST INCOME</b>	<b>353,604</b>	<b>275,197</b>	<b>342,333</b>	<b>3.3</b>
40 - COMMISSION INCOME	232,510	147,974	185,354	25.4
50 - COMMISSION EXPENSES	- 43,691	- 13,771	- 18,026	...
<b>60 - NET COMMISSIONS</b>	<b>188,819</b>	<b>134,203</b>	<b>167,328</b>	<b>12.8</b>
70 - DIVIDENDS AND OTHER SIMILAR REVENUES	49,025	46,643	34,409	42.5
80 - INCOME (LOSS) ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING (NET)	45,337	40,636	18,119	...
90 - INCOME (LOSS) FROM HEDGING ACTIVITIES	- 1,376	- 619	210	...
100 - INCOME (LOSS) ON DISPOSAL OF:	- 2,978	1,067	10,084	...
a) loans	2,075	1,948	- 31	...
b) financial assets available for sale	- 7	- 7	10,115	...
d) financial liabilities	- 5,046	- 874	-	...
<b>130 - GROSS OPERATING INCOME</b>	<b>632,154</b>	<b>497,127</b>	<b>572,483</b>	<b>10.4</b>
140 - NET VALUE ADJUSTMENT ON:	- 44,336	- 41,617	- 154,377	- 71.3
a) loans	- 42,969	- 38,730	- 154,435	- 72.2
d) other financial assets	- 1,367	- 2,887	58	...
<b>150 - NET INCOME FROM FINANCIAL MANAGEMENT</b>	<b>587,818</b>	<b>455,510</b>	<b>418,106</b>	<b>40.6</b>
160 - ADMINISTRATIVE COSTS:	- 413,736	- 286,760	- 384,451	7.6
a) staff costs	- 257,952	- 180,133	- 242,069	6.6
b) other administrative costs	- 155,784	- 106,627	- 142,382	9.4
170 - NET PROVISIONS FOR RISKS AND CHARGES	- 5,677	- 3,467	667	...
180 - AMORTIZATION AND DEPRECIATION OF TANGIBLE FIXED ASSETS	- 10,260	- 7,423	- 10,223	0.4
190 - AMORTIZATION AND DEPRECIATION OF INTANGIBLE FIXED ASSETS	- 7,270	- 6,574	- 7,868	- 7.6
200 - OTHER OPERATING EXPENSES AND REVENUES	43,305	35,329	96,296	- 55.0
<b>210 - OPERATING COSTS</b>	<b>- 393,638</b>	<b>- 268,895</b>	<b>- 305,579</b>	<b>28.8</b>
220 - INCOME (LOSS) FROM EQUITY INVESTMENTS	- 180	- 180	-	...
230 - INCOME (LOSS) FROM DISPOSAL OF INVESTMENTS	- 27	22	- 132	- 79.5
<b>260 - OPERATING INCOME (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>193,973</b>	<b>186,457</b>	<b>112,395</b>	<b>72.6</b>
270 - TAX EXPENSE (INCOME) RELATED TO PROFIT OR LOSS FROM ORDINARY ACTIVITIES	- 57,074	- 58,169	- 22,426	...
<b>300 - NET INCOME (LOSS) FOR THE PERIOD</b>	<b>136,899</b>	<b>128,288</b>	<b>89,969</b>	<b>52.2</b>

2004 IAS compliant data except for IAS 32 and 39.

# BANCA CARIGE BALANCE SHEET

## ASSETS (thousands of Euros)

	31/12/05	31/12/04
<b>10 · CASH AND HIGHLY LIQUID DEPOSITS</b>	156.987	151.897
<b>20 · FINANCIAL ASSETS HELD FOR TRADING</b>	2.029.427	2.359.067
<b>30 · FINANCIAL ASSETS DESIGNATED AT FAIR VALUE</b>	-	-
<b>40 · FINANCIAL ASSETS AVAILABLE FOR SALE</b>	776.419	178.310
<b>50 · HELD-TO-MATURITY INVESTMENTS</b>	-	-
<b>60 · LOANS TO BANKS</b>	955.396	1.590.732
<b>70 · LOANS TO CUSTOMERS</b>	11.272.526	9.198.087
<b>80 · HEDGING DERIVATIVES</b>	54.985	20.885
<b>100 · EQUITY INVESTMENTS</b>	895.795	893.088
<b>110 · TANGIBLE ASSETS</b>	629.397	603.849
<b>120 · INTANGIBLE ASSETS</b>	461.101	456.599
<i>including:</i>		
- goodwill	446.642	442.392
<b>130 · TAX ASSETS</b>	259.312	122.905
a) <i>currents</i>	115.266	84.930
b) <i>anticipated</i>	144.046	37.975
<b>150 · OTHER ASSETS</b>	534.529	438.798
<b>TOTAL ASSETS</b>	<b>18.025.874</b>	<b>16.014.217</b>

## LIABILITIES AND STOCKHOLDERS' EQUITY (thousands of Euros)

	31/12/05	31/12/04
<b>10 · AMOUNTS OWED TO BANKS</b>	1.179.575	1.129.424
<b>20 · AMOUNTS OWED TO CUSTOMERS</b>	7.841.871	6.710.231
<b>30 · DEBT SECURITIES IN ISSUE</b>	4.675.408	5.101.735
<b>40 · FINANCIAL LIABILITIES HELD FOR TRADING</b>	151.120	94.872
<b>50 · FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE</b>	484.227	-
<b>60 · HEDGING DERIVATIVES</b>	39.697	2.750
<b>80 · TAX LIABILITIES</b>	260.473	122.737
(a) <i>currents</i>	66.446	6.788
(b) <i>differed</i>	194.027	115.949
<b>100 · OTHER LIABILITIES</b>	638.284	575.291
<b>110 · RESERVE FOR TERMINATION INDEMNITIES</b>	88.614	89.637
<b>120 · RESERVES FOR RISKS AND CHARGES:</b>	345.484	325.329
a) <i>reserves for pensions and similar commitments</i>	296.791	296.310
b) <i>other reserves</i>	48.693	29.019
<b>130 · REVALUATION RESERVES</b>	698.526	172.794
<b>150 · CAPITAL INSTRUMENTS</b>	11.517	-
<b>160 · RESERVES</b>	97.641	224.583
<b>170 · ADDITIONAL PAID-IN CAPITAL</b>	263.211	262.839
<b>180 · CAPITAL STOCK</b>	1.113.327	1.113.327
<b>190 · OWN SHARES (-)</b>	-	- 1.301
<b>200 · INCOME (LOSS) FOR THE PERIOD (+/-)</b>	136.899	89.969
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>18.025.874</b>	<b>16.014.217</b>

2004 IAS compliant data