

GRUPPO CARIGE

Keefe, Bruyette & Woods

**UK and European Financials
Conference 2010**

14 September 2010



Agenda

Carige Group at a glance

Key financial highlights

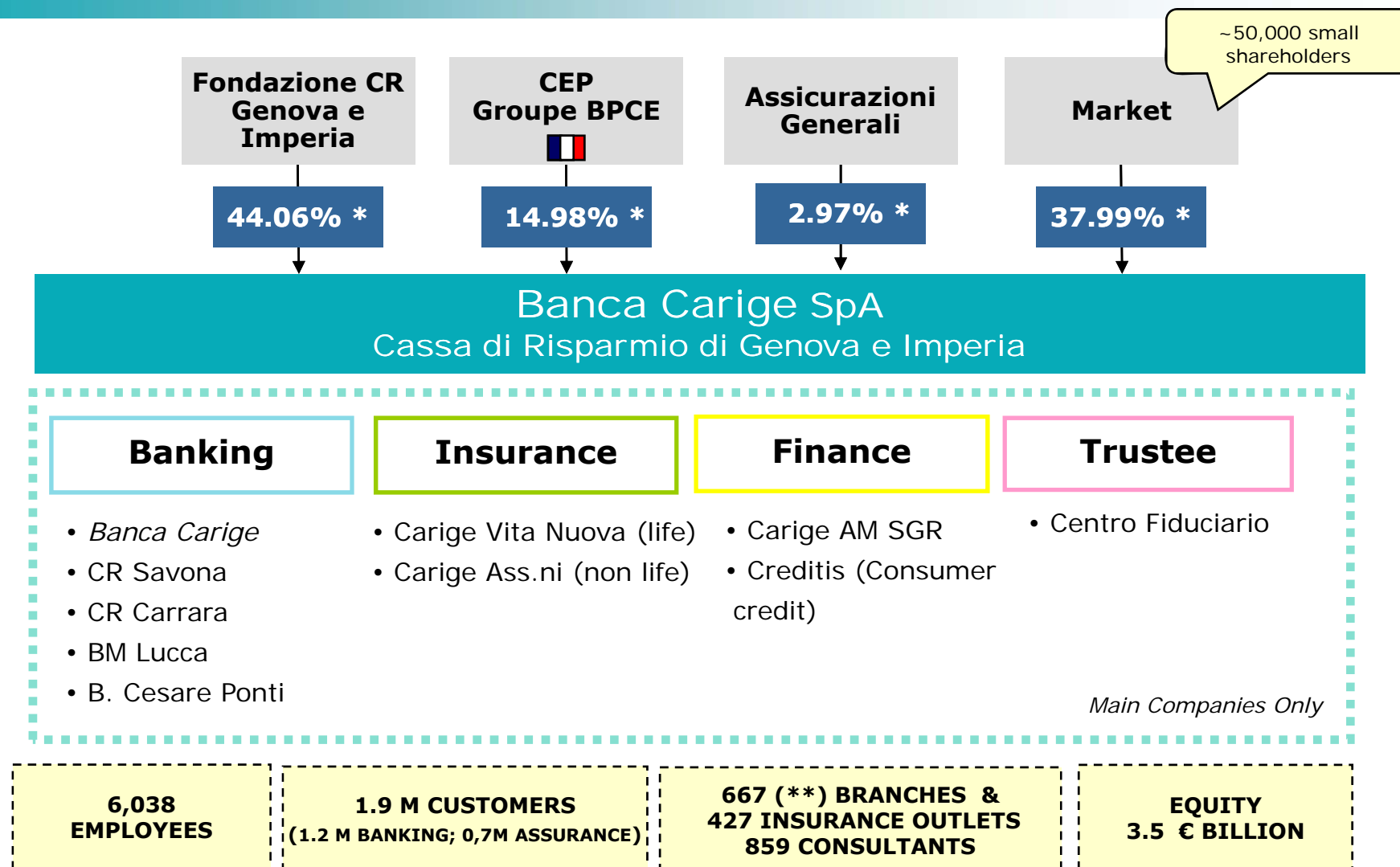
FY09 results

1H10 results

Strategic Priorities



Banca Carige Group today



*Holding calculated on the basis of ordinary shares

** Including 2 branches opened in July

Operational and accounting data as at 30 June 2010



Growth through a long season of acquisitions

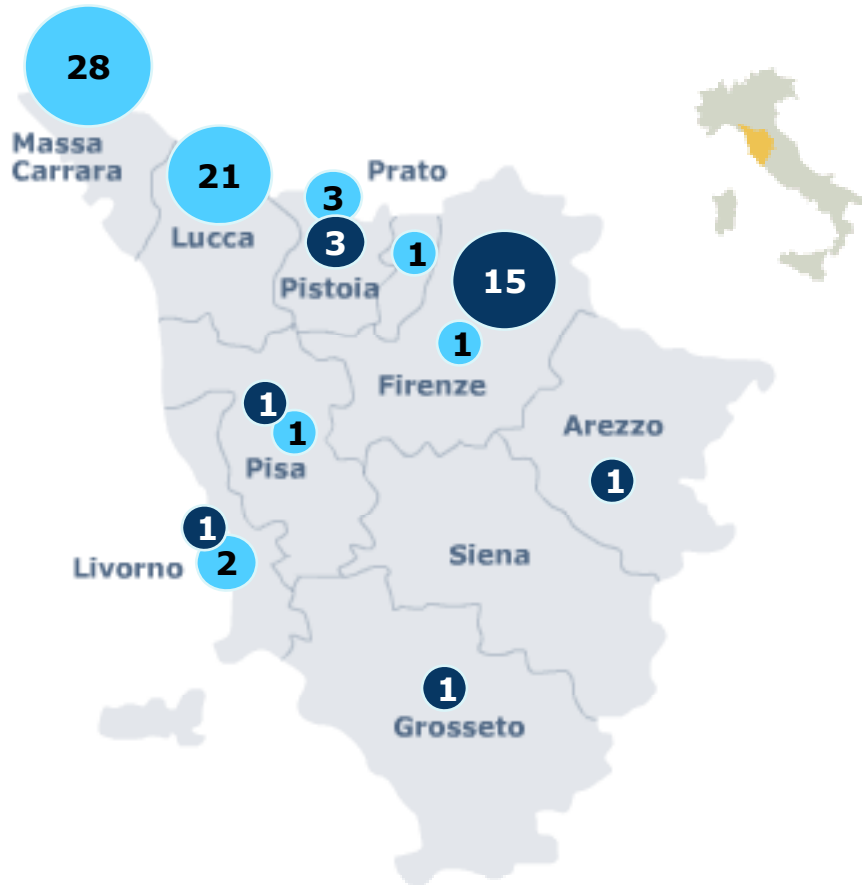
Year	Capital collected	Mln. Euro	Year	Acquisitions	Mln. Euro
1994-95	IPO	105	1993-95-99	Cassa di Risparmio di Savona	228
1996-97	Bond conversion into new shares	61	1991-06-09	Insurance companies	473
1997	Capital increase underwritten by La Basilese	46	1999-2009	Banca del Monte di Lucca	80
1998	Capital increase underwritten by institutional investors	116	2000	21 branches from Banco di Sicilia	60
1999	Capital increase underwritten by CNCEP, CDC, WestLB	236	2001	61 branches from Gruppo Intesa	277
2003-06	Capital increases and issue of subordinated convertible bonds	521	2002	42 branches from Gruppo Capitalia	127
2006	Issue of a LT2 loan	500	2003	Cassa di Risparmio di Carrara	174
2008	Capital increase	957	2004-2010	Banca Cesare Ponti	69
	Issue of subordinated loans (Tier 1, Lower Tier 2, Upper Tier 2, Tier 3)	510	2008	79 branches from Intesa Sanpaolo	853
2009	Issue of a LT2 loan	100	2008	40 branches from UniCredit Group	115
2010	Issue of convertible bonds	392	2010	22 branches from Monte Paschi	130
		Total			Total
		3.544			2.586



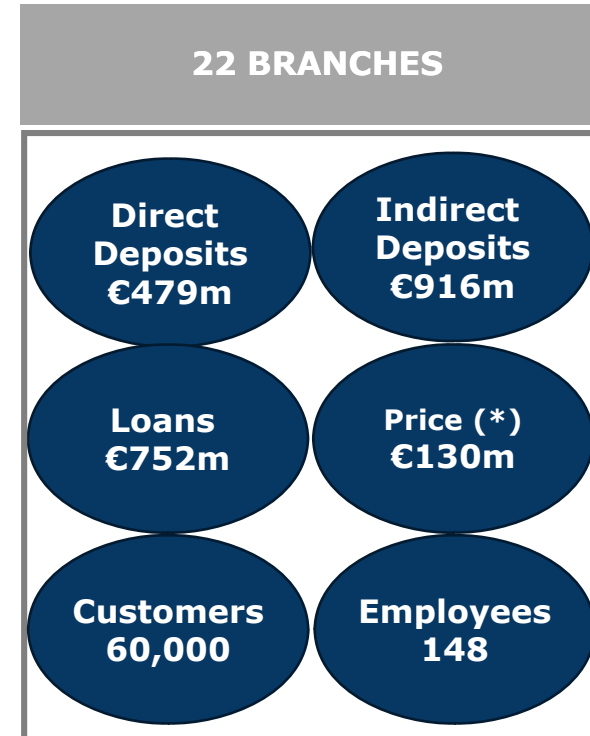
Carige purchased 22 branches from Monte dei Paschi di Siena

All the 22 ex MPS branches are located in Tuscany.

● **ex MPS branches** ● **Other Carige's branches**



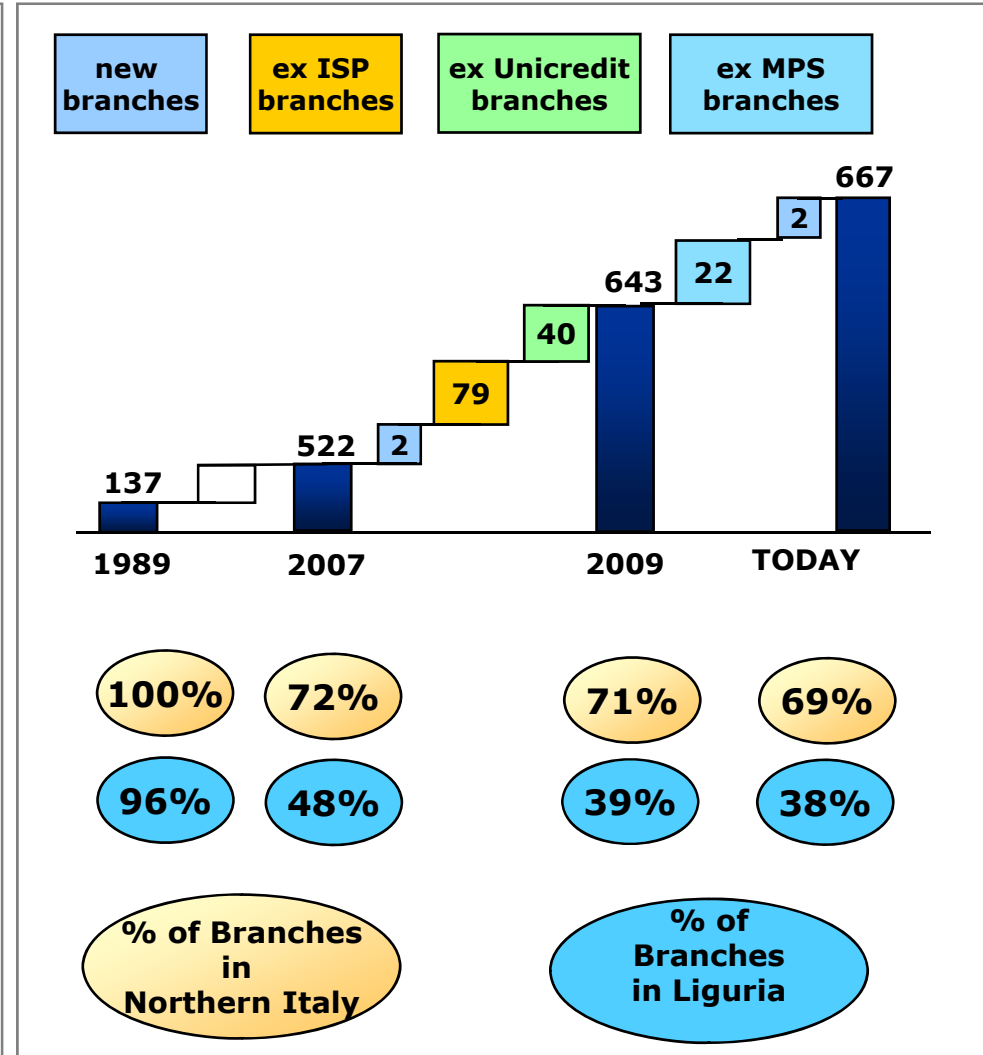
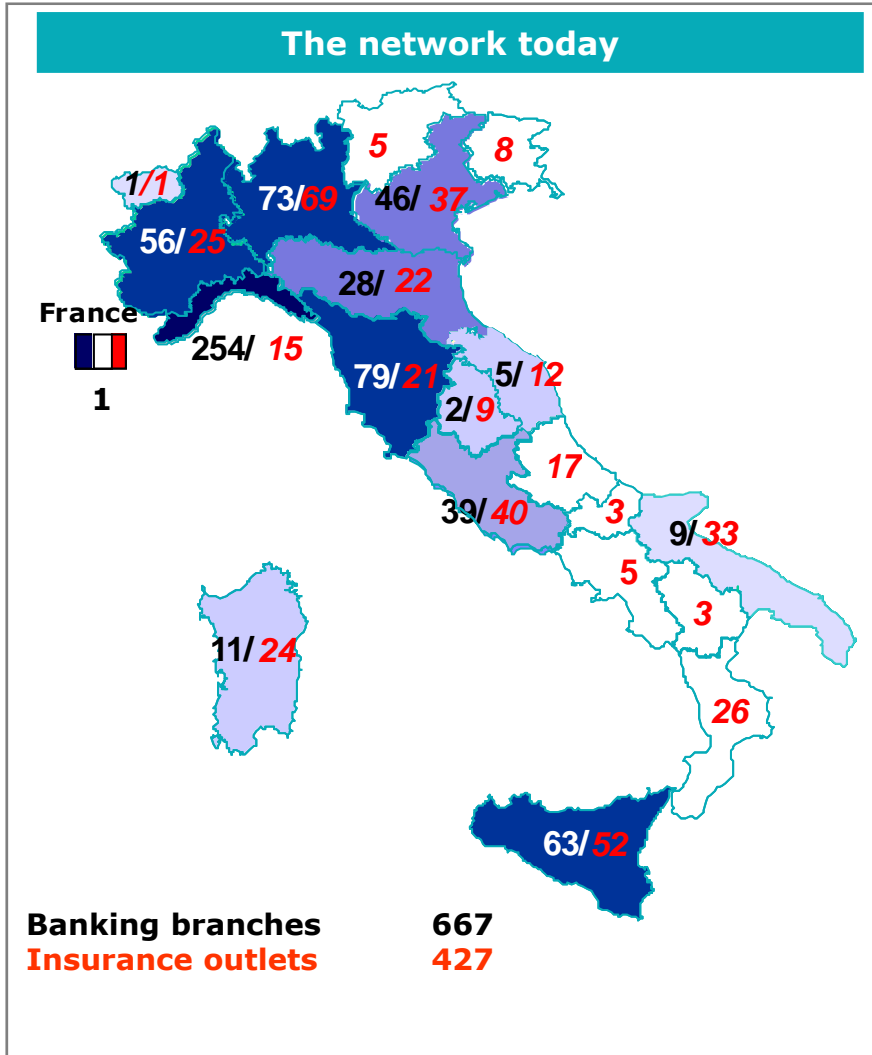
Total branches in Tuscany 79



data as at 30 June 2010
(*)Subject to adjustment

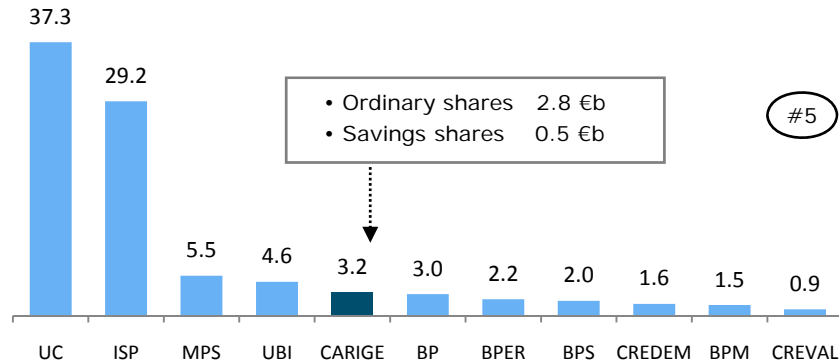


A more and more diversified network



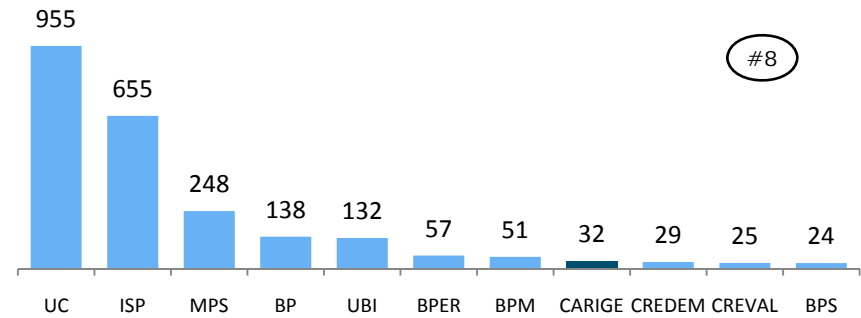
Among the top Italian banking Groups

Market Cap⁽¹⁾ (€b)

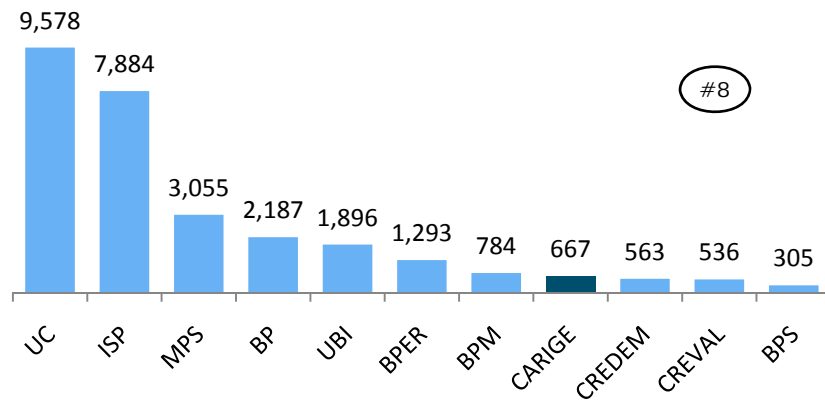


(1) Data as at 2 September 2010

Total Assets 1H10 (€b)

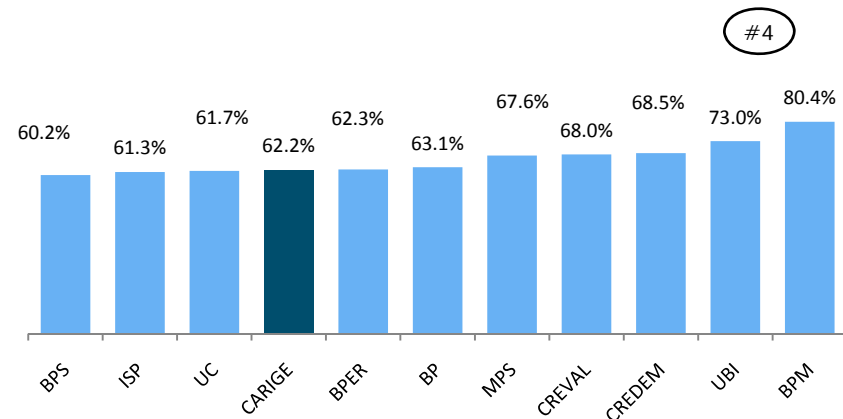


Domestic Branch Network 1H10 (#)



Including 22 ex MPS branches and 2 branches opened in July

C/I (%) 1H10



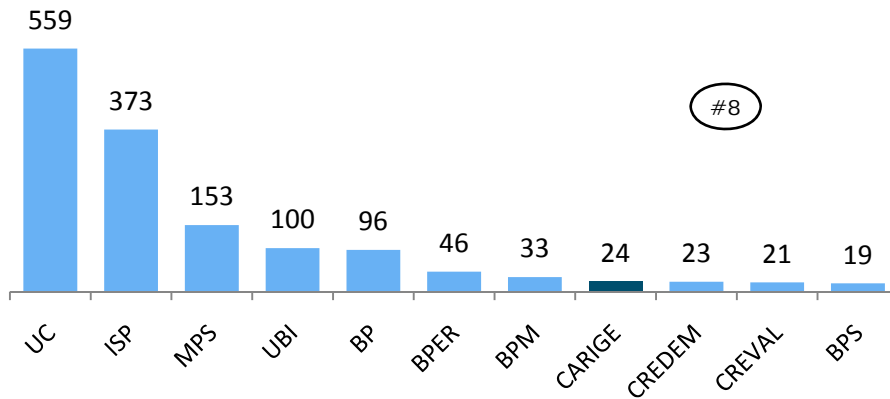
Source: Companies data

Operational data and accounting data (1H10 report)

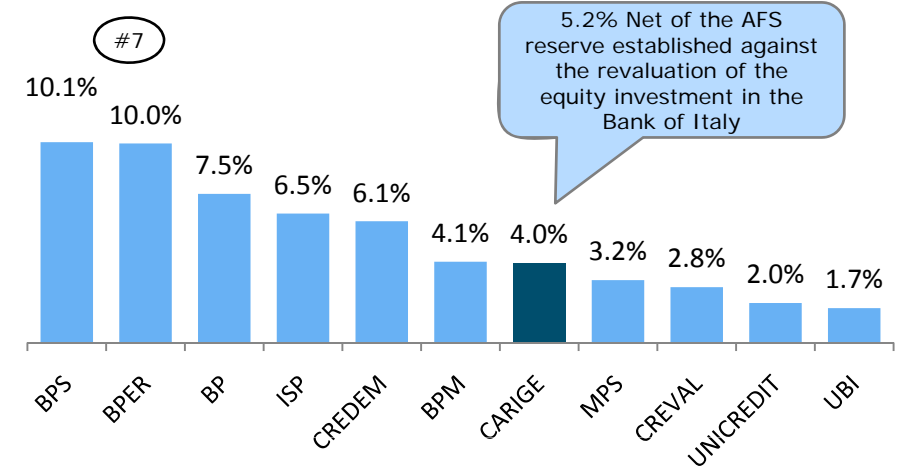


Among the top Italian banking Groups

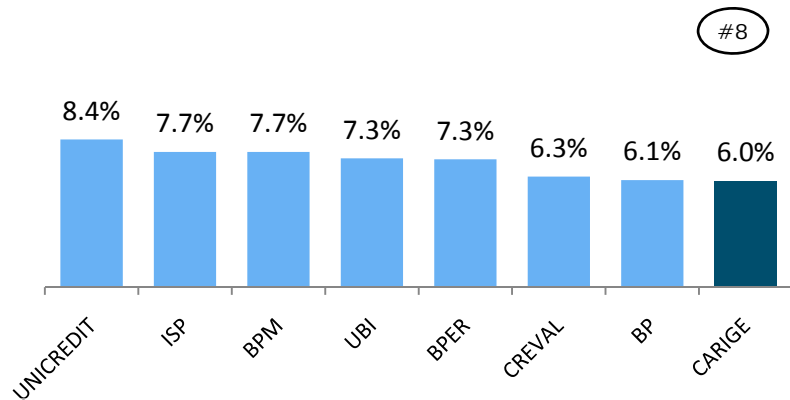
Net Customer Loans 1H10 (€bn)



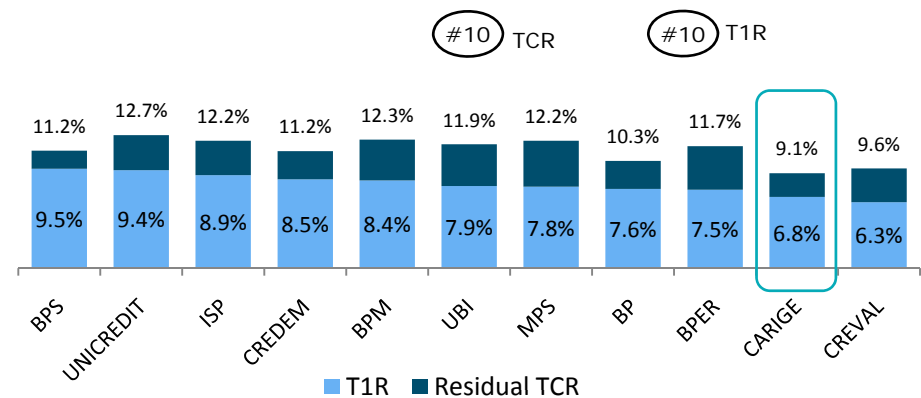
ROE 1H10 annualised (%)



Core Tier 1 ratio (%) 1H10



Total Capital and Tier 1 ratio (%) 1H10



Source: Companies data

Operational data and accounting data (1H10 report)



Agenda

Carige Group at a glance

Key financial highlights

FY09 results

1H10 results

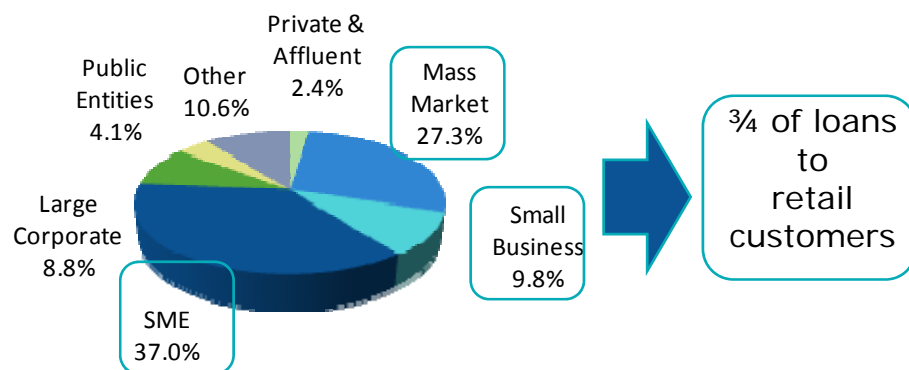
Strategic Priorities



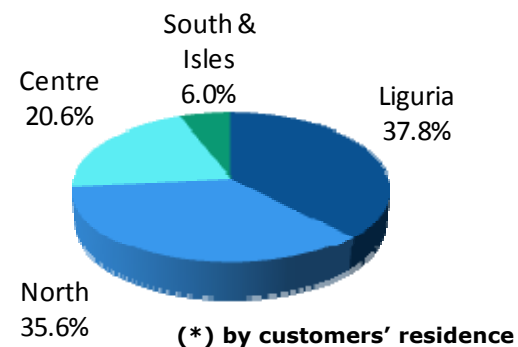
Focus on retail

L O A N S

by segment



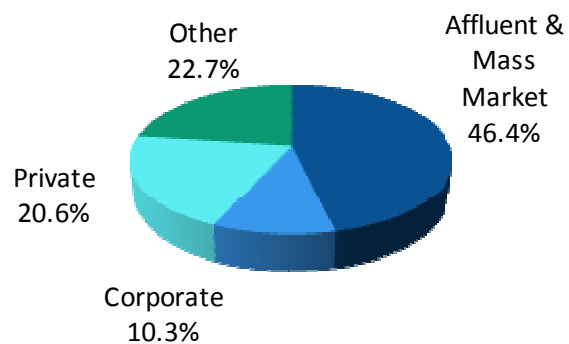
by area (*)



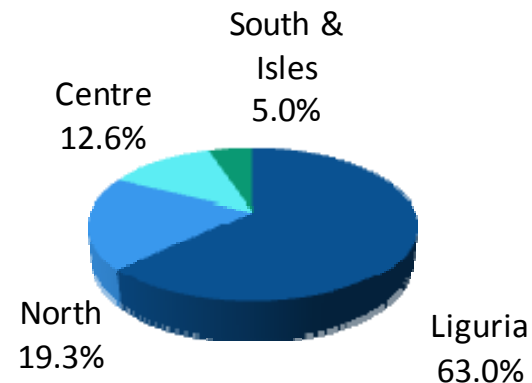
LOANS TO CUSTOMERS 1H10 : 24.3 €b

T O T A L
D E P O S I T S

by segment



by area



TOTAL DEPOSITS 1H10 : 49.3 €b

Small business = turnover < 1 m ; SMEs = < 100 m€ ; Large Corporate = > 100 m€

Mass Market: total deposits < 80 k€, Affluent > 80 k€, Private > 500 k€

Data as at 30 June 2010

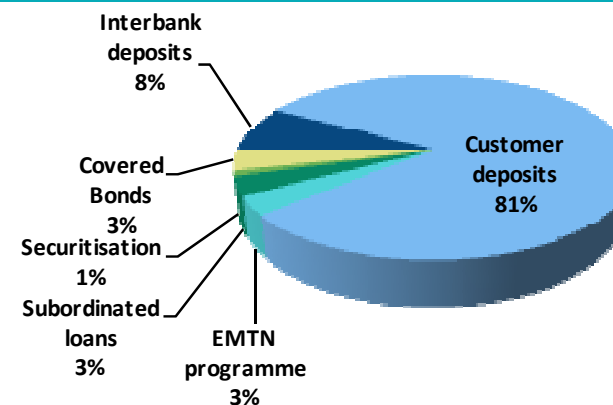


Customer based funding

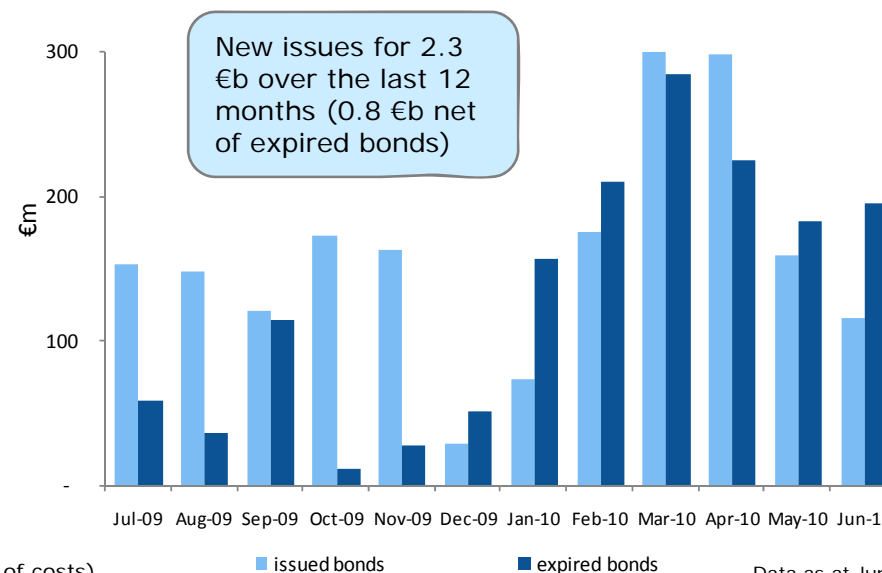
Funding

1H10		
	€m	%
Interbank deposits	2,369.2	8.3
<i>money market deposits and current accounts</i>	1,997.6	7.0
<i>other deposits</i>	371.6	1.3
Customer deposits	23,166.2	80.8
<i>short term deposits</i>	15,975.2	55.7
<i>medium/long term deposits and bonds</i>	7,191.0	25.1
EMTN programme	938.0	3.3
<i>deposits</i>	50.0	0.2
<i>bonds</i>	888.0	3.1
Subordinated loans	923.8	3.2
<i>floating rate bonds</i>	913.9	3.2
<i>convertible fixed rate bonds</i>	9.9	0.0
Securitisation	271.5	0.9
<i>RMBS performing securities</i>	271.5	0.9
Covered Bonds	1,000.0	3.5
TOTAL FUNDING	28,668.7	100.0

Change
1H10/1H09
+12.9%



Retail bonds



Funding includes further:

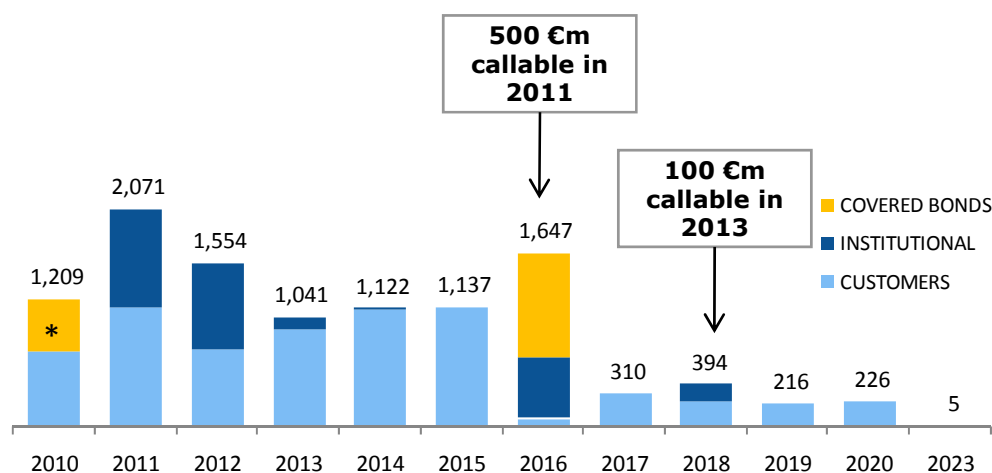
- €85.4 million from the securitization Argo Mortgage carried out in 2001, derecognised in the financial statement pursuant to the exemption allowed by IFRS 1 on first time adoption
- €500 million of covered bonds eligible for EBC RePo

Medium/long term deposits and bonds include convertible bonds for 379€m (net of costs)



No pressure on liquidity

Current Debt Maturity Profile



* Held by Banca Carige

Data as at June 2010

Outstanding capital market operations

Operation	Amount (€m)	Maturity
T1	160	2018
UT2	150	2018
EMTN LT2	500	2016
EMTN LT2	100	2018
EMTN LT2	100	2016
EMTN LT2	20	2020
EMTN LT2	50	2020
EMTN	826	2012
EMTN	15	2013
EMTN	13	2014
Covered bonds (*)	300	2010
Covered Bonds (*)	1,000	2016
Covered Bonds (*)	500	2013
Covered Bonds (*)	50	2030
Convertible bonds	10	2013
Convertible bonds	392	2015
Total	4,186	

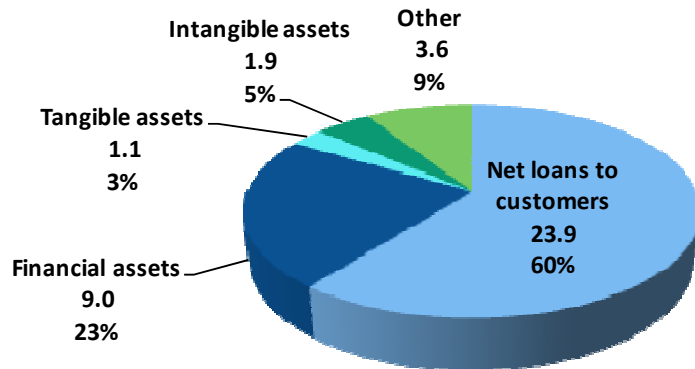
(*) On a 5 €b plafond

Operational data



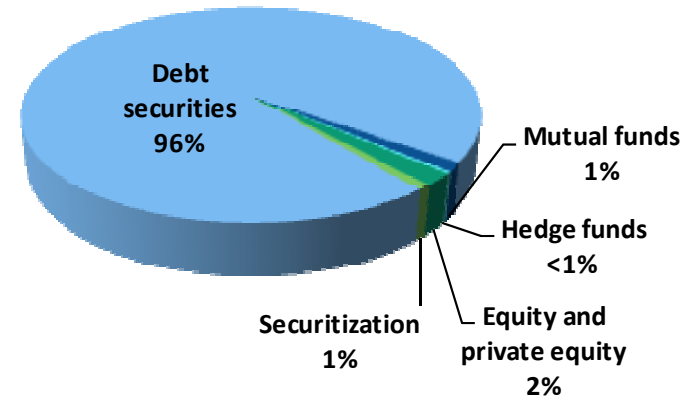
Sound assets

Total asset breakdown



Total assets 39.4 €b

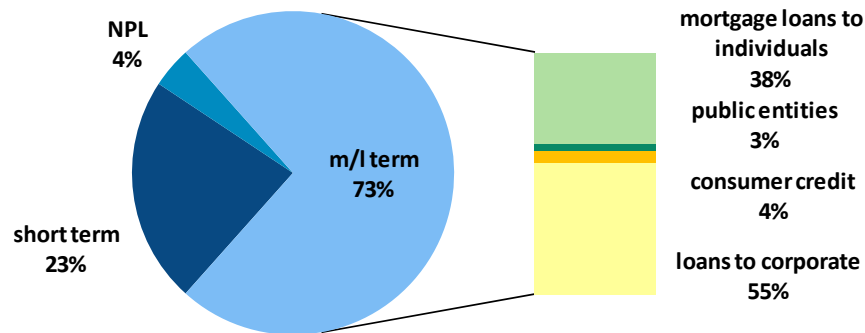
Financial assets (*)



(*) Data do not include the stake in Bank of Italy and the notional value underlying customers' index linked policies

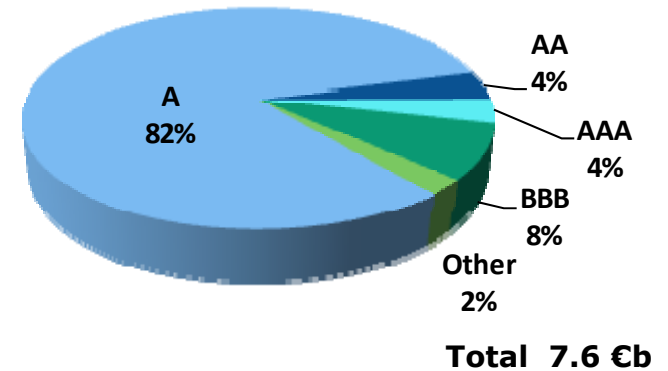
Total 7.9 €b

Gross loan splitting



Gross loans to customers 24.3 €b

Debt securities and securitisation



Total 7.6 €b

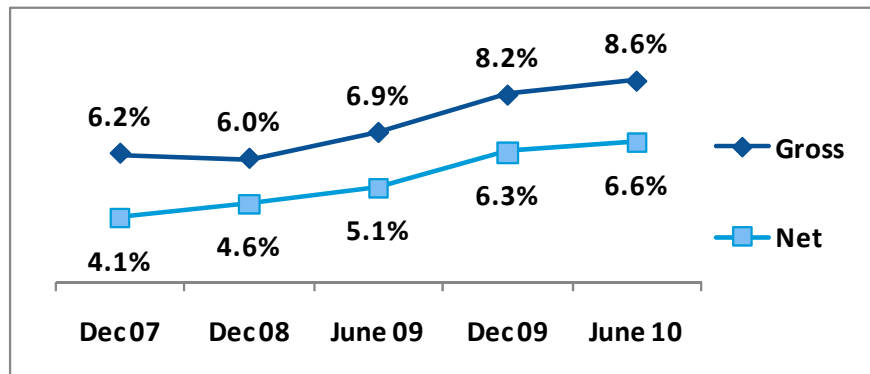
Data as at 30 June 2010

Operational data and accounting data (1H10 report)

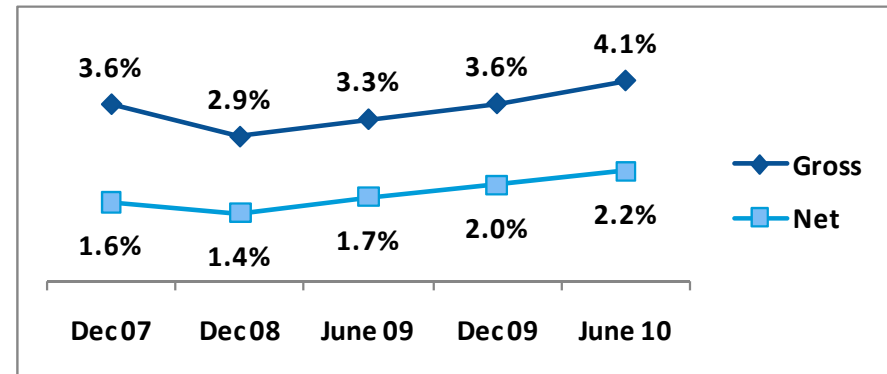


Sound credit policy

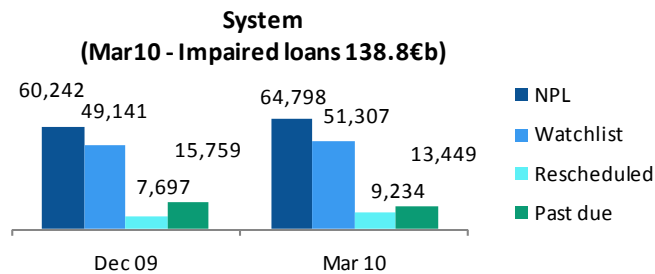
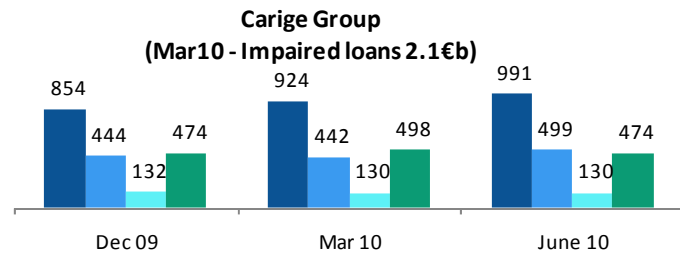
Impaired loan ratio (%)



NPL ratio (%)



Impaired loans 1Q10 - Comparison with the System (€m)



Carige	Change		
	Dec09/08	Mar10/Dec09	June10/Dec09
NPL	37.3%	8.2%	16.1%
Watchlist	8.7%	-0.5%	12.3%
Rescheduled	2442.3%	-1.7%	-1.3%
Past due	95.7%	4.9%	-0.1%
Impaired loans	49.0%	4.7%	9.9%

System	Change	
	Dec09/08	Mar10/Dec09
NPL	40.8%	7.6%
Watchlist	47.6%	4.4%
Rescheduled	351.4%	20.0%
Past due	69.6%	-14.7%
Impaired loans	52.6%	4.5%

Source: Bank of Italy

Operational data and accounting data (FY07 report – FY08 report – 1Q09 report – 1H09 report – 3Q09 report - FY09 report – 1Q10 report)



Capital ratios



1H10 including the full conversion of the convertible bonds at current share price

TCR	10.4%
T1R	8.1%
CT1R	7.3%

(*) Operational data



Agenda

Carige Group at a glance

Key financial highlights

FY09 results

1H10 results

Strategic Priorities

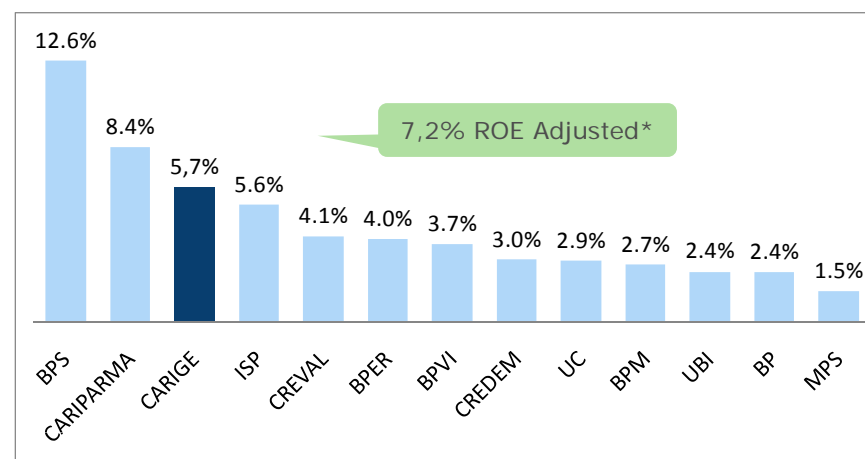


Stable net profit

Net profit (€m)

	2007	2008	2009	Change %		
				08/07	09/08	09/07
BPS	147	44	201	-70.4%	361.1%	36.5%
CARIPARMA	295	297	311	0.7%	5.4%	5.4%
CARIGE	205	206	205	0.3%	-0.1%	0.3%
BPVI	114	109	101	-4.4%	-7.1%	-11.2%
CREVAL	86	101	76	17.2%	-24.1%	-11.2%
BP	617	-333	267	-56.7%
ISP	7,250	2,553	2,805	-64.8%	9.9%	-61.3%
CREDEM	249	157	89	-37.0%	-43.4%	-64.4%
BPM	324	75	104	-76.8%	37.6%	-68.0%
BPER	374	134	116	-64.3%	-13.4%	-69.1%
UBI	881	69	270	-92.2%	291.4%	-69.3%
UNICREDIT	6,506	4,012	1,702	-38.3%	-57.6%	-73.8%
MPS	1,438	923	220	-35.8%	-76.9%	-84.7%

ROE FY09



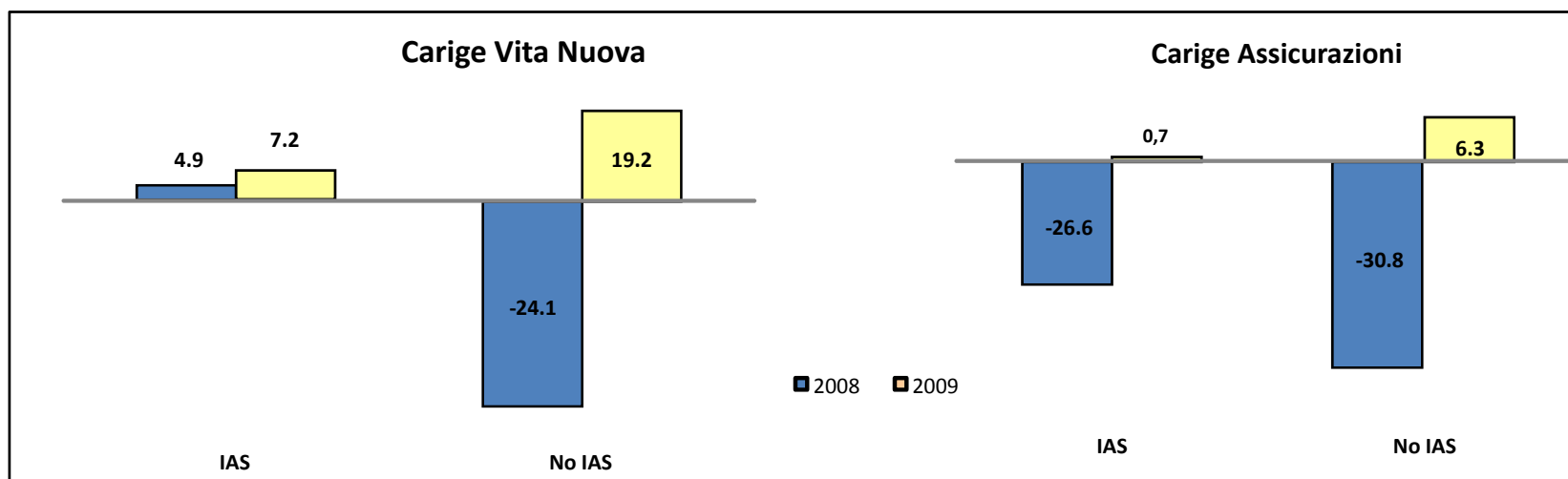
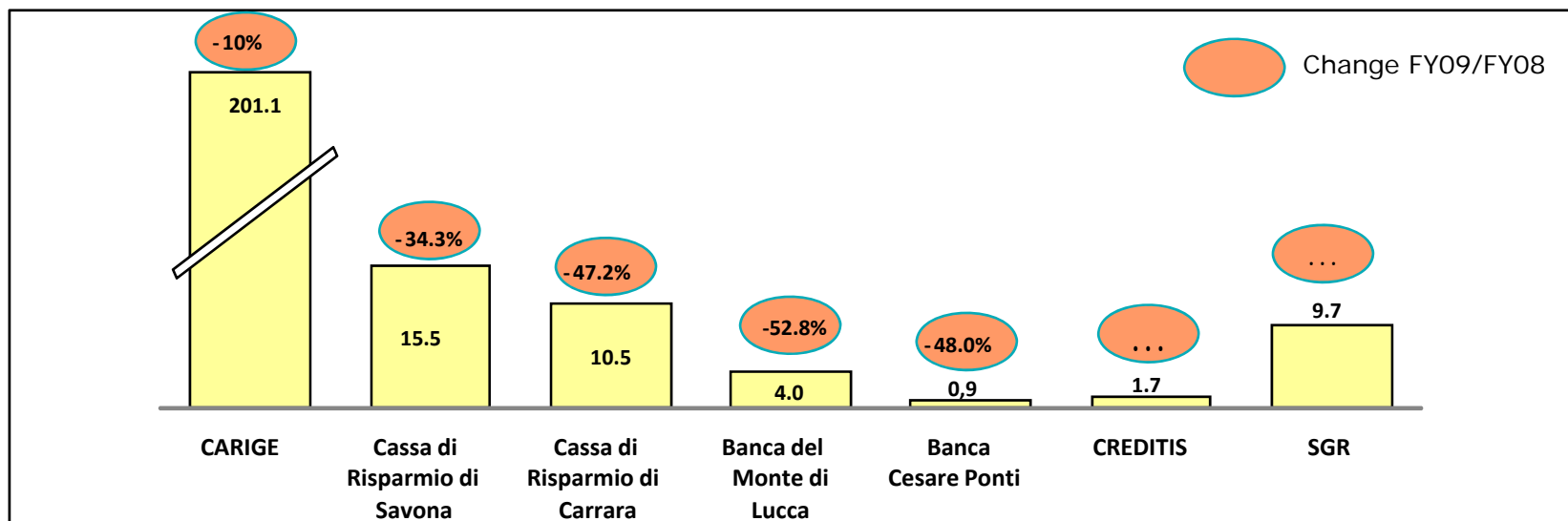
(*) Net of AFS reserve for the revaluation of the stake in Bank of Italy

Source : Companies data

Accounting data (FY07 report – FY08 report - FY09 report)



FY09 – Results of the Group's companies



Data as at 31 December 2009
€m



Agenda

Carige Group at a glance

Key financial highlights

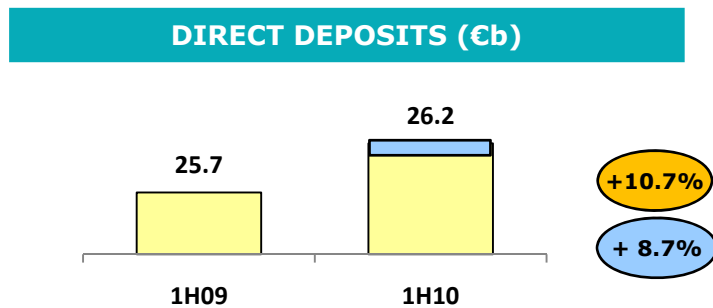
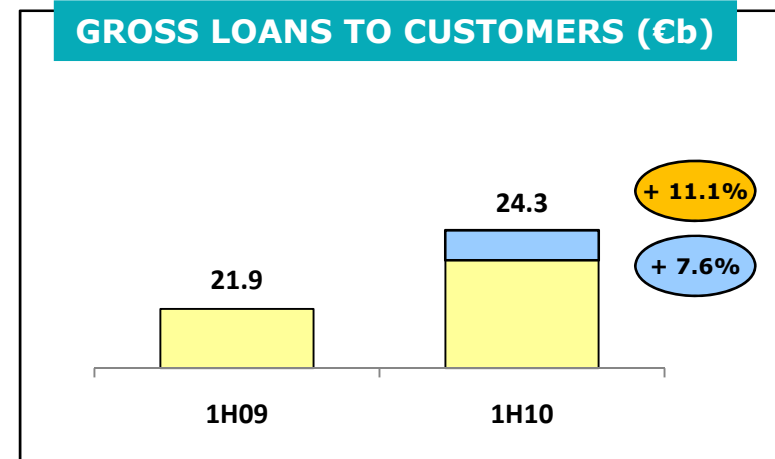
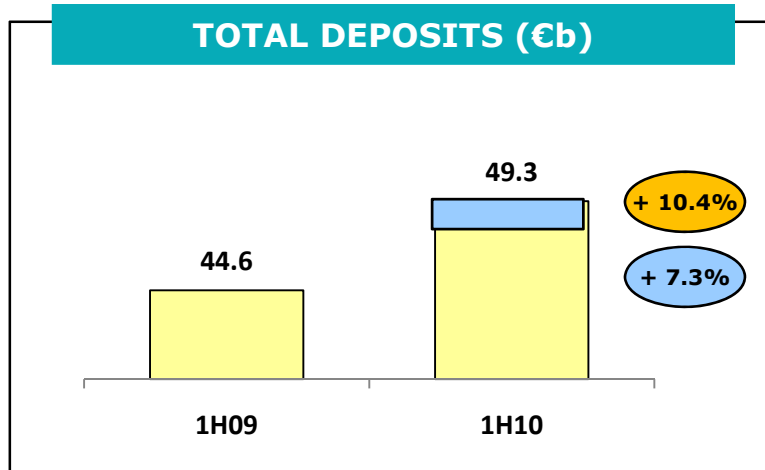
FY09 results

1H10 results

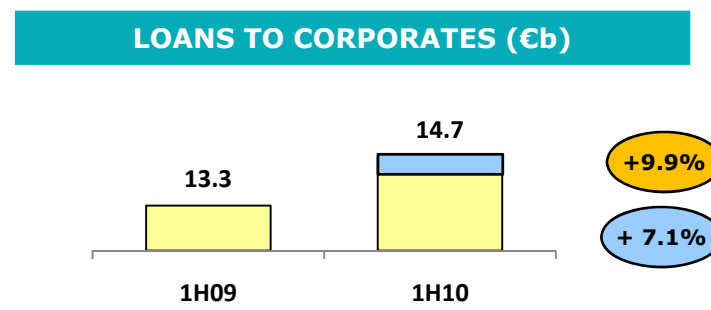
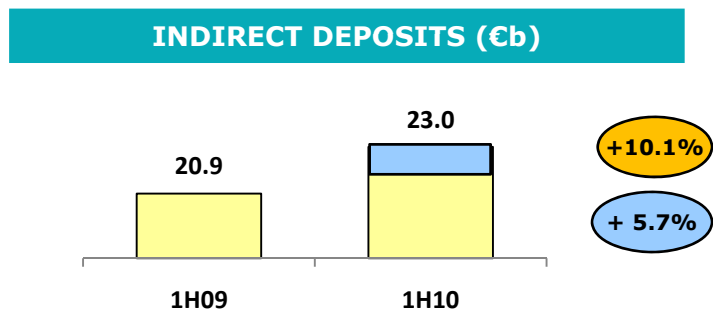
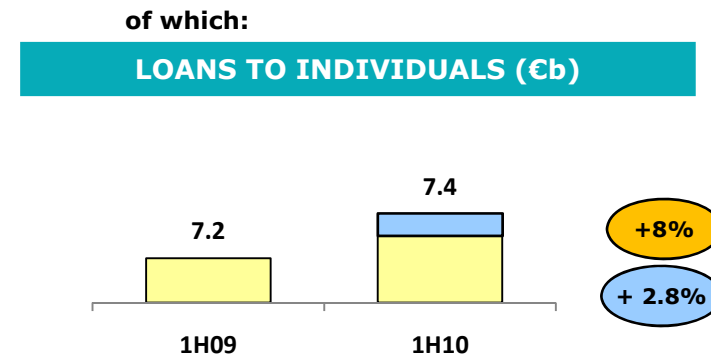
Strategic Priorities



1H10 – Growth of Deposits and Loans



$$\frac{\text{LOANS TO CUSTOMERS}}{\text{DIRECT DEPOSITS}} = 92.5\%$$

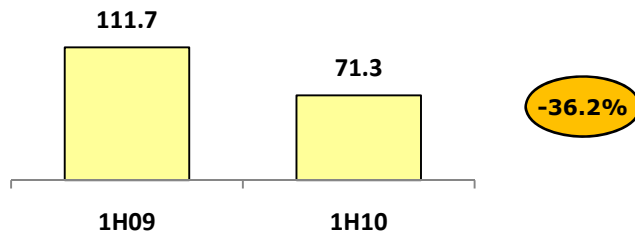


● change
● change net of ex MPS branches' contribution

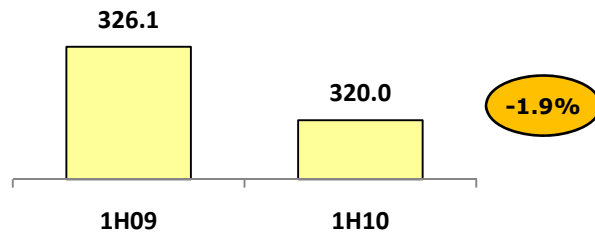


1H10 – Economic results

NET PROFIT

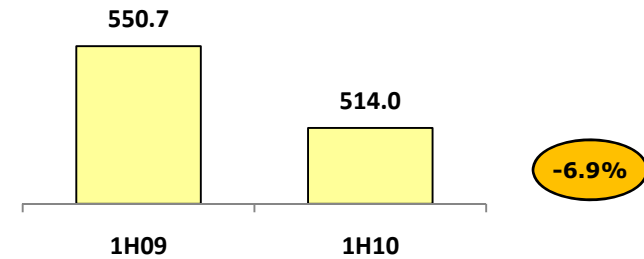


COSTS



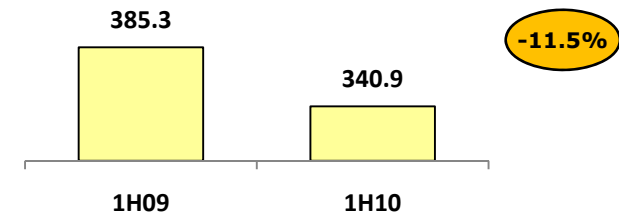
 change

GROSS OPERATING INCOME

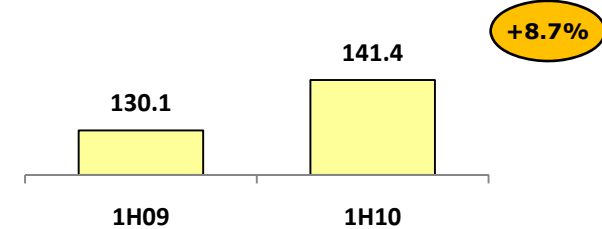


of which:

NET INTEREST INCOME



NET COMMISSIONS



Data in €m

Operational data and accounting data (1H09 report – 1H10 report)

Carige Group at a glance

Key financial highlights

FY09 results

1H10 results

Strategic Priorities



Our mission

Carige Group aims to be a national financial conglomerate equipped to provide banking, financial, insurance and pension solutions, focused on retail, pursuant to the development of resources and structures and the enhancement of an integrated multi-channel distribution system

Conglomerate



- Complete offer of banking, financial and insurance products and services
- Aggregation point for smaller banks

National



- Widespread presence in Italy especially in certain areas and strong presence in Liguria
- Focused on the relationship with local communities

Retail



- Focusing on families, SMEs and local public entities
- Widespread and intensive use of technology

Quality of resources and structures



- Specialisation of distribution and production structures
- Unitary management of the Group's key-expertises
- Professional development of human resources
- IT system in line with best practice

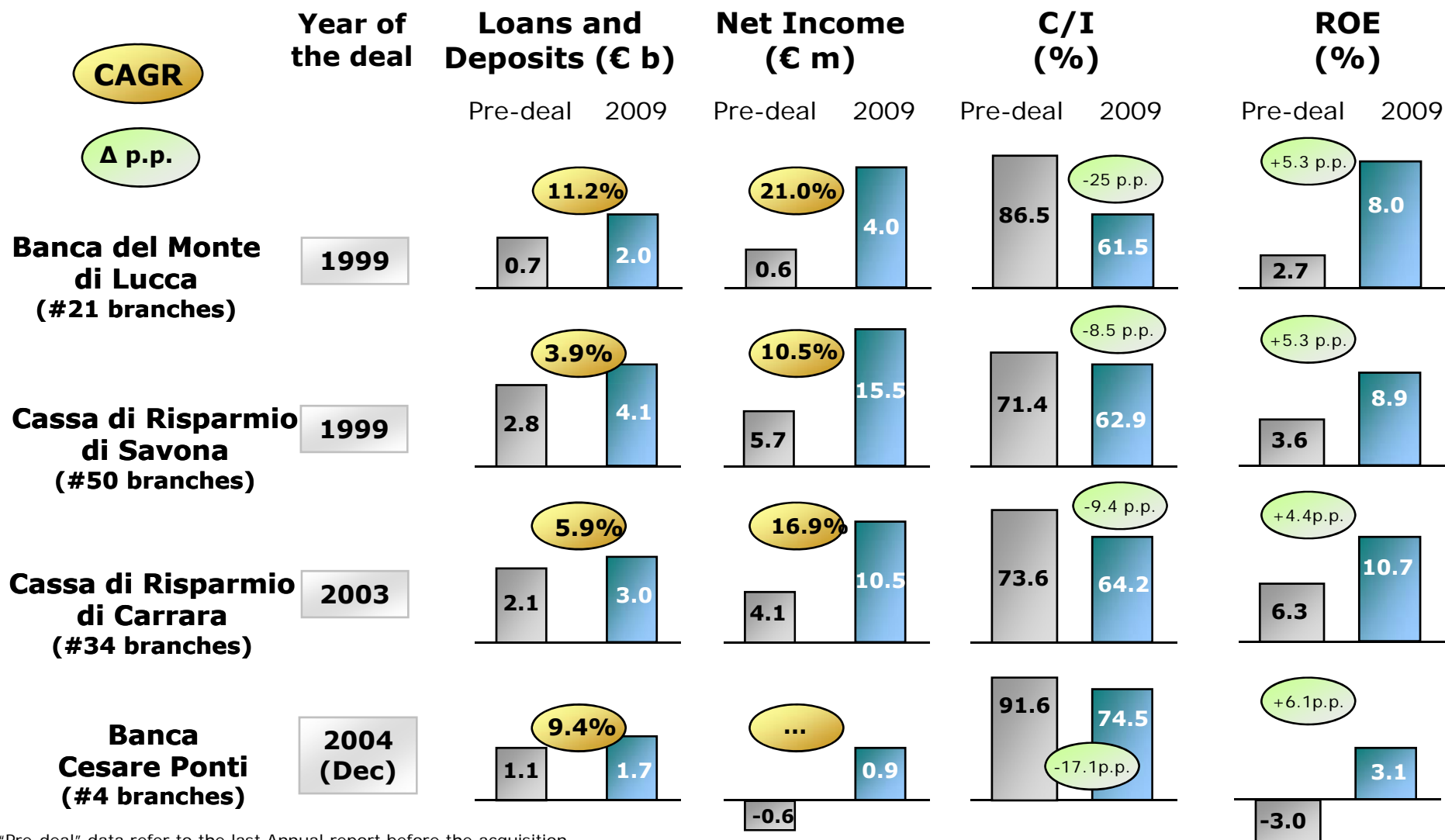
Multi-channel



- Distribution system based on branches, mobile and remote channels



Growing results from the acquired banks



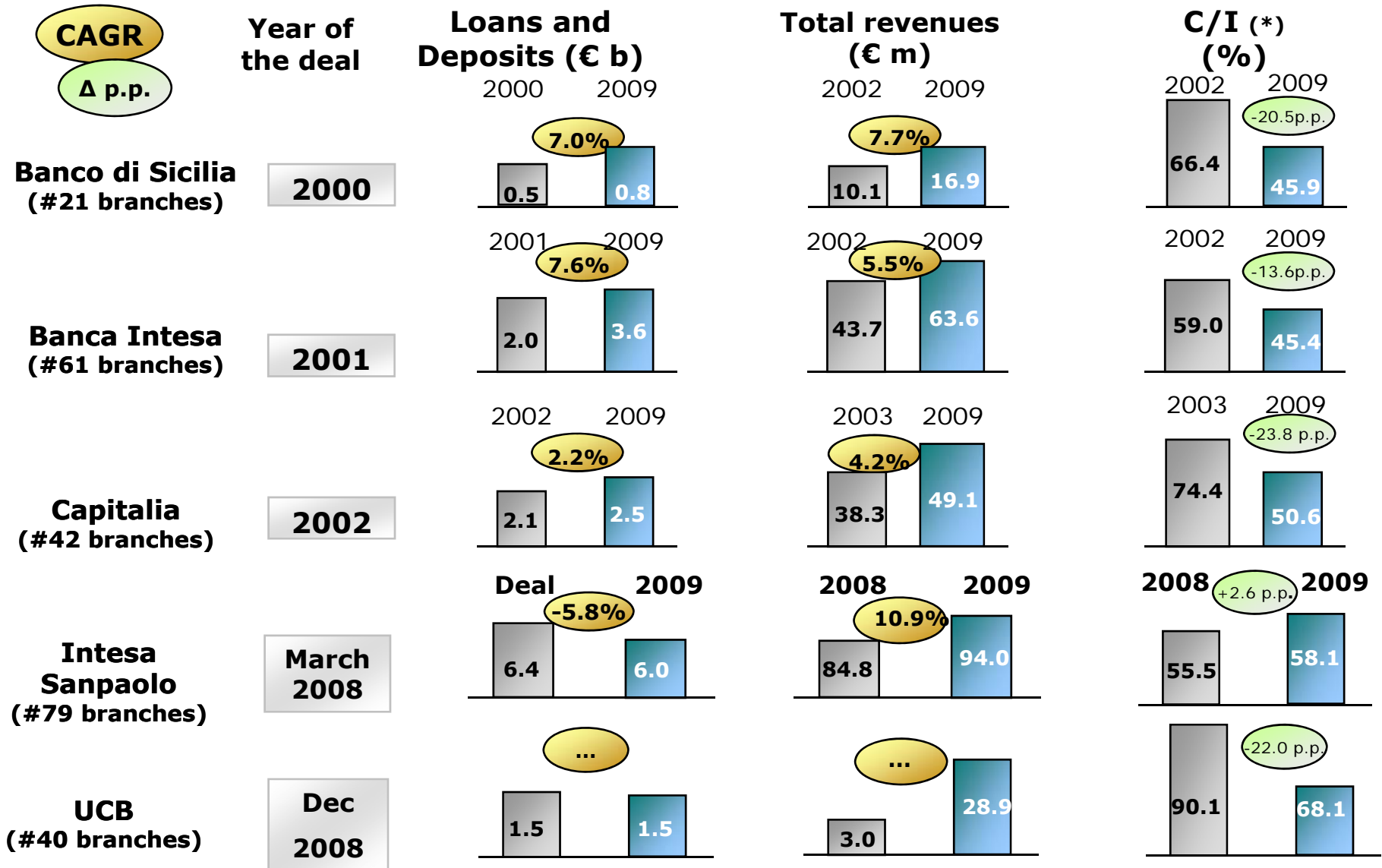
"Pre-deal" data refer to the last Annual report before the acquisition.

"Pre-deal" data of Banca Cesare Ponti refer to 2004 Annual report. CAGR= compound average growth rate

Source: Companies data



...and from the purchased branches



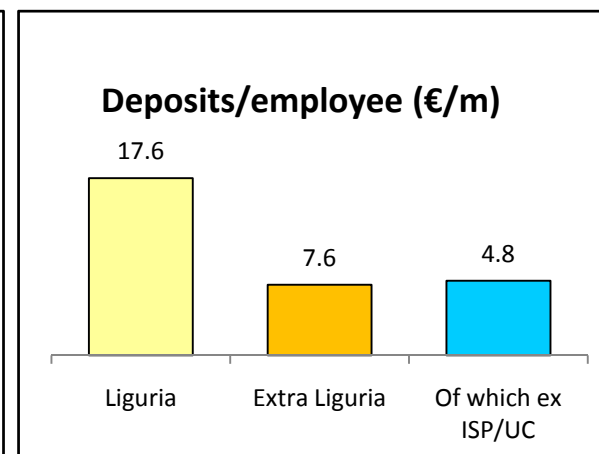
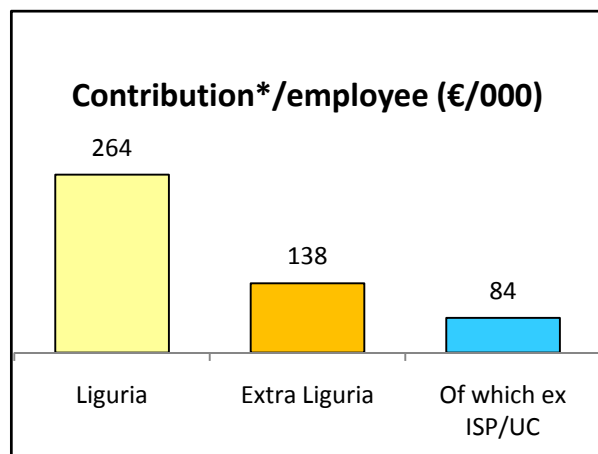
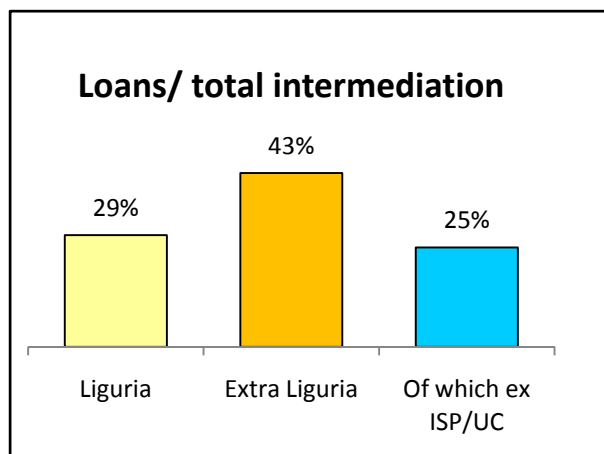
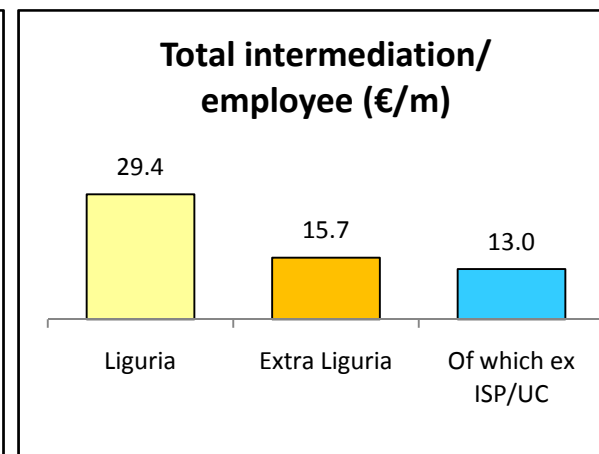
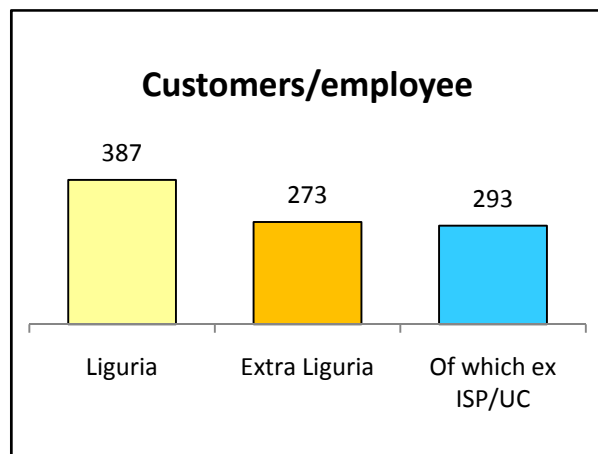
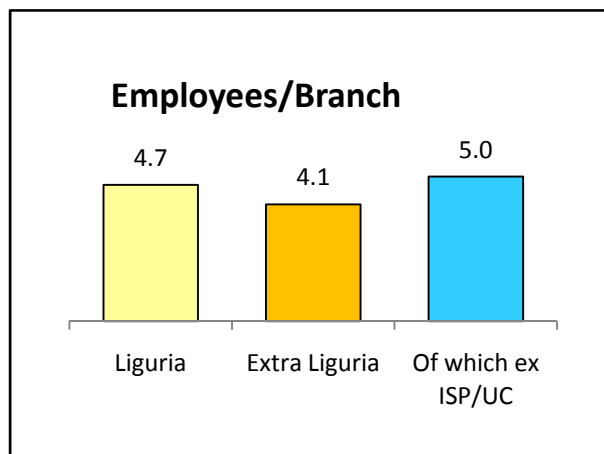
CAGR= compound average growth rate

(*): direct costs only

Operational data



The last two acquisitions show a high potential...



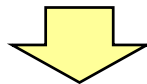
Data as at 31 December 2009

* Contribution = revenues – direct costs



The ex ISP/UC branches:

- are essentially retail;
- have quite limited volumes of loans;
- have relatively high rent costs;
- are relatively overstaffed.



The objective is to bring into alignment the performance of these branches to those of Liguria, increasing, at the same time, the local penetration.

The project being carried out is focused on ex ISP/UC branches but it also regards other extra Liguria branches. It aims:

- **to point out the short and medium term priority** on each branch
- **to allow a constant monitoring** of the outcomes
- **to encourage the managerial approach evolution** of the coordination between the different levels of area manager

	Actions
Objective	Focus on
New customers' acquisition	•Campaigns/commercial actions •HR •Products -----
Higher retention	•Layout/logistics •HR •Pricing/conditions -----
Enhancement of the existing portfolio	•Products •HR -----
Profitability	•Volumes remix •Loans repricing •Funding repricing •HR -----
Costs	•HR •Rentals renegotiation •Branch relocation



The investment in the insurance companies...

In 1997, Banca Carige took over two insurance companies, one operating in Life sector (Carige Vita Nuova, former Basilese Vita Nuova) and one operating in Non life sector (Carige Assicurazioni, former Levante Norditalia), for an overall consideration of €472.6 million, €271.4 million in the Life Company and €201.2 million for the Non life Company .

The total investments made by the bank to take the control of these two companies and to strengthen them are lower than the multiples paid in the last main market transactions.



...the life company...

Transaction multiples in Life Sector

Year	Target	Bidder	Quota	Price (€m)	Price/ Premiums	Price/ Equity	Goodwill (1)/ Premiums
2005	Bipiemme Vita	Fondiaria - SAI	46.0%	94.3	40.0%	3.93X	29.8%
2007	Arca Vita	BPER	20.0%	53.0	43.9%	2.13X	23.3%
2007	MPS Vita	AXA	50.0%	831.1	51.0%	3.73X	37.3%
2007	Berica Vita (Pop Vicenza)	Cattolica Assicurazioni	50.0%	20.9	16.3%	1.28X	3.6%
2007	Vicenza Life (Pop Vicenza)	Cattolica Assicurazioni	50.0%	23.2	26.8%	2.43X	15.8%
2007	BPV Vita	Fondiaria - SAI	50.0%	530.0	147.2%	4.94X	117.4%
2007	DWS Vita	Zurich Investment Life Spa	100.0%	97.3	121.2%	2.30X	68.6%
2008	UBI Vita	AVIVA	50.0%	65.0	41.9%	1.57X	15.2%
2008	Quadrifoglio Vita S.p.A.	MPS	50.0%	92.5	52.8%	1.77X	22.9%
2008	Quadrifoglio Vita S.p.A.	AXA MPS Assicurazioni Vita S.p.A.	100.0%	141.5	40.4%	1.35X	10.5%
2008	Chiara Vita S.p.A.	Helvetia SA	70.0%	79.6	119.1%	2.25X	66.1%
2008	CredemVita	Credem	50.0%	50.0	16.9%	1.49X	5.6%
2008	BCC Vita	Cattolica Assicurazioni	51.0%	44	72.6%	1.82X	32.8%
Average					60.8%	2.38X	34.5%
Carige Vita Nuova		Banca Carige	100%	271.4	28.6%	1,63X	11.0%
Carige Vita Nuova Pro Forma (2)		Banca Carige	100.0%	203.4	21.4%	1,22X	3.8%

(1) Goodwill assessed as the difference between Price and Equity

(2) Investments excluding the surplus gained by Carige Assicurazioni by selling to the Parent Company Banca Carige 80% of its stake in Carige Vita Nuova (68 €m) in 1999 and 2000



...and the non life company

Transaction multiples in Non life Sector

Year	Target	Bidder	Quota	Price (€m)	Price/ Premiums	Price/ Equity	Goodwill (1)/ Premiums	
2006	Liguria Assicurazioni	Fondiaria - SAI	100.0%	148.1	84.4%	2.96X	55.9%	
2006	Toro Assicurazioni	Investitori Istituzionali	10.0%	327.4	115.4%	1.36X	30.8%	
2006	Fineco Assicurazioni	Fondiaria - SAI	51.0%	56.0	>250%	>5	>200%	
2006	Toro Assicurazioni	Generali	55.5%	2,139.0	136.6%	2.68X	85.7%	
2006	Toro Assicurazioni	Generali	33.5%	1,318.4	139.7%	2.74X	88.7%	
2006	Duomo Assicurazioni	Mapfre	50.0%	473.0	89.6%	2.37X	51.7%	
2007	Aurora Assicurazioni	Unipol	29.2%	657.2	67.9%	2.02X	34.2%	
2007	Novara Assicura	AVIVA	50.0%	250	>250%	>5	>200%	
2007	Toro Assicurazioni	Generali	1.5%	61.0	139.8%	2.75X	88.9%	
2007	Nuova Tirrena	Groupama	100.0%	1,250.0	153.7%	4.52X	119.6%	
2007	MPS Danni	AXA	50.0%	181.4	>250%	>5	>200%	
2008	Padana Assicurazioni SpA	Helvetia SA	100.0%	44.0	45.5%	0.25X	neg.	
2008	Credem Assicurazioni	Reale Mutua Assicurazioni	50.0%	18	143.2%	2.92X	94.2%	
2009	UBI Assicurazioni	BNP/ FORTIS	50.0%	120	150.8%	4.04X	113.5%	
					Average	115.2%	2.60X	76.3%
Carige Assicurazioni			Banca Carige	98.4%	201.2	37.9%	1,42X	11.2%
Carige Assicurazioni Pro Forma (2)			Banca Carige	98.4%	338.8	63.8%	2,39X	37.1%

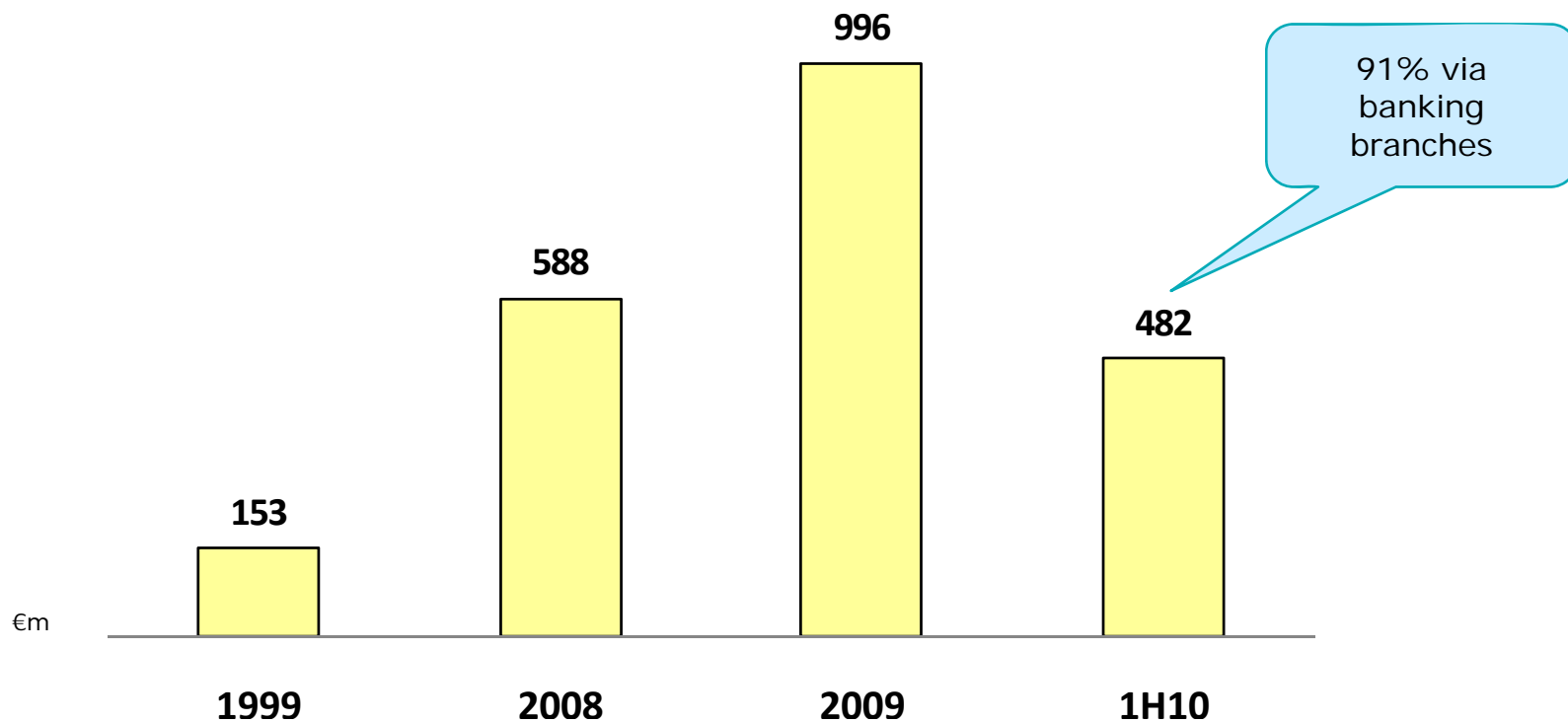
(1) Goodwill assessed as the difference between Price and Equity

(2) Investments including settlement costs (losses) and the surplus gained by selling to the Parent Company 80% of the stake in Carige Vita Nuova (68 €m) in 1999



The bancassurance is growing well

Life Premiums

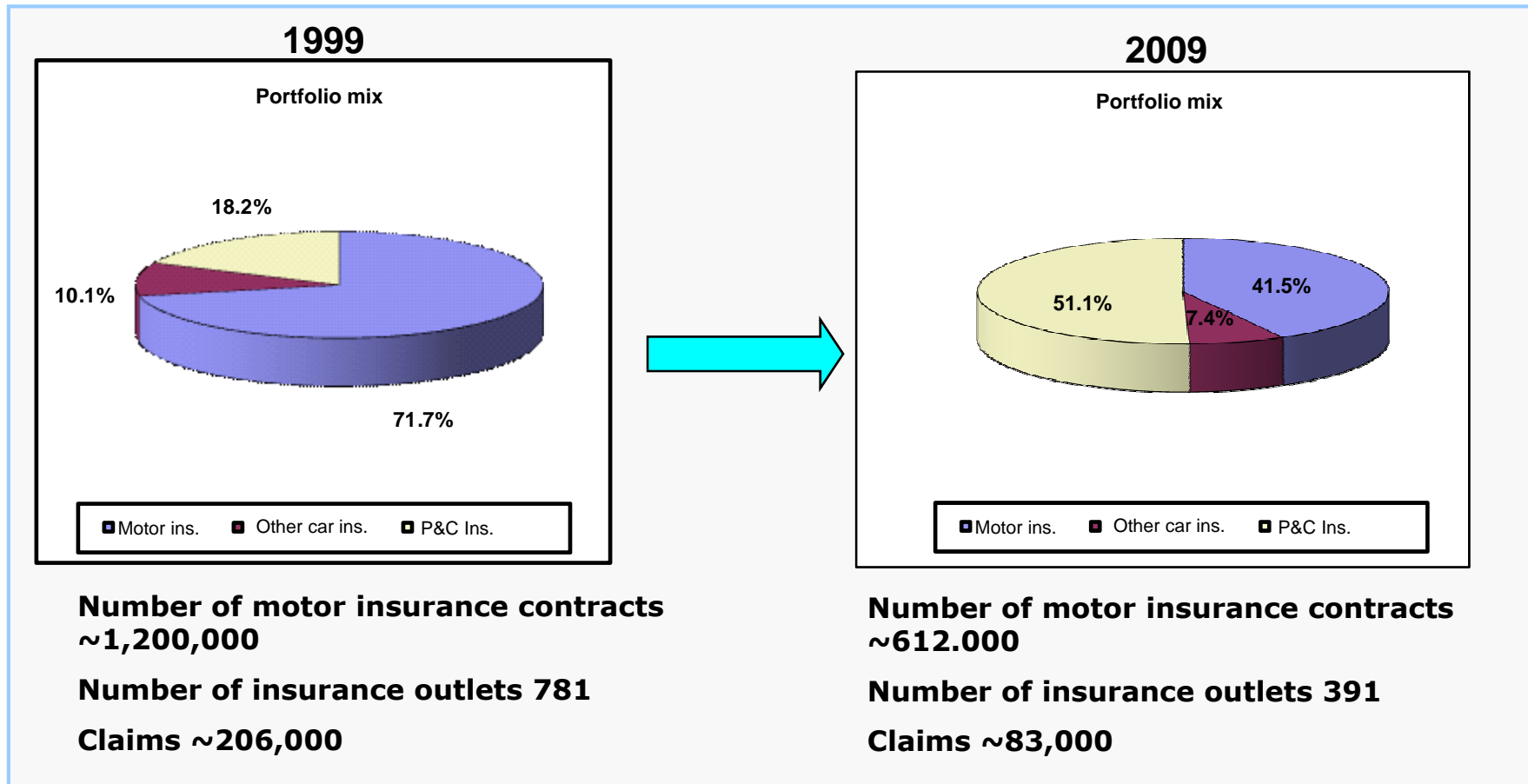


Stock premiums / Total deposits	1999	2008	2009	1H10
	3.5%	5.0%	6.4%	6.9%

Source: Company data



The non life business needed some intervention: on the portfolio...

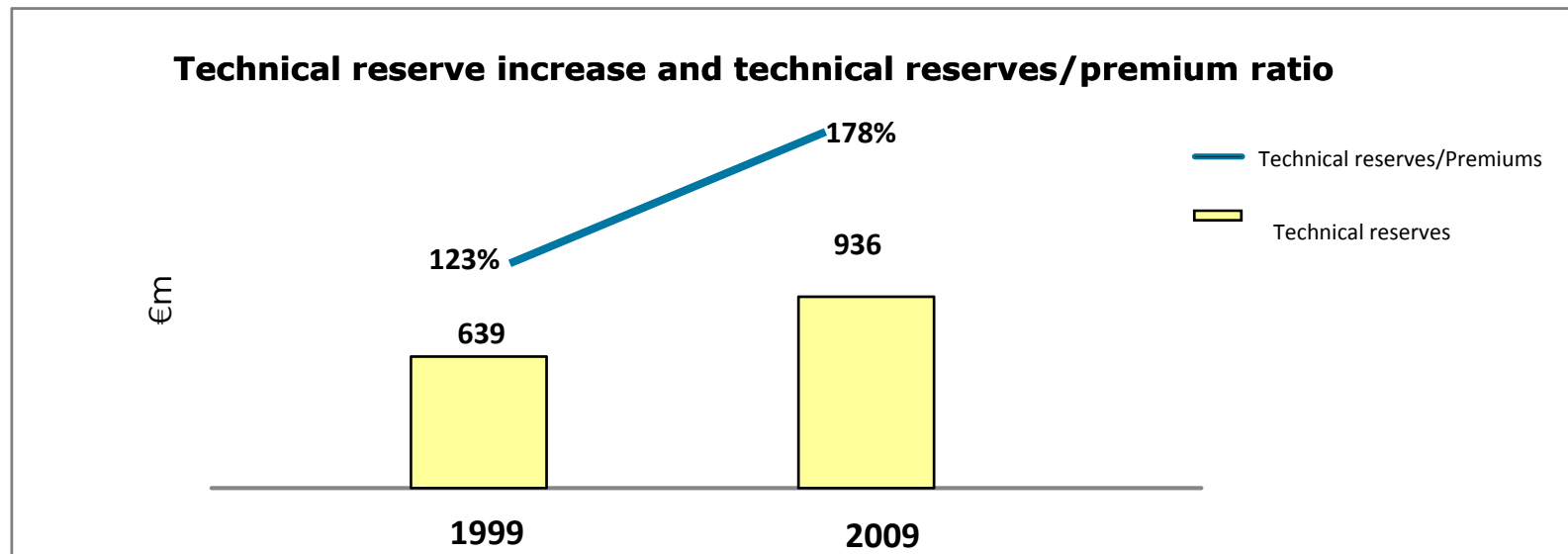
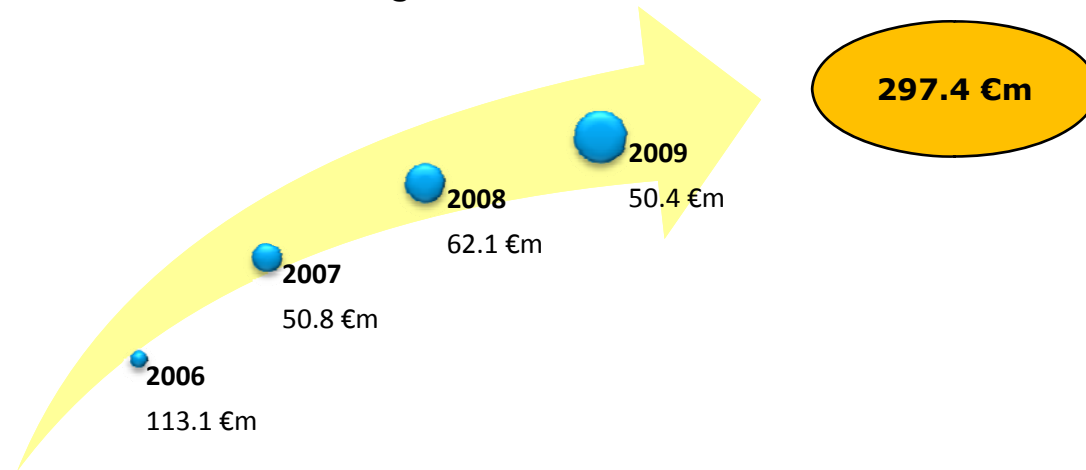


- Portfolio reduction policy in more risky segments (Motor Ins.)
- Network rationalisation of the motor insurance agents



...and on the reserves

Over 2006–2009 in order to balance the books of previous years, the company charged approx 300 € million to strengthen the reserves and to settle claims.





The next steps to integrating the insurance business

Working area		Target
1	ICT/ General register	<ul style="list-style-type: none">• Personal data acquisition of the insurance companies' customers• Identification of the customers in common between bank and insurance companies
2	Commercial development on insurance companies' customers	<ul style="list-style-type: none">• Data analysis for defining specific commercial actions (cross selling)
3	Network integration (Assurbanca)	<ul style="list-style-type: none">• Complete revision of the operating and commercial processes
4	Bancassurance – CPI sale	<ul style="list-style-type: none">• CPI sale, pricing process review
5	Marketing & communication	<ul style="list-style-type: none">• Guidelines definition to manage external communication• Enhancing cost synergies of the communication campaigns• Simplify the communication between Bank and insurance companies
6	Real estate	<ul style="list-style-type: none">• New synergies in the real estate acquisition and management
7	Bancassurance products	<ul style="list-style-type: none">• Integration of the assurance products in the bank's products list
8	Creditis	<ul style="list-style-type: none">• Sale of assurance products together with financial services and credit cards



The Convertible Bond Issue

On 18th March 2010 the Convertible Bond Issue has been successfully concluded with the exercise of all the option rights and thus no intervention by the underwriting syndicate was required.

The issue has the following characteristics:

Soft mandatory convertible bond scheme

Number of bonds issued: 163,165,368

Nominal value: 2.40 € each

Total nominal amount: 392 € million

Offer in option to the shareholders of Banca Carige (at a ratio of 1 convertible bond for every 11 shares) and to the bondholders of “Banca Carige, 1,50% 2003-2013 subordinato ibrido con premio al rimborso convertibile in azioni ordinarie” (at a ratio of 8 convertible bonds for every 77 bonds)

Annual coupon payable in arrear from 2011 to 2015: 4.75%

Capital increase at the service of the convertible bonds: maximum 179 € million
Issue of maximum 179,481,904 ordinary shares

Early redemption faculty for the bondholders to redeem the bonds in Carige ordinary shares (1 share per 1 bond) after 18 months from the Closing Date and until the Maturity Date

Early redemption faculty for the Issuer, after 18 months from the Closing Date to redeem the bonds by issuing ordinary shares (11 new shares per 10 bonds) and making a possible additional cash payment for granting a 10% premium



The Covered Bond programme

Issuer	Banca Carige S.p.A.; ratings A (Fitch) / A2 neg (Moody's) / A- neg (S&P)
Seller/Originator	Banca Carige S.p.A.
Programme size	€ 5 billion
Guarantor	Carige Covered Bond S.r.l., established pursuant to Law 130/1999
Cover pool	Italian prime, first economic lien residential mortgages and commercial mortgages originated by the seller and its banking subsidiaries
Expected issue rating	Aaa/AAA (Moody's/Fitch)
Maximum LTV	80% for residential mortgages and 60% for commercial mortgages
Segregation of collateral	Collateral sold to the guarantor is segregated for the benefit of covered bondholders and other secured parties in the context of the programme
Listing	Covered Bonds are admitted to trading to the Luxembourg Stock Exchange
Over-collateralisation	The asset coverage test is intended to ensure that on any monthly calculation date, the adjusted aggregate loan amount is at least equal to the aggregate principal amount outstanding of the covered bonds. Maximum Asset Percentage of 90% corresponding to an absolute 11% over-collateralisation floor
Governing law	Italian, except for the swap agreement's and the deed of charge, which will be governed by the English Law and the French Deed of Pledge (French law)

	issue 2008 *	issue 2009	issue 2010	
Amount (€m)	300	1000	500	50
Maturity Date	11.12.2010	25.11.2016	25.9.2013	20.09.2030
Interest Basis	Floating 3 month Euribor plus 0,60%	Fixed Rate 3,75%	Fixed Rate 2,375%	Fixed Rate 4.45%

* 500 €m held by Carige of which 200 canceled



Disclaimer

This document has been prepared by Banca Carige SpA solely for information purposes and for use in presentation of the Group's strategies and financials. The information contained herein has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. Neither the company, its advisors or representatives shall have any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. The forward-looking information contained herein has been prepared on the basis of a number of assumptions which may prove to be incorrect and, accordingly, actual results may vary.

This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

The distribution of this presentation in certain jurisdictions may be restricted by law. Recipients of this presentation should inform themselves about and observe such restrictions.

The information herein may not be reproduced or published in whole or in part, for any purpose, or distributed to any other party. By accepting this document you agree to be bound by the foregoing limitations.

The manager responsible for preparing the company's financial reports Ms. Daria Bagnasco, Deputy General Manager (Governance and Control) of Banca CARIGE S.p.A., declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information of Banca CARIGE S.p.A. and the consolidated accounting information of Banca CARIGE Group contained in this presentation correspond to the document results, books and accounting records.



Giacomo Burro

CFO & Wealth Management Head Office Manager
giacomo.burro@carige.it
Tel: +390105794580

Emilio Chiesi

International Funding
emilio.chiesi@carige.it
Tel: +390105794568

Investor Relations

investor.relations@carige.it
Tel: +390105794877