

BANCA CARIGE SpA

Cassa di Risparmio di Genova e Imperia

HSBC Conference
“Opportunities in Italian Regional Banks”

London, 18th January 2007



Agenda

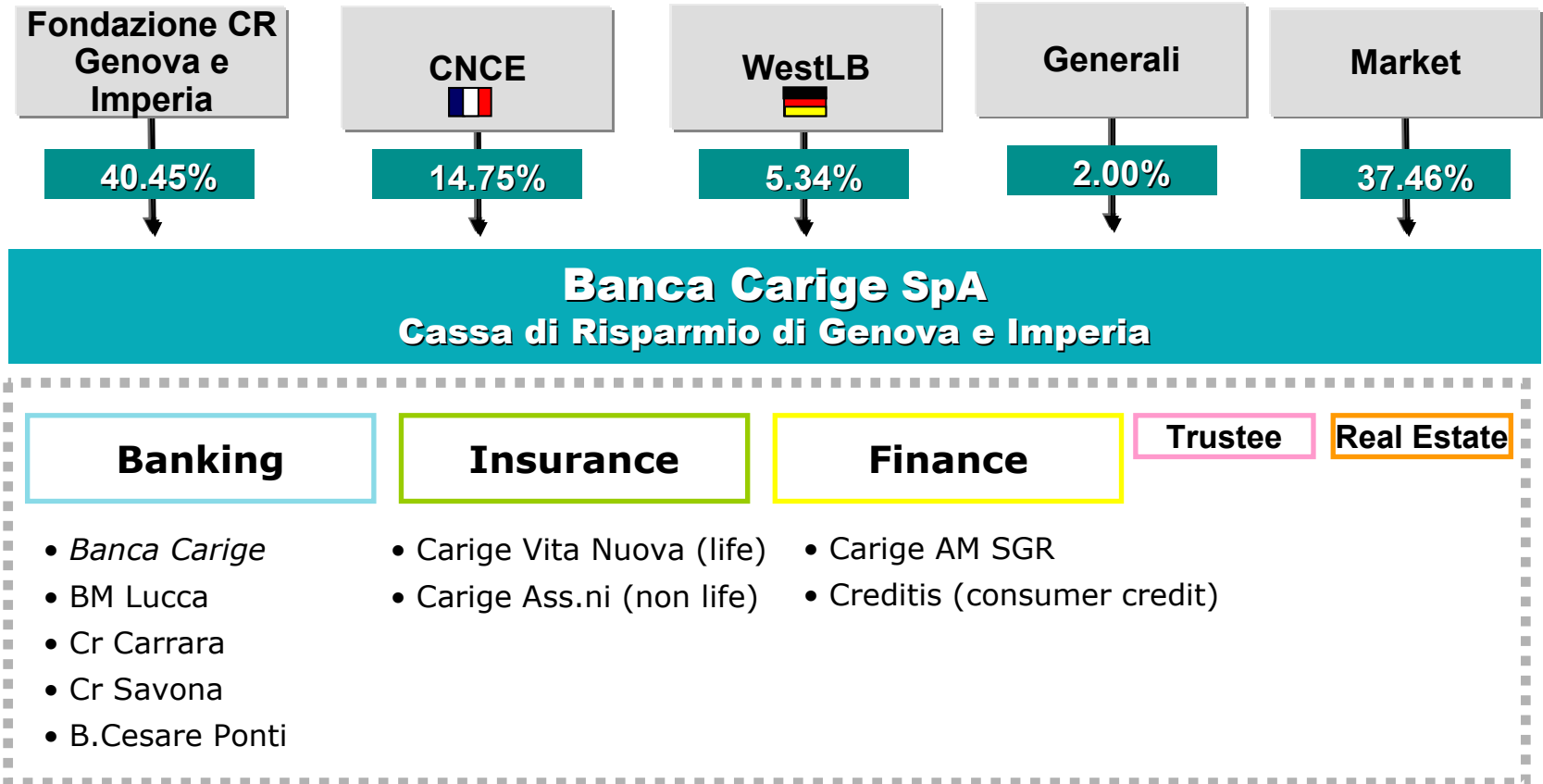
Banca Carige overview

The Strategic Plan 2006 - 2008

Focus on main strategic projects



Banca Carige Group today



Main Companies only

A medium-sized Group

Carige Group: rating and ranking in the Italian Market

RATING

Fitch	A
Moody's	A2
Standard&Poor's	A-

RANKING BY SIZE

~12
(Branches & Total Assets)

M A R K E T C A P

1	Unicredito	71.1
2	Intesa San Paolo	67.6
3	Capitalia	18.6
4	BPVN + BPI	16.0
5	BPU + B. Lombarda	13.4
6	MPS	12.1
7	BPM	5.6
8	Banca Carige	5.1
9	CR Firenze	3.7
10	Credem	3.1

...with sound principals

Financial Group

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

National

- Stronghold in Liguria
- Out of Liguria it distinguishes itself for the attention to the relationship with local communities

Quality of service

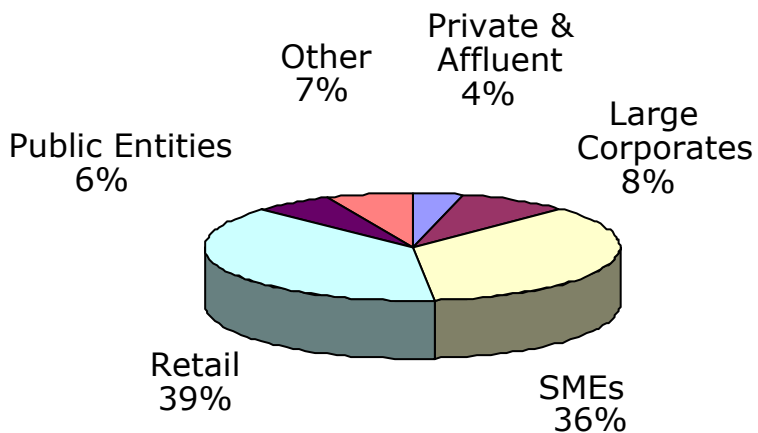
- Focus on retail
- Widespread and intensive use of technology

Quality of resources and structures

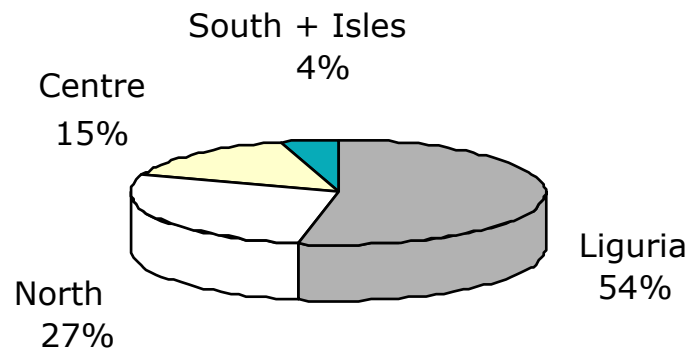
- Specialisation of distribution and production structures
- Unitary management of the Group's key-expertises
- Professional development of human resources

A tradition of retail bank: loans to customers...

Loans by segment



Loans by area

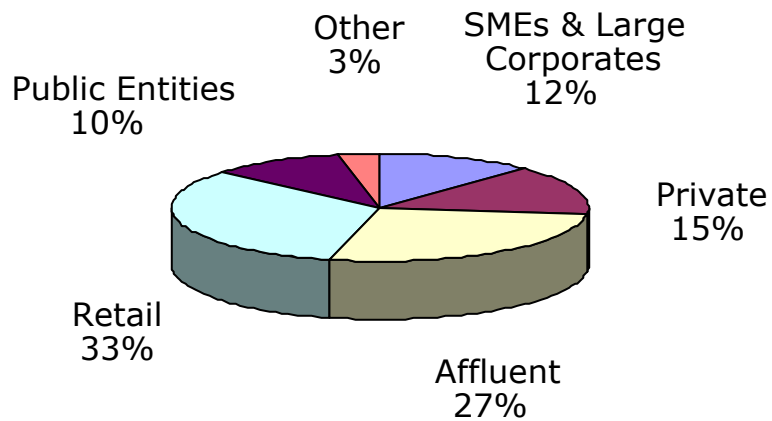


Total Loans
~15 billion

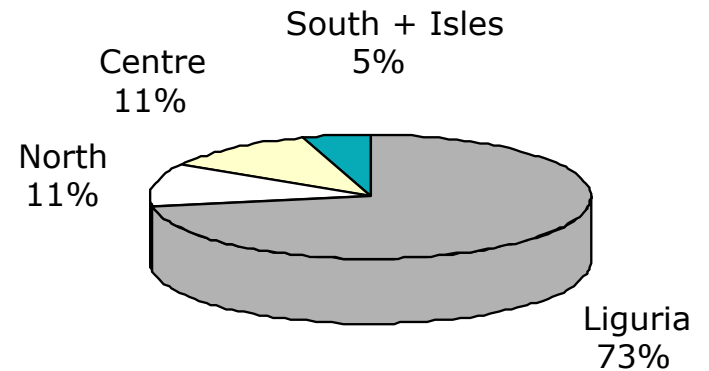
1H06 data

... & Deposits

Deposits by segment



Deposits by area

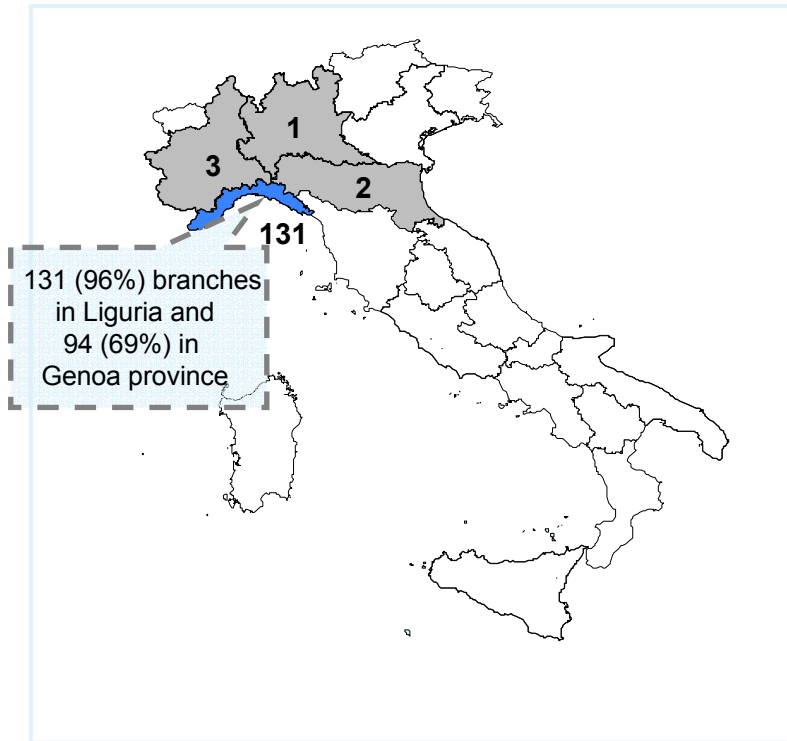


Total Deposits
(direct+indirect)
~35 billion

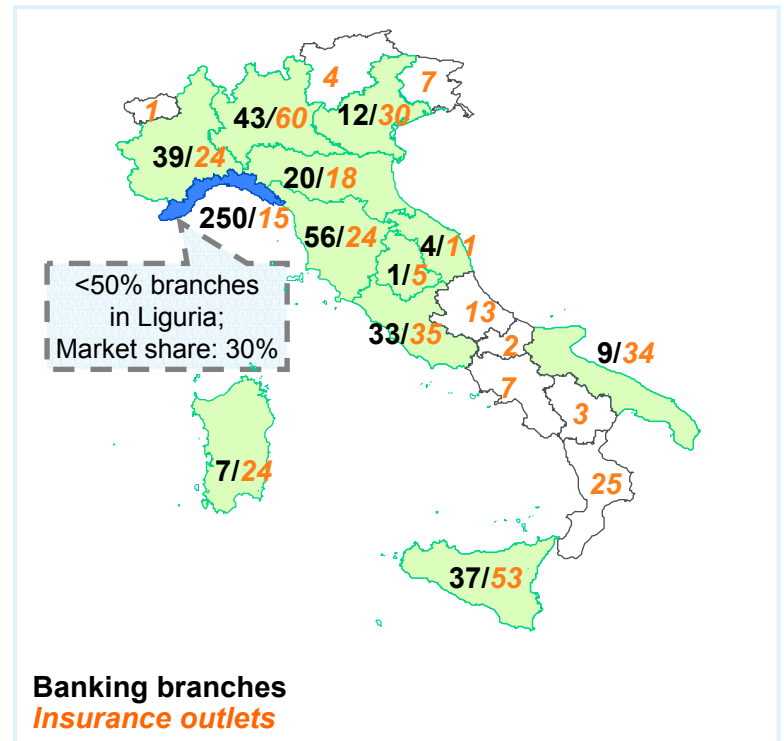
1H06 data

A composite franchise with its heart in Liguria

1989



2006



	Branches	Employees	Regions
Bank	137	2,962	4

	Branches/ outlets	Employees	Regions
Banks (*)	512	4,671	12/20
Insurances	395	365	20/20
Group	907	5,036	20/20

(*) Nice (France) included.

A long term "stable" growth...

1833 Establ.
Monte di Pietà di Genova

1846 Establ. CR
Genova

1929 Merger
Monte + CR Genova IM

1991 Banca Carige Spa -
Foundation

1997:Acquisition of Carige Ass.ni
+Carige Vita Nuova (formerly Levante
Ass.ni and Basilese Vita Nuova)

1998:Capital increase reserved to
institutional investors

1999 partnership agreements
(CNCE, WestLB and EI Monte); +
acquisition of BML and CR Savona

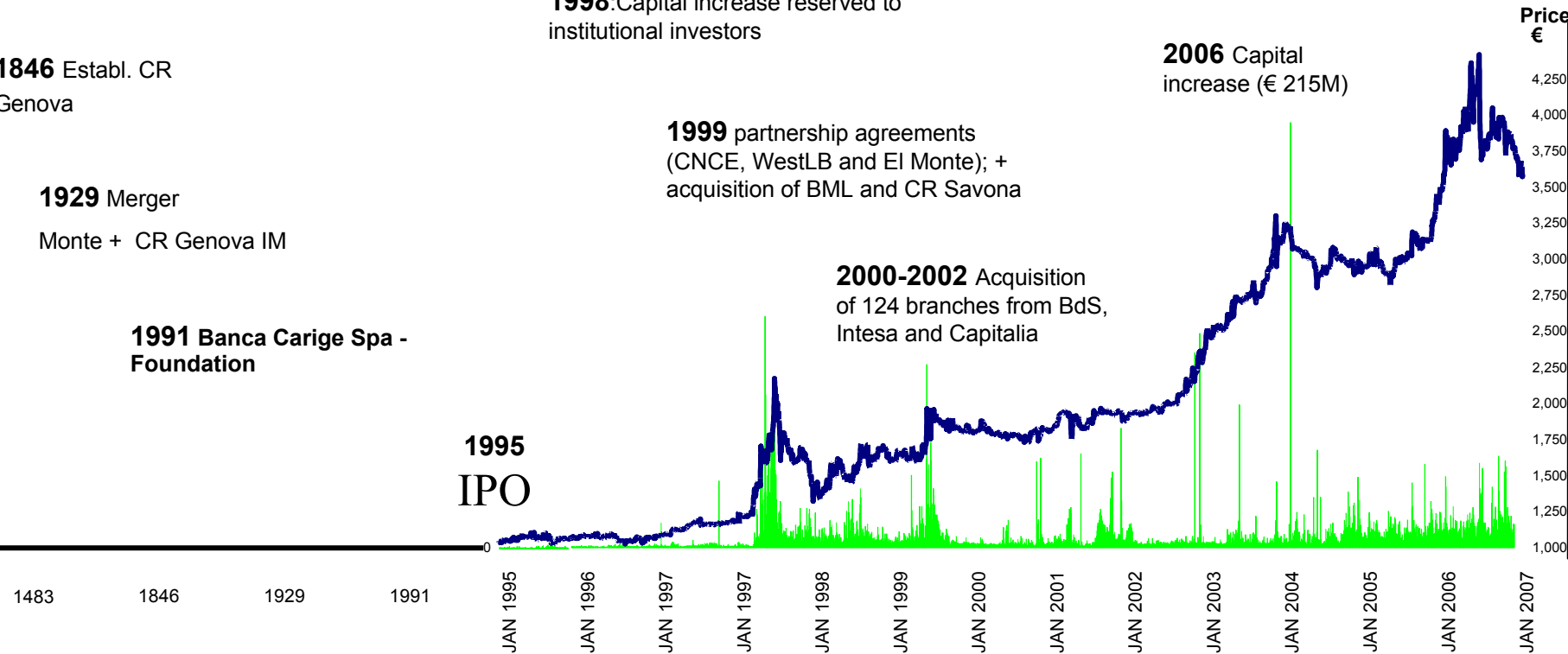
2000-2002 Acquisition
of 124 branches from BdS,
Intesa and Capitalia

2003 Capital increase +
acquisition of CRCarrara

2004 establ. Carige AM SGR+
acquisition of Banca C. Ponti

2006 Capital
increase (€ 215M)

1995
IPO



Annual average yield per ordinary share since IPO (1995)

Total Return 16.2%
(with dividends reinvested in security)

Simple Price Appreciation 12.5%

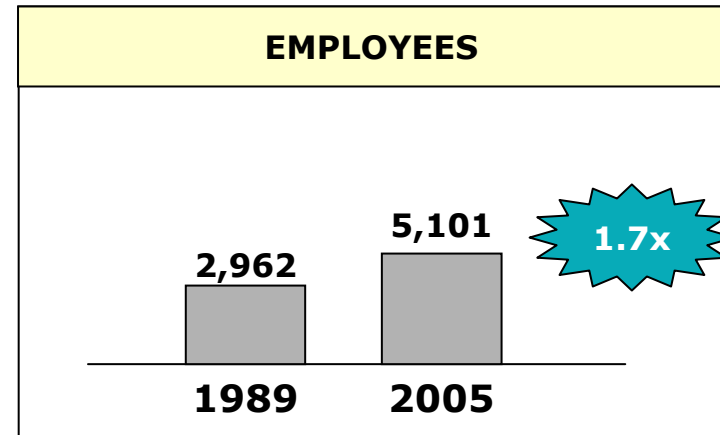
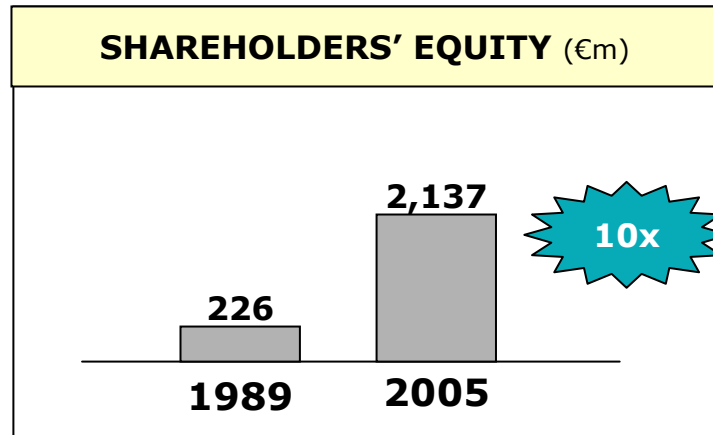
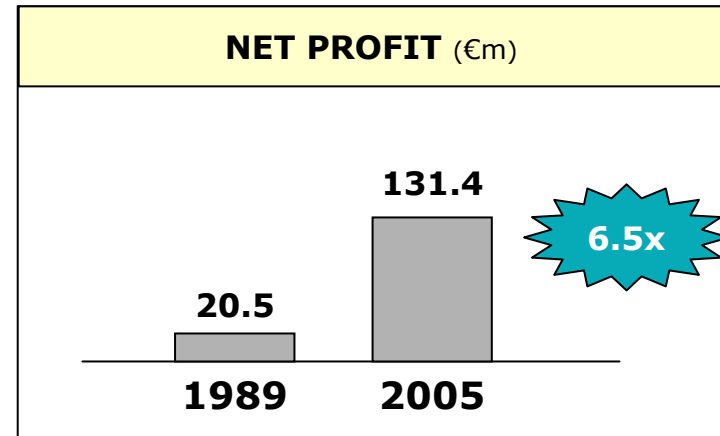
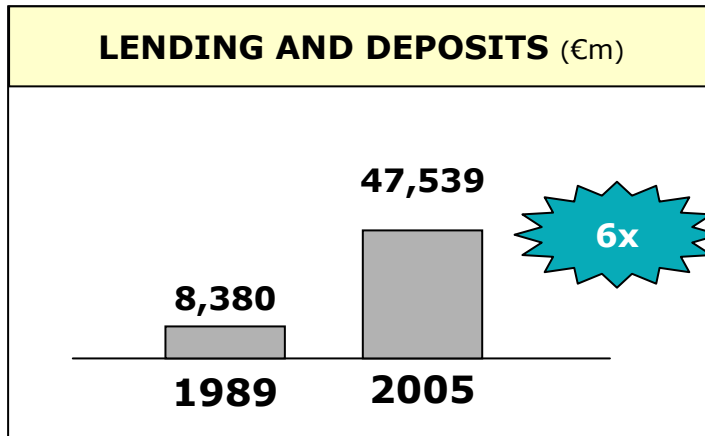
... through a long season of acquisitions

Year	Capital collected	Euro M	Year	Acquisitions	Euro M
1994-95	IPO	105	1993 - 1999	Cassa di Risparmio di Savona	227
1996-97	Bond conversion into new shares	61	1991-2006	Insurance companies	317
1997	Capital increase underwritten by La Basilese	46	1999 - 2002	Banca del Monte di Lucca	63
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 Intesa	277
2001	Issue of a subordinated loan	400	2002	42 branches from Capitalia	127
2003	Capital increase and issue of subordinated convertible bonds	306	2003	Cassa di Risparmio di Carrara	174
			2004-2006	Banca Cesare Ponti	38
		Total 1,270			Total 1,283

**2006:
Capital increase
of € 215M**

The capital collected was entirely invested in acquisition

The growth in volumes and results





Agenda

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The Strategic Plan 2006 - 2008

Focus on main strategic projects



The core priorities of the Strategic Plan

Strengthening of operating efficiency and profitability enhancement

- Profitability enhancement of subsidiaries (banks and insurances) and of each business area (lending, wealth management, payment system)
- Cost Management

Growth through productivity improvement

- Increase of volumes per employee:
 - cross-selling, up-selling and retention in Liguria
 - rising of market share outside Liguria, also in synergy with insurance agents

Risk management

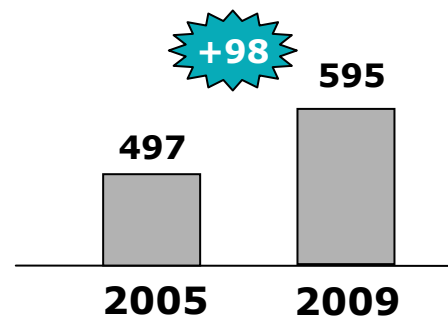
- Re-engineering of business processes
- Control of the economic impact of risks

The plan of internal growth

The Group has drawn up a plan to increase the number of its branches between 2006 and 2009. The new branches will be principally localised in the regions next to Liguria (Lombardia, Piemonte, Emilia Romagna, Toscana, South France), in order to enforce the brand where it already exists.

The Plan foresees *98 openings* (75 under Carige brand and 23 under the brands of the other banks of the Group).

CARIGE GROUP BRANCHES



NEW BRANCHES BY BANK

 BANCA CARIGE <small>Cassa di Risparmio di Genova e Imperia</small>	75
 CASSA DI R DI GENOVA	4
 BANCA DEL MONTE DI LUCCA SPA	9
 CR Carrara	10
TOTAL	<u>98</u>

The localisation of the new branches responds to two main principles:

- *market attractiveness* (potential customers, competition)
- *achievement of a market share of 5%* (the minimum market share to grant the development of the business).

2008 Targets



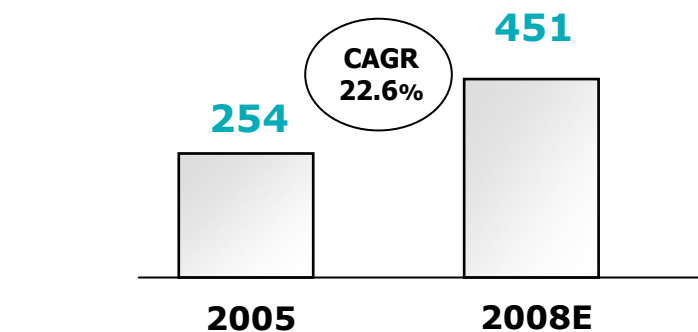
	2005	2008E	CHANGE 05-04	CAGR 08-05
Total Intermediation (€ b)	47	57	8.2%	6.7%
- <i>TFA (€ b)</i>	33	40	6.3%	6.4%
- <i>Loans to customers (€ b)</i>	14	17	13.1%	7.3%
Net profit (€ m)	131	220	18.2%	18.9%
Cost Income ratio	66.4%	54.7%		
Shareholders' equity (€ b)	2,1	2,7	1.0%	7.9%
ROE	6.2%	8.2%		
ROE adjusted (*)	8.3%	10.3%		
Tier 1	6.5%	8.2%		
Total capital ratio	8.8%	11.8%		

* Net of the Reserves for the revaluation of our participation in Bank of Italy (~530 € m)
 Notice: the adequacy capital ratios are free of this item



Cost income, revenues and costs: : 2008 targets

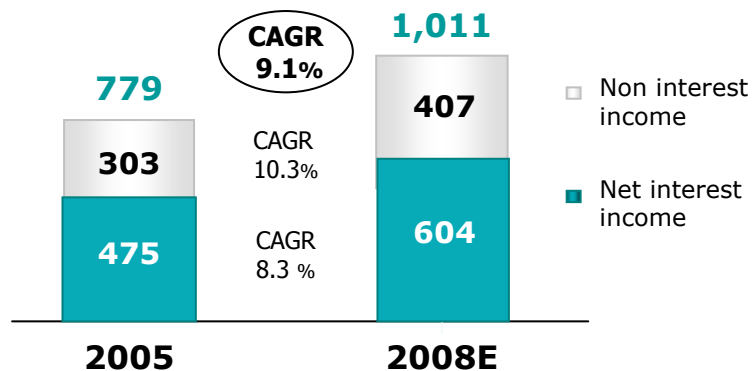
NET OPERATING INCOME



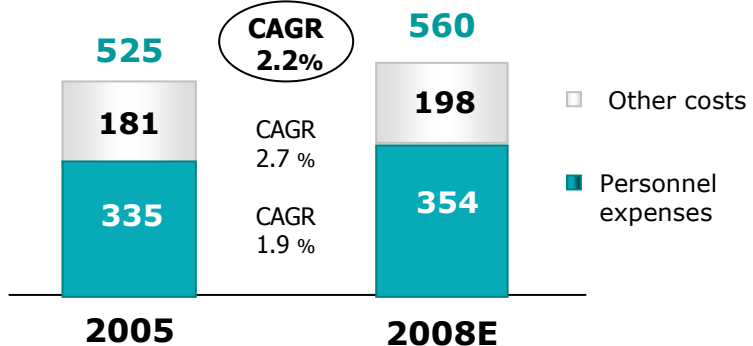
Cost income (1) 66.4% (2005) and 54.7% (2008E)

3Q06: 58.4%

TOTAL REVENUES



OPERATING COSTS



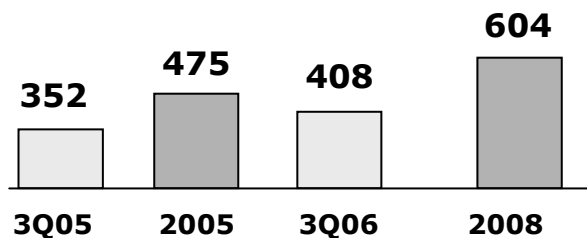
(1) Cost income pro forma (provisions to reserves for risks and charges not included)

3Q06 in line with our targets

PROFIT & LOSS

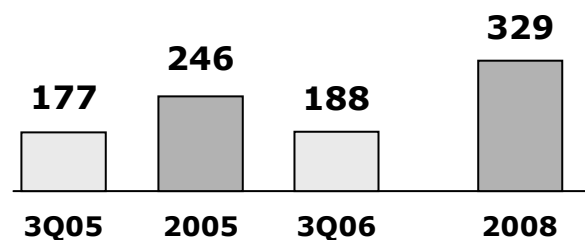
NET INTEREST INCOME (€m)

Change 3Q05-3Q06: +15.7%
CAGR 05-08E: + 8.3%



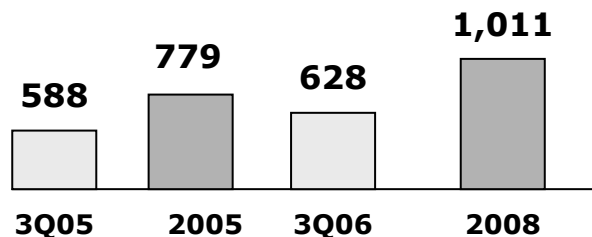
NET COMMISSIONS (€m)

Change 3Q05-3Q06: + 5.9%
CAGR 05-08E: +10.2%



TOTAL REVENUES (€m)

Change 3Q05-3Q06: + 6.8%
CAGR 05-08E: + 9.1%

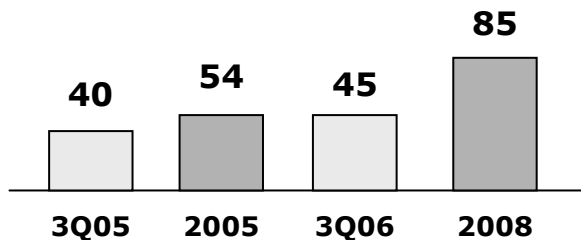
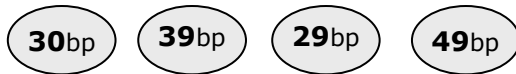


3Q06 in line with our targets

PROFIT & LOSS

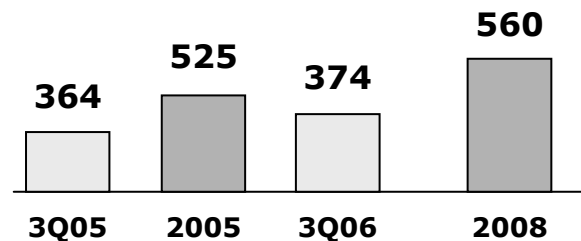
PROVISIONS (€m)

COST OF RISK
basis point

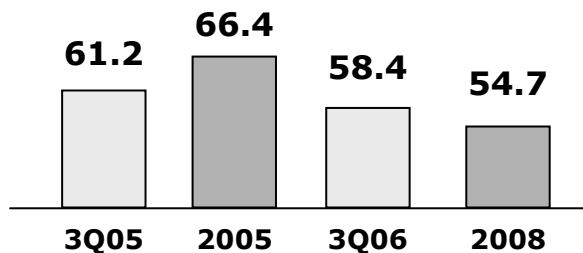


OPERATING COSTS (€m)

Change 3Q05-3Q06: + 2.7%
CAGR 05-08E: + 2.2%

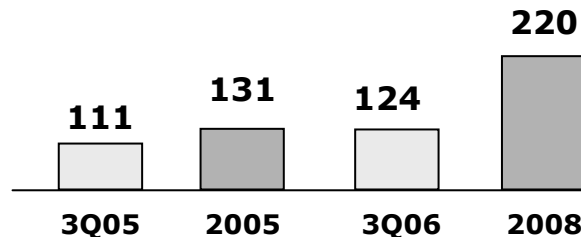
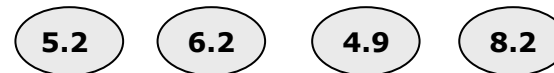


COST INCOME (%)



NET PROFIT (€m)

ROE %

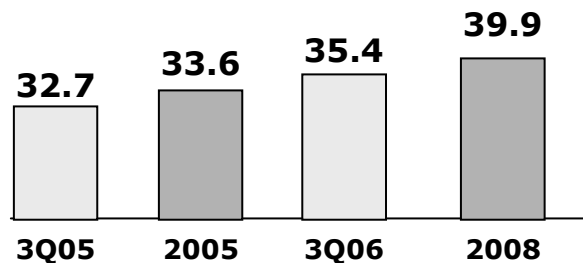


3Q06 in line with our targets

INTERMEDIATION ACTIVITIES & RATIOS

TFA (€b)

Change 3Q05-3Q06: + 8.2%
CAGR 05-08E: + 5.9%

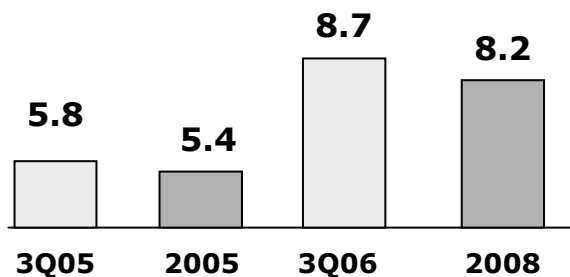


LOANS TO CUSTOMERS (€b)

Change 3Q05-3Q06: + 15.5%
CAGR 05-08E: + 7.4%



TIER I (%)



TOTAL CAPITAL (%)





Agenda

Banca Carige overview

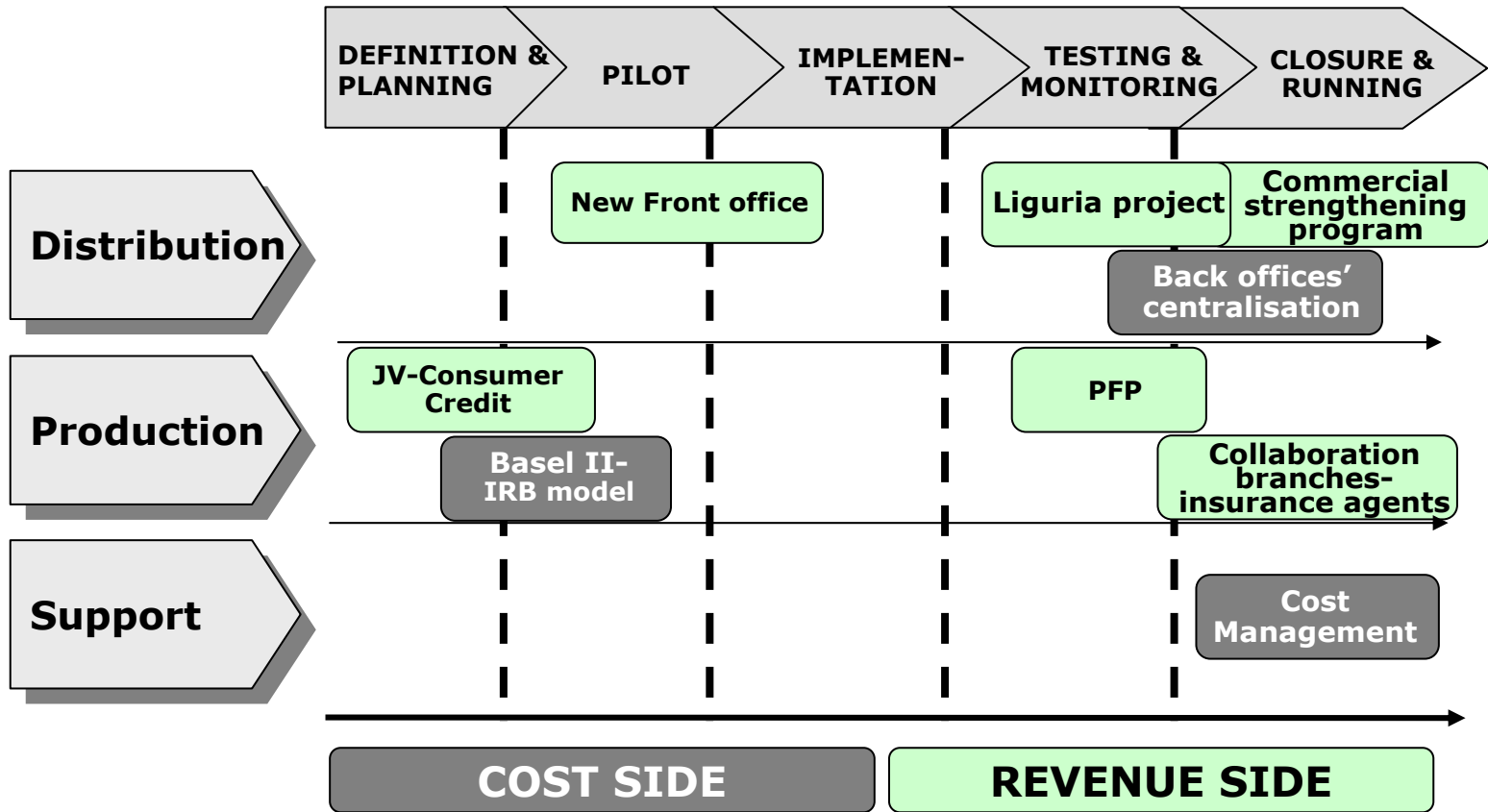
The Strategic Plan 2006 - 2008

Focus on main strategic projects



The Projects of the Strategic Plan

THE STRATEGIC PROJECTS: IMPACTS & LIFECYCLE



The Projects of the Strategic Plan

COST SIDE

Back offices' centralisation & New Front Office

What is it?

Reengineering of the branches' processes in order to re-focus branches on their core sale activities

Scope of the project

- free more than 100 employees from back office activities
- from a "traditional branch" to a "financial shop"

Project highlights

- transfer of 35-40% of the back-office activities from the branches to two new central structures
- process reengineering – more synergies will be reached when new front office procedures are completed
- reengineering of the branches' selling processes: a new IT platform & a new layout



The Projects of the Strategic Plan

COST SIDE

What is it?

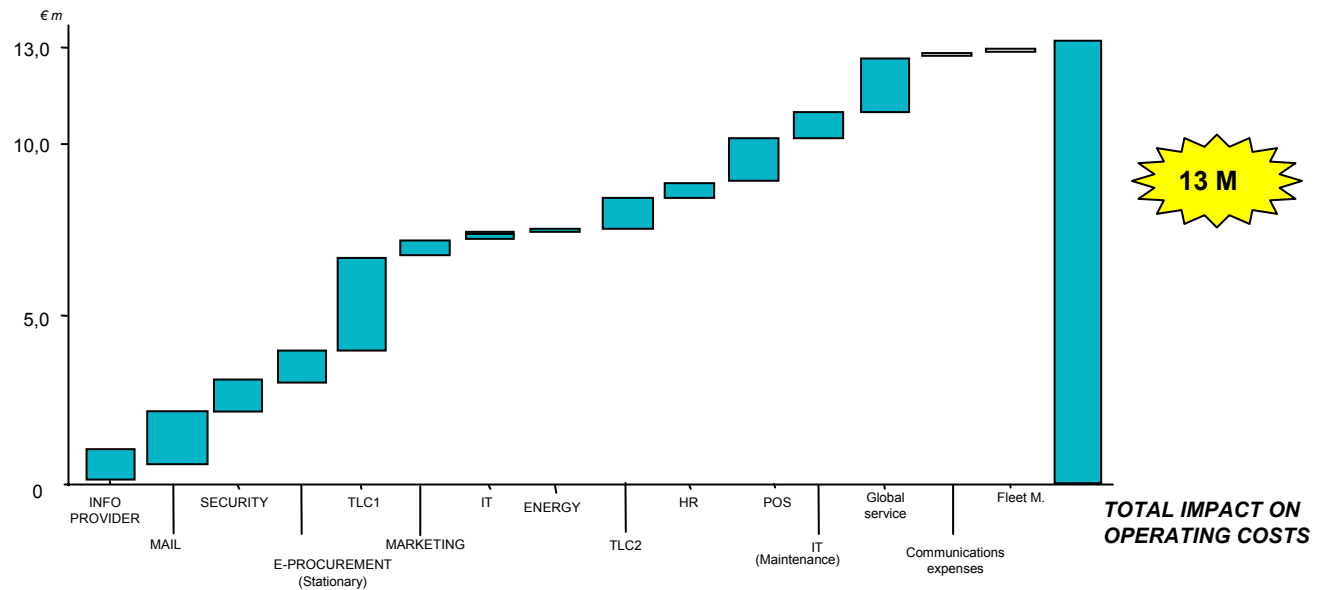
Scope of the project

Results:
13 million savings achieved at 31 dec 2005: a stable reduction of costs

Cost Management Project

A rationalisation of the cost structure

- reducing of the cost structure
- reengineering of the purchasing process



The Projects of the Strategic Plan

REVENUE SIDE

Commercial strengthening program

What is it?

A structural reengineering of the branches' selling process (branches outside Liguria)

Scope of the project

- improvement of the branch cost/income ratio outside Liguria: target cost/income <50%
- creation of the organisational conditions (structure, skills and systems) to permanently support the network in further commercial development of the Group ("selling more and selling better")

Project highlights

- 250 branches involved
- 7 phases of the project (first phase started in November 2004, the last one in October 2005)
- a customer analysis system
- identification of commercial initiatives / alliances on the target customers
- a dedicated sale channel (developers and call center)
- a dedicated monitoring system

Results

Year 2005:	Year 2006:	
• revenues: +13 €M	• revenues: +33 €M	8,000
• volumes: + 800 €M	• volumes: + 1.2 €B	new customers

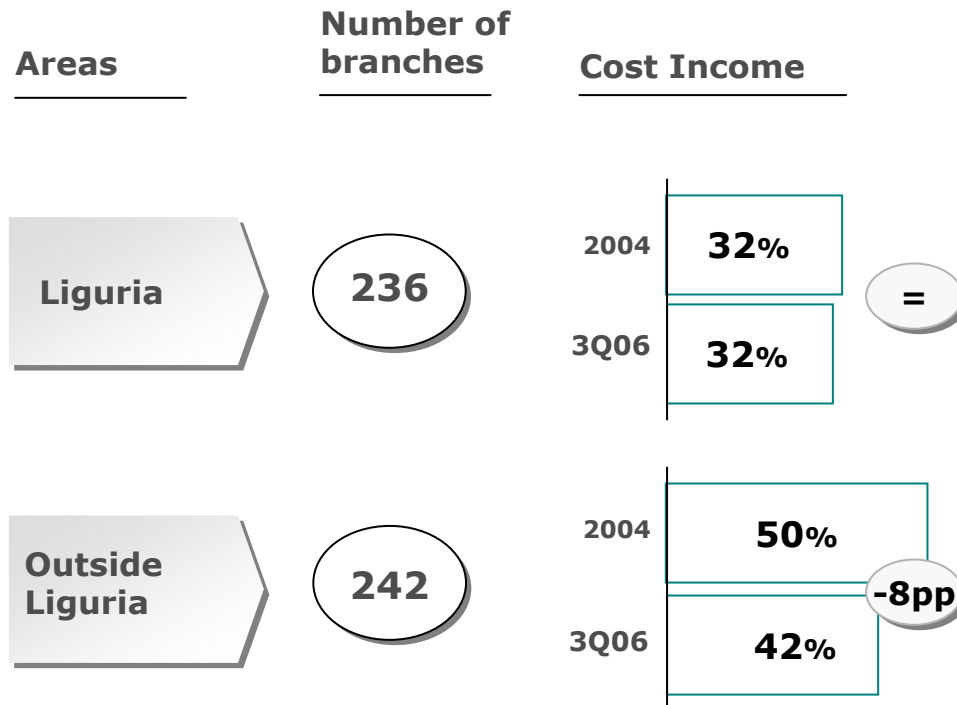


The Projects of the Strategic Plan

REVENUE SIDE

Commercial strengthening program

Some detail



The Projects of the Strategic Plan

<i>REVENUE SIDE</i>	Cooperation branches - insurance agents
What is it?	Definition of a set of rules and methods in the relationship between branches and insurance agents
Scope of the project	Exploitation of the respective customer relationships: increasing of the cross-selling ratio between banks' customers and insurances' customers
Project highlights	<ul style="list-style-type: none">• monitoring and coordination system at a central level• a system based on customers' lists and referrals• exploitation of natural skills: banks' employees sell banking products to insurance customers and insurance agents sell insurance products to bank customers
Results from the beginning	<ul style="list-style-type: none">• Revenues: + 10 €M• volumes: + 105 €M6,000 new customers



The Projects of the Strategic Plan

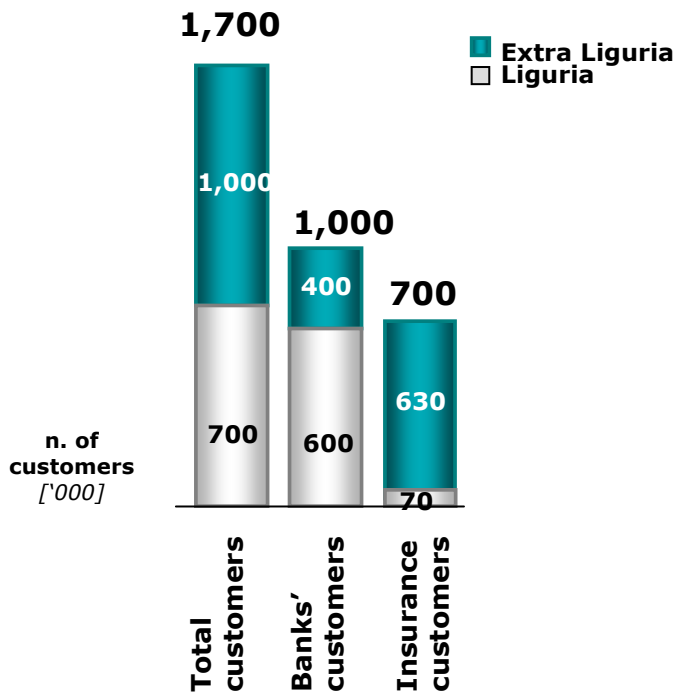
REVENUE SIDE

Cooperation branches - insurance agents

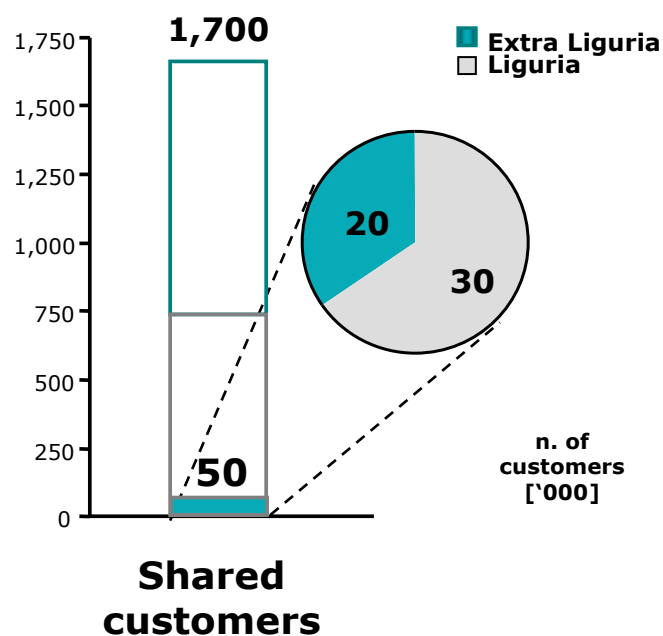
Some detail...

..a high potential to exploit, mainly outside Liguria

Customers of the Group



Shared customers



The Projects of the Strategic Plan

REVENUE SIDE

Liguria Project

What is it?

A reengineering of the sale channels in the Ligurian branches (specialisation)

Scope of the project

- increase of the "revenues per customer" ratio
- Up-selling and cross selling on existing customers

Project highlights

- Introduction of new sale channels: affluent + small businesses consultants in addition to Large Corporates, SMEs and Private consultants
- A big potential to exploit: Carige has the leadership in Liguria (market share 30%) but one third of customers have only a product and in average each customer has less than 3 products (current account included)

Results of the first year (2006)

Small businesses	Affluent	Mass Market
• revenues: +5 €M	• revenues: +12 €M	• revenues: +15 €M
• volumes: + 120 €M	• volumes: + 40 €M	• volumes: + 300 €M

The Projects of the Strategic Plan

REVENUE SIDE

JV - Consumer Credit

What is it?

A newco (Creditis SpA) in the sector of the consumer credit between Carige (52%) and its French shareholder CNCE (48%)

Scope of the project

- growth in the penetration of the consumer credit products both on the Carige client base and on the open market
- cooperation with CNCE

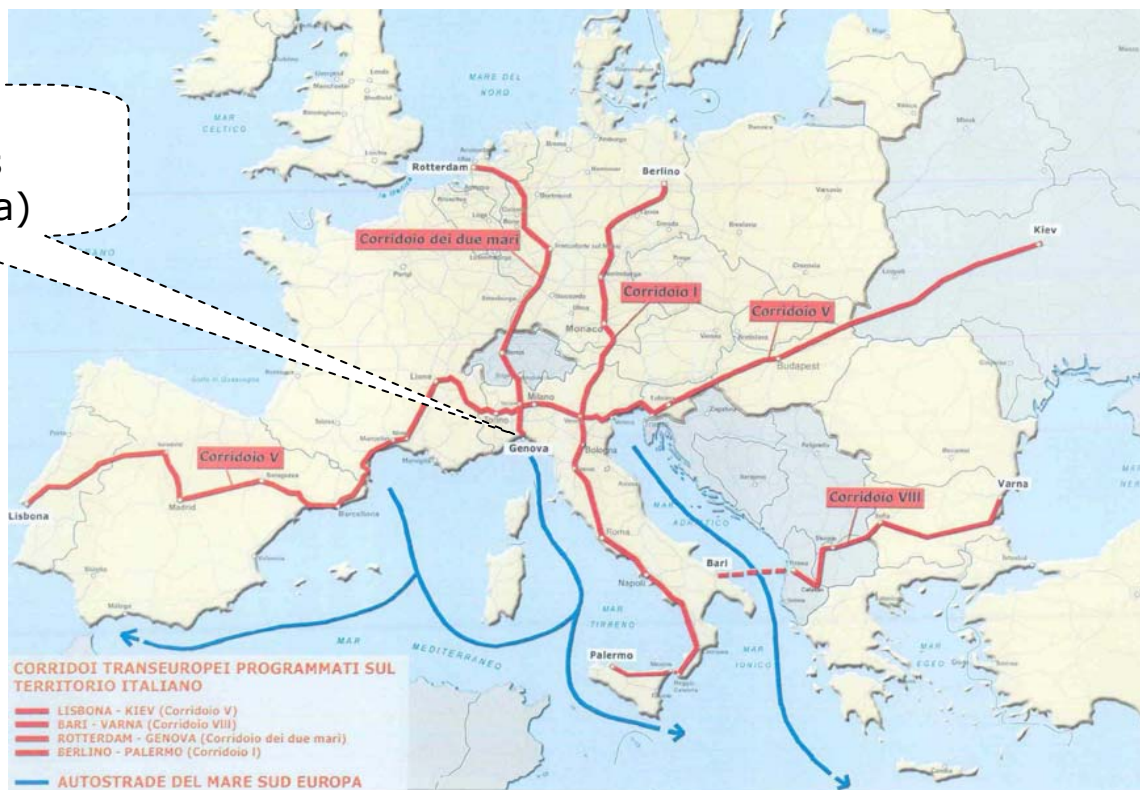
Project highlights

- start of the commercial activities: 2007
- the newco will be located in Genoa
- products: personal loans and revolving cards

Annexe: a strategic location

The new Trans-European Corridors: an opportunity for Carige

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