

**GRUPPO CARIGE**

**UBS**

**The Italian Financial Services  
Conference**

**Milan**

*January 29<sup>th</sup> - 30<sup>th</sup> , 2009*

Carige Group at a glance

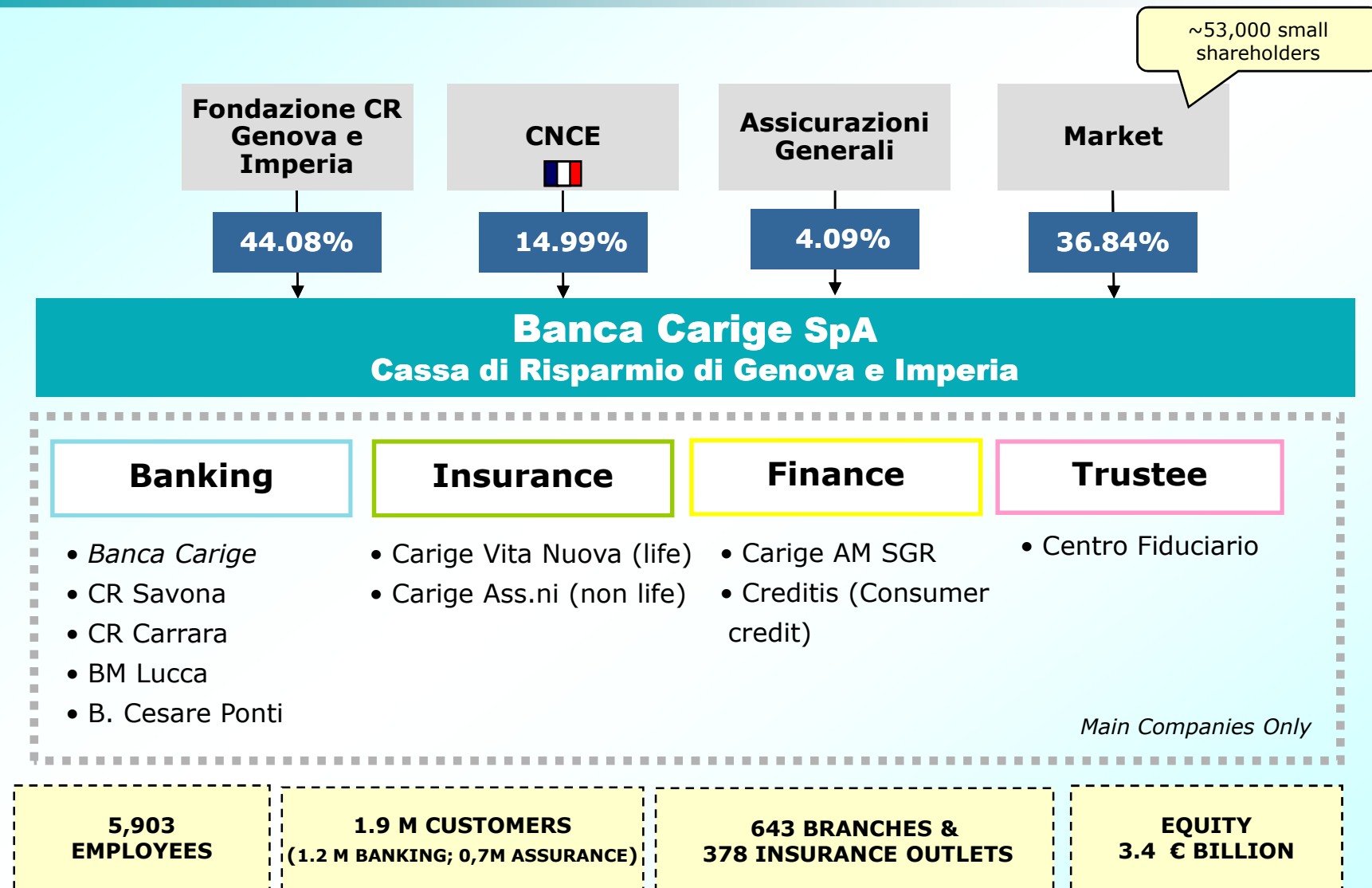
Key financial highlights

Strategic Priorities

3Q08 results



# Banca Carige Group today



Operational data



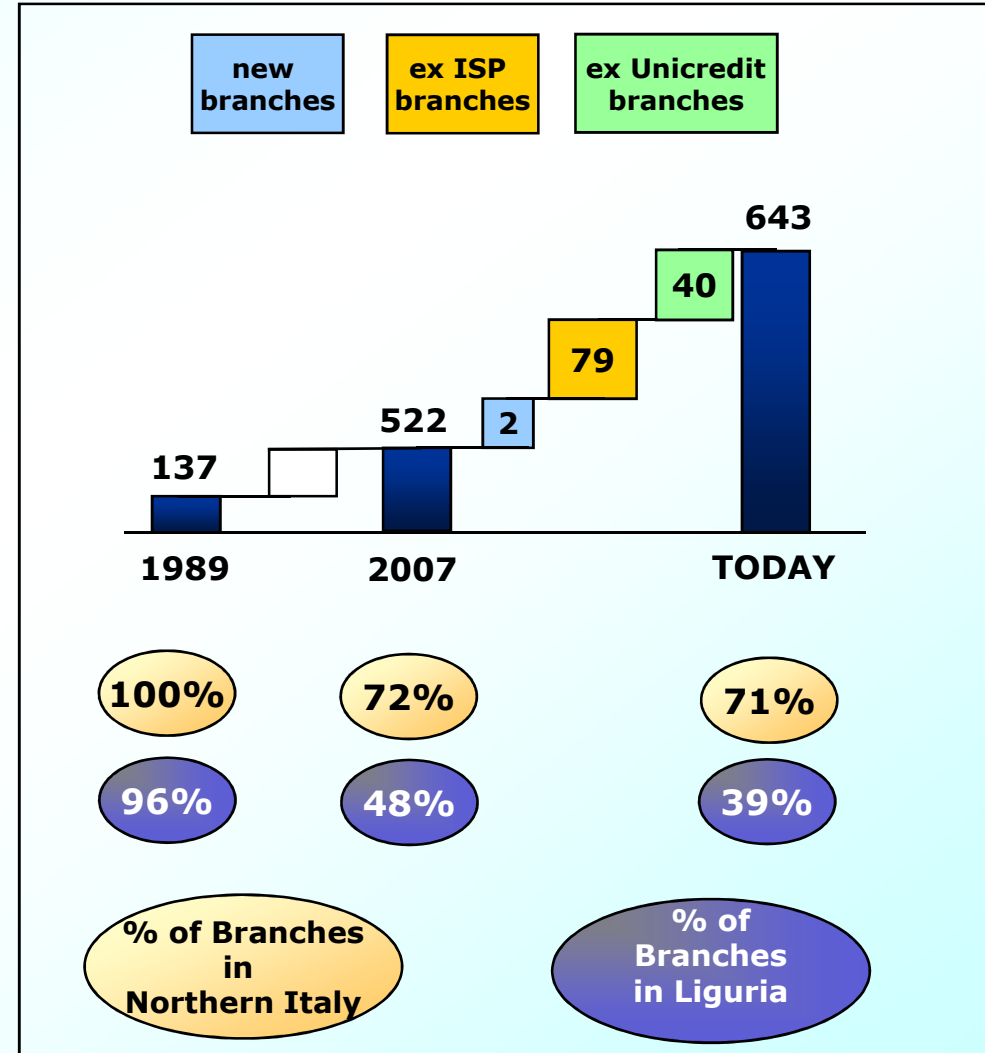
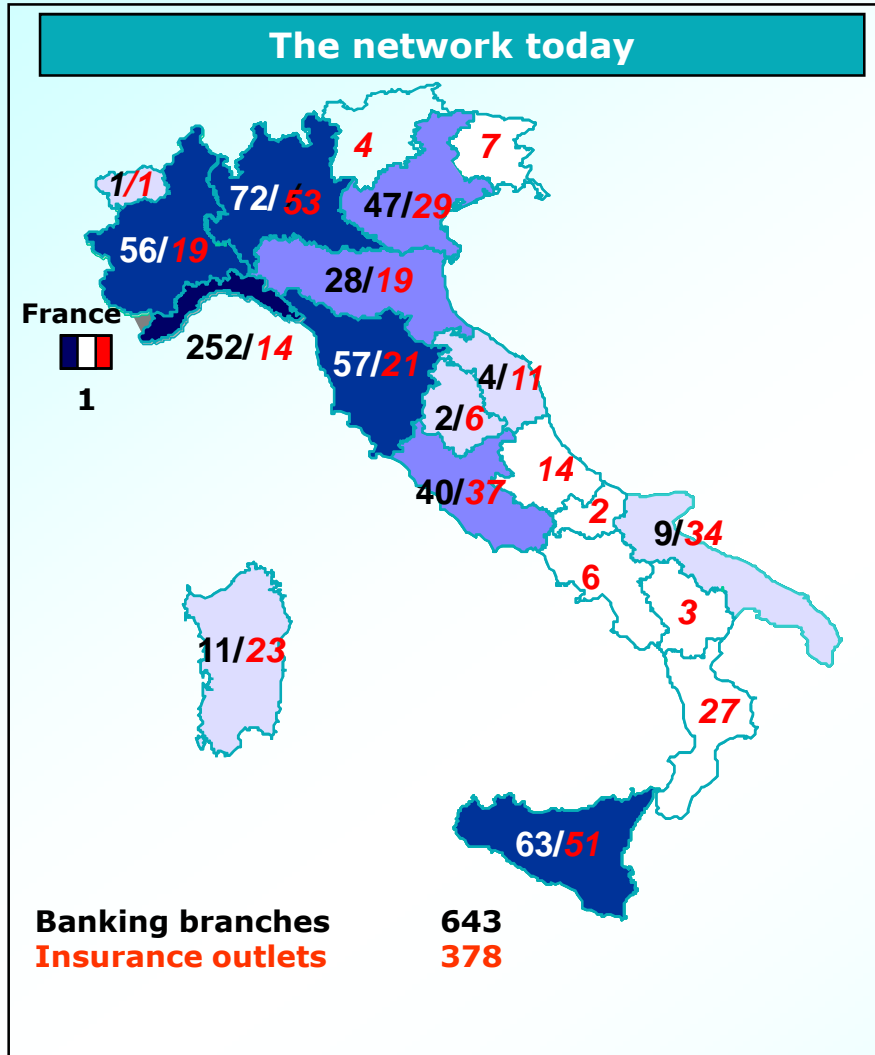
## Growth through a long season of acquisitions

Year	CAPITAL COLLECTED	€ m	Year	ACQUISITIONS	€ m
1994-95	IPO	105	1993 - 99	Cassa di Risparmio di Savona	228
1996-97	Bond conversion into new shares	61	1991-06	Insurance companies	317
1997	Capital increase underwritten by La Basilese	46	1999-02-06	Banca del Monte di Lucca	74
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 LT2 loan (renewed in 2006)	400	2002	42 branches from Capitalia	127
2003-06	Capital increases and issue of subordinated convertible bonds	521	2003	Cassa di Risparmio di Carrara	174
2008	Capital increase	957	2004-08	Banca Cesare Ponti	61
2008	Issue of subordinated loans (T1, LT2, Ut2, T3)	510	2008	79 branches from Intesa Sanpaolo	853
			2008	40 branches from Unicredit	140 (*)
<b>Total 2,952</b>			<b>Total 2,311</b>		

(\*) Amount subject to price adjustment



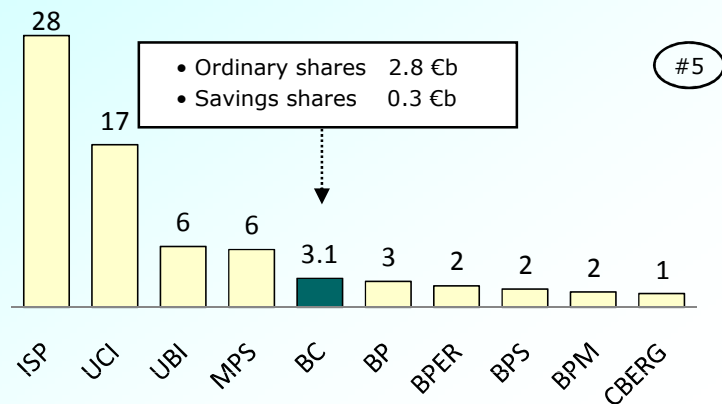
# ...realizing a more and more diversified network



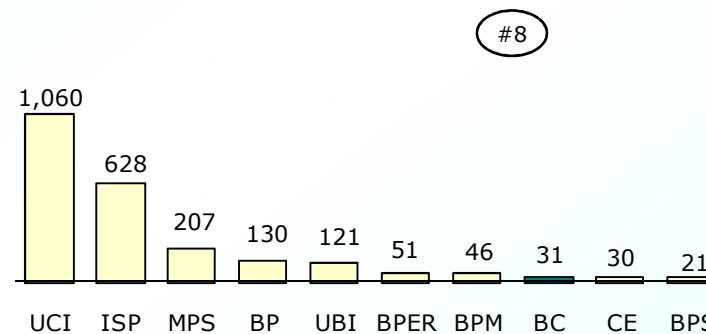


# Among the top 10 Italian banking Groups

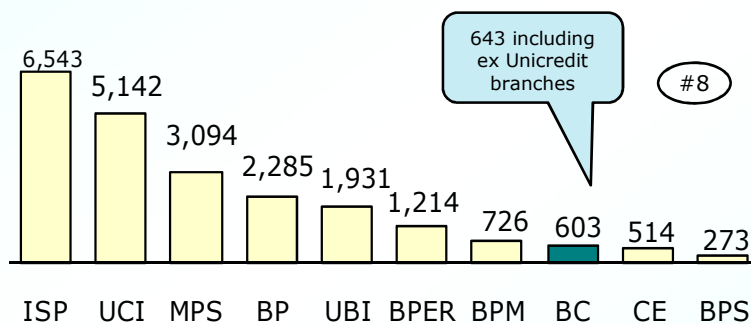
Market Cap<sup>(1)</sup> (€b)



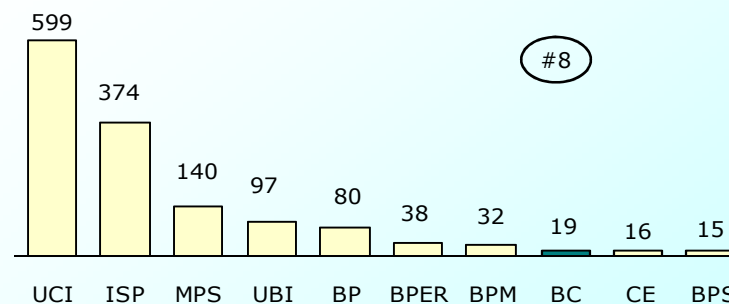
Total Assets 1H08 <sup>(2)</sup> (€b)



Domestic Branch Network 1H08 <sup>(2)</sup> (#)



Customer Loans 1H08 <sup>(2)</sup> (€b)



(1) Data as at January 26, 2009

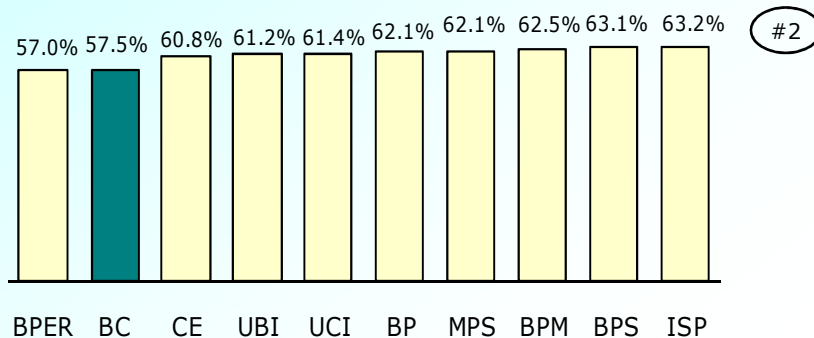
Data do not include the 40 ex Unicredit branches

(2) First 10 banks by capitalization at 1H08

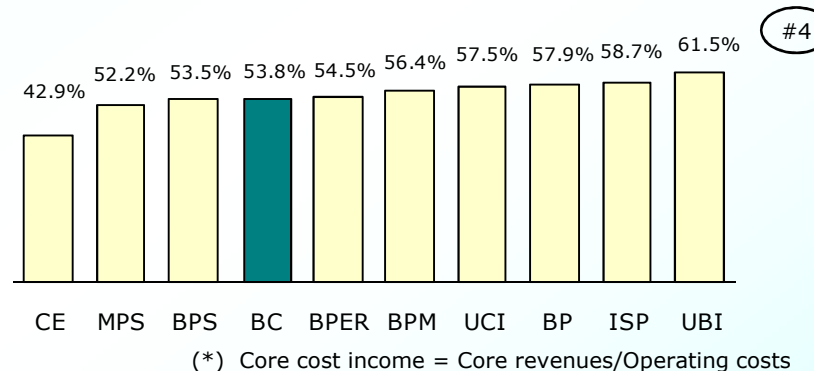


# Among the top 10 Italian banking Groups

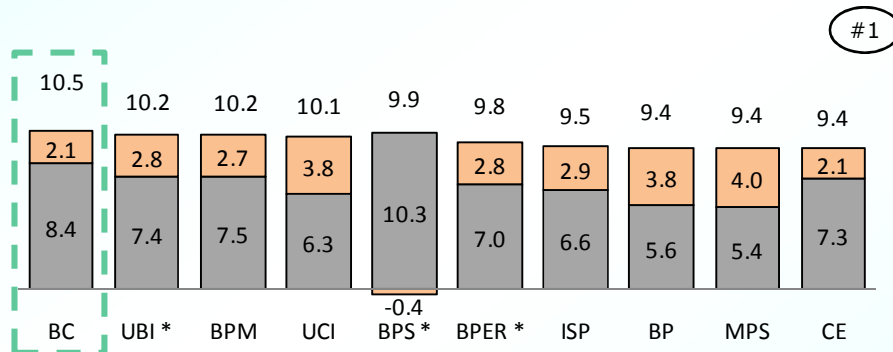
C/I (%) 1H08 <sup>(1)</sup>



Core \* C/I (%) 1H08 <sup>(1)</sup>



Tier 1 and Total Capital Ratio (%) 1H08 <sup>(1)</sup>

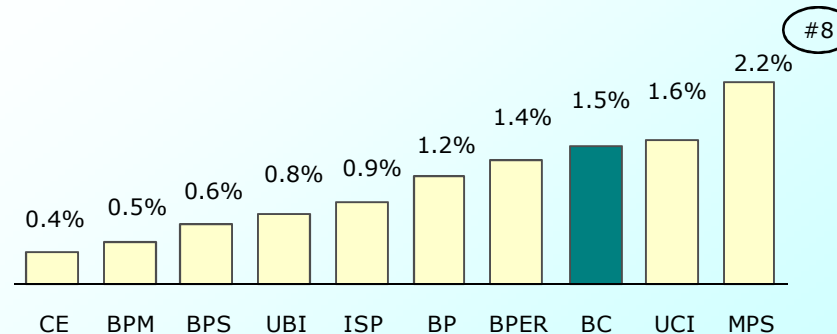


\* Data refer to 31-Dec-2007.

Source: Company data. Ratio as reported

<sup>(1)</sup> First 10 banks by capitalization at 1H08

Net NPL ratio (%) 1H08 <sup>(1)</sup>



Carige Group at a glance

Key financial highlights

Strategic priorities

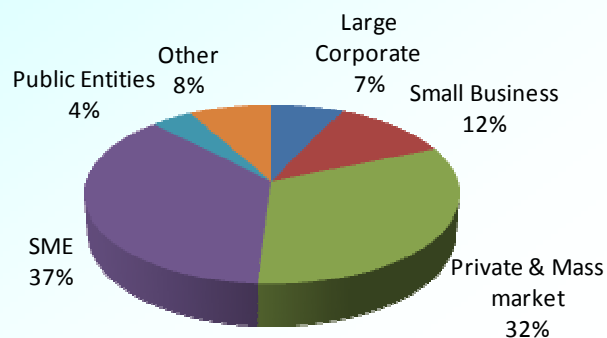
3Q08 results



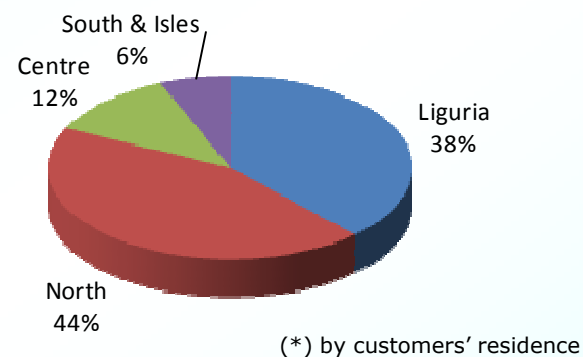
# Focus on retail

## LOANS

### by segment



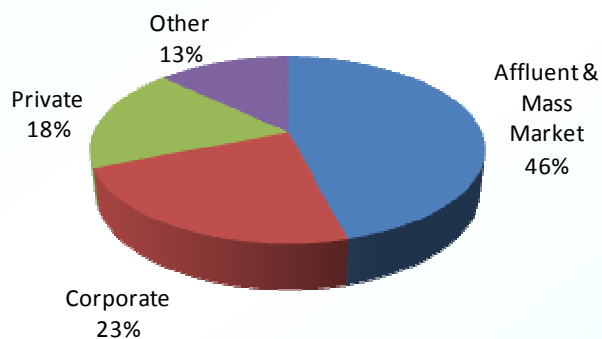
### by area (\*)



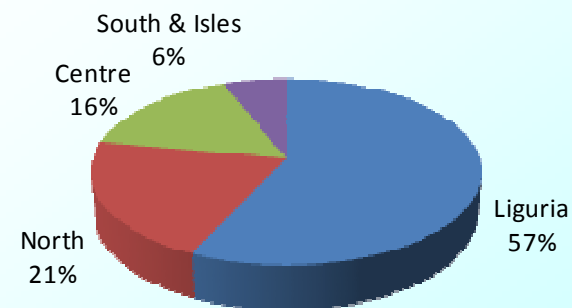
**LOANS TO CUSTOMERS 3Q08 : 19.6 €b**

## DEPOSITS

### by segment (ex debt securities)



### by area



**DIRECT DEPOSITS 3Q08 : 20.5 €b**

Small business = turnover < 1m ; SMEs = < 100m€ ; Large Corporate = > 100m€  
Mass Market = deposits < 75k€ ; Affluent > 75k€ ; Private = > 250k€

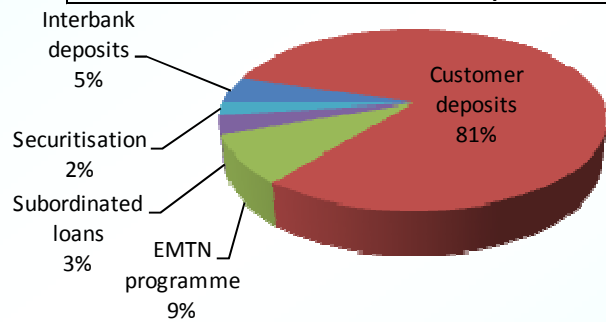
Data as at Sept 30, 2008



# Customer based funding

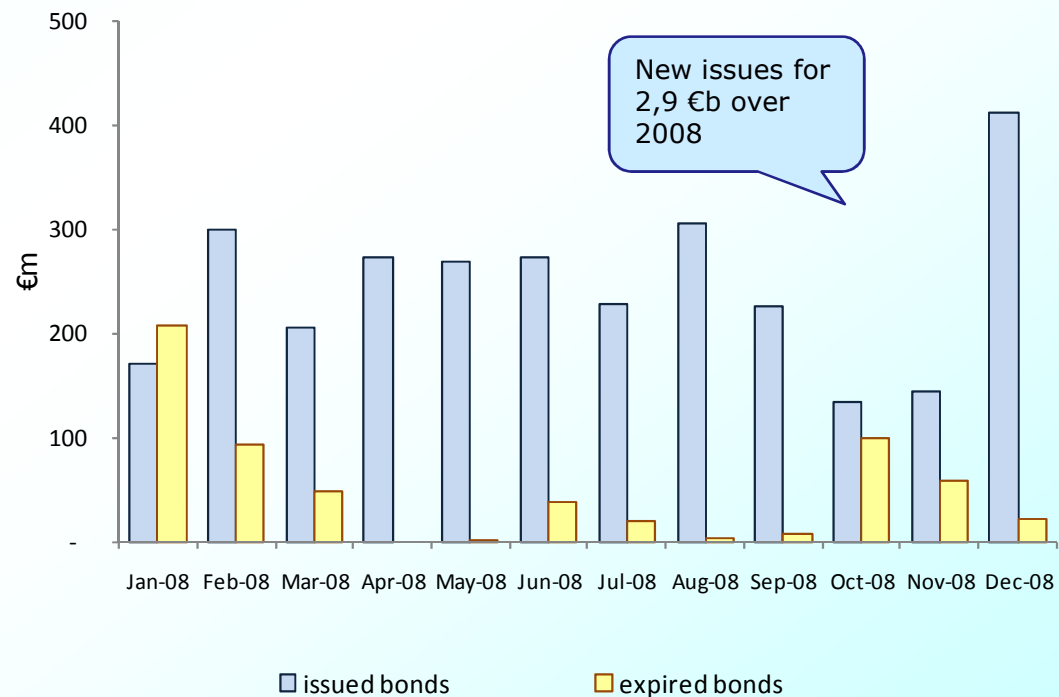
## Funding

	€m	%
<b>Interbank deposits</b>	<b>1,036.4</b>	<b>4.8</b>
<i>money market deposits and current accounts</i>	797.6	3.7
<i>other deposits</i>	238.8	1.1
<b>Customer deposits</b>	<b>17,473.4</b>	<b>81.0</b>
<i>short term deposits</i>	10,918.0	50.6
<i>medium/long term deposits and bonds</i>	6,555.3	30.4
<b>EMTN programme</b>	<b>1,870.0</b>	<b>8.7</b>
<i>deposits</i>	50.0	0.2
<i>bonds</i>	1,820.0	8.4
<b>Subordinated loans</b>	<b>734.0</b>	<b>3.4</b>
<i>floating rate bonds</i>	723.4	3.4
<i>convertible fixed rate bonds</i>	10.6	0.0
<b>Securitisation</b>	<b>448.6</b>	<b>2.1</b>
<i>RMBS performing securities</i>	448.6	2.1
<b>TOTAL</b>	<b>21,562.3</b>	<b>100.0</b>



Data as at Sept 30, 2008

## Bonds issued on the network



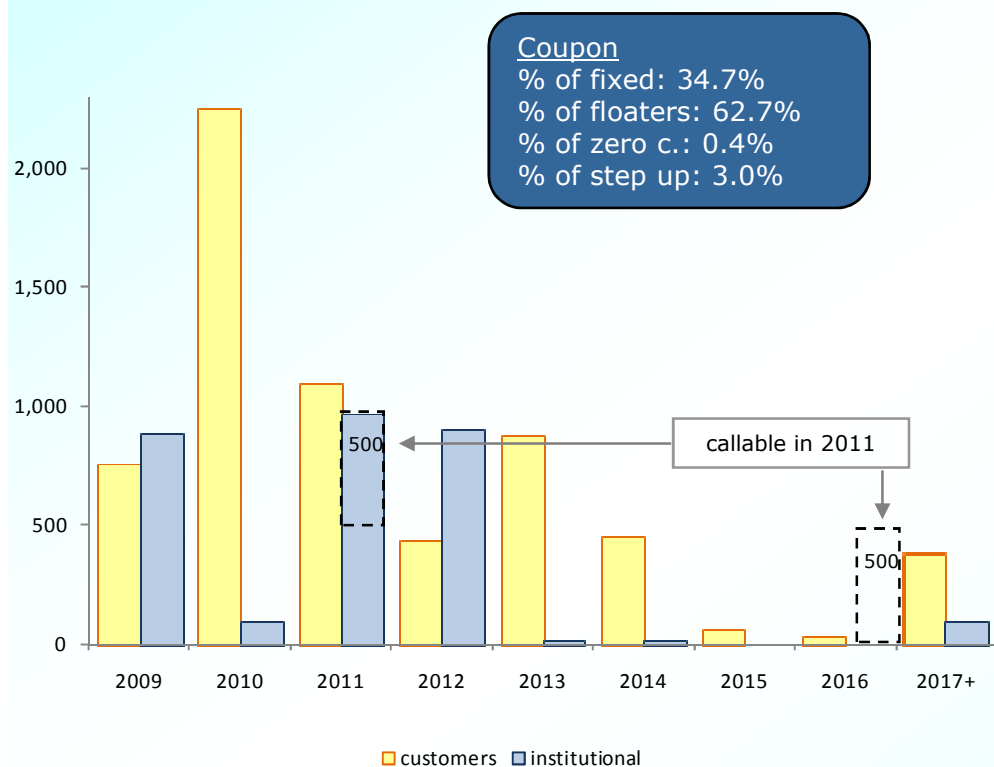
Data as at Jan 15th, 2009



# No pressure on liquidity

## Current Debt Maturity Profile

## 2008 operations



Operation	Issue	Date
Capital increase	957 € m	March
Tier 3	100 € m	June
Lower Tier 2	100 € m	June
Tier 1	160 € m	December
Covered bonds (*)	500 € m	December
PL Securitization	853 € m	December
Upper Tier 2	150 € m	December

(\*) On a 5 € b plafond

€m

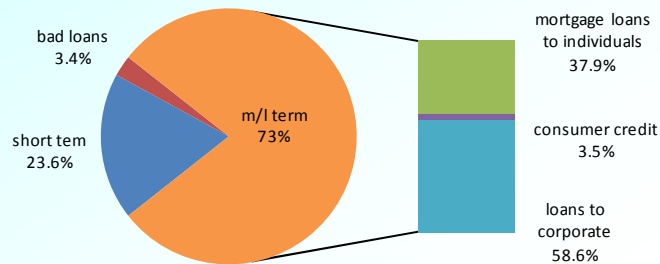
Data as at Jan 15, 2009



# Sound assets

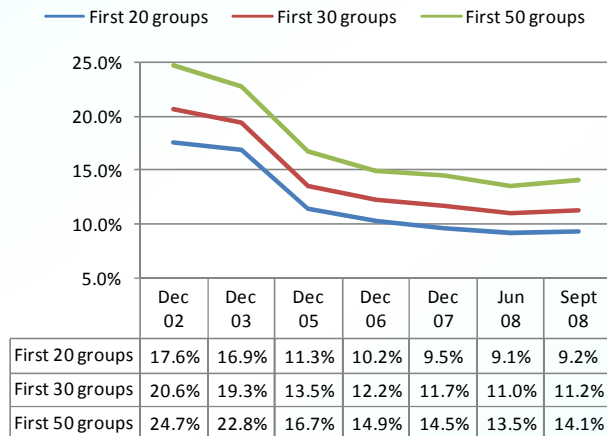
## Loans to customers allocation and concentration

### Medium/long term gross loan splitting



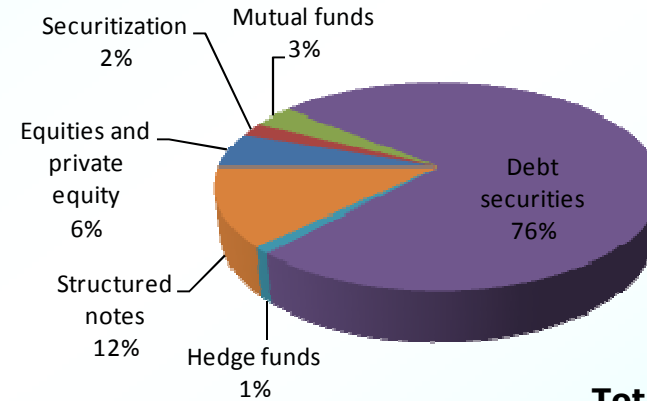
**Loans to customers 19.6 €b**

### Cash loan concentration



## Financial assets splitting

### Financial assets (\*)

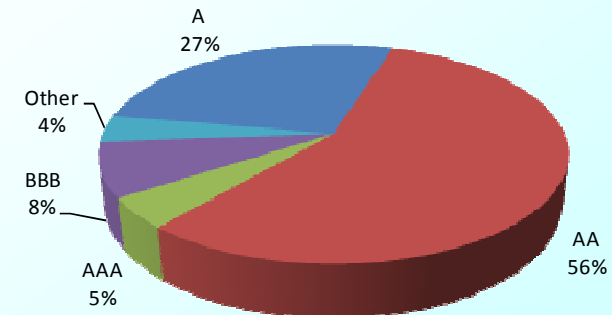


**Total 3.8 €b**

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

### Debt securities, securitisation and structured notes rating

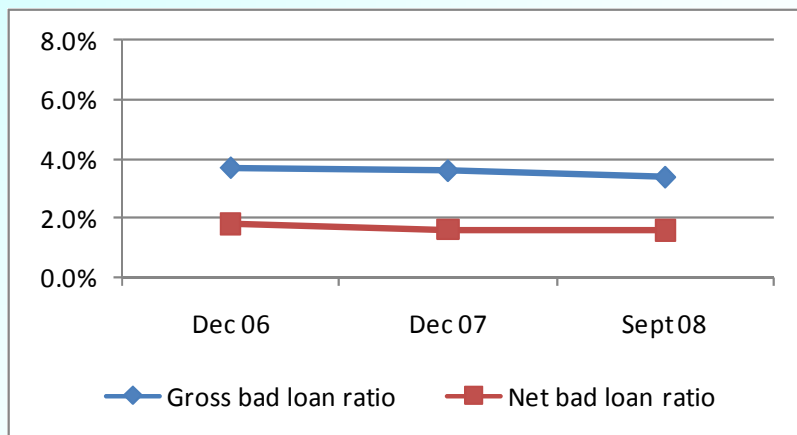
Exposure to Sub-prime: < 1‰  
No exposure to monoline



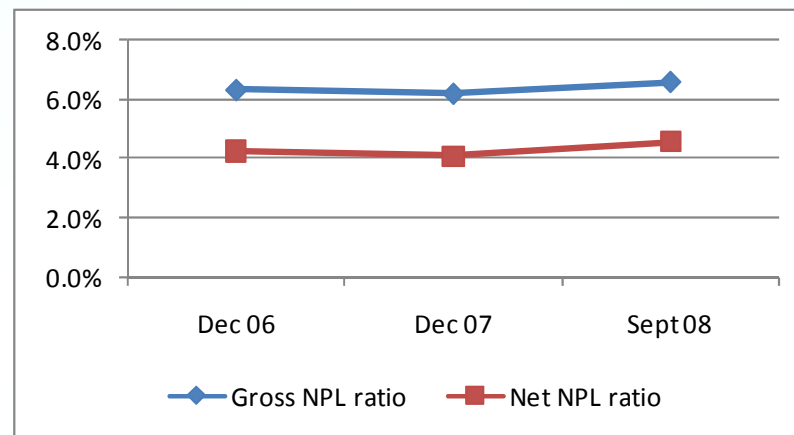


# Conservative NPL coverage policy, which has been progressing over time

**Bad loan ratio**



**NPL loan ratio**



Only one NPL securitization in 2000

**Breakdown of gross NPL (€m)**

	31/12/2006	31/12/2007	30/09/2008
<b>NPL</b>	1.018	1.087	1.293
of which: bad loans	599	621	663
<b>Coverage of gross bad loans</b>	52,0%	55,6%	55,1%
<b>Adjustment on loans/loans</b>	0,5%	0,4%	0,4%



# Robust capital ratios

## Capital ratios (3Q08)



## Equity/Total Assets ratio

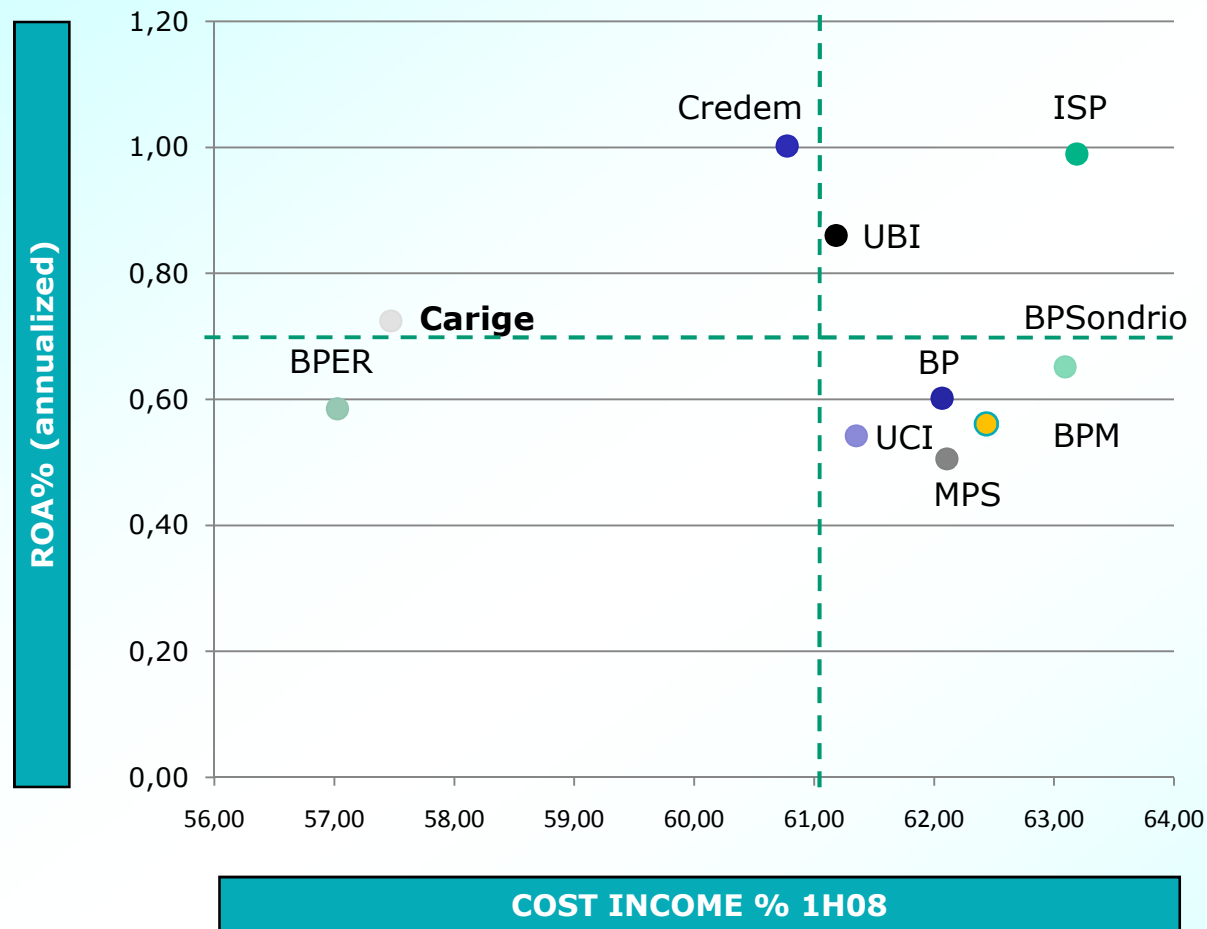
Italian Banks	
Mediobanca	17.7%
Gruppo Carige	11.6%
Banco Popolare	10.4%
Ubi	9.6%
Intesa Sanpaolo	7.6%
Banca Mps	7.6%
Banca Popolare Milano	6.9%
Unicredit	6.1%

Average by country	
Italy	7.9%
UK	4.4%
France	2.7%
Germany	2.0%

Source: Il Sole 24 Ore – October 8th, 2008



# Well performing in ROA and cost income



COST INCOME	
Carige Group:	57.5%
Avg Italy:	61.1%
Avg Europe*:	74.1%

ROA	
Carige Group:	0.7%
Avg Italy:	0.7%
Avg Europe*:	0.4%

\* Source: ABI Dec 2008 EBR european banking report – data at 30 June 08

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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 channel



# Core priorities of 2008 – 2010 Strategic Plan



## **PRODUCTION AREA**

- Profitability enhancement of each business area (lending, wealth management, payment system, insurance)
- Integration between Insurance and Banking Business

## **DISTRIBUTION AREA**

- Increasing volumes per employee:
  - cross-selling, up-selling and retention in Liguria
  - raising market share outside Liguria
- Growth of intermediation, above all in areas outside Liguria where the presence is already significant
- Full integration of the 79 ex ISP and 40 ex Unicredit branches
- Increasing income from subsidiaries

## **ADMINISTRATION AREA**

Human Resources:

- Maintenance of a standard consistent with the Group's needs
- Development of skills and management of talents

## **GOVERNANCE AND CONTROL AREA**

- Process innovation through investment in technology
- Controlling the economic impact of all kinds of risk
- Capital management



## 2010 Group's targets

### CARIGE GROUP

2006

2007

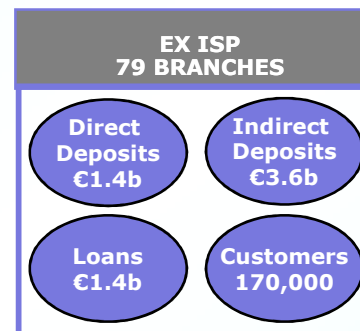
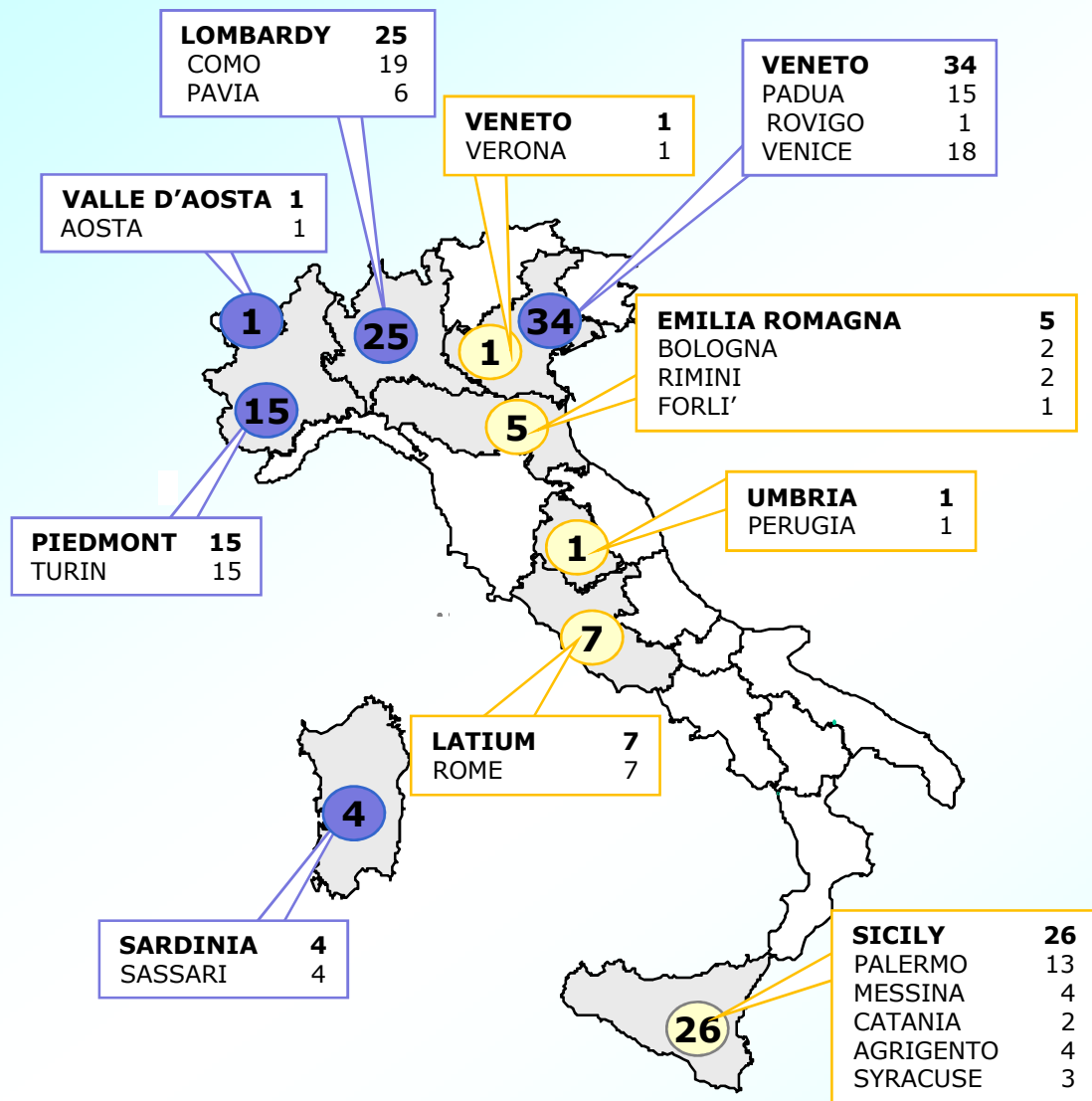
2010E

<b>Total Deposits (€b)</b>	<b>35.8</b>	<b>37.6</b>	<b>59.1</b>
<b>Loans to customers (€b)</b>	<b>16.1</b>	<b>17.5</b>	<b>27.4</b>
<b>Net Profit (€m)</b>	<b>138</b>	<b>205</b>	<b>350</b>
<b>Shareholders' Equity (€b)</b>	<b>2.6</b>	<b>2.6</b>	<b>4.4</b>
<b>Cost Income</b>	<b>57.6%</b>	<b>53.2%</b>	<b>49.9%</b>
<b>ROE</b>	<b>5.4%</b>	<b>7.8%</b>	<b>8.2%</b>
<b>ROE adj (*)</b>	<b>7.1%</b>	<b>10.3%</b>	<b>9.8%</b>
<b>ROAE adj (*)</b>	<b>7.8%</b>	<b>10.4%</b>	<b>10.0%</b>
<b>Tier 1</b>	<b>8.3%</b>	<b>7.8%</b>	<b>8.4%</b>

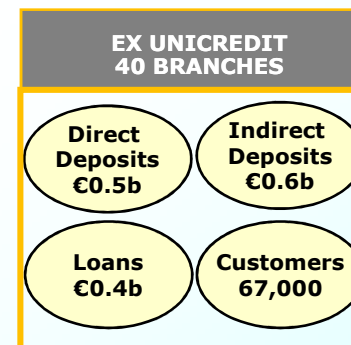
(\*) Equity net of the reserve for the revaluation of the shareholding in Bank of Italy



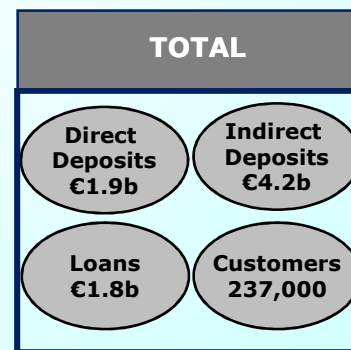
# Further development via external growth



As at 10 March 2008



As at 1 December 2008

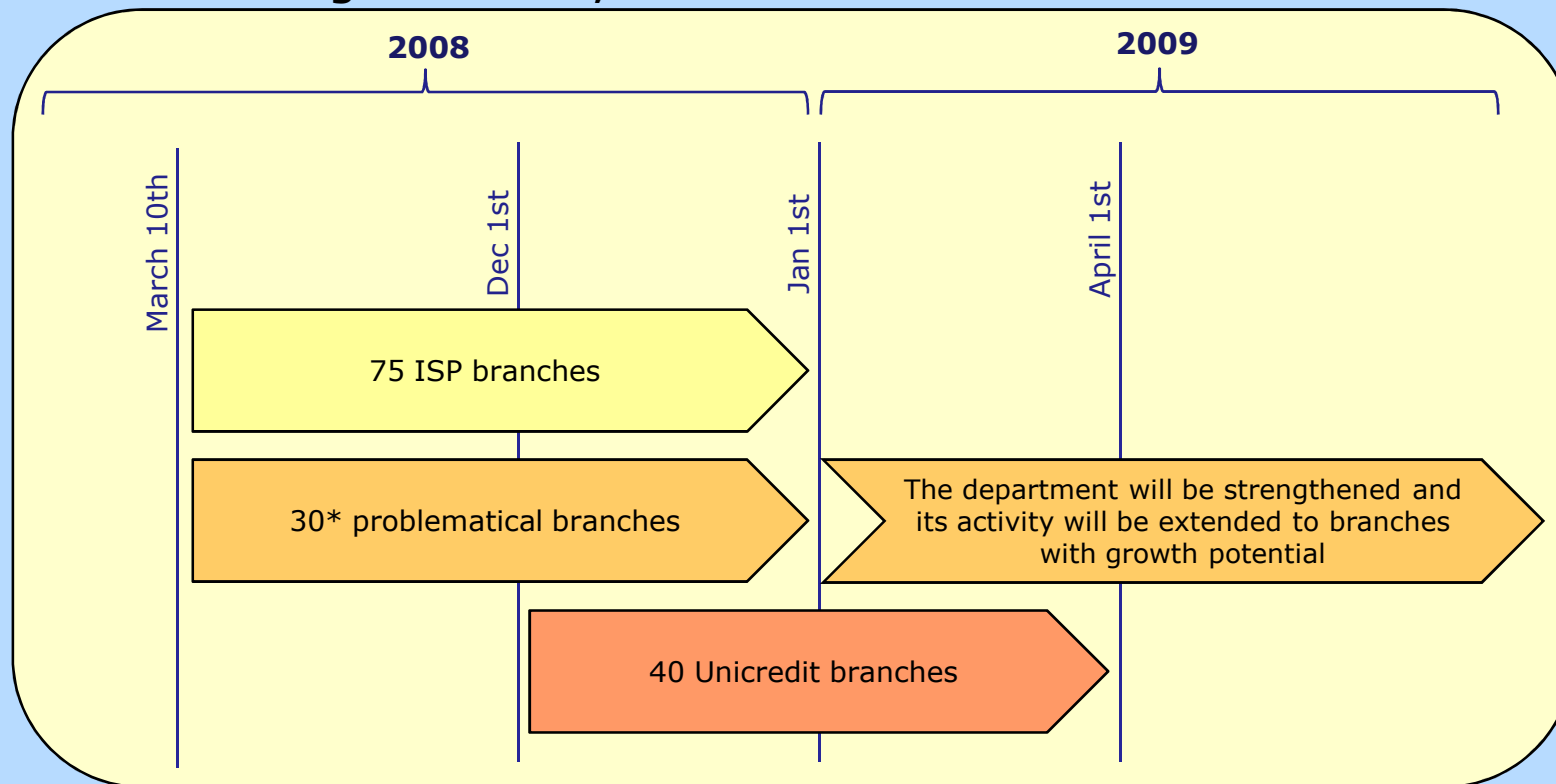




## New branch development department

**A new central structure where acquired, new or problematical branches are temporarily included until migration is concluded or break-even point is reached through specific actions.**

**When targets are met, branches are shifted to the network.**



\* Included 21 branches under break even point of which 5 reached the break even within Jan, 1st

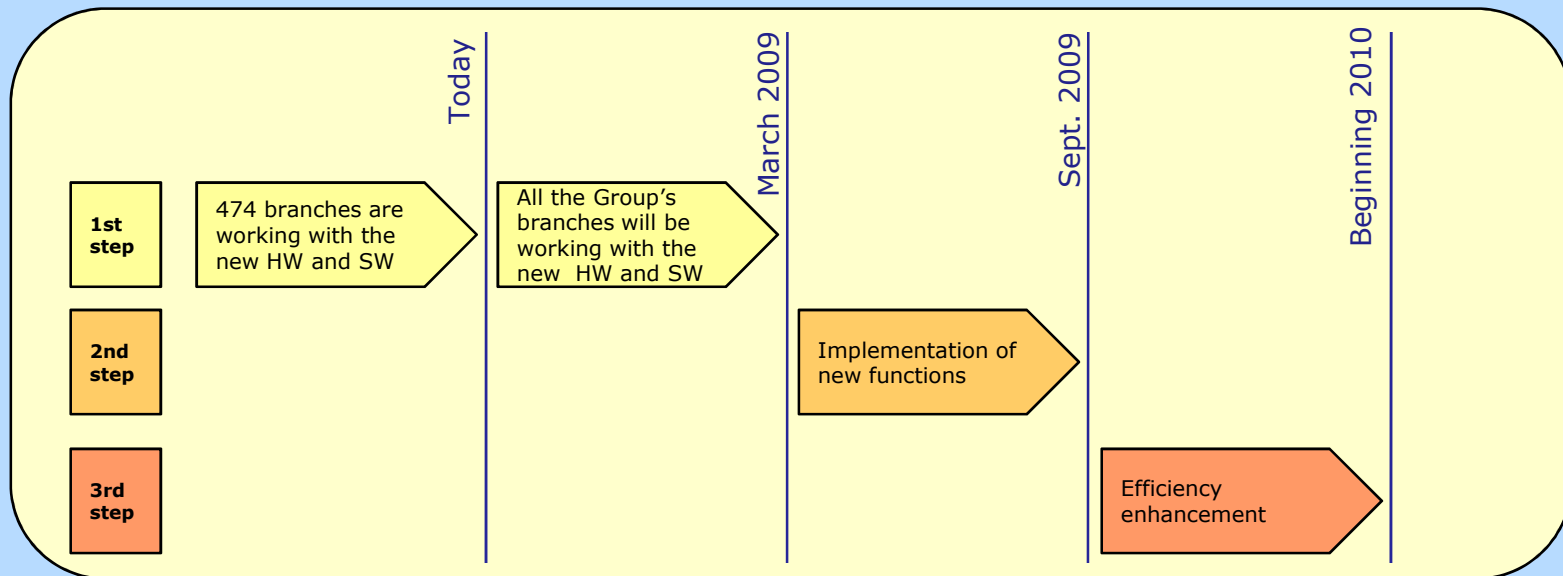


## New front office

**A 3 step project that creates a new integrated and marketing oriented sale system turning a “traditional branch” into a new “financial shop”.**



**A single access point (single sign on) for an integrated platform of relationship management with a stronger commercial approach involving teller, commercial and operational.**



Carige Group at a glance

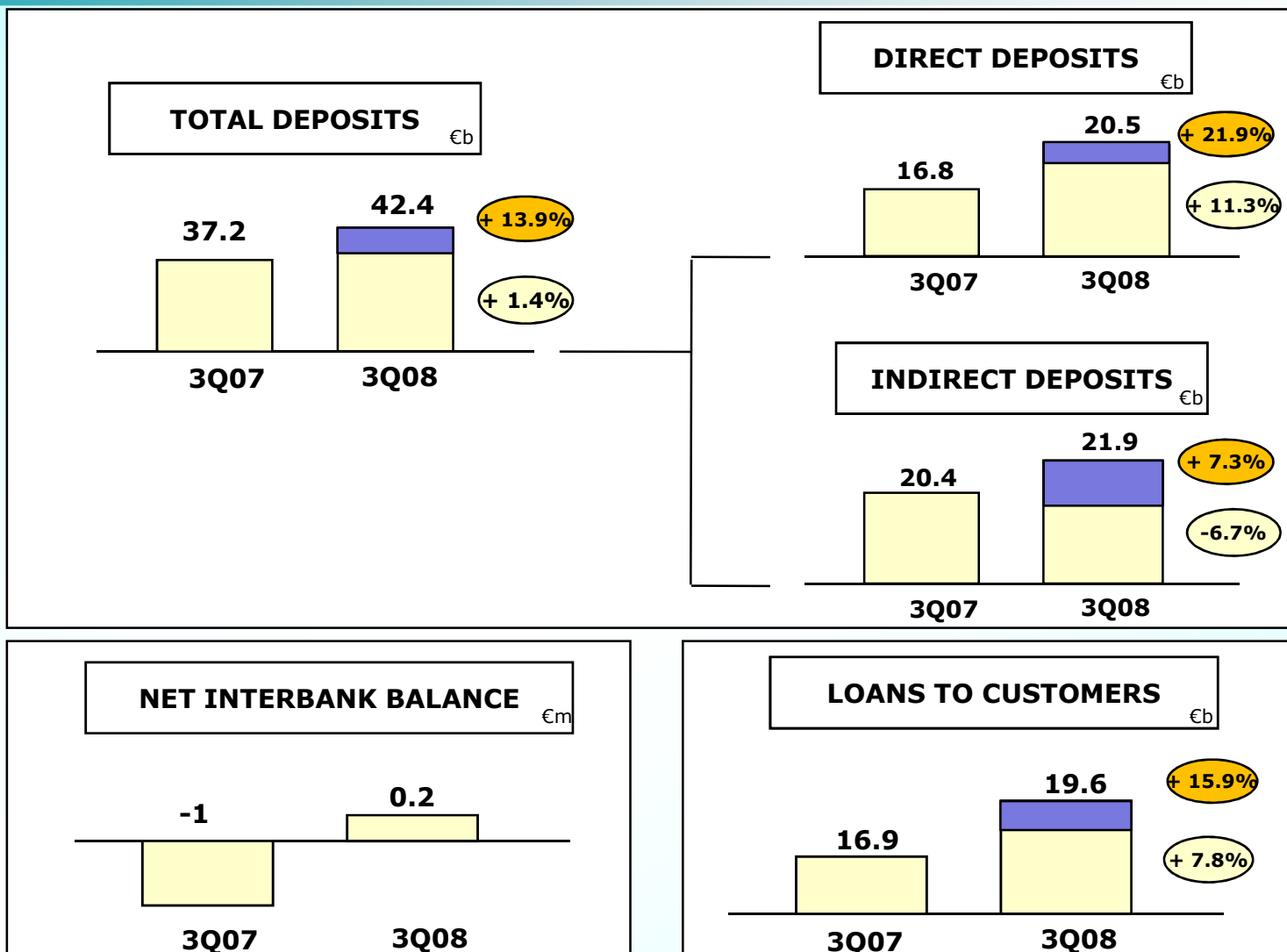
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# 3Q08 – Growth of Deposits and Loans



change



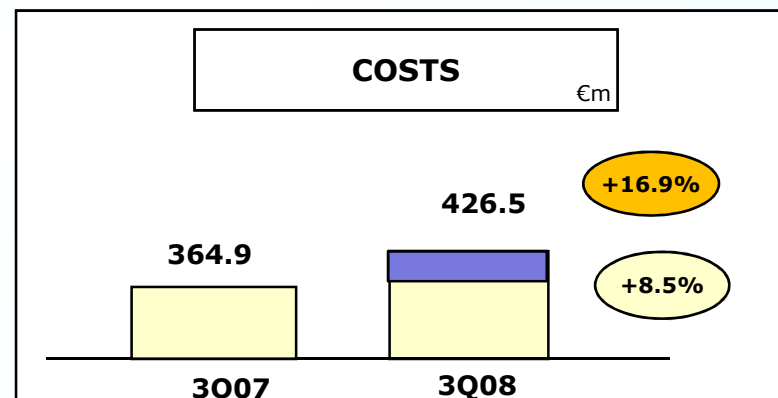
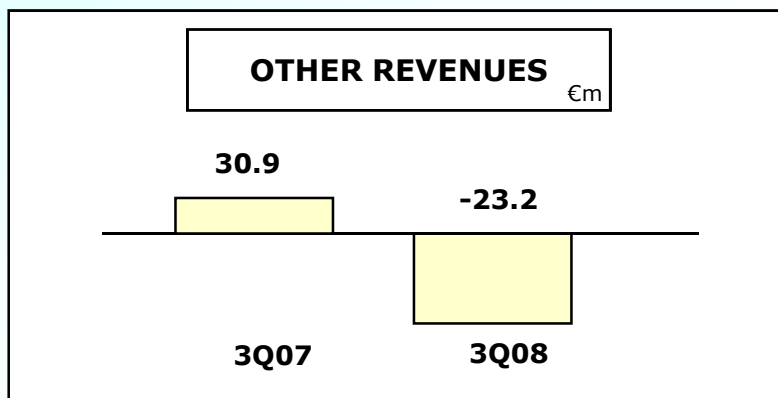
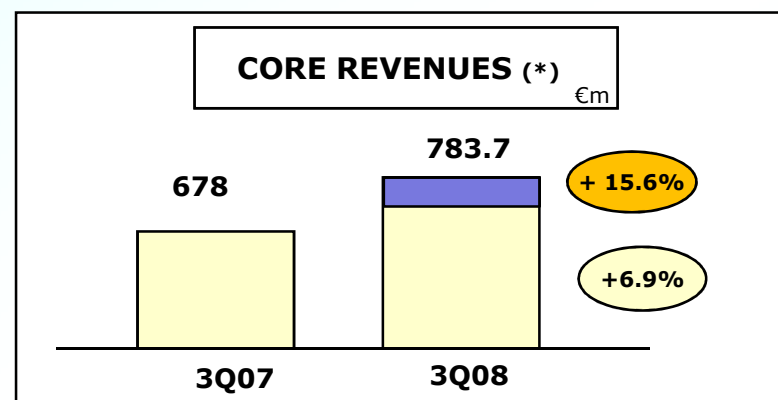
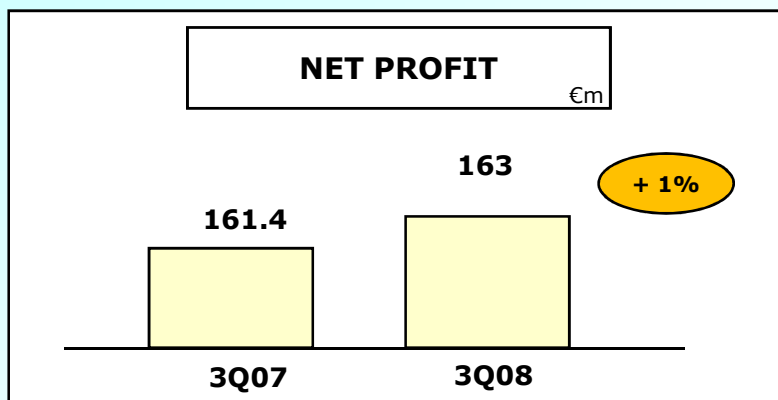
change net of ISP branches' contribution

ISP branches' contribution



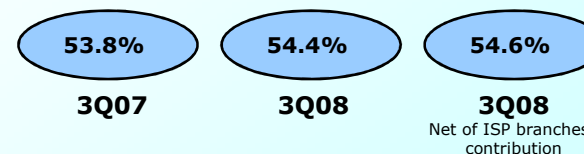


# 3Q08 – Growth of core revenues



- change
- change net of ISP branches' contribution
- ISP branches' contribution

## Core Cost Income (\*)



(\*) Core cost income = Core revenues/Operating costs  
 Core revenues = Net interest income + Net commissions + Dividends



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