

BANCA CARIGE

Cassa di Risparmio di Genova e Imperia

**UniCredit European Regional
Investors Conference**

Munich, 24 May 2007



Carige Group Overview

Strategic Plan 2006-2008

2006 & 1Q07 Results

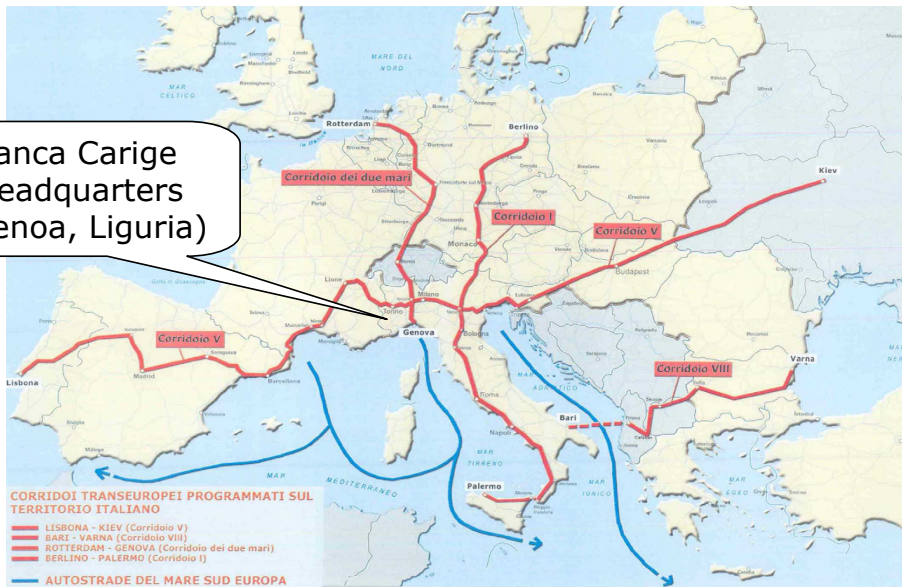
Carige on Capital Markets

Annexes



The new Trans-European Corridors: an opportunity for Carige

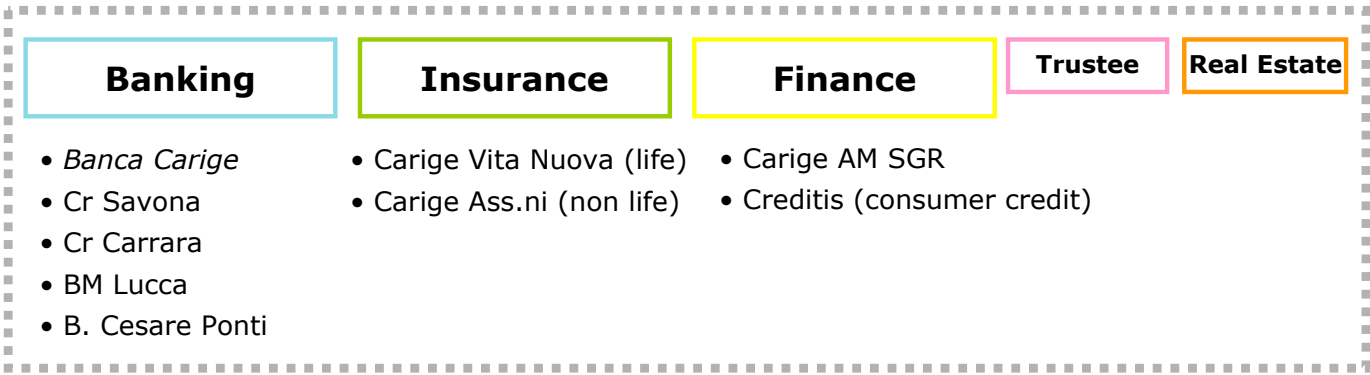
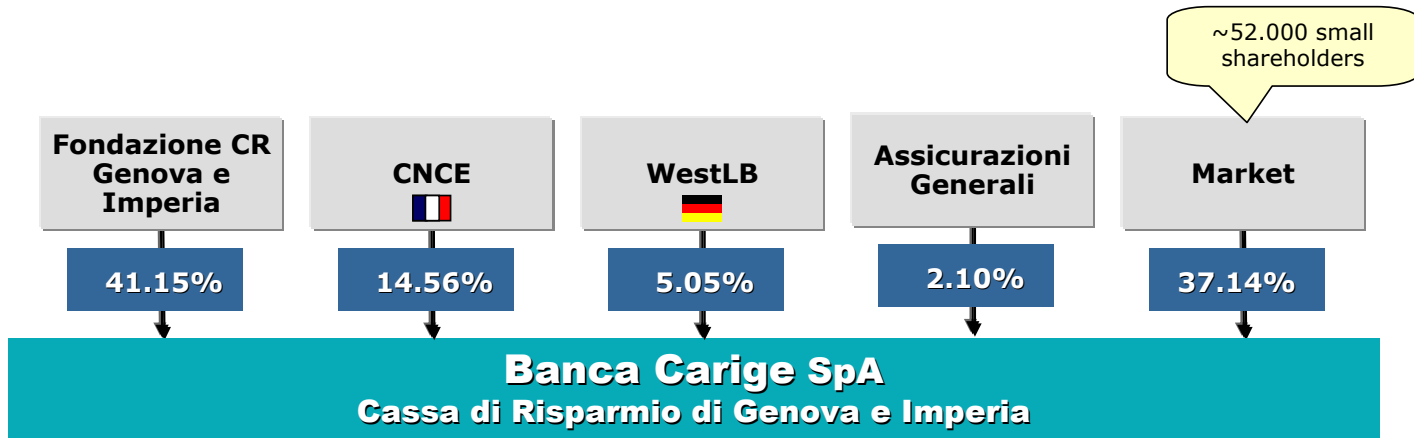
Banca Carige
headquarters
(Genoa, Liguria)



- From a geographic point of view Genoa and Liguria Region are in a strategic position
- The market share of Carige in Liguria is about 30%



Banca Carige Group today



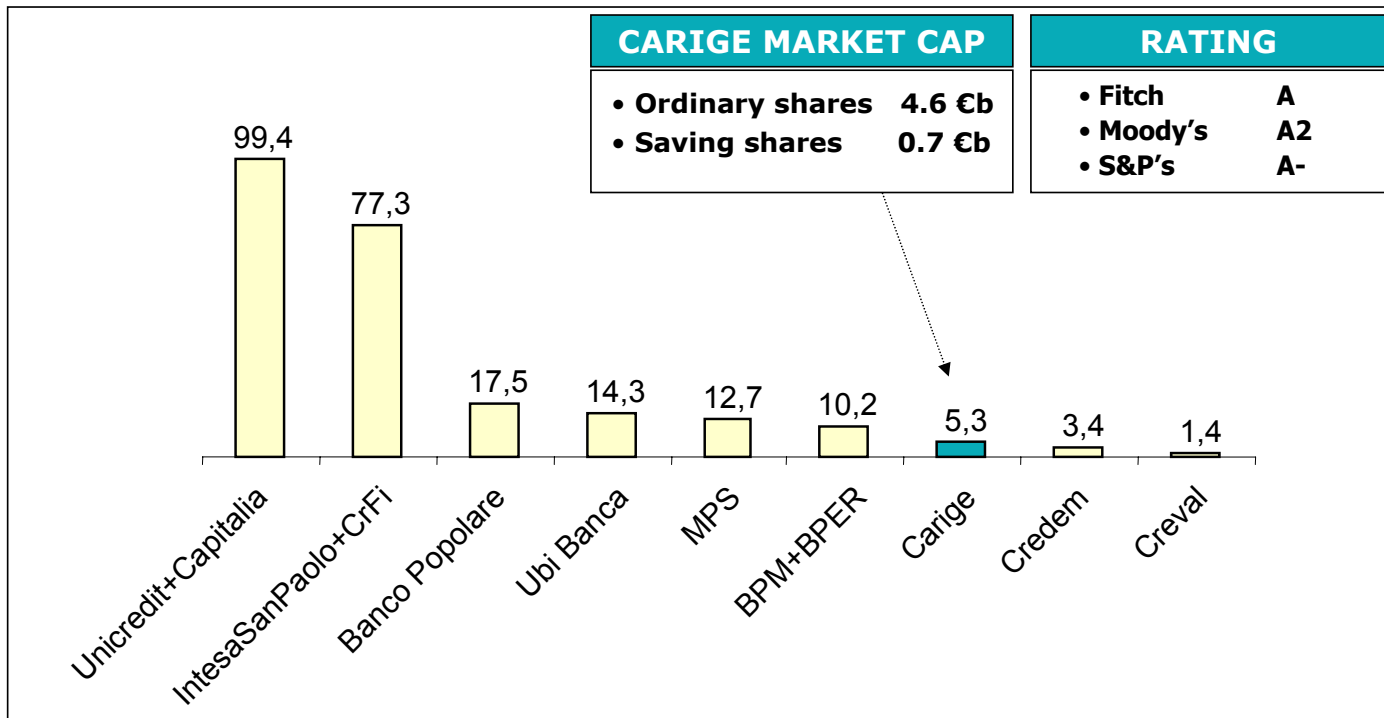
Main Companies only



A medium-sized Group

MARKET CAP

€b, data at 17.05.07



Banco Popolare= BPVN+BPI ; UBI Banca: BPU+B.Lombarda

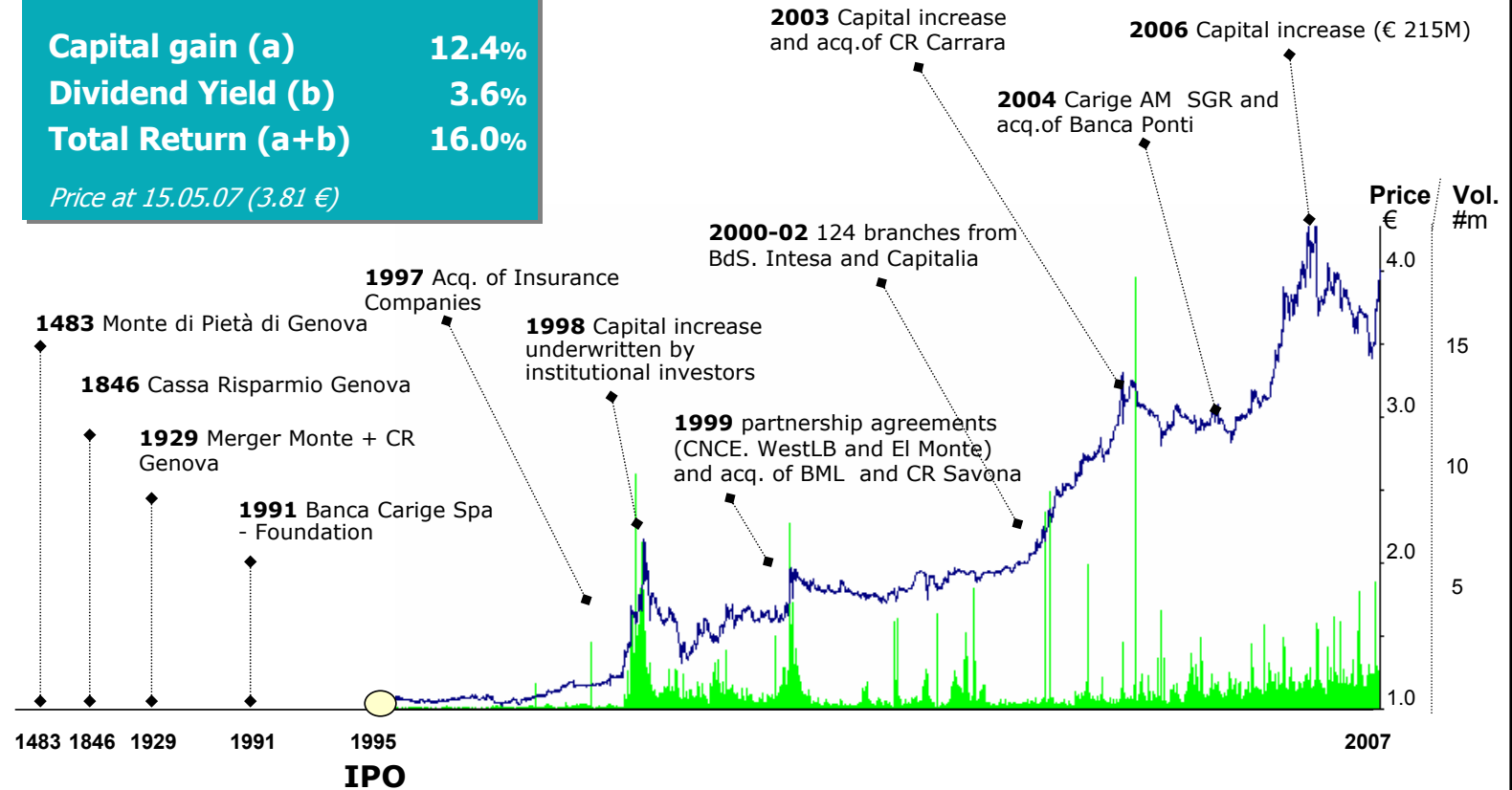


A long term steady growth...

Annual average yield per ordinary share since IPO

Capital gain (a) 12.4%
Dividend Yield (b) 3.6%
Total Return (a+b) 16.0%

Price at 15.05.07 (3.81 €)





... through a long season of acquisitions

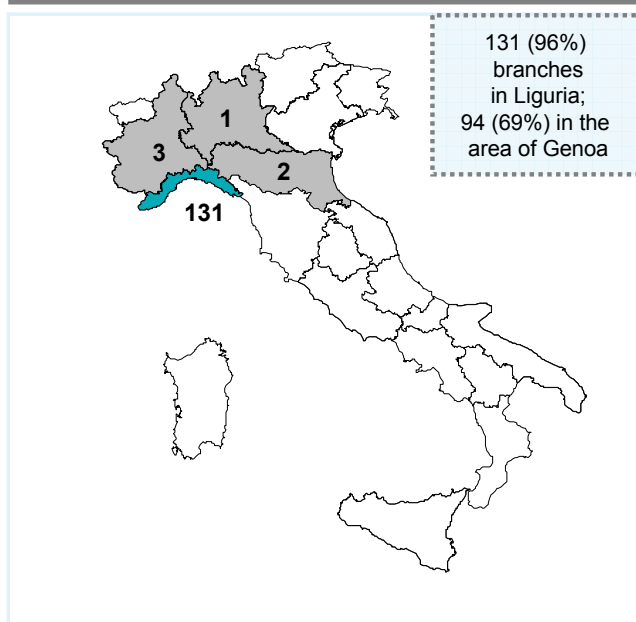
Year	CAPITAL COLLECTED	€ m	Year	ACQUISITIONS	€ m
1994-95	IPO	105	1993 - 99	Cassa di Risparmio di Savona	227
1996-97	Bond conversion into new shares	61	1991-06	Insurance companies	317
1997	Capital increase underwritten by La Basilese	46	1999-02-06	Banca del Monte di Lucca	70
1998	Capital increase underwritten 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
2003-06	Capital increases and issue of subordinated convertible bonds	521	2003	Cassa di Risparmio di Carrara	174
			2004-06	Banca Cesare Ponti	50
	Total	1.485		Total	1.302

More than 85% of capital collected already invested in acquisition



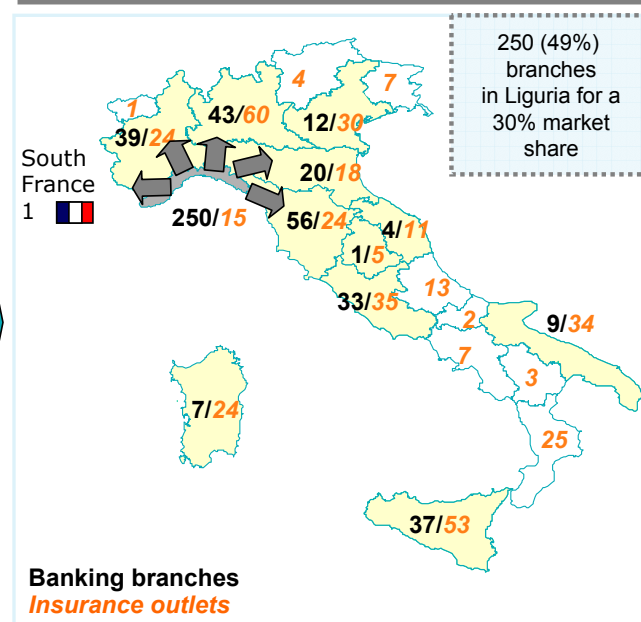
A franchise with its heart in Liguria

1989



	Branches	Employees	Regions
Bank	137	2.962	4

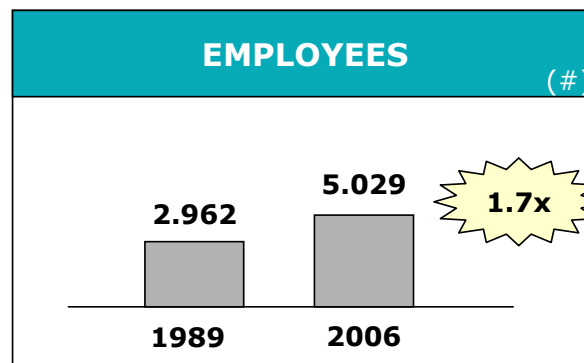
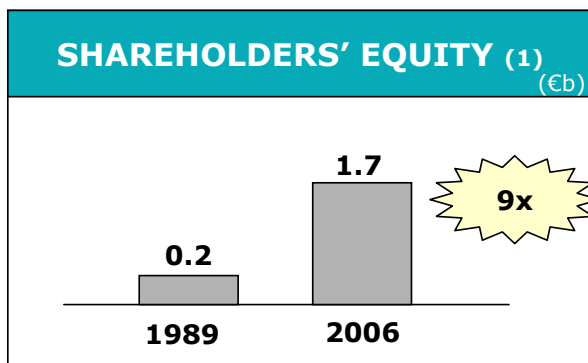
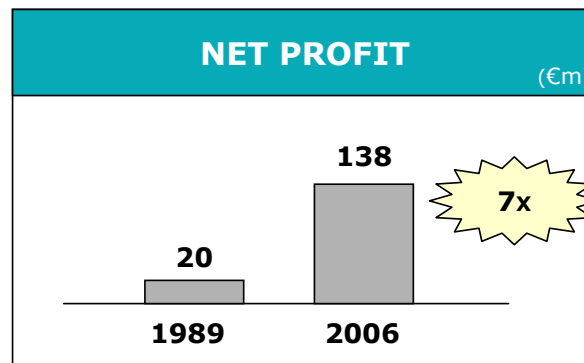
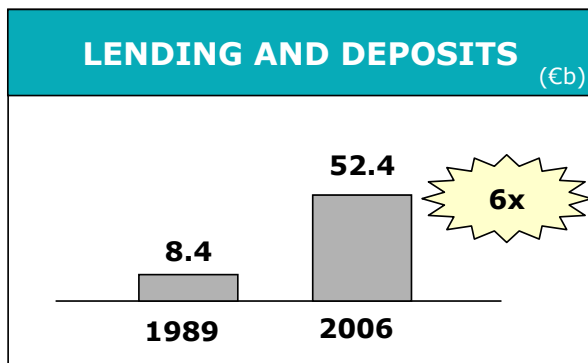
2006



	Branches/ outlets	Employees	Regions
Banks	512	4.671	12/20
Insurances	395	361	20/20
Group	907	5.032	20/20



Long term growth of volumes and results



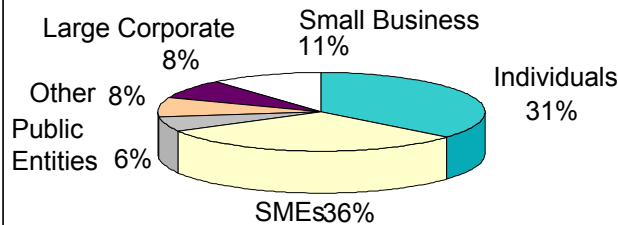
(1) Bank of Italy participation not included (656 €m)



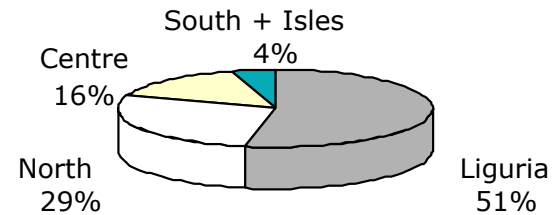
Focus on retail

LOANS

by segment



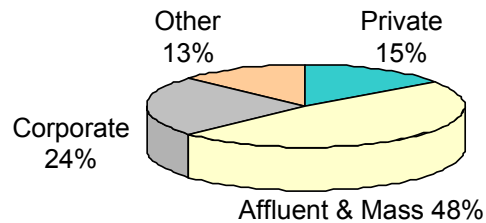
by area



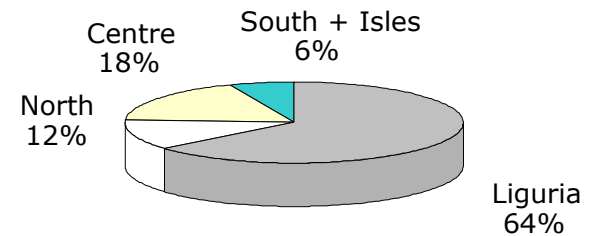
LOANS TO CUSTOMERS AT 31.12.2006: 16.1€b

DEPOSITS

by segment



by area



TOTAL DEPOSITS AT 31.12.2006: 35.8 €b

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

INDIVIDUALS: Retail or Mass Market= deposits<50k€; Affluent >50k€; Private= >250k€ outside Liguria, >350k€ Liguria



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Independence through growth

1990 - 1998

1999 - 2004

2005 - 2008


Capital base
strengthening and
opening to new
shareholders

Expansion and
diversification

Rationalization
and
profitability
enhancement


A **national** financial **conglomerate** equipped to provide banking, financial, insurance and pension solutions establishing strong ties with **local markets**, able to differentiate in the **quality of service** through an **integrated multi-channel** distribution system and the quality of **resources and structures**

Conglomerate




- 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

Multi-channel



- Distribution system based on branches, mobile and remote channel
- Focus on retail
- Widespread and intensive use of technology

Quality of resources and structures



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



The Strategic Plan 2006-2008

CORE PRIORITIES

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

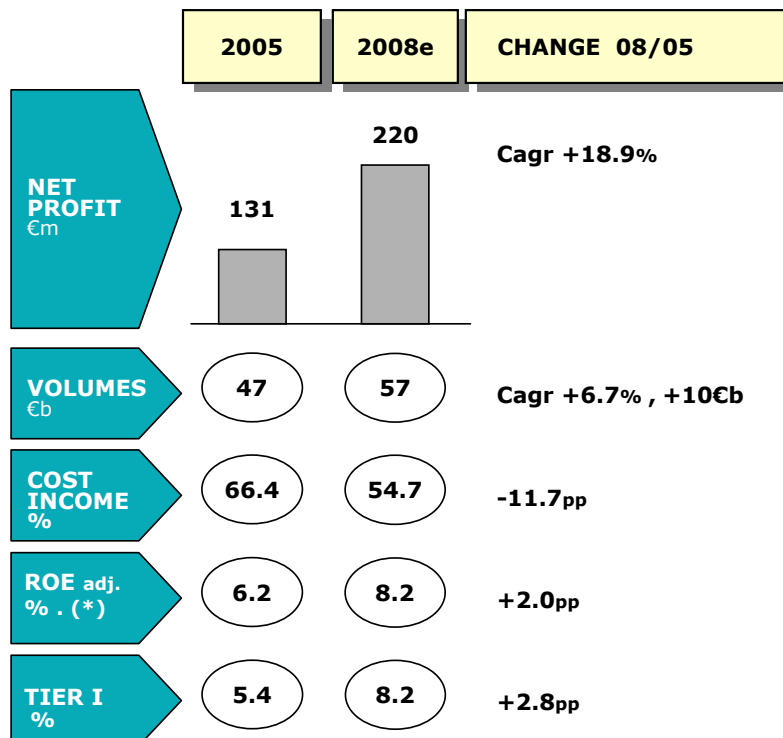
Growth through productivity improvement

- 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
- Re-engineering of business processes

Risk management

- Control of the economic impact of all kind of risks

2008 TARGET



(*) Equity net of revaluation of the participation in Bank of Italy



The Strategic Projects

	PRODUCTION	DISTRIBUTION	SUPPORT
REVENUES SIDE	<p>JV-CONSUMER CREDIT</p> <p>PFP</p>	<p>LIGURIA PROJECT (CUSTOMER SEGMENTATION)</p> <p>COMMERCIAL STRENGTHENING PROGRAM</p> <p>COLLABORATION BRANCHES-INSURANCE AGENTS</p> <p>NEW BRANCHES PLAN</p>	<p>NEW FRONT OFFICE</p>
COST SIDE	<p>MICROCHIP</p>	<p>REMOTE BANKING (ATM)</p>	<p>COST MANAGEMENT</p> <p>BACK OFFICE CENTRALISATION</p>
RISK SIDE	<p>BASEL II</p>		

 Details in annexes

About 60 €m of investments in 2007...

21€m for NEW BRANCHES

39€m for INNOVATION & IT



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2006 Results

CARIGE GROUP

	2005	2006	2008	VAR. 06-05	CAGR 08E-05
Total Deposits (€b)	33.6	35.8	39.9	6.6%	5.9%
Loans to customers (€b)	14.0	16.1	17.0	14.7%	6.6%
Net Profit (€m)	131	138	220	4.9%	18.9%
Shareholders' Equity (€b)	2.1	2.6	2.7	19.5%	7.9%
Cost Income	66.4%	56.6%	54.7%	-9.8 pp	-11.7 pp
ROE	6.2%	5.4%	8.2%	-0.8 pp	+2.0 pp
ROE adj (**)	8.3%	7.1%	10.3%	-1.2 pp	+2.0 pp
Tier 1	5.4%	8.4%	8.2%	+3.0 pp	+2.8 pp
Total capital ratio	8.4%	10.7%	11.8%	+2.3 pp	+3.4 pp

160^(*)

+22%^(*)

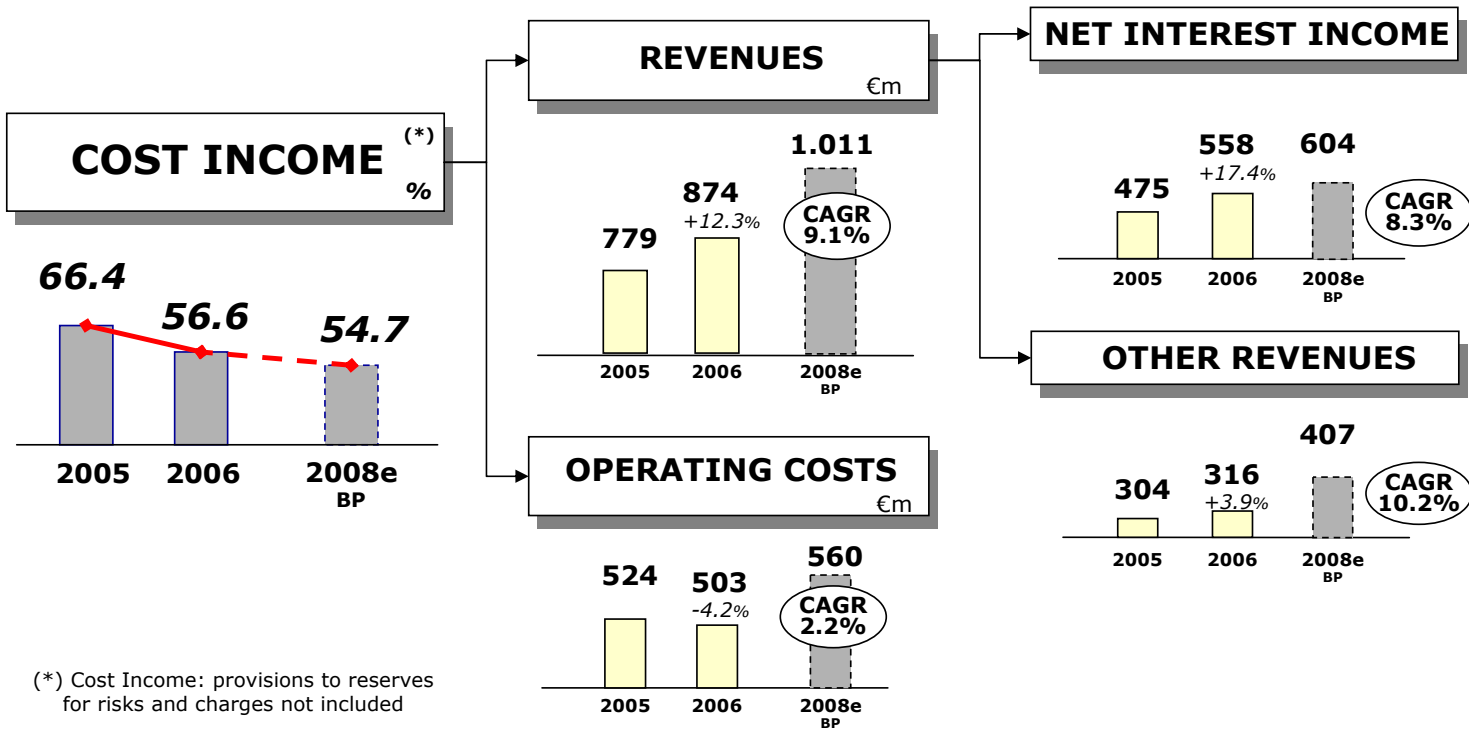
(*) Carige Assicurazioni extraordinary gross provisions to reserves: 48€m

(**) Equity net of revaluation of the participation in Bank of Italy



2006 key-points:

- Cost Income reduced by 10 points
- Good performance in revenues
- Costs under control



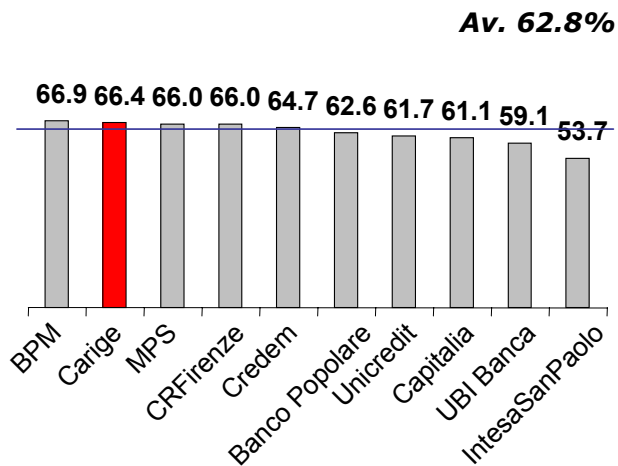
(*) Cost Income: provisions to reserves for risks and charges not included



CARIGE VS COMPETITORS

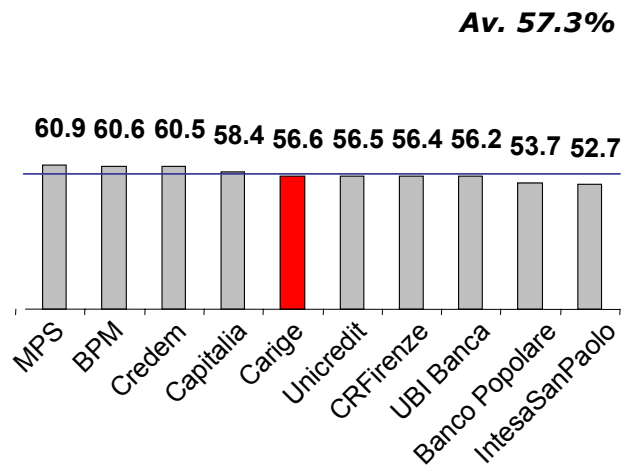
COST INCOME

2005, %



COST INCOME

2006, %



Banco Popolare= BPVN+BPI ; UBI Banca: BPU+B.Lombarda

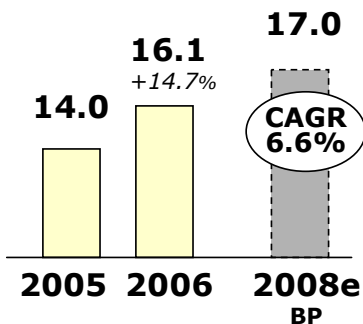
(1) Carige Cost Income : provisions to reserves for risks and charges not included

KBW - 12.04.07 report



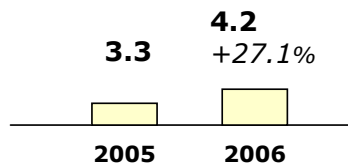
High performance of loans to customers, already higher than 2008 targets and driven by mortgages (both to families and to SMEs); Carige outperformed: +14.7% vs 11.9% av.

LOANS TO CUSTOMERS €b

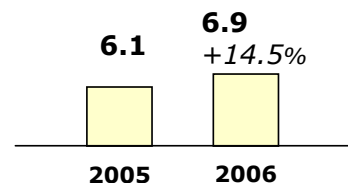


of which:

PRIVATE

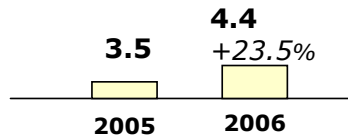


SME-CORPORATE

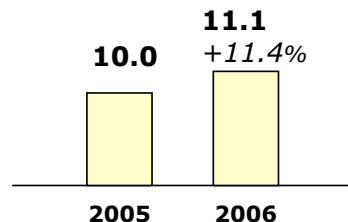


of which:

SHORT TERM

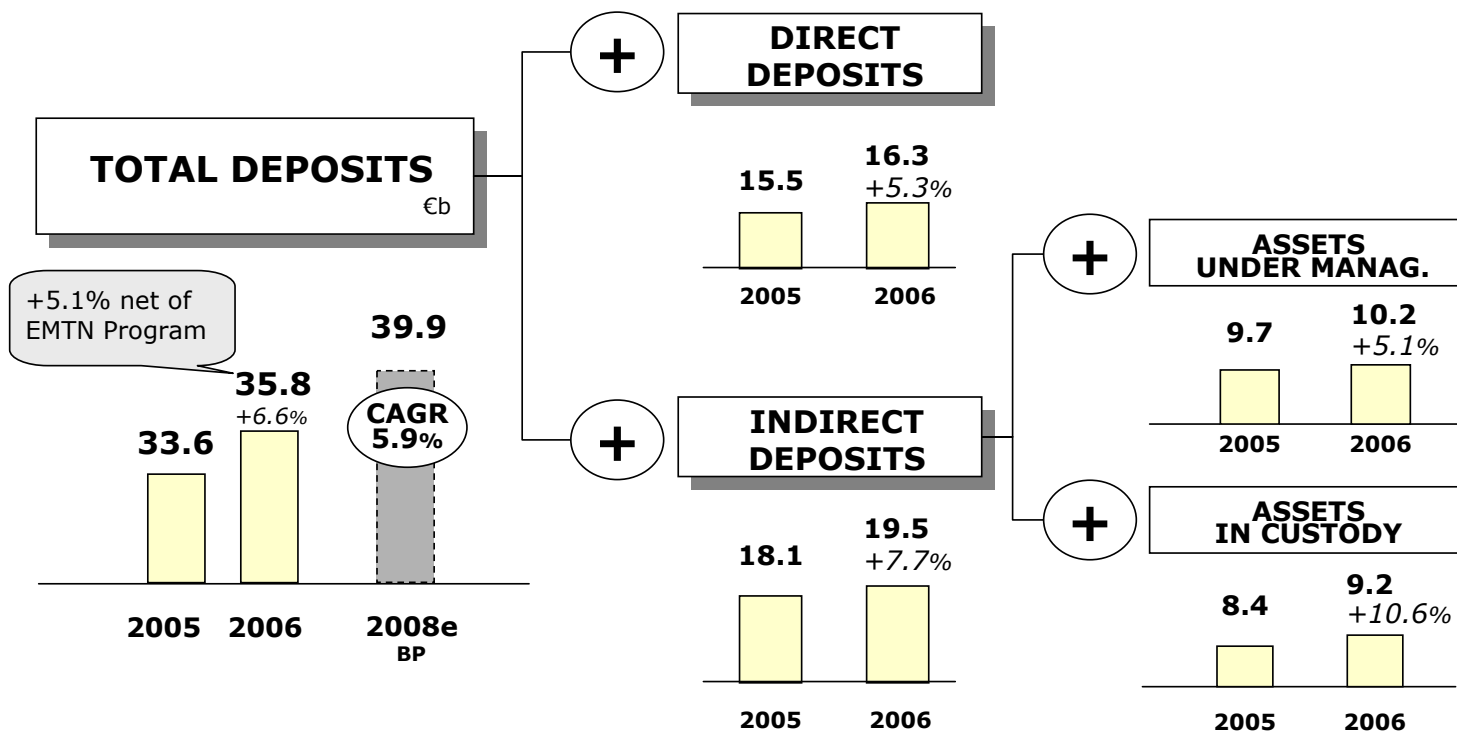


ML TERM





Total Deposits up 6.6% to 35.8€b; Assets in custody better than Assets under Management

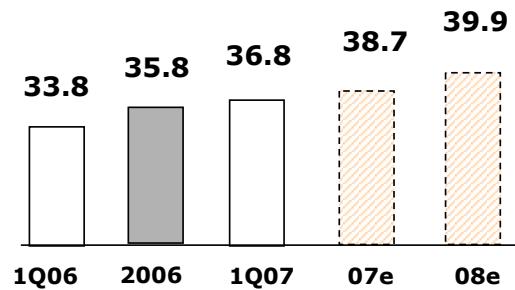




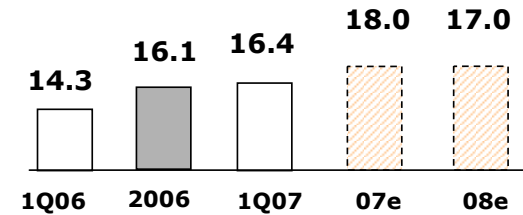
1Q07

- Results in line and even better than 2008 targets
- Double digit growth of net profit (+27.3% y/y) and of total revenues (+16.4% y/y)
- Costs under control (+2.4% y/y)
- Better efficiency, C/I ratio at 50.7%
- Up both total deposits (+2.8% on a quarterly base) and loans to customers (+2.3%)

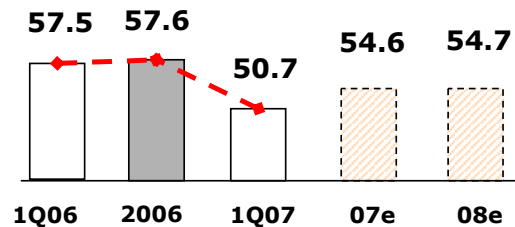
TOTAL DEPOSITS (€b)



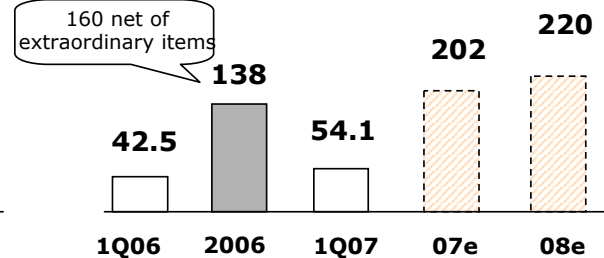
LOANS TO CUSTOMERS (€b)



COST INCOME (%)



NET PROFIT (€b)





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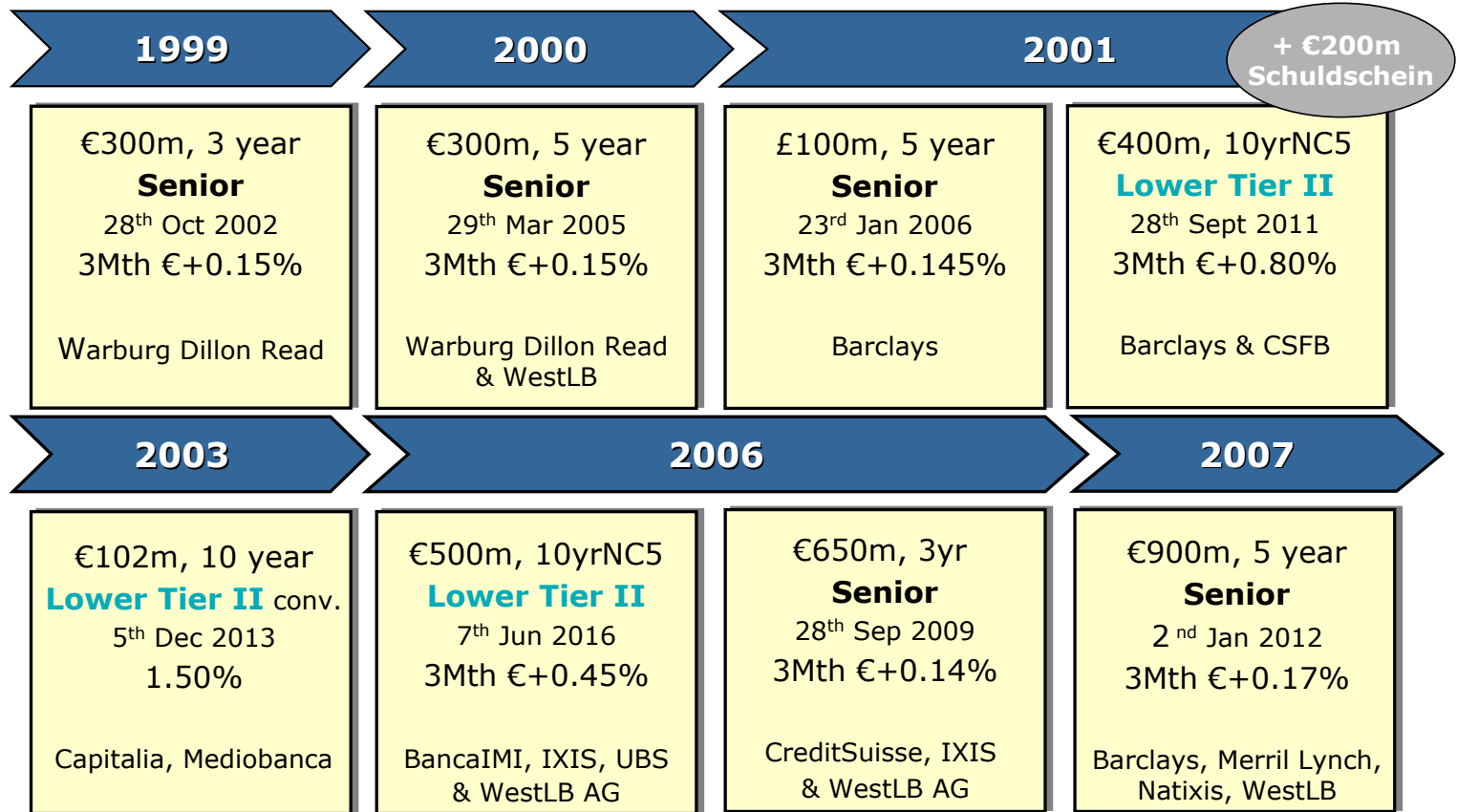
2006 & 1Q07 Results

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Annexes



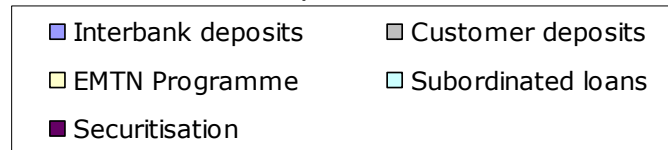
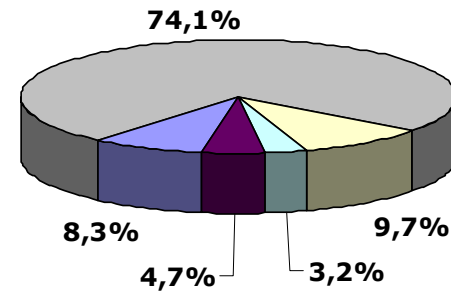
Capital Markets : Bond Issuance Background



CARIGE FUNDING AT 31.12.2006

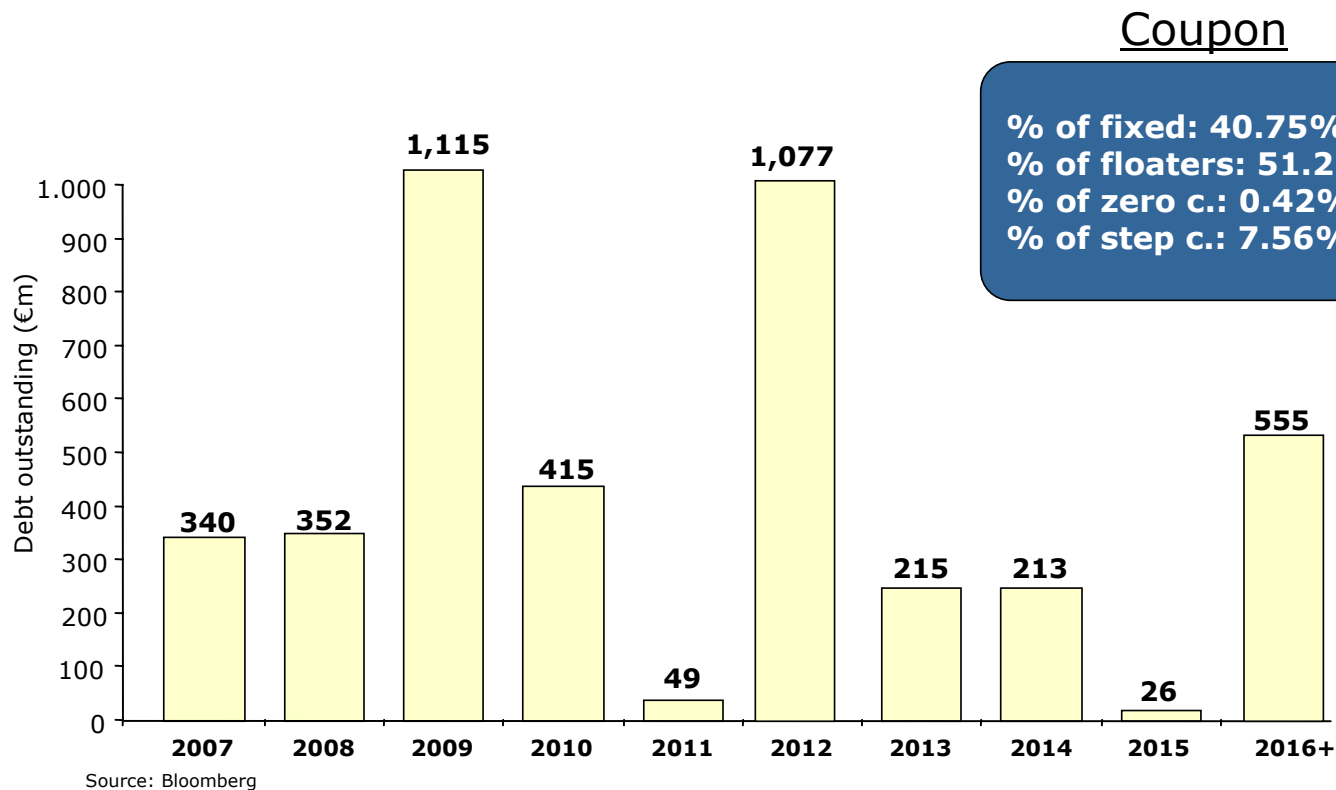
CARIGE - FUNDING

	€m	%
Interbank deposits	1.526,8	8,3
<i>Money market deposits and current accounts</i>	1.221,4	6,7
<i>Other deposits</i>	305,4	1,7
Customer deposits	13.581,2	74,1
<i>Short term deposits</i>	9.157,0	50,0
<i>Medium/long term deposits and bonds</i>	4.424,2	24,1
EMTN Programme	1.770,0	9,7
<i>Deposits</i>	100,0	0,5
<i>Bonds</i>	1.670,0	9,1
Subordinated loans	580,0	3,2
<i>Floating rate bonds</i>	580,0	3,2
<i>Convertible fixed rate bonds</i>	-	0,0
Securitisation	862,9	4,7
<i>RMBS performing securities</i>	813,6	4,4
<i>Non performing loans securities</i>	49,3	0,3
TOTAL FUNDING	18.320,9	100,0





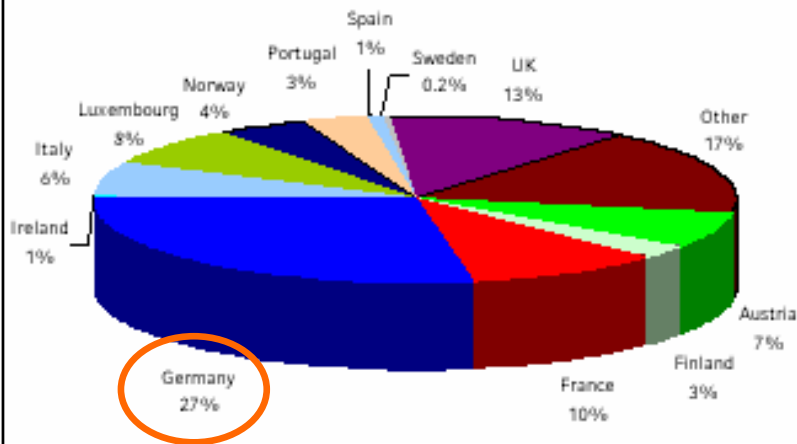
Current Debt Maturity Profile



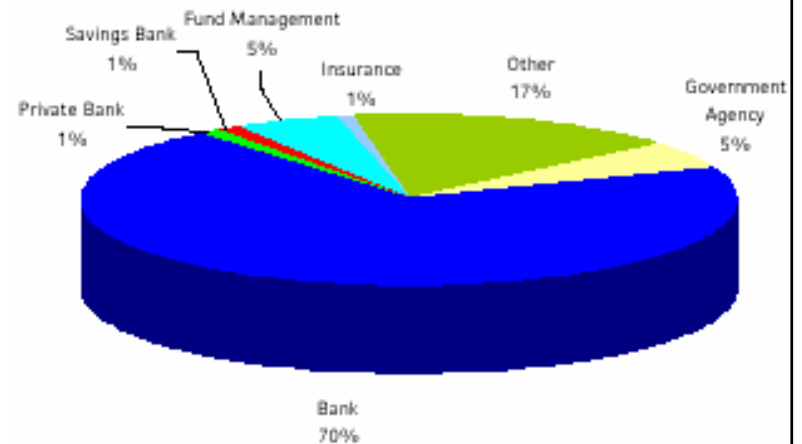


€900,000,000 5 Year Senior FRN due February 6th, 2012

Banca Carige SpA – Allocation By Country



Banca Carige SpA – Allocation By Investor Type



Tier III capital—key features

- ◆ Tier III capital was introduced by the EU Capital Adequacy Directive in 1996 as an instrument which can only be used to meet the **capital requirements arising from the bank's trading book**, i.e. the market risk
 - It is not eligible to support the banking book, i.e. the credit risk
- ◆ The issue of Tier III capital is **limited to 250% of a bank's Tier 1 capital** that is allocated against market risks
- ◆ The key features of Tier III instruments are:

Subordination	<ul style="list-style-type: none"> ◆ Ranks at least pari passu with Lower Tier II, i.e. below senior creditors and above preference shares and perpetual subordinated notes
Maturity	<ul style="list-style-type: none"> ◆ Dated ◆ Minimum maturity 2 years
Deferral	<ul style="list-style-type: none"> ◆ Coupon and principal payments can be deferred at the order of the relevant regulatory authority if payment will cause capital to fall below regulatory requirements ("lock-in clause", see next page) ◆ Coupons are cumulative, but there is no requirement to pay interest on deferred interest or principal
Amortization	<ul style="list-style-type: none"> ◆ Not amortized over its remaining life
Callability	<ul style="list-style-type: none"> ◆ Not repayable before maturity without the agreement of the relevant regulatory authority
Rating agencies	<ul style="list-style-type: none"> ◆ Do not include Tier III in their capital analysis
Rating	<ul style="list-style-type: none"> ◆ Rating vs. senior debt: <ul style="list-style-type: none"> – S&P: +3 notches – Moody's: +2 notches – Fitch: + 1-2 notches if rating above A-, +2 notches if rating between BBB- to BBB+



Summary terms of lock-in clause

- ◆ **The lock-in clause will apply if Carige's Regulatory Capital is below the aggregate minimum Credit Risk Capital Requirements**, as provided by the applicable Bank of Italy's regulations

- ◆ **Regulatory Capital** is defined as the Total Capital of Carige calculated according to the Bank of Italy's regulations, including any outstanding Tier III subordinated securities, net of
 - the minimum capital requirements for market risk (as defined in Title IV, Chapter 3, Section II of the Bank of Italy's *Istruzioni di Vigilanza*)
 - the excess over the limit on the ownership of shareholdings in non-financial companies acquired following the recovery of credits (as defined in Title IV, Chapter 9, Section V of the Bank of Italy's *Istruzioni di Vigilanza*). In details, the following limits apply:
 - total book value of such shareholdings must be lower than 50% of BIS capital
 - book value of each shareholding must be lower than 6% of BIS capital
 - the excess over the limit on the ownership of real estate assets acquired following the recovery of credits (as defined in Title IV, Chapter 10, Section II of the Bank of Italy's *Istruzioni di Vigilanza*)

- ◆ **Credit Risk Capital Requirements** amount to 8% and 7% of consolidated and unconsolidated Risk Weighted Assets respectively



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Annexes: details on strategic projects



REVENUE SIDE

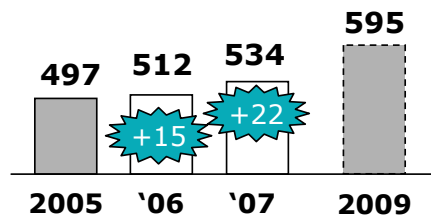
The plan of internal growth

The Group has drawn up a plan to increase the number of its branches between 2006 and 2009. The new branches will be principally opened in the regions next to Liguria (Lombardy, Piedmont, Emilia-Romagna, Tuscany, 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

+98 branches from 2005 to 2009



NEW BRANCHES BY BANK

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

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

- *market attractiveness* (potential customers, competition)
- *achievement of a market share in a range of 3-5%*



The Strategic Projects

COST SIDE

Back-office centralisation

What is it?

A Process Reengineering project aimed to re-focus branches on their core sales activities

Scope of the project

- Transfer of 35-40% of the back-office activities from the branches to two new central structures
- Conversion of more than 100 employees from back office activities to sales

Project highlights

- Creation of two new central structures
- All branches of the Group involved
- Two migration phases:
#1:Liguria branches ; #2:outside Liguria branches

State of the art

- The two new central structures are operating in Genoa and Savona (178 employees)
- 402 branches implemented (out of 512)
- End of project: 20 Feb. '07



The Strategic Projects

COST SIDE

New Front Office

What is it?

An integrated and marketing oriented new sales system: a new IT platform & a new branch layout

Scope of the project

- From a "traditional branch" to a new "financial shop"
- A customer oriented approach
- A paper less model

Project highlights

- A unique access point (single sign on) for an integrated platform of relationship management with a stronger commercial approach
- Three new desks: teller, commercial and branch manager

State of the art

- First tests: end of February 2007
- Teller component: end of July 2008 (roll out)
- Commercial and branch manager components: end of 2008



The Strategic Projects

COST SIDE

Cost Management

What is it?

A rationalization of the cost structure

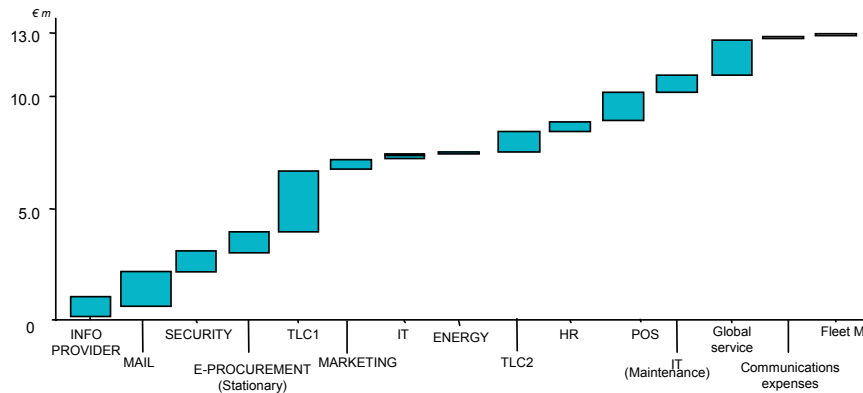
Scope of the project

- A stable reduction of the cost structure
- Reengineering of the purchasing process

Project highlights

- Two new functions at a Group level:
- Purchasing Office at a Group level (Management of deals and purchases, Benchmarking -prices and services, Price/volume analysis, Zero based costing method)
 - Cost Management office (Control of expense levels, Support to short and medium term planning, Process Reengineering)

State of the art



ANNUAL SAVINGS ACHIEVED 13 €m

TOTAL IMPACT ON OPERATING COSTS



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 organizational conditions (structure, skills and systems) to permanently support the network in further commercial development of the Group ("selling more and selling better")

Project highlights

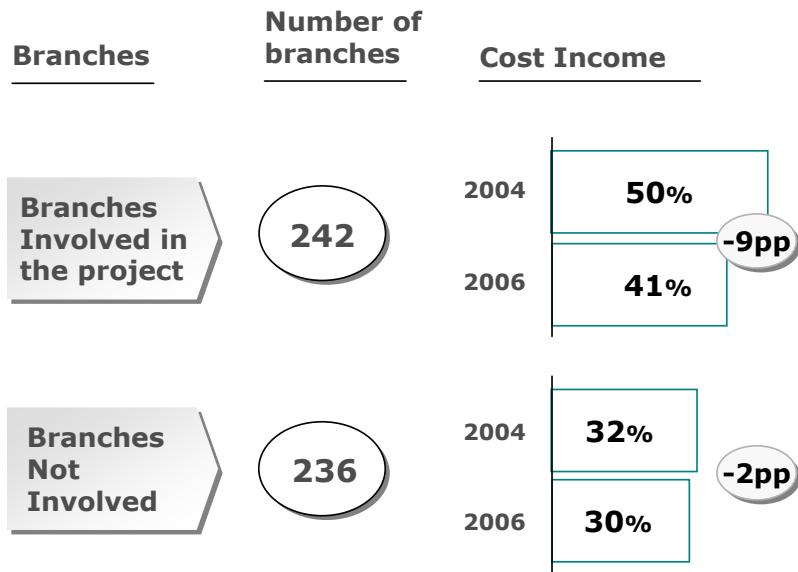
- 250 branches involved
- 7 phases of the project (first phase started in November 2004, the last one in October 2005)
- A customer analysis system
- Identification of commercial initiatives / alliances on the target customers
- A dedicated sale channel (developers and call center)
- A dedicated monitoring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



REVENUE SIDE

Commercial strengthening program

State of the art





REVENUE SIDE

Collaboration branches - insurance agents

What is it?

A definition of a set of rules and methods in the relationship between branches and insurance agents (Project name: "Insieme di più")

Scope of the project

Increasing the cross-selling ratio between banks' customers and insurances' customers through the respective customer base

Project highlights

- 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

State of the art

- 179 insurance agents and 240 branches involved at 2006 Year-end
- Assurbanca (Banking services sold by bank branches to insurance customers):
 - ✓ 75.000 potential customers
 - ✓ 19.766 contacts
 - ✓ 2.839 contracts signed
 - ✓ HIT RATE: 14% of contacts (2006 Year-end)
- Bancassurance (insurance products sold by agents to bank customers):
 - ✓ 41.000 potential customers
 - ✓ 31.484 contacts
 - ✓ 6.342 contracts signed
 - ✓ HIT RATE: 20% of contacts (2006 Year-end)

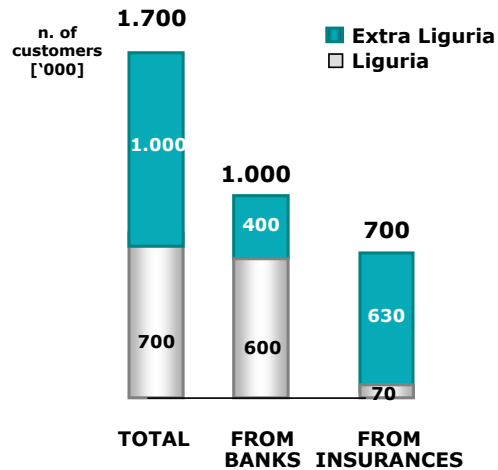


REVENUE SIDE

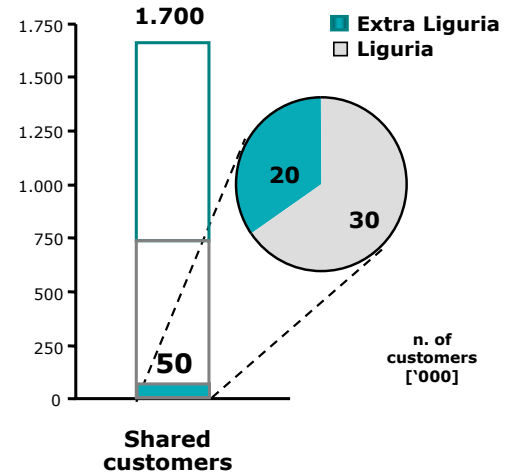
Collaboration branches - insurance agents

..a high potential still to exploit, mainly outside Liguria

Customers of the Group



Shared customers





REVENUE SIDE

Liguria Project (customer segmentation)

What is it?

Reorganization of the Liguria distribution channels through a customer segmentation

Scope of the project

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

Project highlights

- Introduction of new distribution channels: affluent and small business consultants in addition to Large Corporate, SME and Private consultants
- A big potential to exploit: Carige has the leadership in Liguria (market share 30%) but more than 200,000 customers (about 33%) have only a product and in average each customer has 2.6 products (current account included)

State of the art

- At 2006 Year-end:
- 200 branches involved in the project
 - 136 new affluent consultants
 - 100 new small business consultants



REVENUE SIDE

JV - Consumer Credit

What is it?

A newco (Creditis Servizi Finanziari SpA) in the sector of the consumer credit between Carige (51%) and its French shareholder CNCE (49%)

Scope of the project

- Growth in the penetration of the consumer credit products both on the Carige client base and on the open market
- Exploitation of skills and technologies of Natixis Consumer Finance

Project highlights

- Headquarter in Genoa
- Business Model
 - products: personal loans, revolving cards, salary backed loans
 - commercial focus: Carige customers base for first 2 years, then open market
- Business plan targets (Y5 after start):
 - net profit : 13 €m
 - volumes: more than 1 €b
 - employees: 100

State of the art

- Constitution of the newco at 2006 Year-end
- Start of the commercial activities: 2H07

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