



GRUPPO BANCA CARIGE

KBW European Financials Conference

Tuesday, September 18th



Carige Group Overview

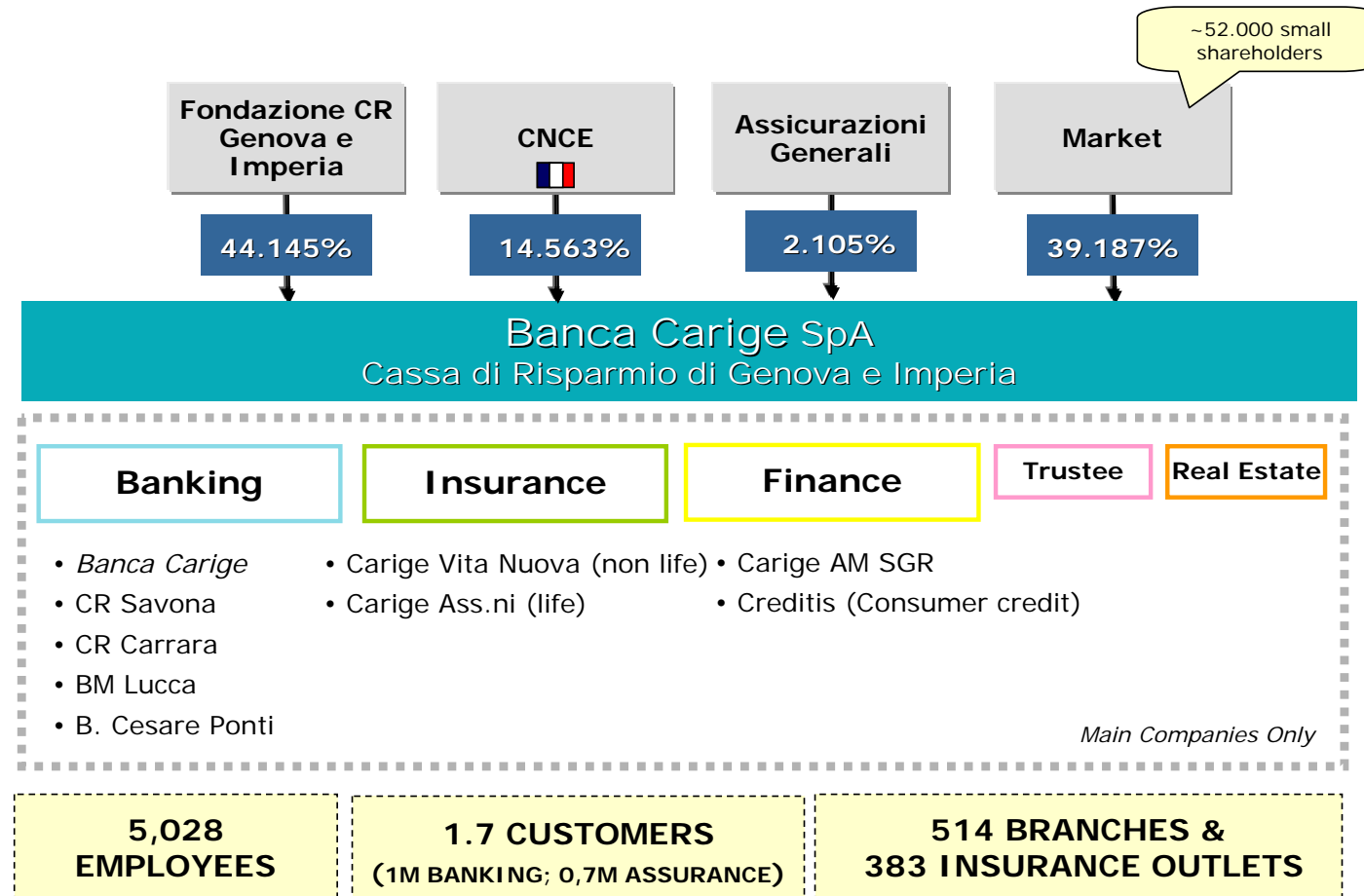
Acquisition of 78 branches from IntesaSanpaolo

1H07 Results & 2008 Strategic Plan Target

Annexes: Carige Strategic Projects



Banca Carige Group today





Independence through growth

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

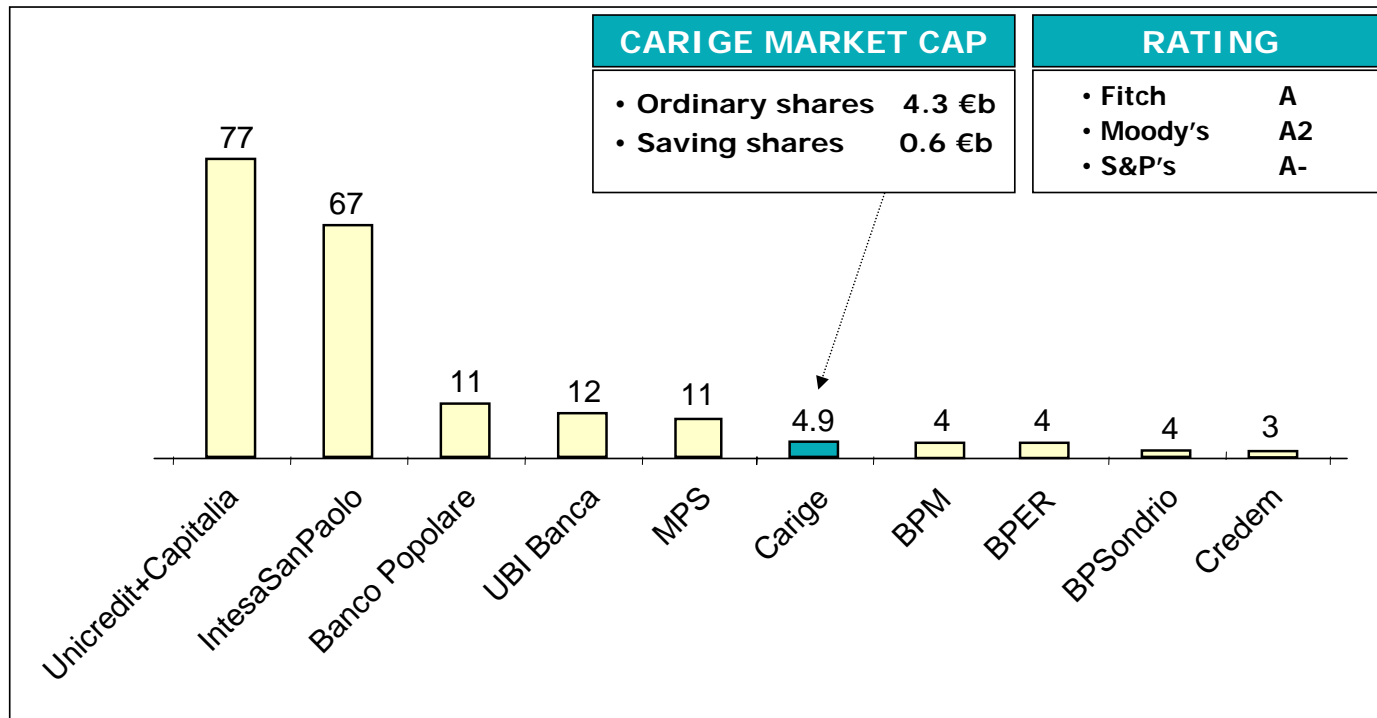
- Specialization of distribution and production structures
- Unitary management of the Group's key-expertises
- Professional development of human resources



A medium-sized Group..

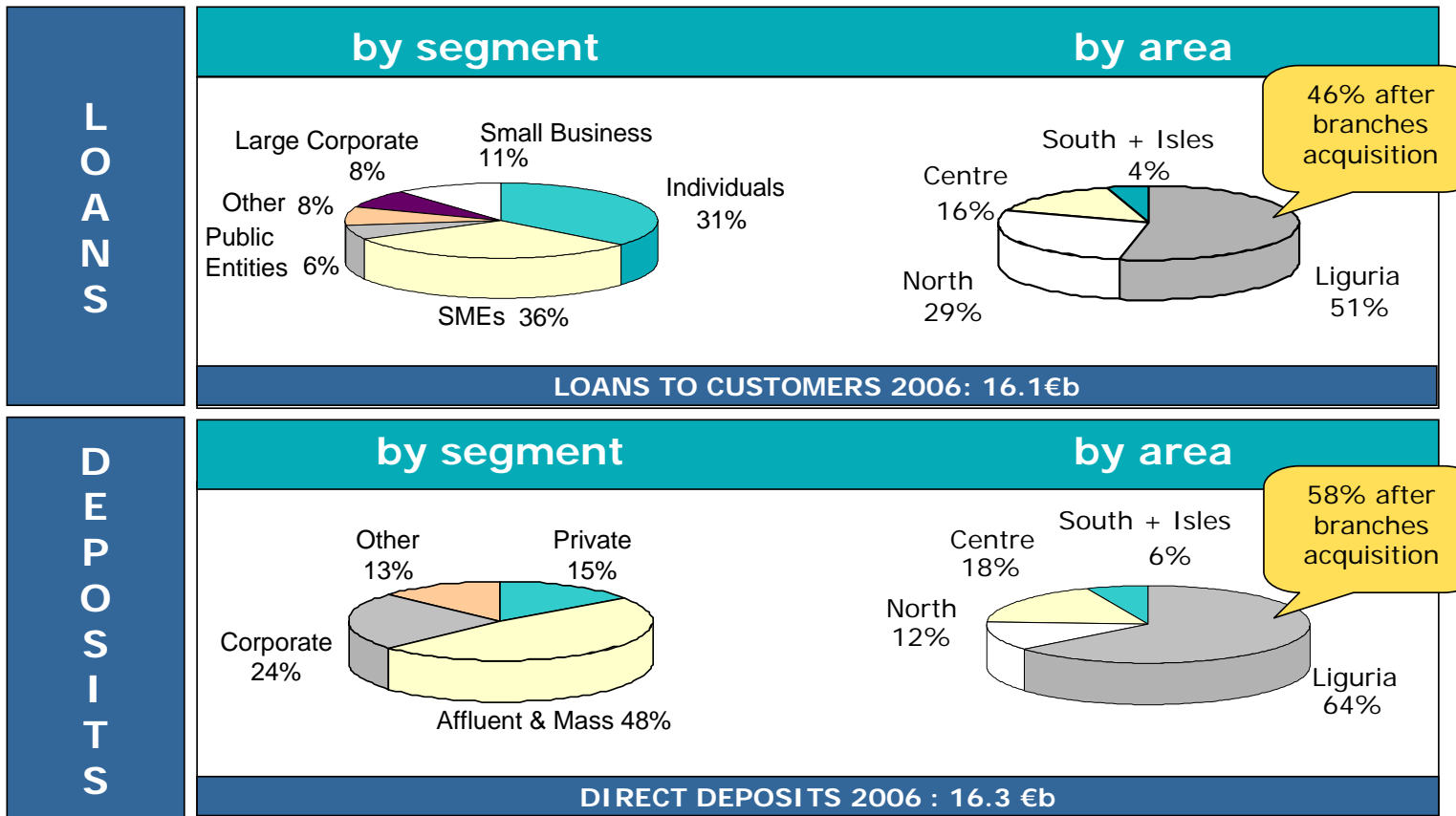
MARKET CAP

€b, data at 07 Sept 07





..focused on retail

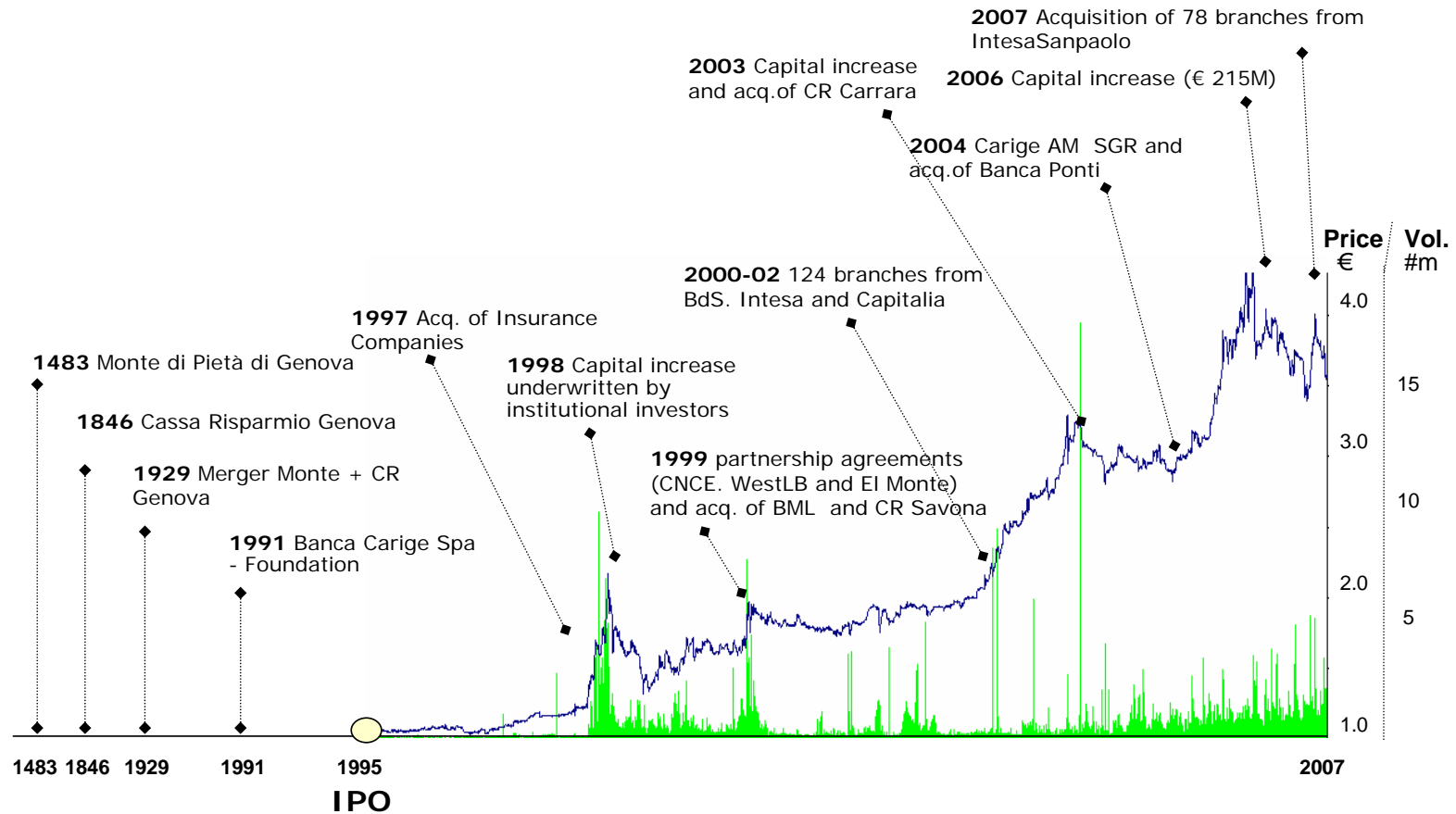


CORPORATE: Small business = turnover < 1m ; SMEs = < 100m€; Large Corporate = > 100m€

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



A long term steady growth





... through a long season of acquisitions

Capital collection and M&A before IntesaSanpaolo Deal

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



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1H07 CONSOLIDATED RESULTS

CARIGE GROUP	1H06	1H07	VAR 1H07-1H06	2008 Strategic Plan	CAGR 08-05
Total revenues (€ m)	394.6	479.7	+21.6%	1011	+9.1%
Operating Costs (€ m)	243.6	258.6	+15.8%	560	+2.2%
Net income (€ m)	83.3	100.5	+20.7%	220	+18.9%
Direct and Indirect Deposits (€b)	34.6	37.0	+7.1%	39,9	+5.9%
Loans to customers (€b)	14.8	16.7	+12.3%	17,0	+6.6%
ROE	3.6%	3.8%	+0.2 pp	8.2%	+2.0 pp
ROE adj. (*)	4.9%	5.0%	+0.1 pp	10.3%	+2.0 pp
Cost Income	60.5%	54.0%	-6.5 pp	54.7%	-11.7 pp
Tier 1	6.3%	8.3%	+2.0 pp	8.2%	+2.8 pp
Total capital ratio	9.5%	10.4%	+0.9 pp	11.8%	+3.4 pp

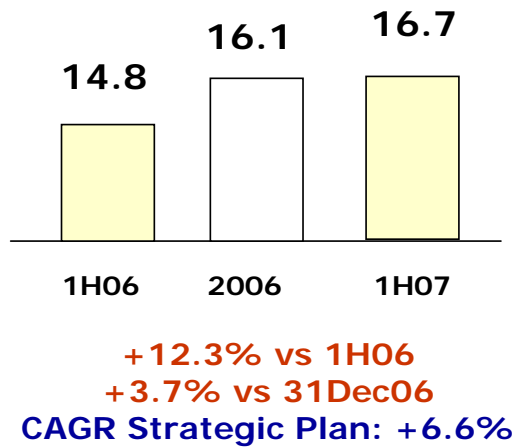
(*) Equity net of revaluation of the participation in Bank of Italy



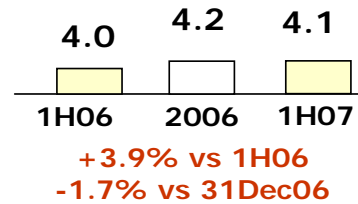
LOANS TO CUSTOMERS

€b

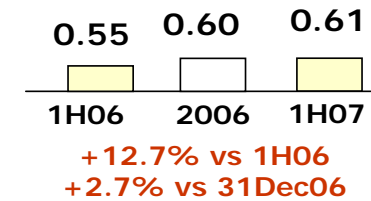
LOANS TO CUSTOMERS



SHORT TERM

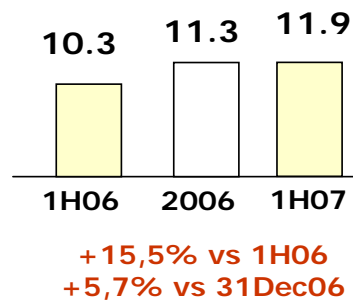


BAD LOANS



Bad loans/gross loans: 3.7%

M/L TERM

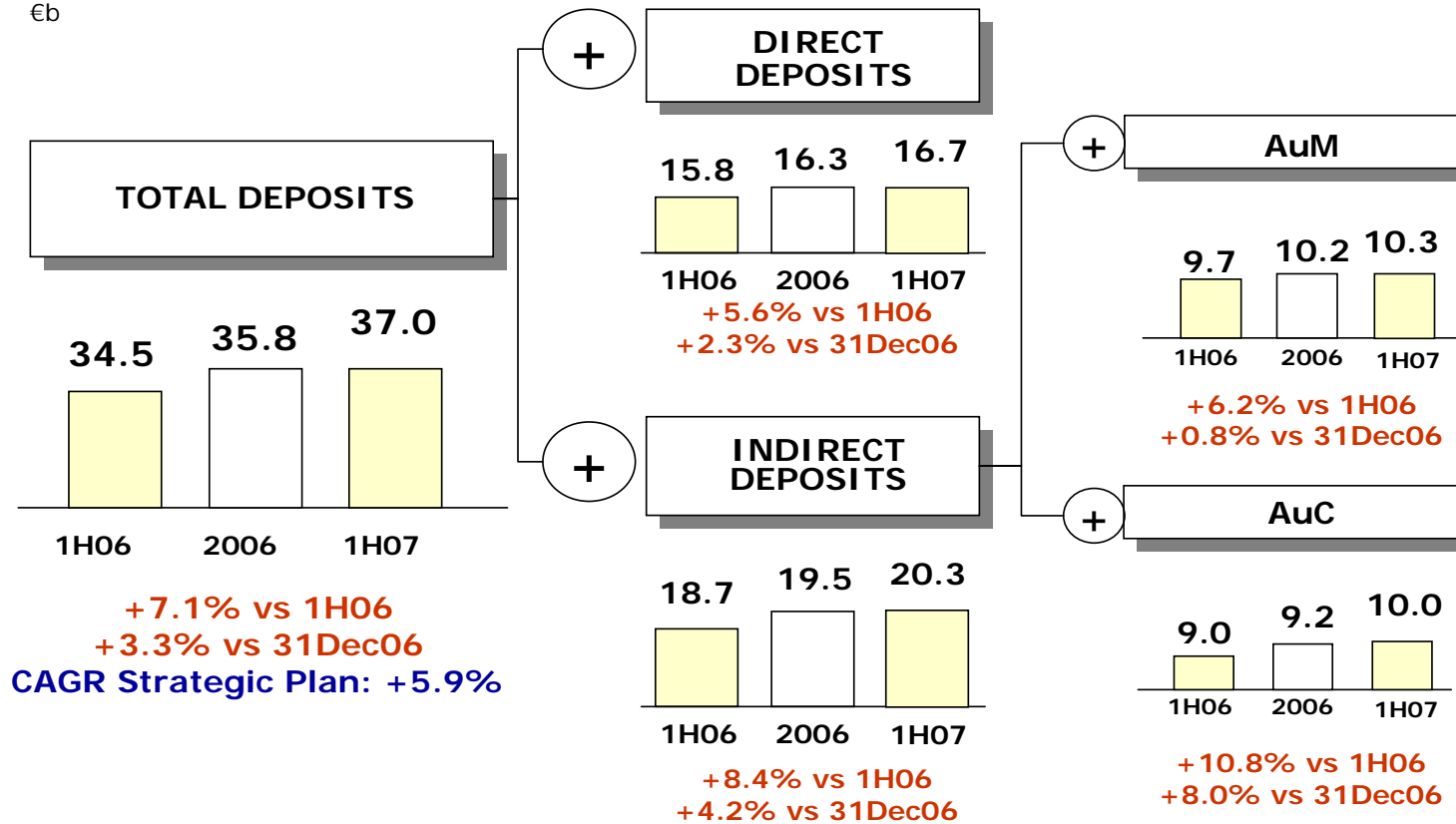




1H07 CONSOLIDATED RESULTS

TOTAL DEPOSITS

€b

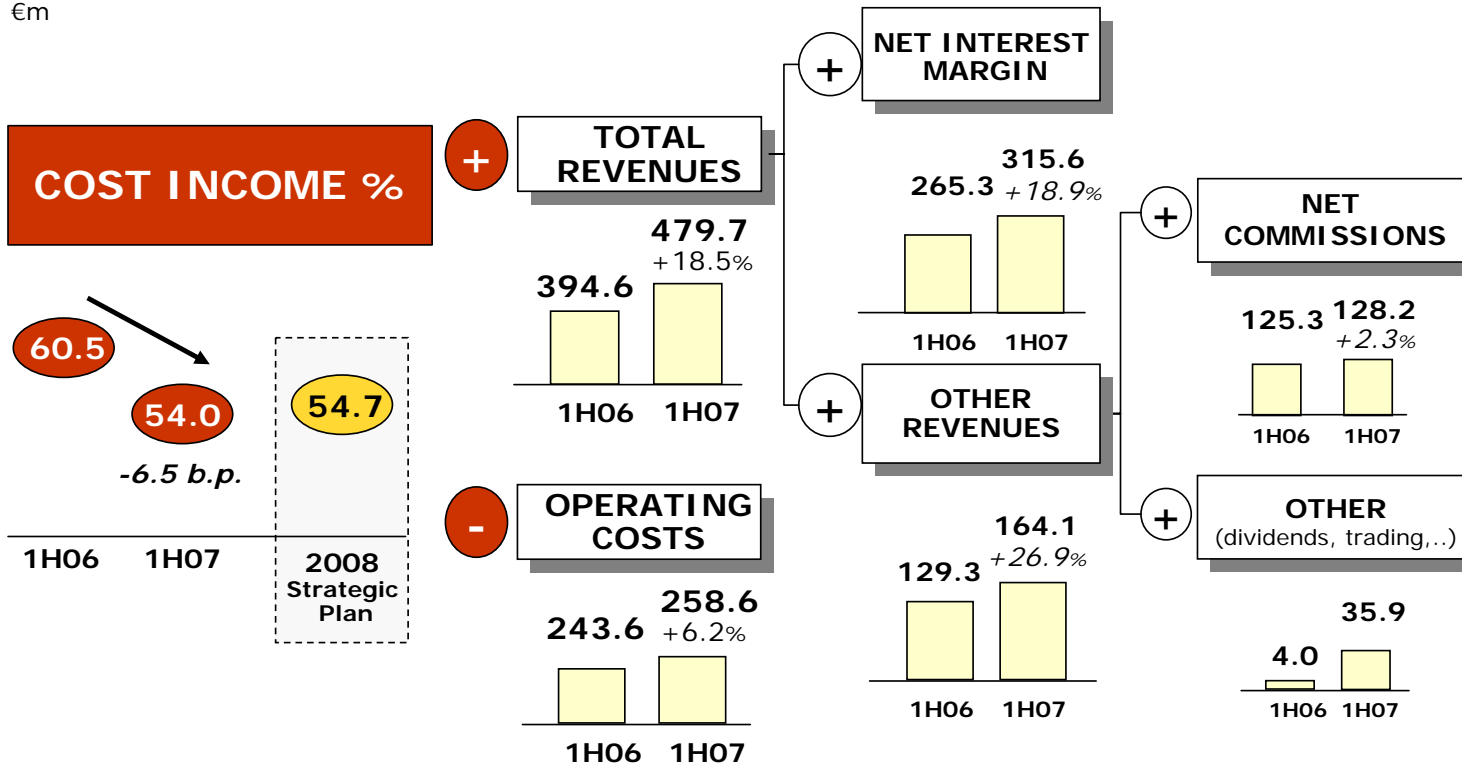




1H07 CONSOLIDATED RESULTS

P&L

€m





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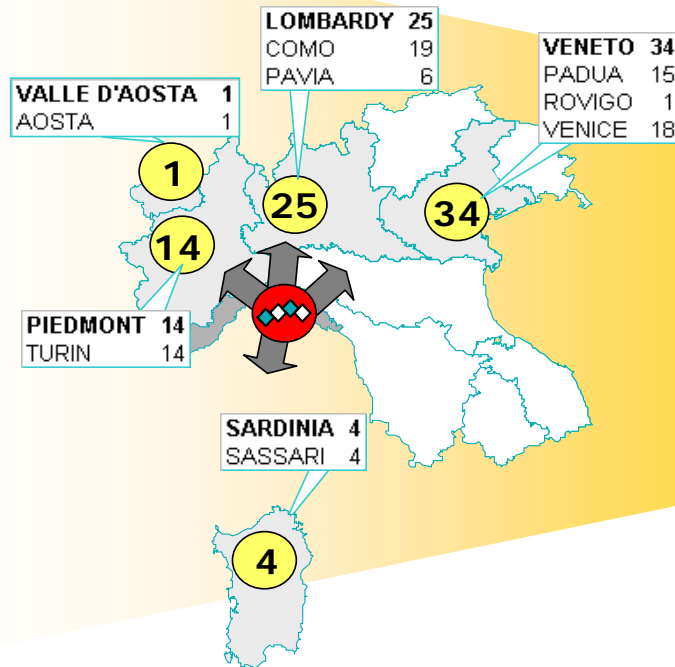
DETAILS OF THE TRANSACTION

THE 198 BRANCHES	THE TRANSACTION																					
<ul style="list-style-type: none"> • Direct Deposits: 3.4€b • Indirect Deposits: 8.2€b • Loans to customers: 3.5€b <p style="text-align: center;">↓</p> <p style="text-align: center;">Market share (Italy) 0,6%</p>	<table border="1"> <thead> <tr> <th>Bank</th> <th># branches</th> <th>Price (€m)</th> </tr> </thead> <tbody> <tr> <td>Carige</td> <td>78</td> <td>995.6</td> </tr> <tr> <td>Creval</td> <td>35</td> <td>394.9</td> </tr> <tr> <td>Veneto Banca</td> <td>42</td> <td>328.2</td> </tr> <tr> <td>BP Bari</td> <td>43</td> <td>181.4</td> </tr> <tr> <td>TOTAL</td> <td>198</td> <td>1900.0</td> </tr> </tbody> </table>	Bank	# branches	Price (€m)	Carige	78	995.6	Creval	35	394.9	Veneto Banca	42	328.2	BP Bari	43	181.4	TOTAL	198	1900.0	<div style="border: 1px solid black; padding: 5px; background-color: #ffffcc;"> All the banks (except BPBari) pay the same P/Deposits ratio </div>		
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BIDDERS	TIMING																					
<ul style="list-style-type: none"> • CARIGE CONSORTIUM Carige, Creval, VenetoB, BPBari • MPS • Barclays • CA + Credem • BPM • BPER • Cariparma • .. 	<table border="1"> <thead> <tr> <th>ISP Information Memorandum</th> <th>Non Binding Offer</th> <th>Binding Offer</th> <th>ISP Acceptance</th> <th>Agreement</th> <th>Branches in Carige's books</th> </tr> </thead> <tbody> <tr> <td>June Aug</td> <td>2 Jul</td> <td>29 Aug</td> <td>10 Sept</td> <td>End of Sept</td> <td>1 Jan08</td> </tr> </tbody> </table>	ISP Information Memorandum	Non Binding Offer	Binding Offer	ISP Acceptance	Agreement	Branches in Carige's books	June Aug	2 Jul	29 Aug	10 Sept	End of Sept	1 Jan08									
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CARIGE'S DEAL



78 BRANCHES

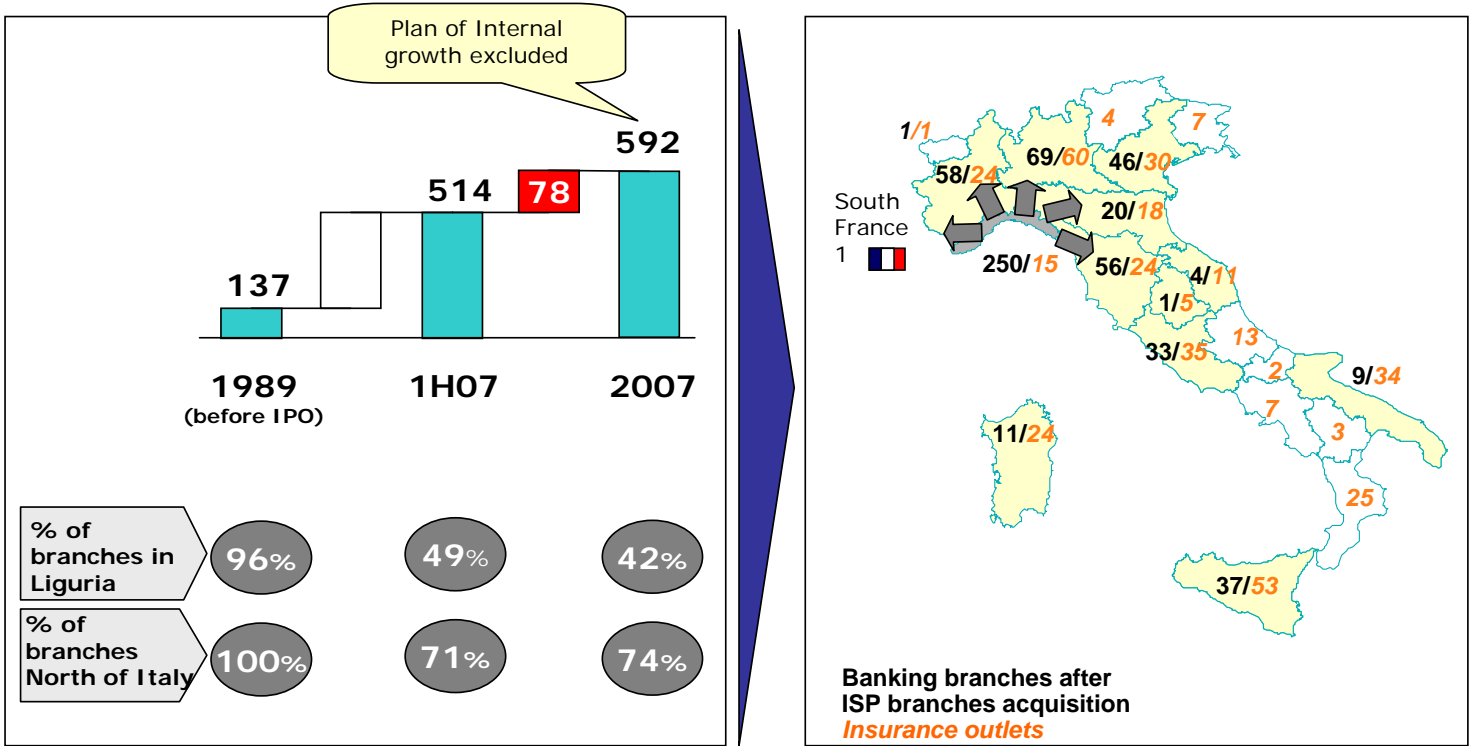
Direct Deposit €1.6b	Indirect Deposit €4.3b
Loans €1.7b	Customers 169,000

at 31 dec 2006



Acquisition of 78 branches from IntesaSanpaolo

CARIGE: NETWORK EVOLUTION





CARIGE: NETWORK EVOLUTION

CARIGE MARKET SHARE BY PROVINCE

	at 31 Dec 06	after branches acquisition
Sassari	3,2%	7,4%
Aosta	0,0%	3,4%
Pavia	5,2%	11,3%
Como	2,1%	15,5%
Turin	1,7%	4,0%
Padua	1,0%	6,1%
Venice	0,0%	5,4%
Rovigo	0,0%	2,1%



Acquisition of 78 branches from IntesaSanpaolo

IMPACTS ON CARIGE CAPITAL RATIO

	1H07		Within 1H08
Tier I	8,29%		>8%
TCR	10,36%		>10%

TRACK RECORD IN BRANCHES ACQUISITION

Deal	Year	# of branches	Revenues	Loans	Deposits
Banco di Sicilia	2000	21	+7%	+8%	+13%
Intesa	2001	61	+9%	+19%	+19%
Capitalia	2002	42	+12%	+9%	+9%
TOTAL		124			



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The Strategic Projects

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

 Details in annexes

About 60 €m of investments in 2007...

21€m for NEW BRANCHES
(excluding ISP deal)

39€m for INNOVATION & IT



The 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).

NEW BRANCHES BY BANK

 BANCA CARIGE <small>Cassa di Risparmio di Genova e Imperia</small>	75
 CASSA DI R. DI SAVONA	4
 BANCA DEL MONTE DI LUCCA <small>B.M.L.</small>	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%*

Acquisition of 78 branches from ISP is according to these principles



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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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

<i>COST SIDE</i>	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	<ul style="list-style-type: none">• From a "traditional branch" to a new "financial shop"• A customer oriented approach• A paper less model
Project highlights	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none"> • A stable reduction of the cost structure • Reengineering of the purchasing process 																																		
Project highlights	<p>Two new functions at a Group level:</p> <ul style="list-style-type: none"> • 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	<p>The chart shows cumulative savings in millions of euros (€m) across various categories. The total impact on operating costs is 13 €m.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Savings (€m)</th> </tr> </thead> <tbody> <tr> <td>INFO PROVIDER</td> <td>1.0</td> </tr> <tr> <td>MAIL</td> <td>1.5</td> </tr> <tr> <td>SECURITY</td> <td>2.0</td> </tr> <tr> <td>E-PROCUREMENT (Stationary)</td> <td>2.5</td> </tr> <tr> <td>TLC1</td> <td>3.0</td> </tr> <tr> <td>MARKETING</td> <td>3.5</td> </tr> <tr> <td>IT</td> <td>4.0</td> </tr> <tr> <td>ENERGY</td> <td>4.5</td> </tr> <tr> <td>TLC2</td> <td>5.0</td> </tr> <tr> <td>HR</td> <td>5.5</td> </tr> <tr> <td>POS (Maintenance)</td> <td>6.0</td> </tr> <tr> <td>IT</td> <td>6.5</td> </tr> <tr> <td>Global service</td> <td>7.0</td> </tr> <tr> <td>Communications expenses</td> <td>7.5</td> </tr> <tr> <td>Fleet M.</td> <td>8.0</td> </tr> <tr> <td>TOTAL IMPACT ON OPERATING COSTS</td> <td>13.0</td> </tr> </tbody> </table> <p>ANNUAL SAVINGS ACHIEVED 13 €m</p>	Category	Savings (€m)	INFO PROVIDER	1.0	MAIL	1.5	SECURITY	2.0	E-PROCUREMENT (Stationary)	2.5	TLC1	3.0	MARKETING	3.5	IT	4.0	ENERGY	4.5	TLC2	5.0	HR	5.5	POS (Maintenance)	6.0	IT	6.5	Global service	7.0	Communications expenses	7.5	Fleet M.	8.0	TOTAL IMPACT ON OPERATING COSTS	13.0
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The Strategic Projects

REVENUE SIDE	Commercial strengthening program
What is it?	A structural reengineering of the branches' selling process (branches outside Liguria)
Scope of the project	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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

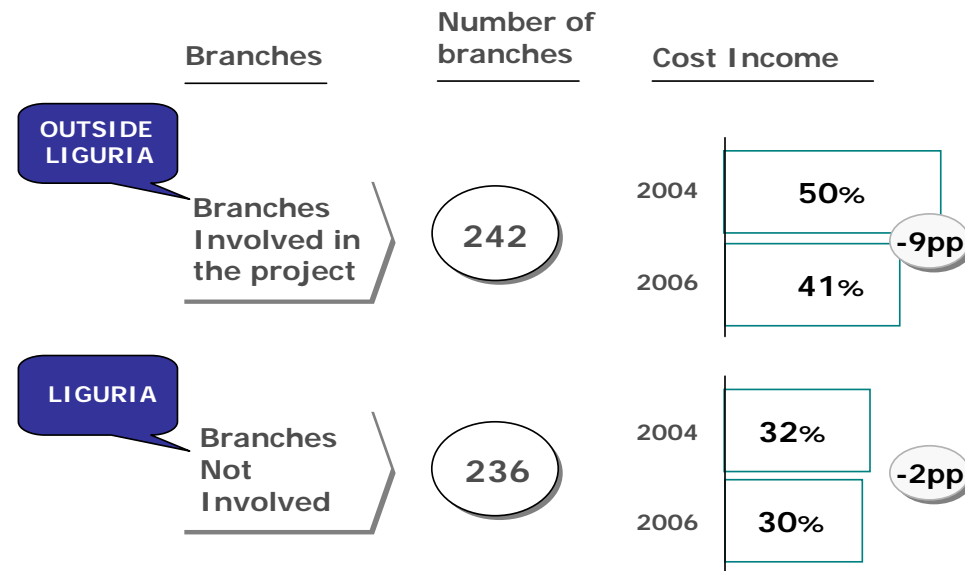


The Strategic Projects

REVENUE SIDE

Commercial strengthening program

State of the art





The Strategic Projects

<i>REVENUE SIDE</i>	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	<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
State of the art	<ul style="list-style-type: none">• 179 insurance agents and 240 branches involved at 2006 Year-end• Assurbanca (Banking services sold by bank branches to insurance customers):<ul style="list-style-type: none">✓ 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):<ul style="list-style-type: none">✓ 41.000 potential customers✓ 31.484 contacts✓ 6.342 contracts signed✓ HIT RATE: 20% of contacts (2006 Year-end)



The Strategic Projects

REVENUE SIDE	Liguria Project (customer segmentation)
What is it?	Reorganization of the Liguria distribution channels through a customer segmentation
Scope of the project	<ul style="list-style-type: none">• Increasing the "revenues per customer" ratio• Up-selling and cross selling on existing customers
Project highlights	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 200 branches involved in the project• 136 new affluent consultants• 100 new small business consultants



The Strategic Projects

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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Headquarter in Genoa• Business Model<ul style="list-style-type: none">- 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):<ul style="list-style-type: none">- net profit : 13 €m- volumes: more than 1 €b- employees: 100
State of the art	<ul style="list-style-type: none">• Constitution of the newco at 2006 Year-end• Start of the commercial activities: 2H07



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