

**BANCA CARIGE**

Cassa di Risparmio di Genova e Imperia



# Investors Day

Genoa, 12<sup>th</sup> October 2007

**Alfredo Sanguinetto**  
*General Manager*



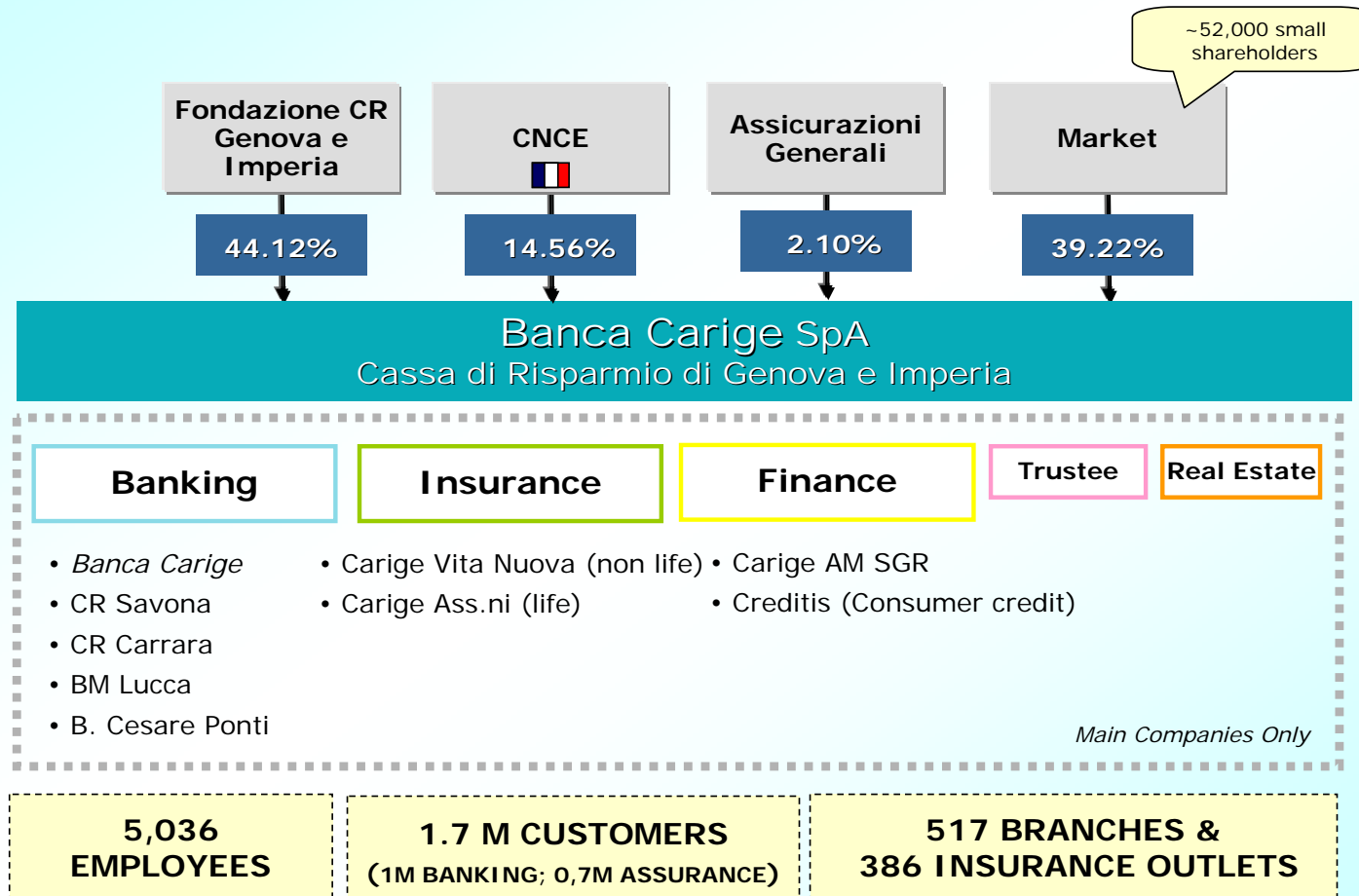
## *AGENDA*

- A LONG SEASON OF SOUND ACQUISITIONS
- ISP BRANCHES DEAL
- PURCHASE OF 78 ISP BRANCHES COMPARED WITH THE PREVIOUS ONES
- PLAN OF INTERNAL GROWTH
- FUNDING FOR THE DEAL AND DEVELOPMENT
- UPDATING OF THE 2006-2008 PLAN AND EXTENTION TO 2010: FIRST ASSESSMENTS AND TARGET 2010



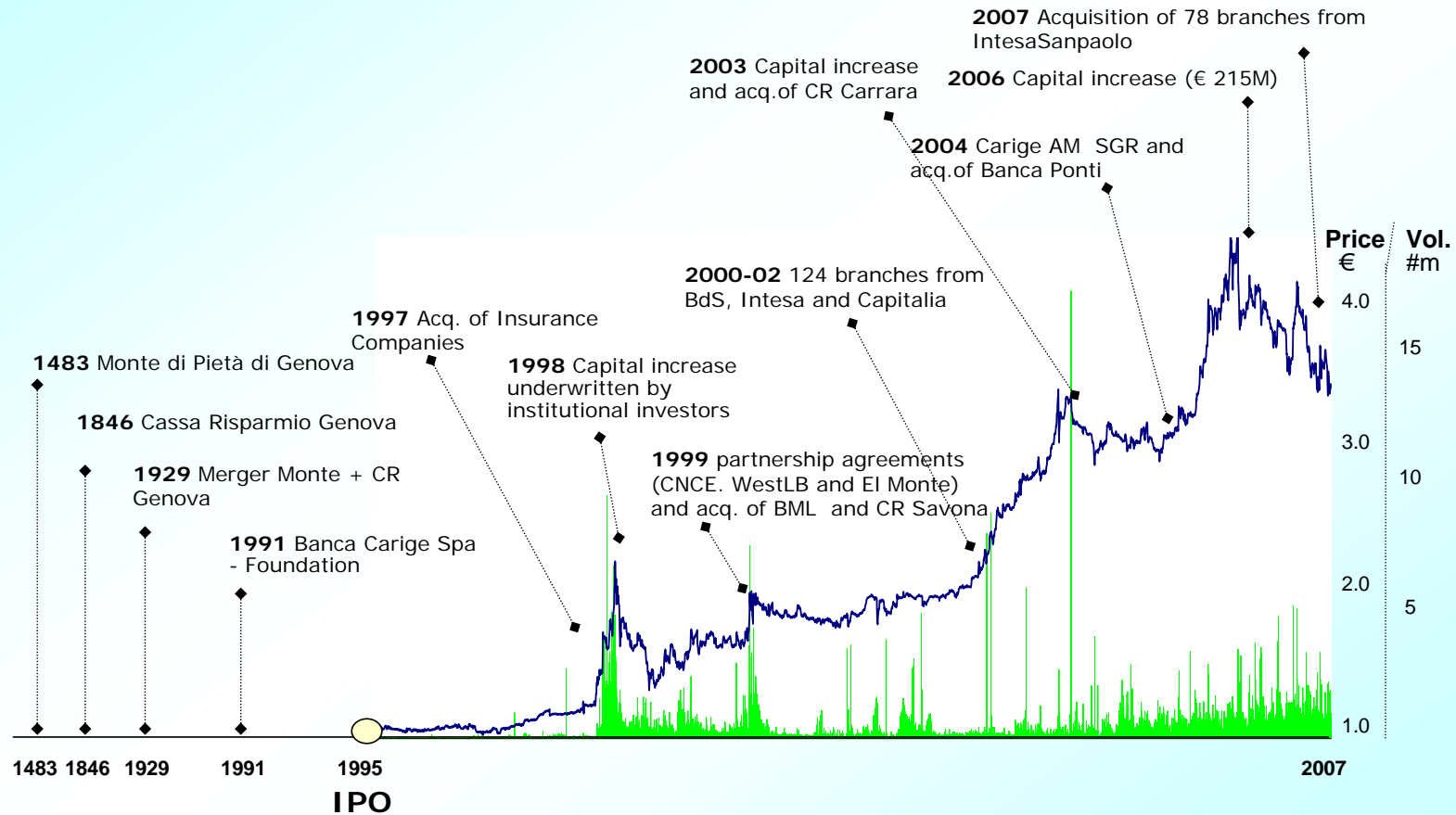


## Banca Carige Group today





## A long term steady 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	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
		<b>Total 1,485</b>			<b>Total 1,302</b>



# 2007E results exceed all '06-'08 Strategic Plan expectations

## Core priorities of 2006-08 SP

## Achievements

### Strengthening of operating efficiency and profitability enhancement

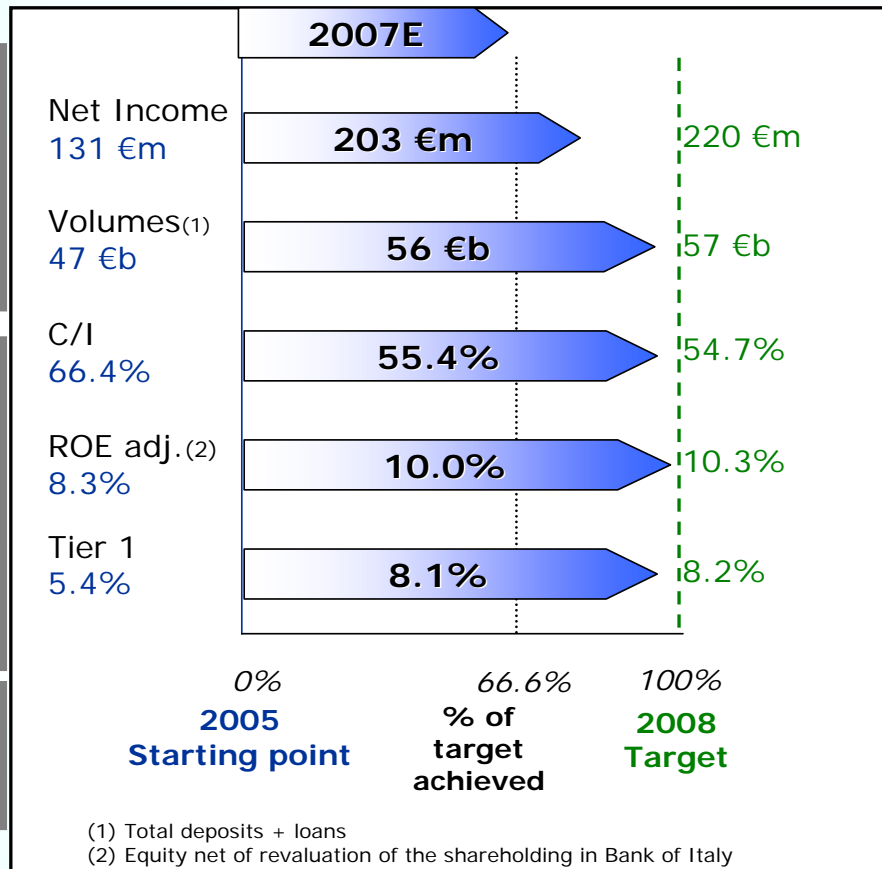
- Profitability enhancement of subsidiaries (banks and insurances) and of each business area (lending, wealth management, payment system)
- Cost Management

### 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

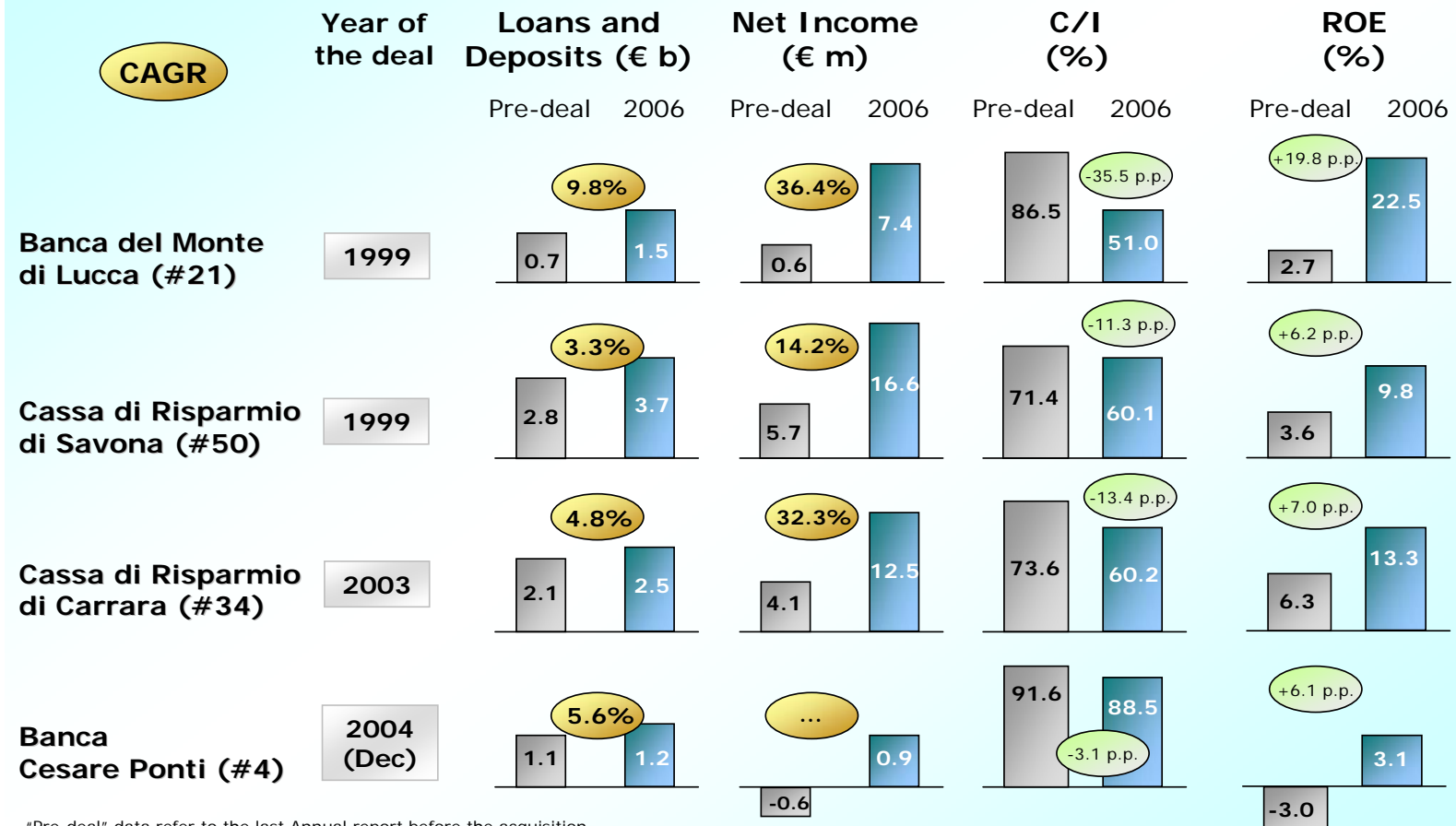
### Risk management

- Control of the economic impact of all kinds of risks





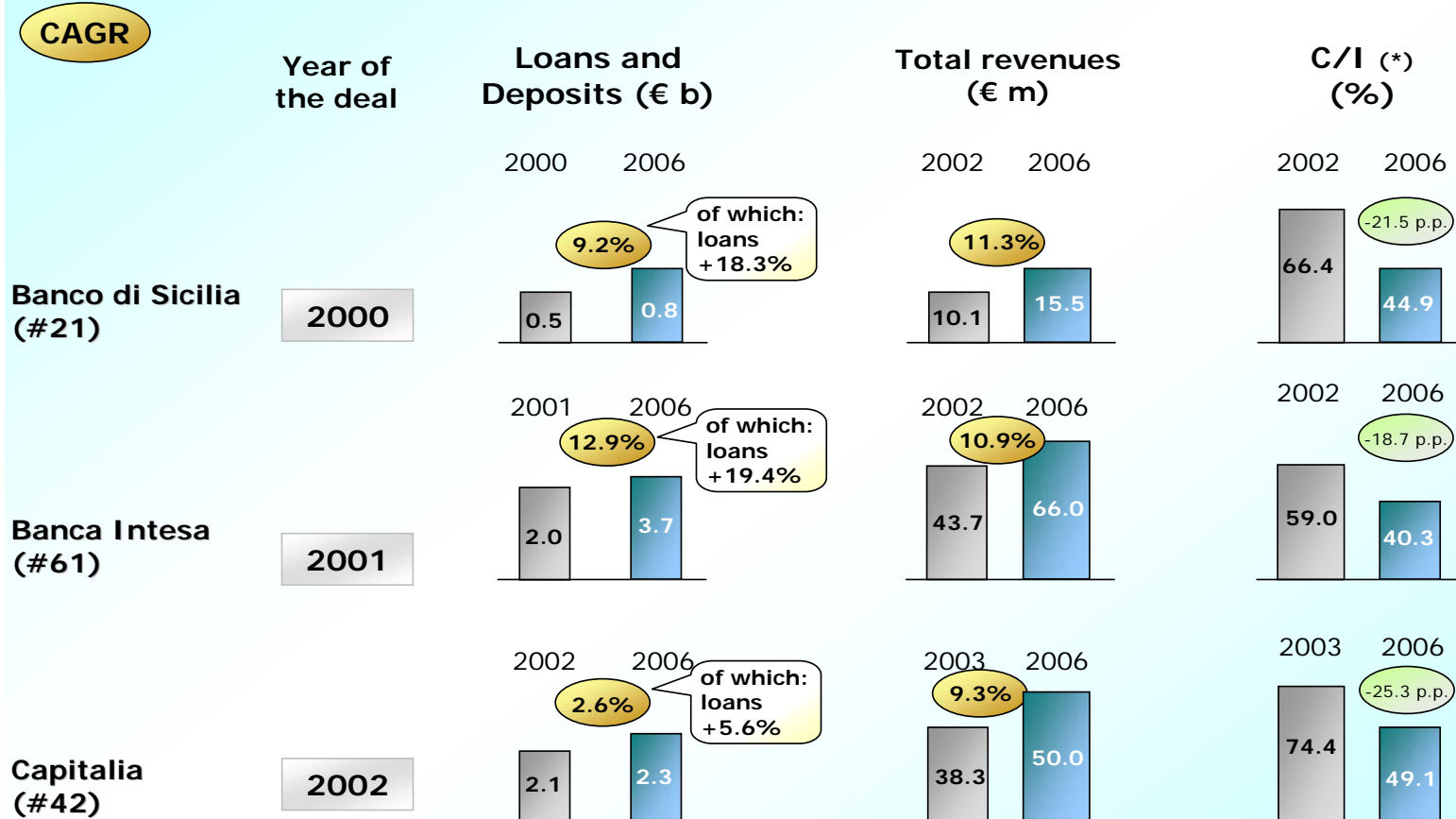
## Growing results from the acquired banks



"Pre-deal" data refer to the last Annual report before the acquisition.  
 "Pre-deal" data of Banca Cesare Ponti refer to 2004 Annual report.



## ...and from the purchased branches


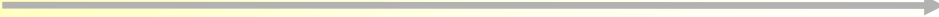


(\*): direct costs only



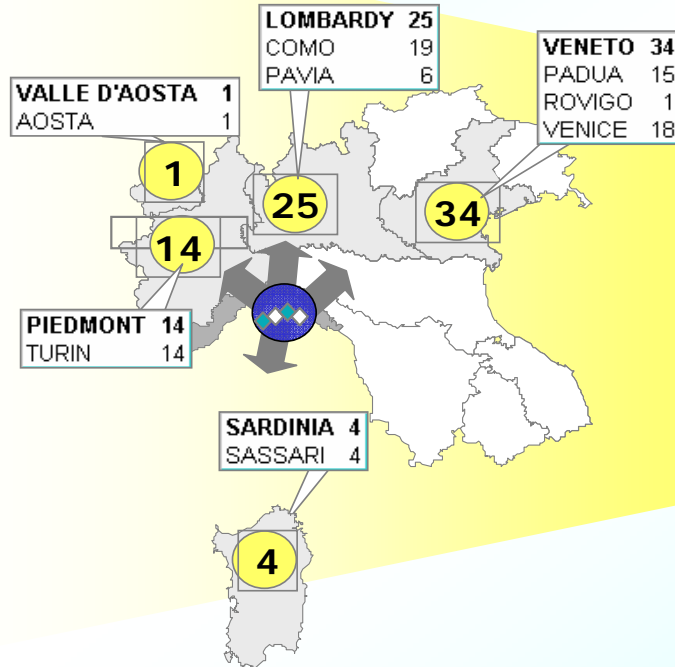


## A lot of banks were interested in the ISP branches

THE 198 BRANCHES	THE DEAL																					
<ul style="list-style-type: none"> <li>• Direct Deposits: 3.4€b</li> <li>• Indirect Deposits: 8.2€b</li> <li>• Loans to customers: 3.5€b</li> </ul> <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><b>TOTAL</b></td> <td><b>198</b></td> <td><b>1900.0</b></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	<b>TOTAL</b>	<b>198</b>	<b>1900.0</b>	<div style="border: 1px solid black; border-radius: 15px; padding: 5px; background-color: #fff9c4;">           All the banks (except BPBari) paid the same P/Deposits ratio         </div>		
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BIDDERS	TIMING																					
<ul style="list-style-type: none"> <li>• CARIGE CONSORTIUM Carige, Creval, VenetoB, BPBari</li> <li>• MPS</li> <li>• Barclays</li> <li>• CA + Credem</li> <li>• BPM</li> <li>• BPER</li> <li>• Cariparma CA</li> <li>• ..</li> </ul>	<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>5 Oct</td> <td>1Q08</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	5 Oct	1Q08									
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## Carige purchased 78 branches



**78 BRANCHES**

Direct Deposits €1.6b	Indirect Deposits €4.3b
Loans €1.7b	Customers 170,000

at 31 dec 2006



## ... achieving a high market share in wealthy provinces

	Turin	Pavia	Como	Venice	Padua	Rovigo	Aosta	Sassari
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### Carige - ante

<i>Branches n.</i>	10	5	3	0	3	0	0	3
<i>Market share</i>	0.9%	1.6%	0.9%	0.0%	0.5%	0.0%	0.0%	1.4%

### Carige - post

<i>Branches n.</i>	24	11	22	18	18	1	1	7
<i>Market share</i>	2.2%	3.4%	6.3%	3.6%	2.9%	0.6%	1.0%	3.3%

### The 8 provinces make:

10.7% of Italian GDP(\*)

9.3% of Italian loans (\*\*)

10% of Italian deposits (\*\*)

(\*) Source: Bank of Italy; data at 31 Dec 2006. (\*\*) Source: Unioncamere; data at 31 Dec 2005.



## The 78 ISP branches are more worth than the previous ones

	78 ISP branches (operating data at 31/12/06)	21 BDS branches (2000)	61 ISP branches (2001)	42 Capitalia branches (2002)
<b>Number of branches</b>	78	21	61	42
North	74	-	36	2
Centre and South	4	21	25	40
<b>Loans (€m)</b>	1,723	50	619	630
<b>Total deposits (€m)</b>	5,835	406	1,399	1,491
<b>Intermediation (€m)</b>	7,558	456	2,018	2,120
<b>Employees</b>	662	86	334	397
<b>Employees/branches</b>	8.5	4.1	5.5	9.5
<b>Loans/branches (€m)</b>	22.1	2.4	10.1	15.0
<b>Total deposits/branches</b>	74.8	19.3	22.9	35.5
<b>Loans/employees (€m)</b>	2.6	0.6	1.9	1.6
<b>Deposits/employees (€m)</b>	8.8	4.7	4.2	3.8
<b>Goodwill/Total deposits</b>	17,1%	14.8%	19.5%	8.4%
<b>Operating profit before taxes/branches (€k)</b>	880	132	422	328

21%  
for north  
branches

Data refer to the year of the deal



## The plan of internal growth is going ahead

The Group had drawn up a plan to increase the number of its branches between 2005 and 2009. Given the acquisition of 78 ISP branches, the number of branches to be opened has turned to 65, instead of 98 (22 of which already opened). Most of new openings will take place in the regions next to Liguria (Lombardy, Piedmont, Emilia-Romagna, Tuscany, South France), in order to enhance the brand where it already exists.

The Plan foresees *65 openings*  
between 4Q07 and 2010

### NEW BRANCHES BY BANK

 BANCA CARIGE <small>Cassa di Risparmio di Genova e Imperia</small>	49
 BANCA DEL MONTE DI LUCCA SPA	7
 CR Carrara	9
<b>TOTAL</b>	<b>65</b>

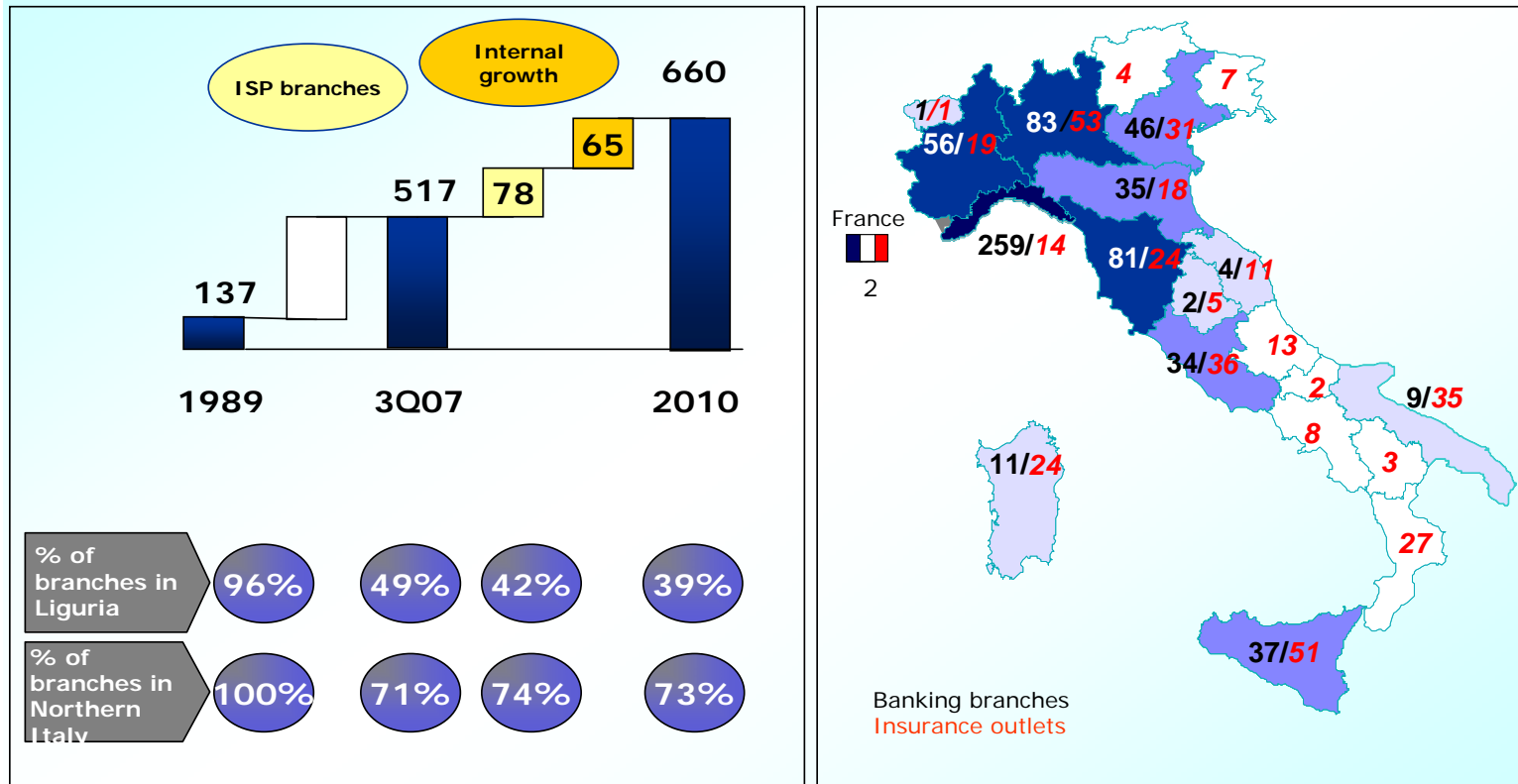
The localization of the new branches meets two main principles:

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

The purchase of the 78 ISP branches  
is consistent with these principles



## In 2010 Carige's network will count 660 branches





## The capital strengthening funds the purchase and development of the ISP branches

Capital increase	~ 950 €m		Goodwill	~ 1,000 €m
Other capital instruments	~ 300 €m		Potential RWA development	~ 250 €m

with no impact on capital ratios

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



## Assumptions for first assessment of 2008-2010

	2007	2008	2009	2010
<b>GDP</b>	1.8%	1.5%	1.9%	1.4%
<b>Inflation rate</b>	1.7%	2.1%	2.0%	2.1%
<b>Unemployment rate</b>	6.1%	5.8%	5.6%	5.4%
<b>ECB rate</b>	4.25%	4.50%	4.50%	4.50%
<b>Banking loans (*)</b>	8.9%	7.6%	7.7%	6.9%
<b>Banking deposits (*)</b>	4.2%	4.9%	5.5%	5.3%

(\*) Annual growth rates





## We expect a higher growth of the ISP branches

The ~ 170.000 ISP branches' customers are Mass market, Affluent, Small business.

The focus will be on:

- New affluent and private customers
- Loans to corporates

Commercial synergies with our insurance agents:

- 19 in Piedmont
- 31 in Veneto
- 53 in Lombardy

	07E	10E	CAGR 07E-10E
<b>Total deposits (€b)</b>	<b>5.8</b>	<b>6.8</b>	<b>5.5%</b>
<b>Loans (€b)</b>	<b>1.9</b>	<b>4.0</b>	<b>29.5%</b>
<b>Total revenues (€m)</b>	<b>141</b>	<b>176</b>	<b>7.7%</b>
<b>Operating costs (€m)</b>	<b>66</b>	<b>70</b>	<b>2.0%</b>
<b>Gross profit (€m)</b>	<b>65</b>	<b>91</b>	<b>12.0%</b>
<b>Cost/Income</b>	<b>46.8%</b>	<b>39.8%</b>	<b>-7 p.p.</b>



## The first assessment of 2010 Group's targets

### CARIGE GROUP

2006

2007E

2007E  
PF (\*)

2010E

CAGR  
07E PF (\*)-10E

Total Deposits (€b)	35.8	38.3	44.1	54.7	7.4%
Loans to customers (€b)	16.1	18.3	20.1	28.2	11.9%
Net Profit (€m)	138	160 <sup>(**)</sup>	238	350	13.8%
Shareholders' Equity (€b)	2.6	2.7	3.8	4.2	3.6%
Cost Income	57.6%	55.4%	54.6%	49.9%	-4.7 pp
ROE	5.4%	7.6%	6.3%	8.3%	+2.0 pp
ROE adj (***)	7.1%	10.0%	7.5%	9.9%	+2.4 pp
Tier 1	8.4%	8.1%		8.2%	
Total capital ratio	10.7%	10.4%		10.1%	

(\*) 2007E PF data include the 78 ISP branches and the capital strengthening

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

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

**PRELIMINARY  
ASSESSMENT**





## The first assessment of 2010 Bank's targets

### BANCA CARIGE

2006

2007E

2007E  
PF (\*)

2010E

CAGR  
07E PF (\*)-10E

Total Deposits (€b)	29.9	32.2	37.9	47.2	7.6%
Loans to customers (€b)	13.2	15.2	17.1	23.4	11.1%
Net Profit (€m)	157	196	231	325	12.0%
Shareholders' Equity (€b)	2.6	2.7	4.0	4.3	3.5%
Cost Income	53.1%	52.0%	51.5%	48.0%	-3.5 pp
ROE	6.0%	7.2%	5.9%	7.5%	+1.6 pp
ROE adj (**)	7.9%	9.3%	7.1%	8.9%	+1.8 pp
Tier 1	10.8%	11.1%		10.9%	
Total capital ratio	13.0%	13.3%		13.7%	

(\*) 2007E PF data include the 78 ISP branches and the capital strengthening

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

**PRELIMINARY  
ASSESSMENT**



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