

BANCA CARIGE

Cassa di Risparmio di Genova e Imperia

**Italian Large and Mid Cap
Conference 2007**

Paris, 24 May 2007

Giacomo Burro, CFO

**Italian Large and Mid Cap
Conference 2007**

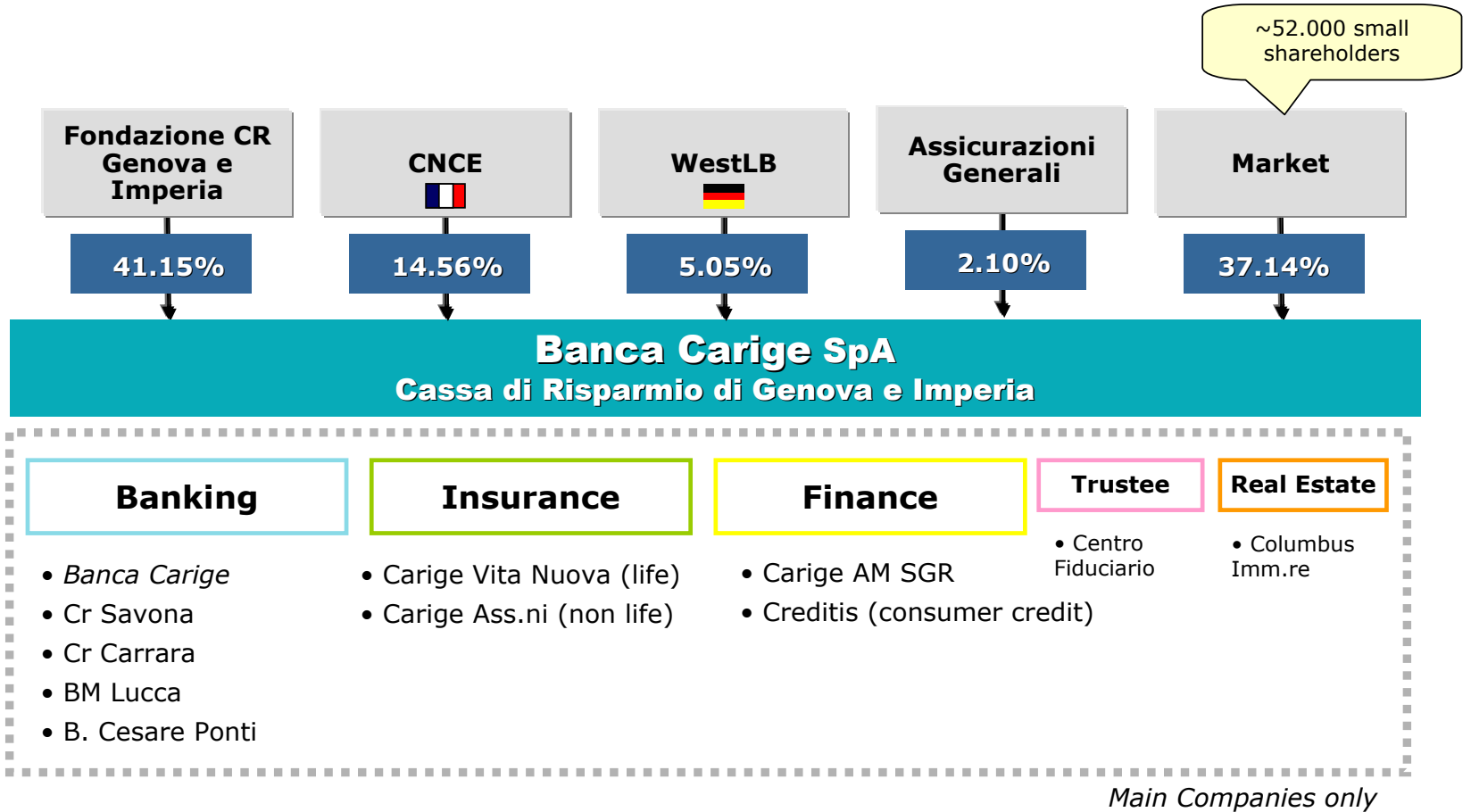
Carige Group Overview

Strategic Plan 2006-2008

2006 & 1Q07 Results

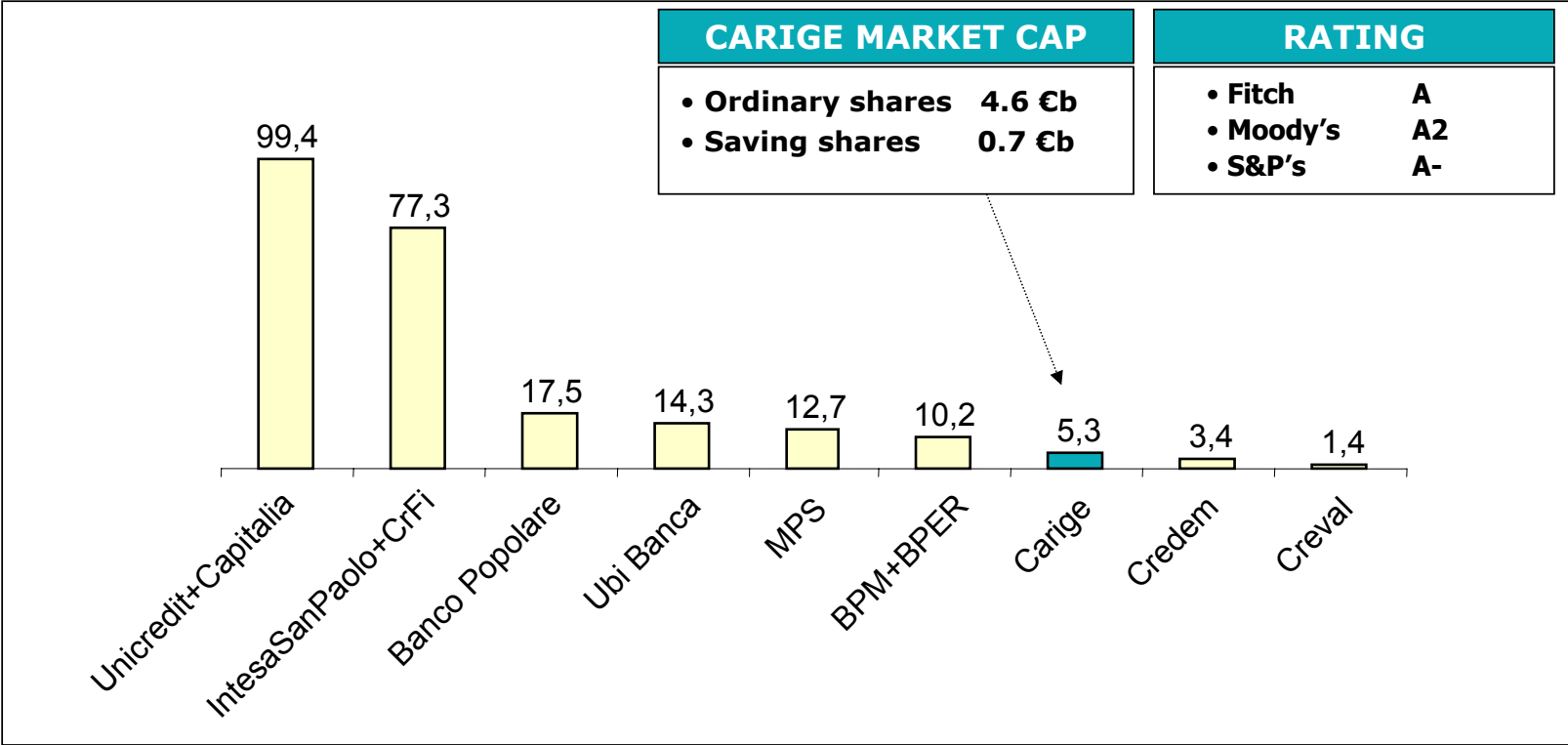
Annexes

Banca Carige Group today



MARKET CAP

€b, data at 17.05.07



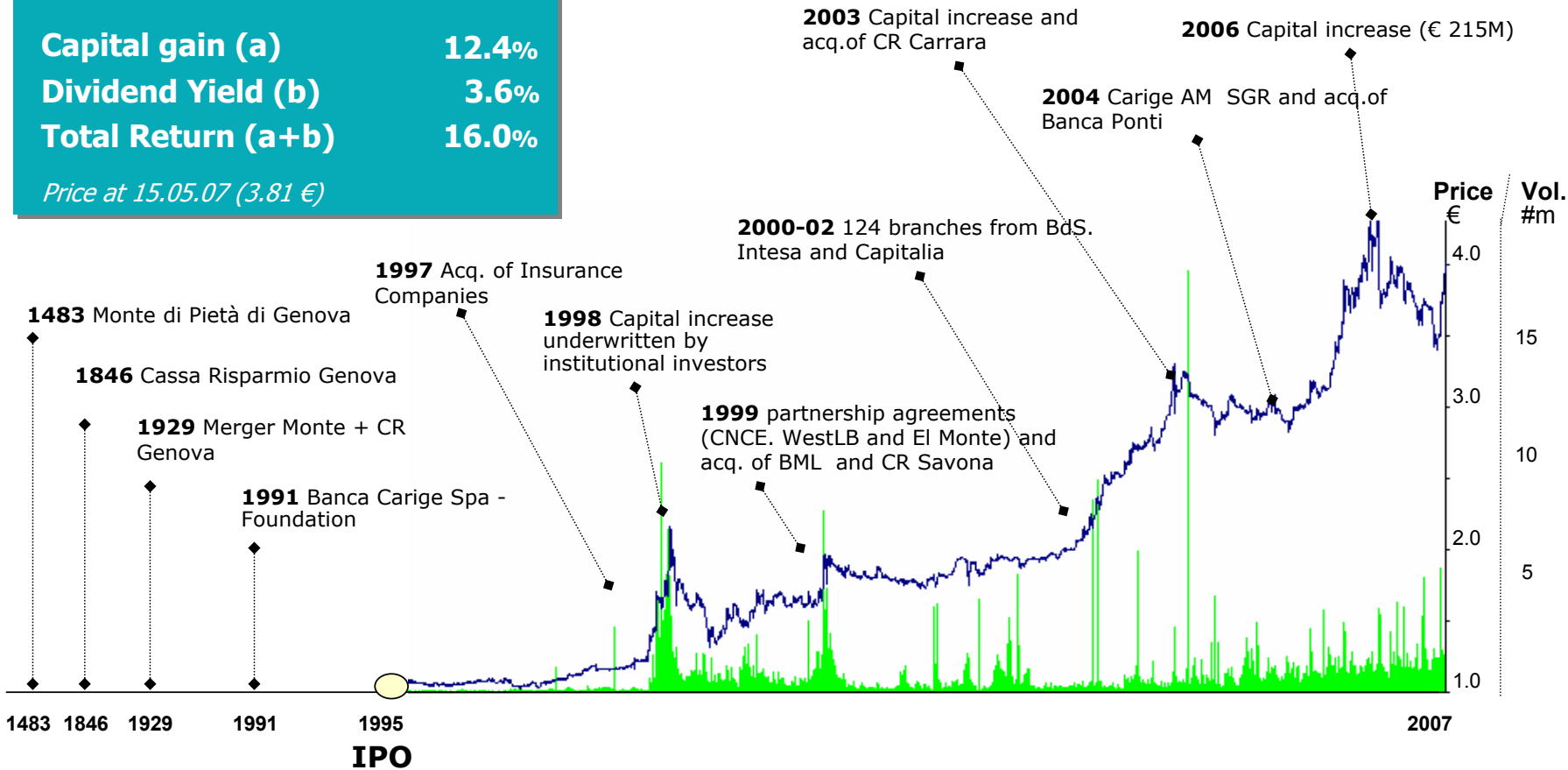
Banco Popolare= BPVN+BPI ; Ubi Banca: BPU+B.Lombarda

A long term stable 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 €)



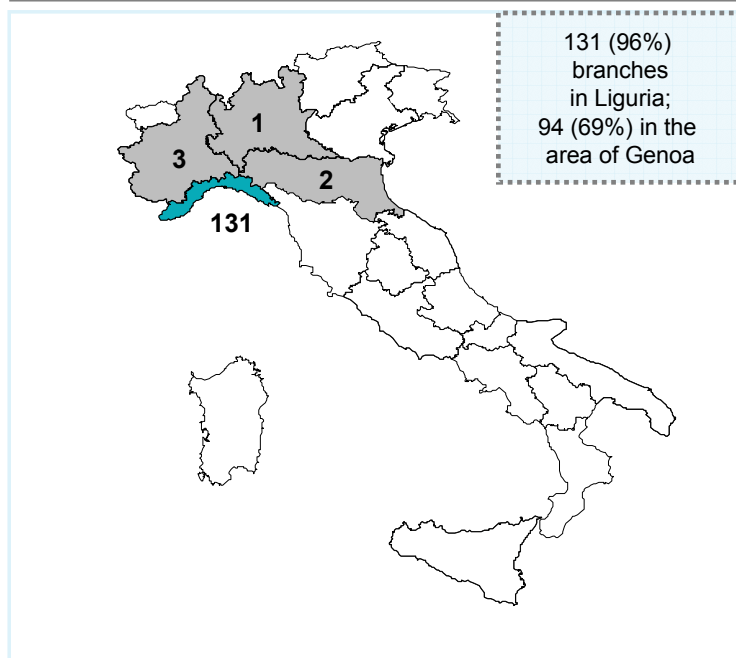
... through a long season of acquisitions

| 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

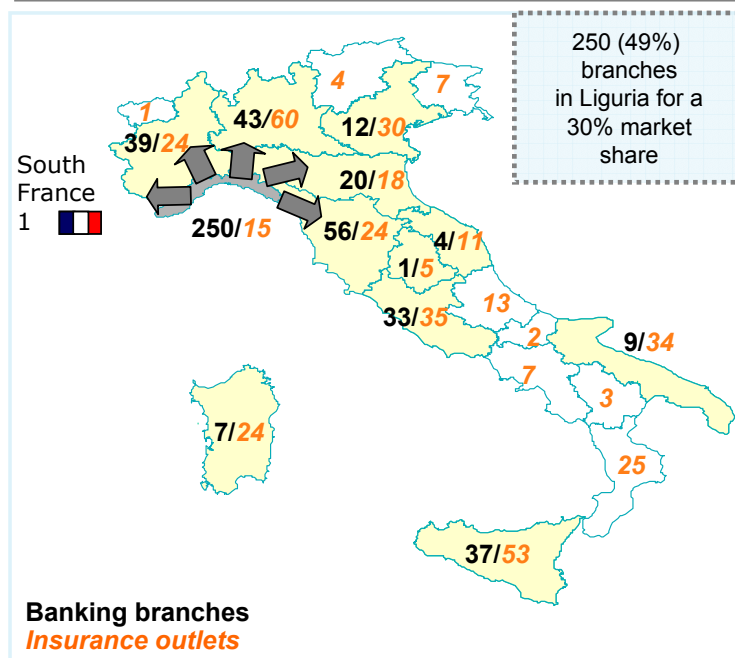
A franchise with its heart in Liguria

1989



| | Branches | Employees | Regions |
|------|----------|-----------|---------|
| Bank | 137 | 2.962 | 4 |

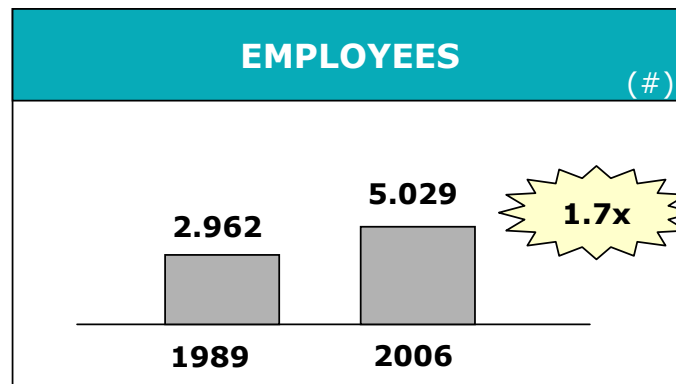
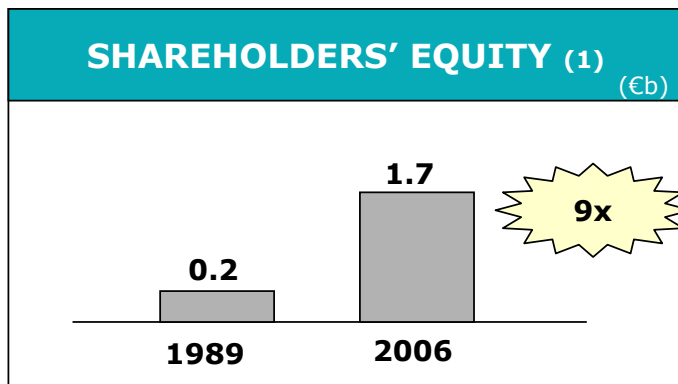
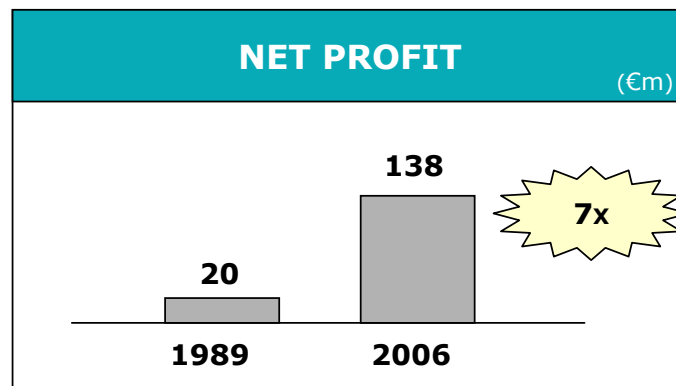
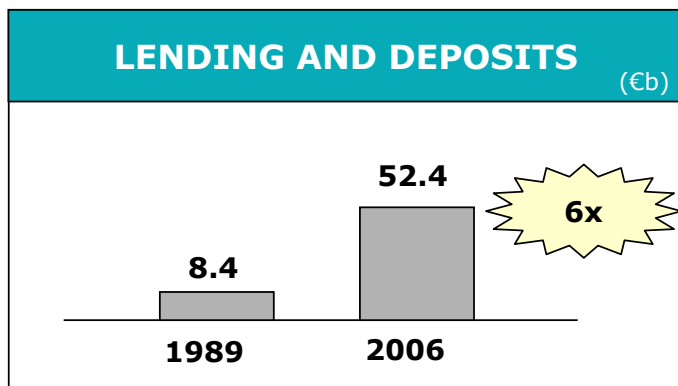
2006



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



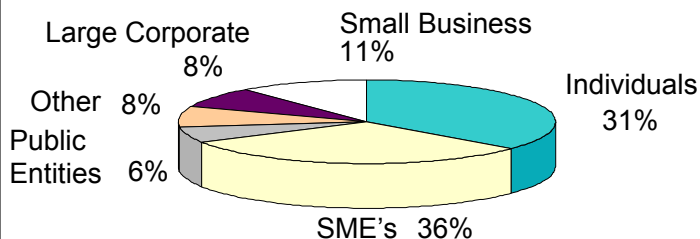
Long term growth of volumes and results



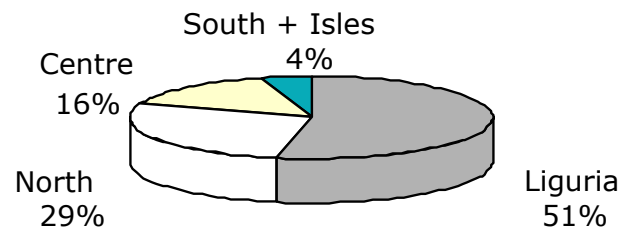
(1) Bank of Italy participation not included (656 €m)

LOANS

by segment



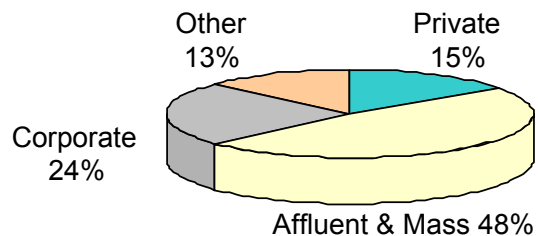
by area



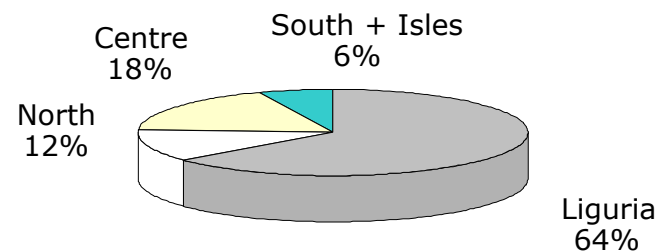
LOANS TO CUSTOMERS AT 31.12.2006: 16.1€b

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

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

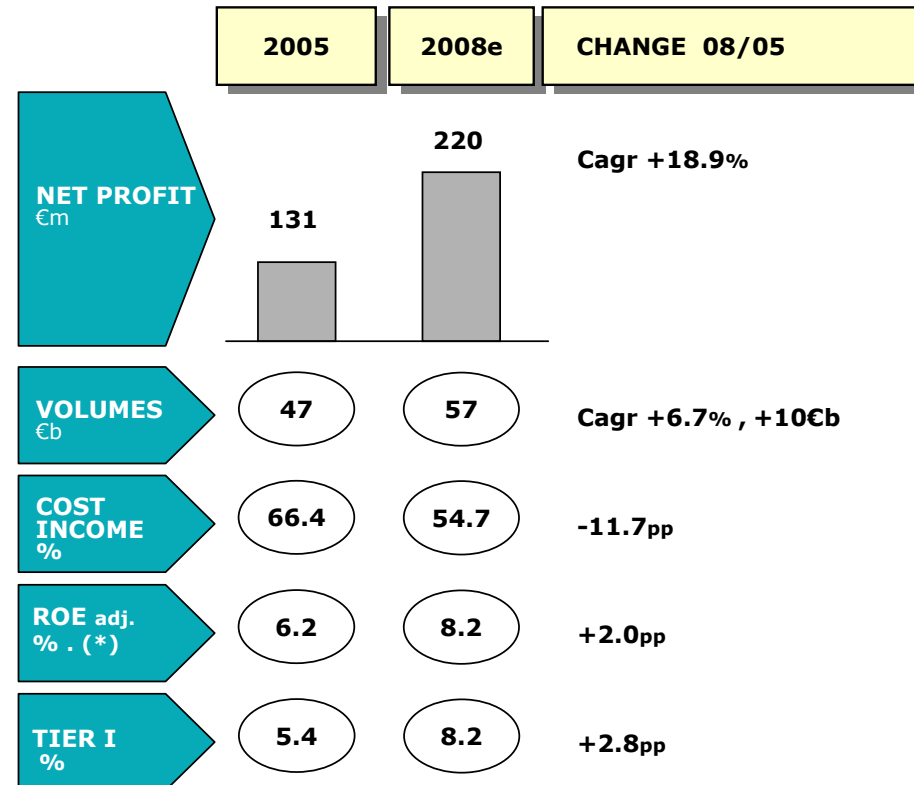
Growth through productivity improvement

- 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

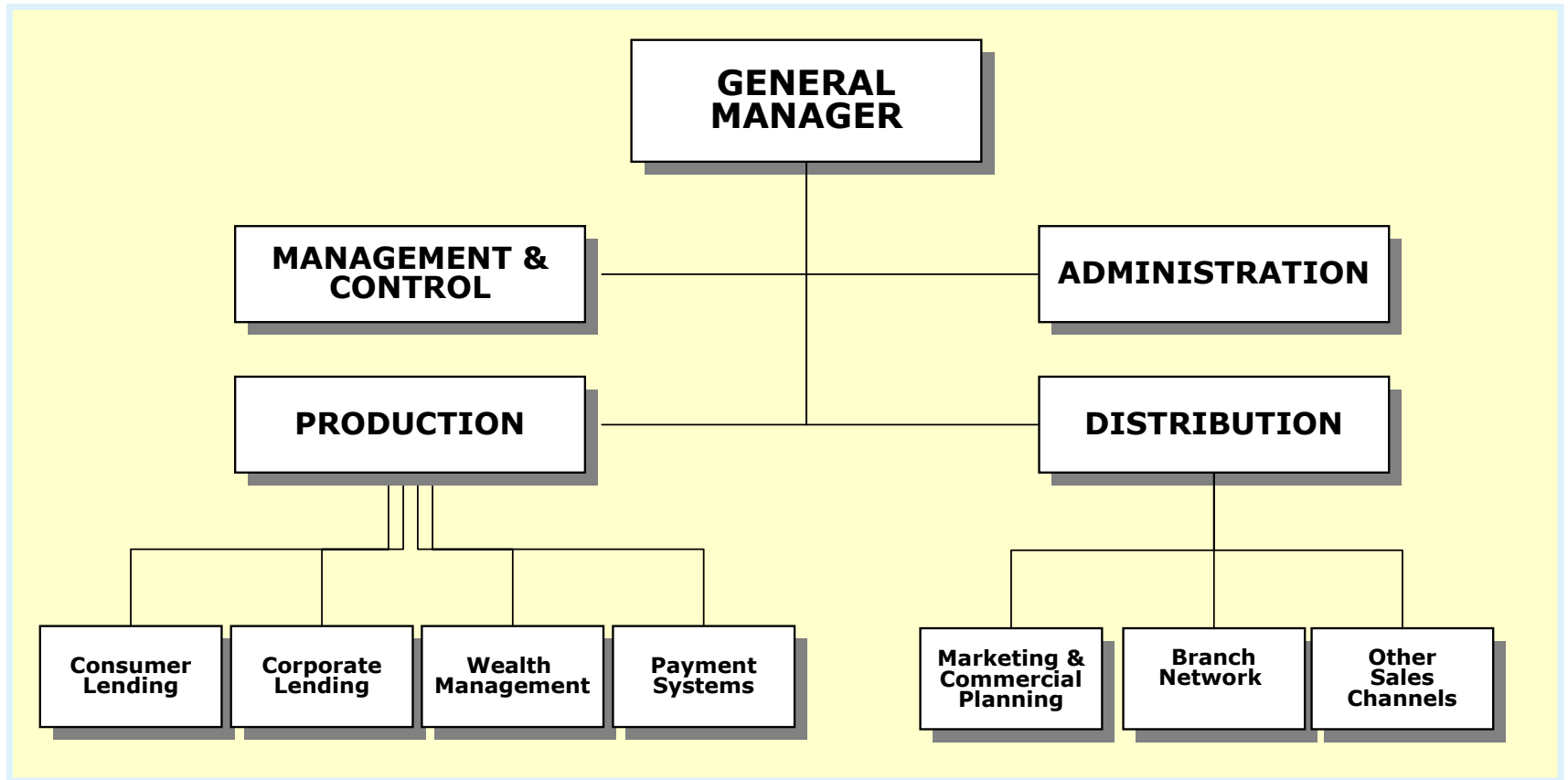
- Control of the economic impact of all kind of risks

2008 TARGET



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

Organizational structure



The Strategic Projects

| | PRODUCTION | DISTRIBUTION | SUPPORT |
|---------------|--------------------------------------|--|--|
| REVENUES SIDE | <p>JV-CONSUMER CREDIT</p> <p>PPF</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



Italian Large and Mid Cap
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CARIGE GROUP

2005

2006

2008

VAR.
06-05CAGR
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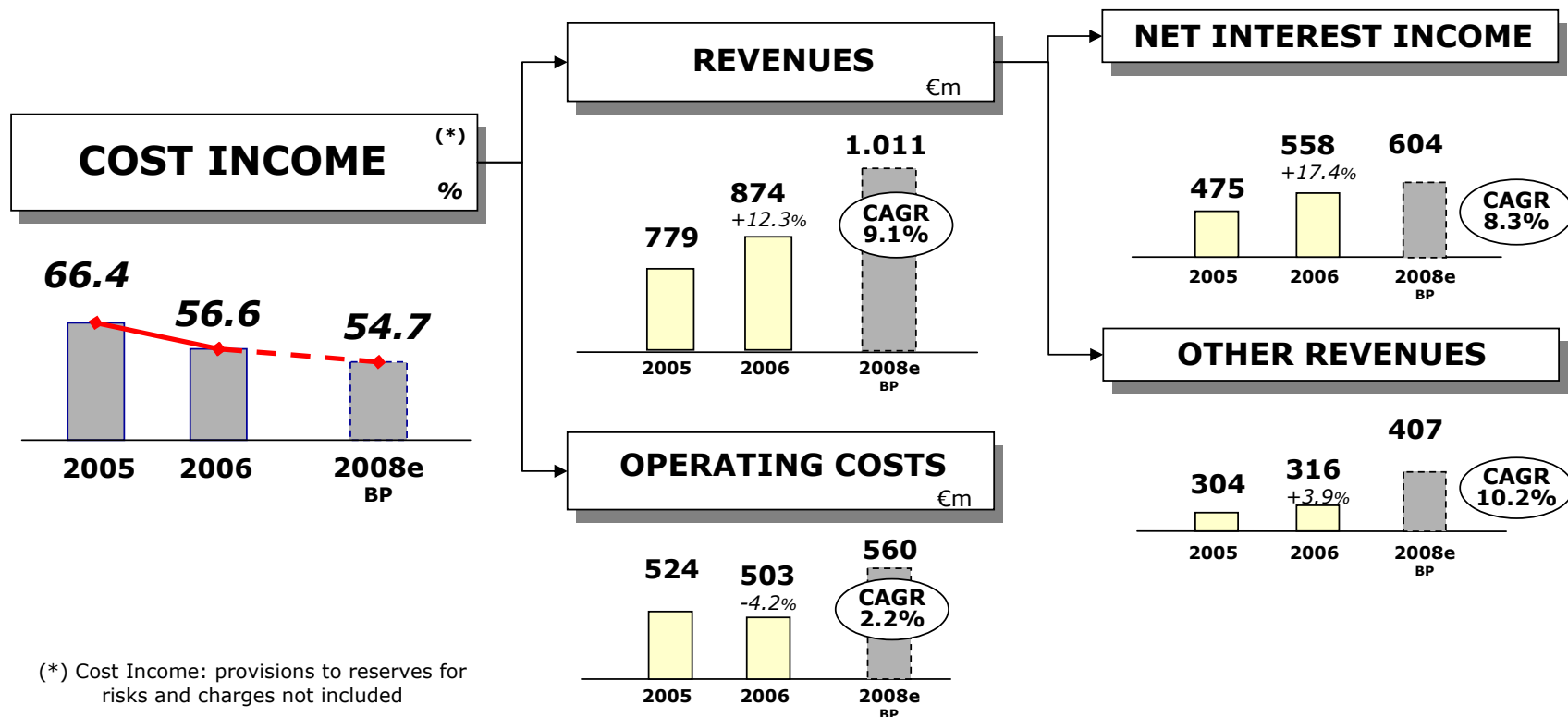
| | | | | | |
|----------------------------------|--------------|--------------|--------------|----------------|-----------------|
| Total Deposits (€b) | 33.6 | 35.8 | 39.9 | 6.6% | 5.9% |
| Loans to customers (€b) | 14.0 | 16.1 | 17.0 | 14.7% | 6.6% |
| Net Profit (€m) | 131 | 138 | 220 | 4.9% | 18.9% |
| 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

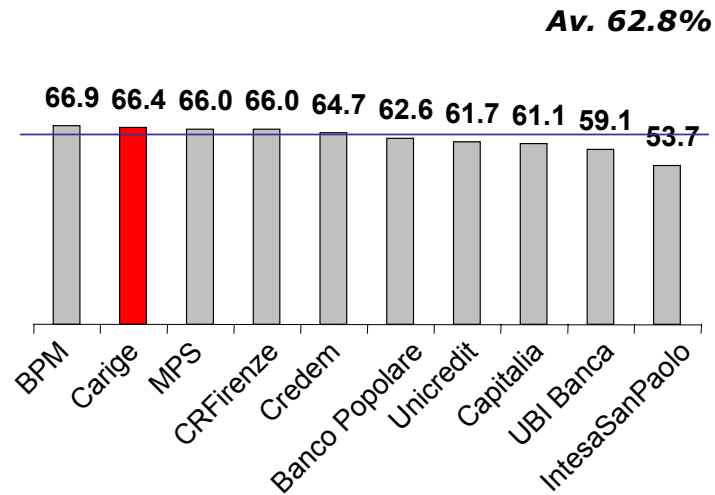
(**) Equity net of revaluation of the participation in Bank of Italy

- 2006 key-points:**
- Cost Income reduced by 10 points
 - Good performance in revenues
 - Costs under control

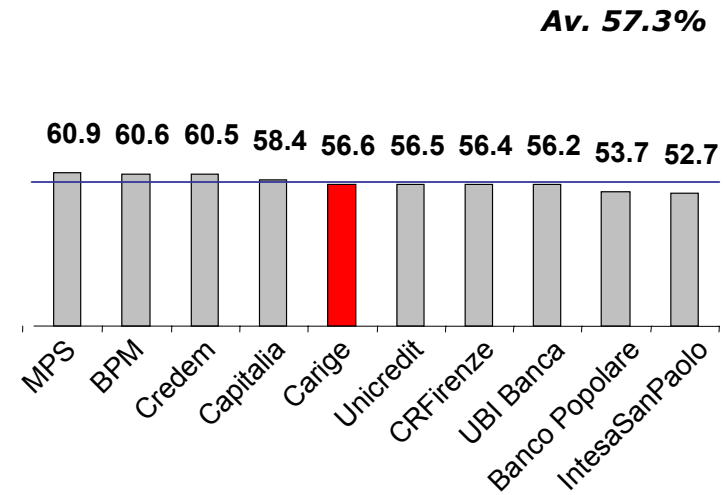


CARIGE VS COMPETITORS

COST INCOME 2005, %



COST INCOME 2006, %

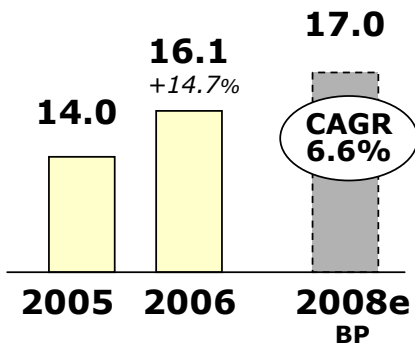


Banco Popolare= BPVN+BPI ; UBI Banca: BPU+B.Lombarda
 (1) Carige Cost Income : provisions to reserves for risks and charges not included

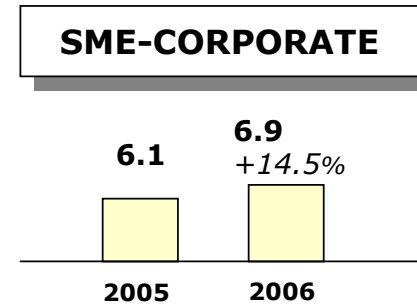
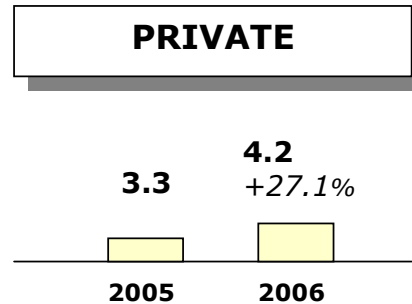
KBW - 12.04.07 report

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

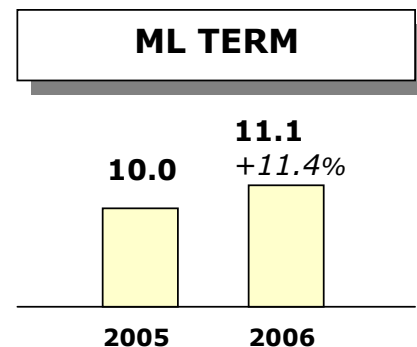
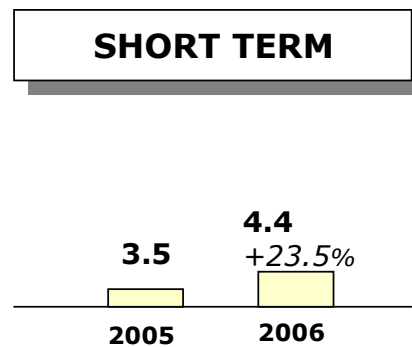
LOANS TO CUSTOMERS €b



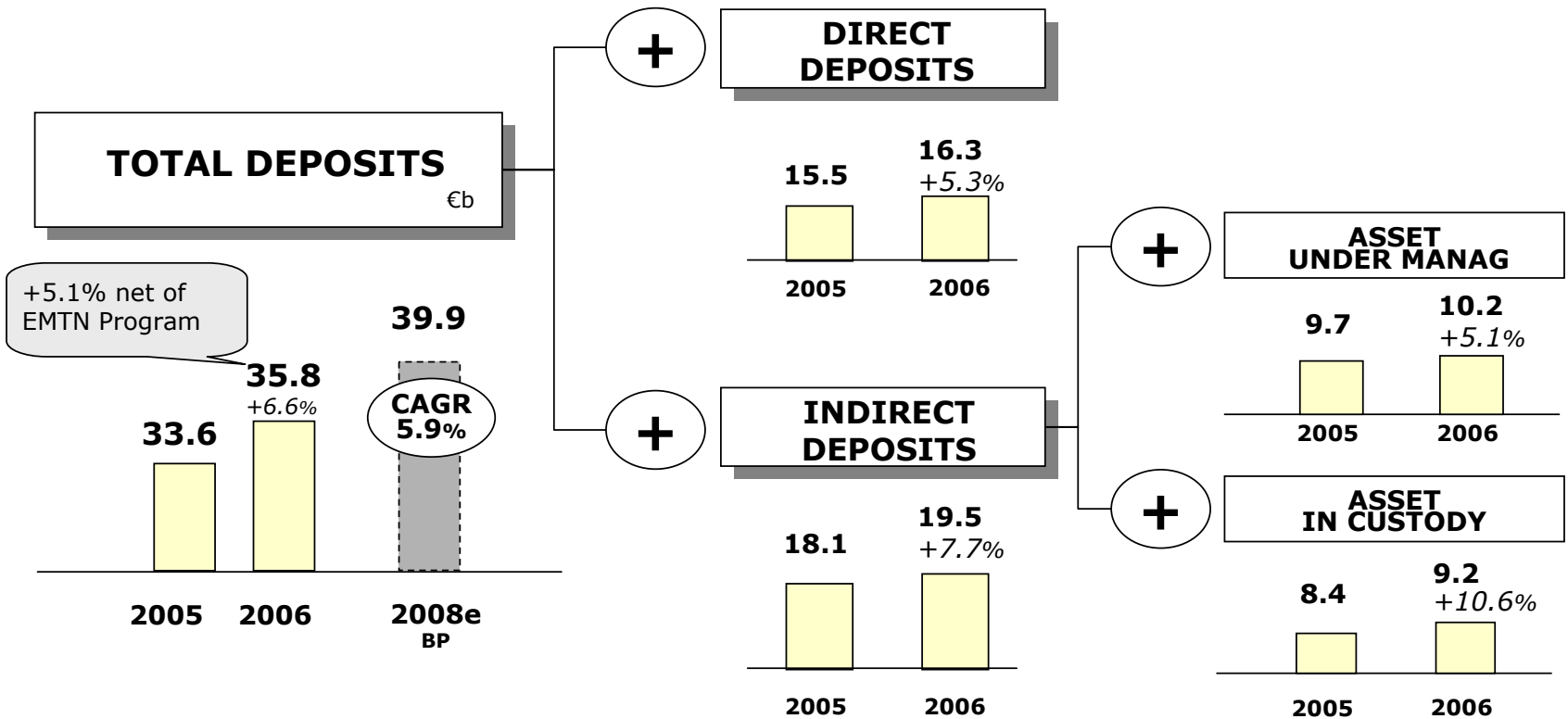
of which:



of which:



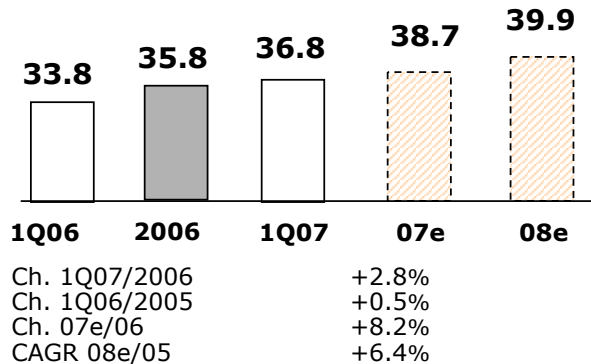
**Total Deposits up 6.6% to 35.8€b;
Asset in custody better than Asset under Management**



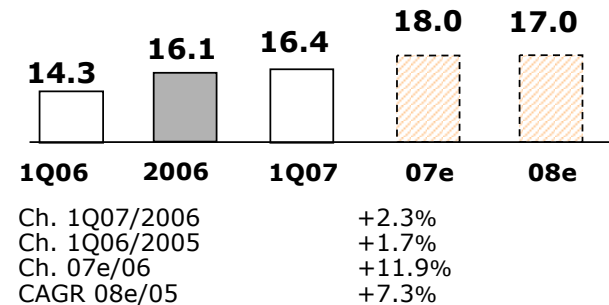
1Q07

- 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%)

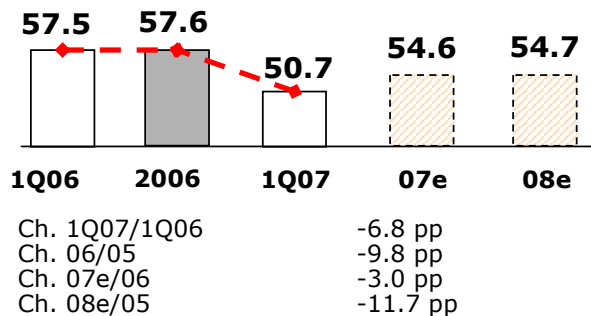
TOTAL DEPOSITS (€b)



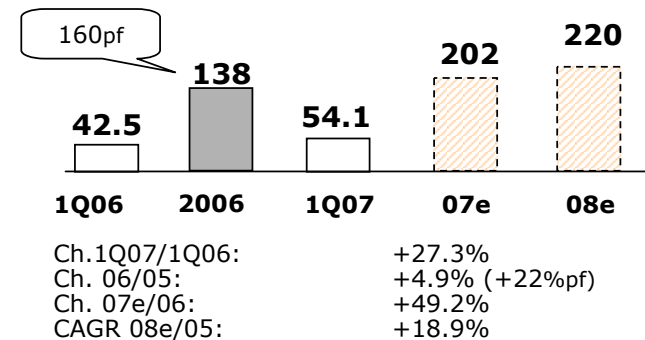
LOANS TO CUSTOMERS (€b)



COST INCOME (%)



NET PROFIT (€b)



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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 SINONA | 4 |
|  BANCA DEL MONTE DI LUCCA SPA | 9 |
|  CR Carrara | 10 |
| TOTAL | 98 |

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%*



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

What is it?

Scope of the project

Project highlights

State of the art

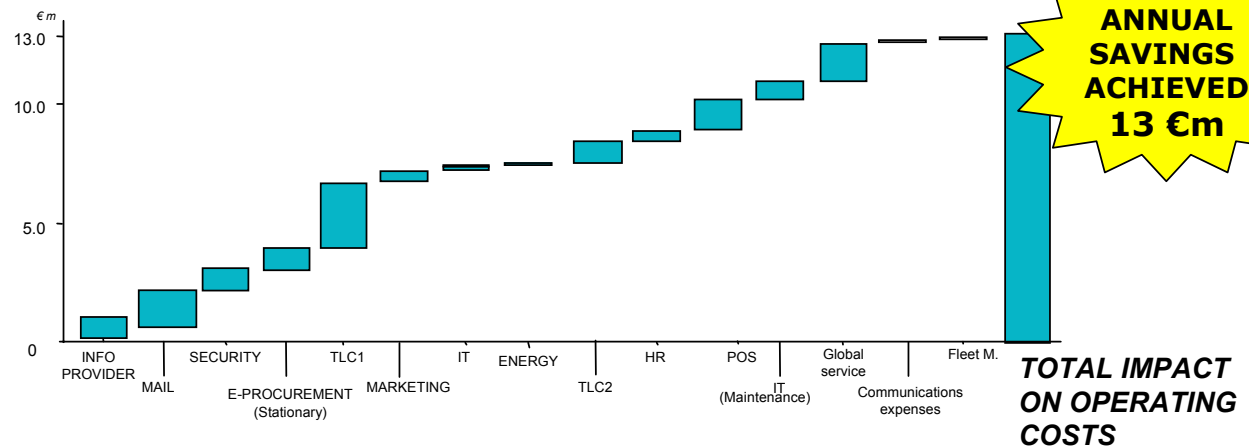
Cost Management

A rationalization of the cost structure

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

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)





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

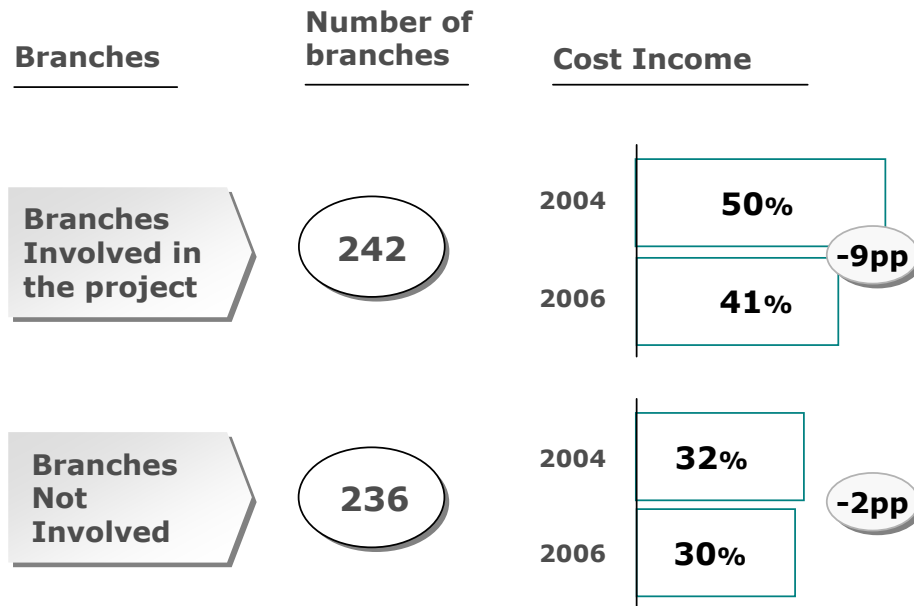
- 250 branches involved
- 7 phases of the project (first phase started in November 2004, the last one in October 2005)
- A customer analysis system
- Identification of commercial initiatives / alliances on the target customers
- A dedicated sale channel (developers and call center)
- A dedicated monitoring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

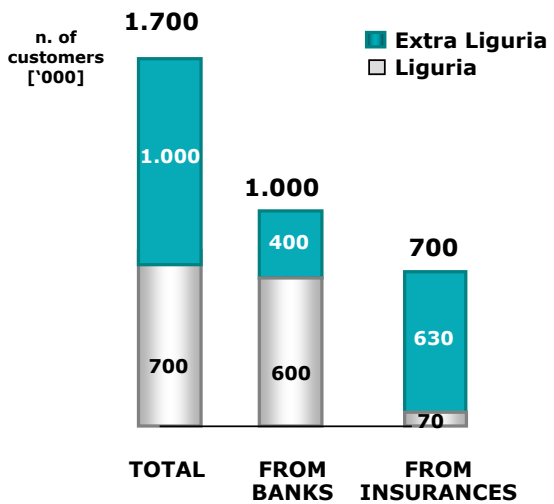


REVENUE SIDE

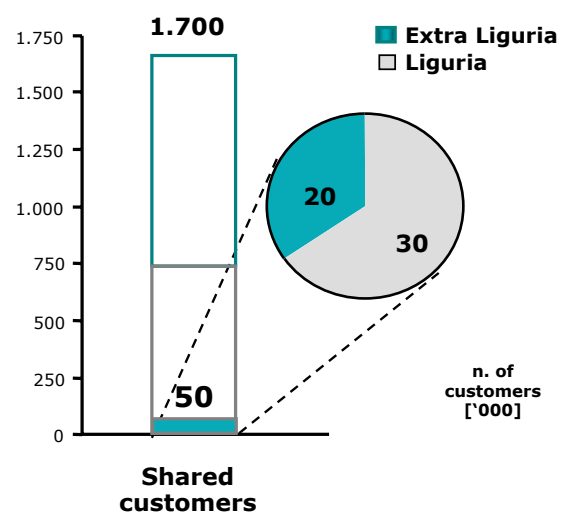
Collaboration branches - insurance agents

..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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