GRUPPO BANCA CARIGE

9M 2014 Results

Chief Executive Officer
Piero Luigi Montani

Genoa, 12 November 2014

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The Manager responsible for preparing the financial reports of Banca CARIGE S.p.A, Mr. Luca Caviglia, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the underlying documentary evidence and accounting records.

It is noted that effective as of the half-year condensed consolidated financial report as at 30 June 2014, the assets, liabilities and profit & loss items concerning the Insurance Group have been classified and measured under IFRS 5 (Non-current Assets Held for sale and Discontinued Operations).

Note: due to rounding off, the sum of some separate figures may differ from their respective aggregate amounts; the percentage variation is calculated from data not rounded off.

- **Highlights**

- **3Q14 Results**

A year centred on securing the Group and improving operational efficiency

Securities portfolio deleveraging – RWA deleveraging

New stake in BoI ✓

AuM disposal ✓ 31/12/2013

Risk profile reduction ✓

P&L impact:
Impairment of goodwill (-EUR 1,673 mln)
Divestment of AFS securities portfolio (-EUR 302.3 mln)
Insurance companies' real estate depreciation (-EUR 185 mln)
Loan loss provisions (-EUR 1,107.4 mln)

Negotiations with Apollo for disposal of insurance companies ✓ 27/10/2014

Digitalisation
One Bank
Hub & Spoke

Disposal of stake in Esaote ✓ 14/7/2014

Capital increase ✓ 11/07/2014

Re-opening of bond issuance programmes

New agreement with trade unions ✓ 30/9/2014

Early repayment of LTRO ✓ 30/9/2014

Business Plan 2014-18 ✓ 28/3/2014 approval

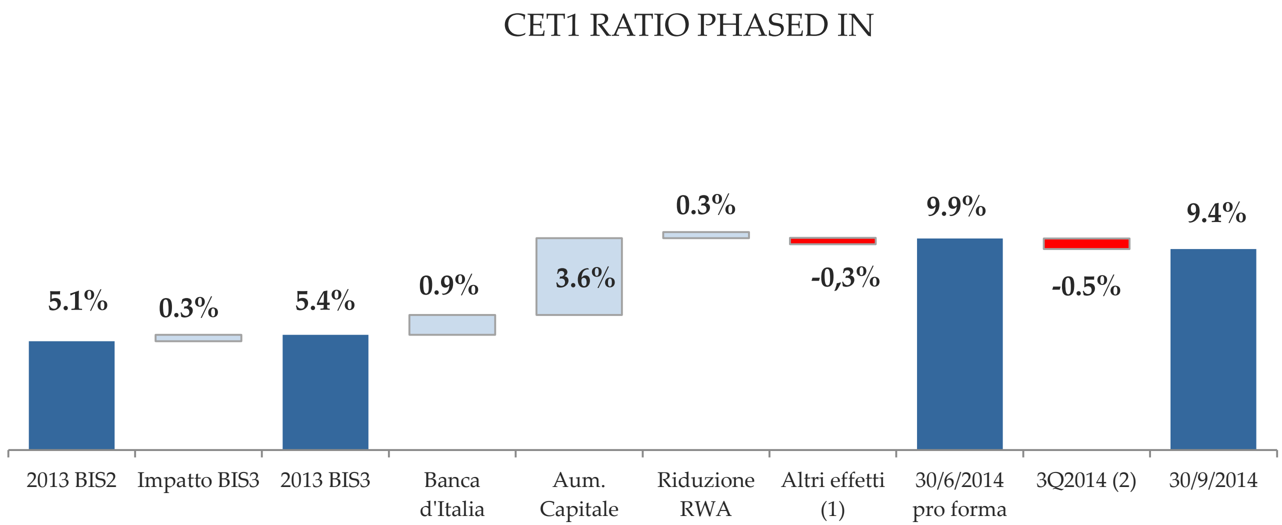
Branch network rationalisation (35 branches closed out of 80)

Additional branch closures

New organisational and governance model – New Management Team completed ✓ 3/11/2014

4/11/2013 | 4Q13 | 1Q14 | 2Q14 | 3Q14

✓ Securing the Group → Improving efficiency → Commercial momentum



(1) Includes insurance company's capital increase
(2) Includes 9M 2014 profit (loss)

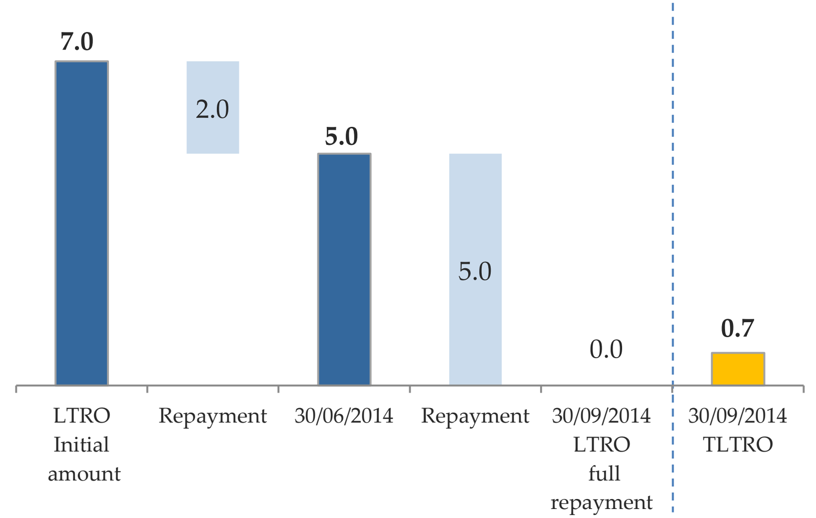
- The 9.4% phased-in CET1 Ratio as at 30/9/2014 includes the effects from disposal of the Insurance Companies and the net negative result as at 30/9/2014 post AQR extra provisioning
- With all other conditions being equal, the phased-in CET1 Ratio as at 31/12/2014 would be 8.9% under the loss allocation rule for supervisory reporting purposes (20% in the interim periods, 100% at year-end)
- Risk-weighted assets (RWAs) down by EUR 1.3 bn as of the beginning of the year

Risks under control: bad loans coverage over 60% and early repayment of EUR 7 bn LTRO

COVERAGE

Loans	Coverage 31/12/2013	Coverage 30/06/2014	Coverage 30/09/2014	30/09/2014 including write-offs	Regional peers average [2] 30/06/2014
Bad loans	56.3%	57.0%	57.5%	60.6%	50.7%
Substandard	20.3%	19.6%	20.8%	20.8%	18.3%
Rescheduled	13.1%	16.0%	15.7%	15.7%	12.4%
Past Due	9.6%	14.0%	14.6%	14.6%	6.7%
Non-performing loans	**36.0%**	**36.9%**	**37.9%**	**40.1%**	**33.7%**
Performing loans	0.7%	0.7%	0.7%	0.7%	0.5%
Total loans	**8.0%**	**9.0%**	**9.6%**	**10.4%**	**6.0%**

LTRO - TLTRO



- In 3Q the NPL coverage ratio continued to improve and is still in line with the industry's highest levels
- In addition to reflecting the trends observed in the first nine months of the year, the Bank's provisions are largely inclusive of the required higher provisioning level identified in the credit file review for the loan books in scope for the AQR (accounting for approximately 80% of the total loan book)
- The two tranches of LTRO (EUR 7 bn) due by early 2015 have been fully repaid ahead of schedule. At the TLTRO auction in September, the Group borrowed EUR 700 mln funds
- Downsizing of securities portfolio from EUR 6.1 bn as at 31/12/2013 to EUR 2.8 bn as at 30/09/2014

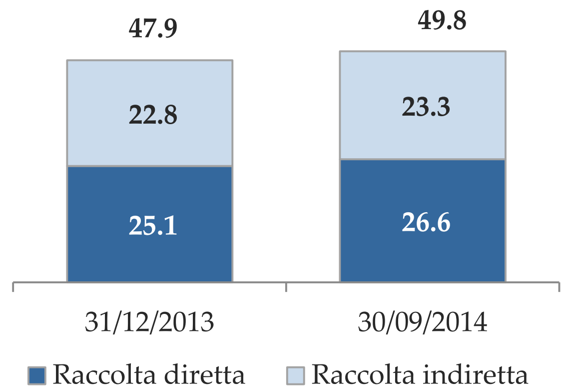
(1) On a like-for-like basis (including the insurance companies)
(2) Figures as at 30/6/2014 . Calculated on data disclosed to the public by UBI, Banco Popolare, BPER, BPM, Credem, Creval, BPVI, Veneto Banca and BP Sondrio.

- **Highlights**

- **3Q14 Results**

€ bn

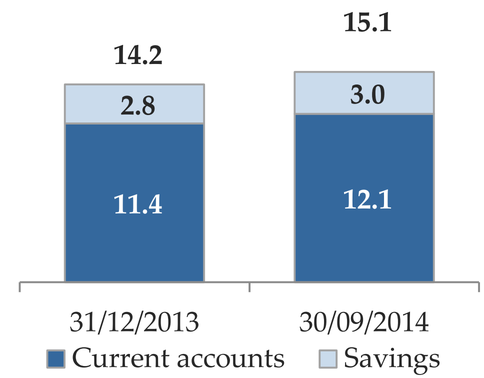
TOTAL FUNDING +4.1%



Total funding from customers (direct + indirect)

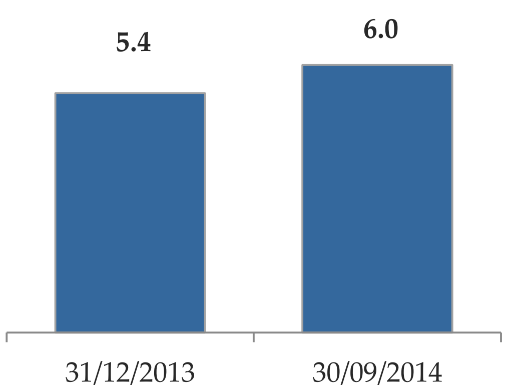
€ bn

CORE FUNDING +6.7%



€ bn

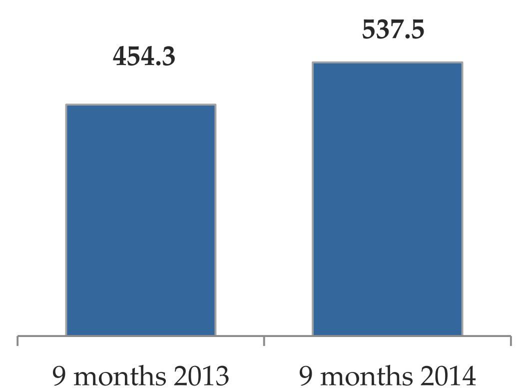
MUTUAL FUNDS +11.9%



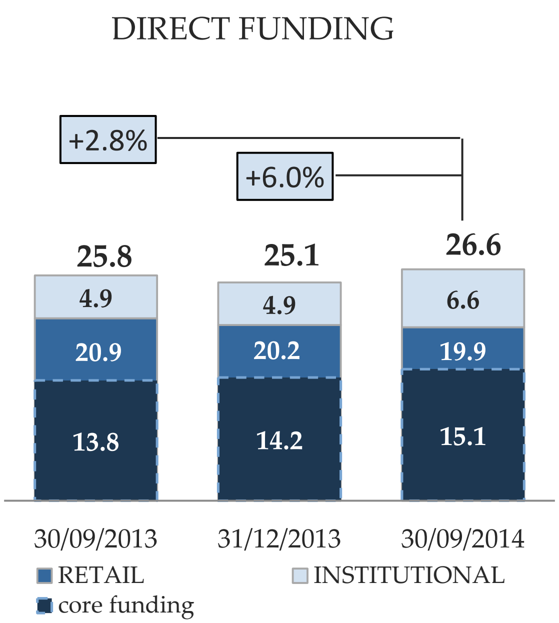
€ mln

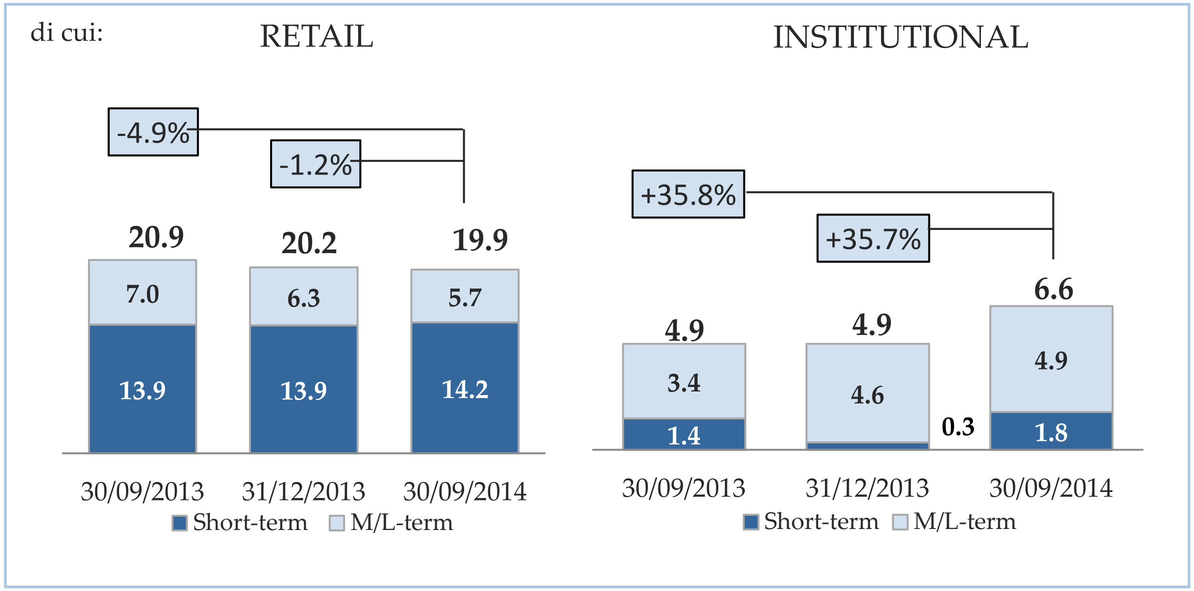
PLACEMENT OF BANCASSURANCE PRODUCTS

+18.3%



€ bn



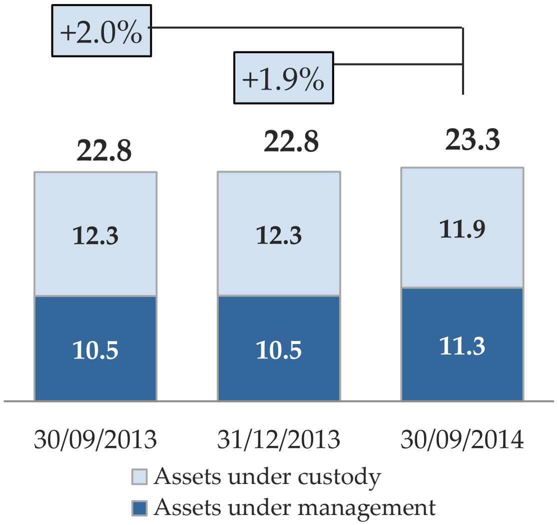


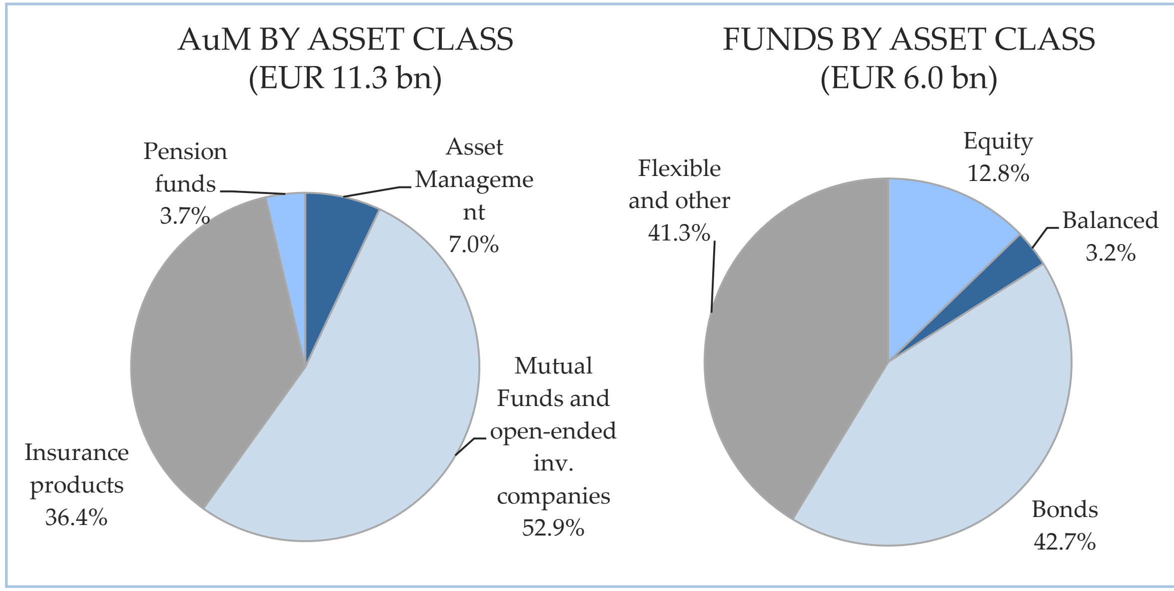
- Direct funding was up 6% to EUR 26.6 bn in the 9M period, with its «core» components (current accounts and saving deposits) up 6.7% to EUR 15.1 bn
- The Y/Y decrease in retail direct funding (-4.9%) was mainly attributable to the retail bond component (-EUR 2.2 bn), which was affected by the suspension of bond issuing by the Parent Company until July, only partly offset by an increase in M/L-term time deposits (+ EUR 1 bn) and short-term products
- Retail direct funding remained substantially stable in the 9M period, while the increase in the institutional component was primarily driven by treasury activities

Indirect funding

€ mld

INDIRECT FUNDING

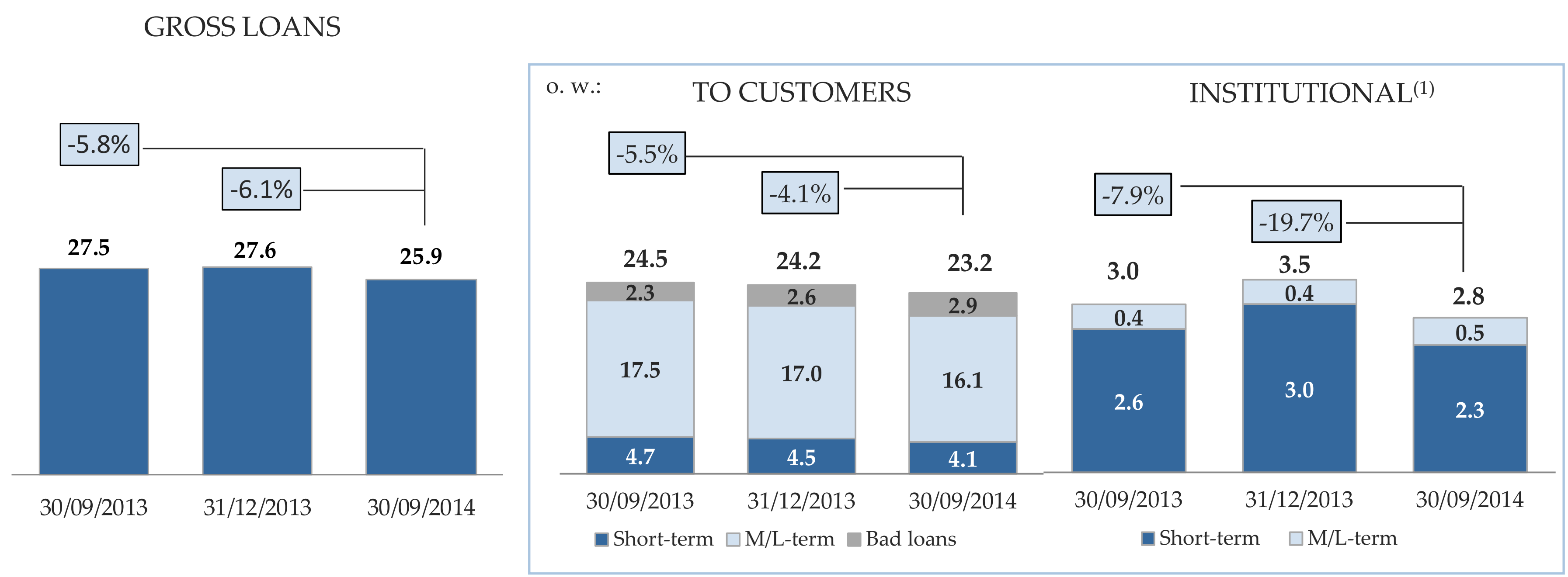




- In line with the trend for the year, indirect funding (EUR 23.3 bn) was up 1.9% as of the beginning of the year, reflecting an increase in AuM (+7.7% to EUR 11.3 bn), driven by mutual funds (+11.9% to EUR 6.0 bn) and bancassurance products (+4.3% to EUR 4.5 bn), despite the downtrend in assets under custody (-3% to EUR 11.9 bn).

- In particular:
  - Mutual funds registered EUR 606 mln in net funding (+9.9% as of the beginning of the year)
  - Bancassurance products placed amounted to gross EUR 537.5 mln (+18.3% YoY), with net funding amounting to EUR 211 mln (+5.1% YoY)

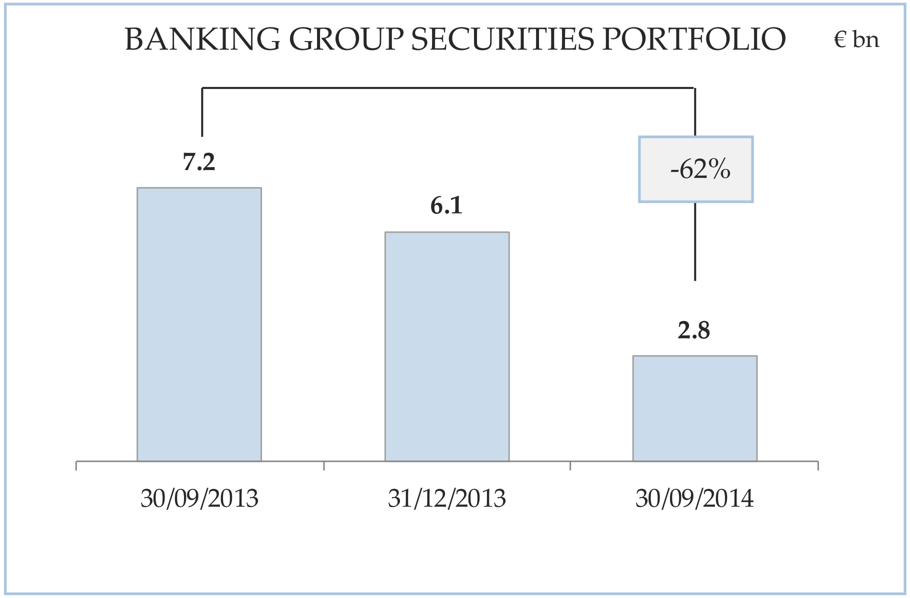
€ mld

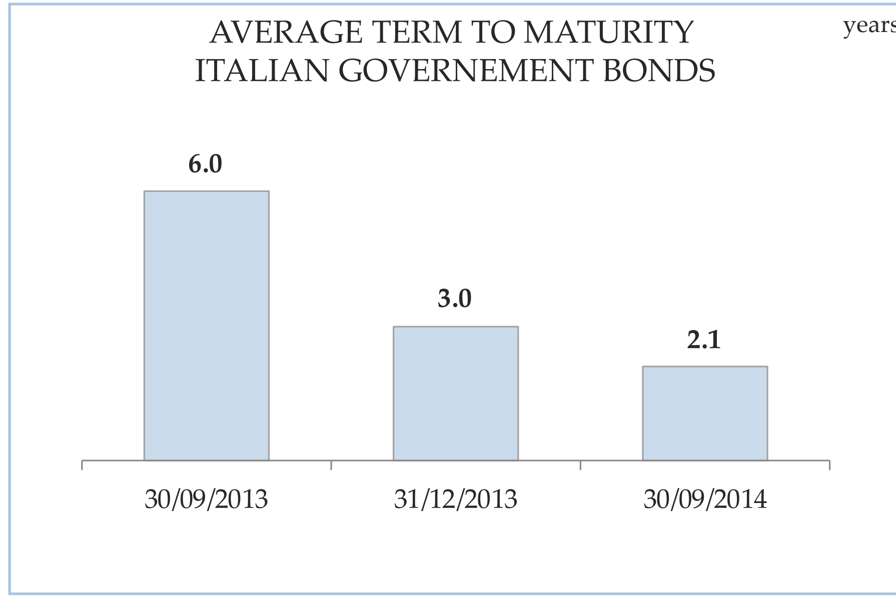


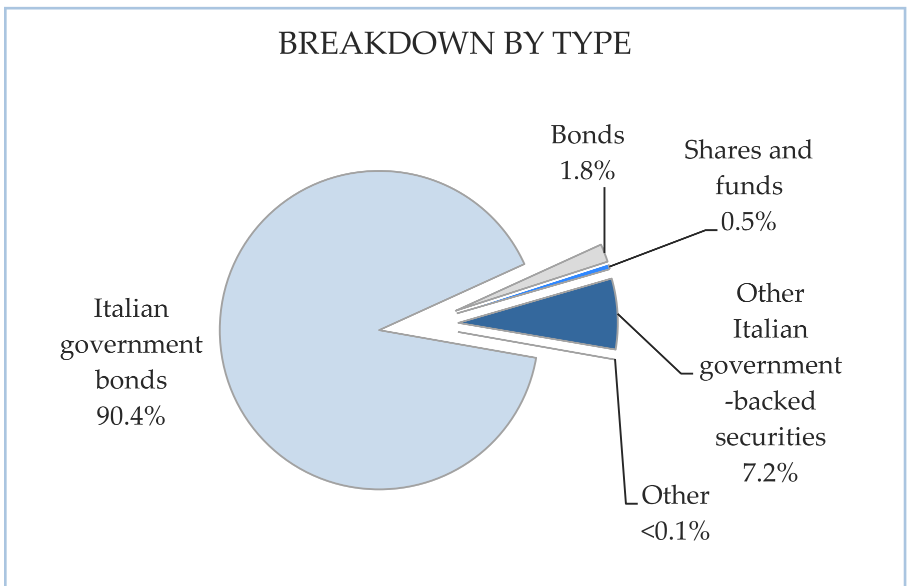
- In line with the trend for the year (-5.8%), lending was down 6.1% in the 9M period to EUR 25.9 bn, due to the downturn in both loans to customers (-EUR 1.0 bn) and treasury activities (-EUR 0.7 bn)
- Customer loans were down 4.1% in the 9M period with a significant deleveraging of the corporate portfolio; in particular, loans to consumer customers were down 3.5% to EUR 7.3 bn, while loans to corporate customers were down 7.1% to EUR 12.6 bn
- In parallel, RWAs were reduced in terms of credit risk (-EUR 1 bn approximately in the 9M period)

(1) Includes interest-bearing postal bonds, REPOs with financial companies and other loans

Banking group securities' portfolio

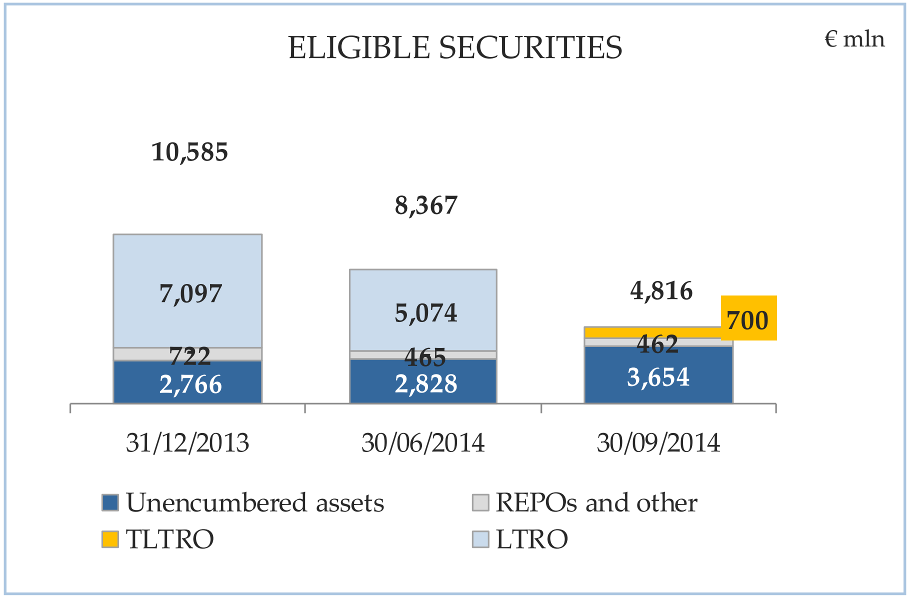


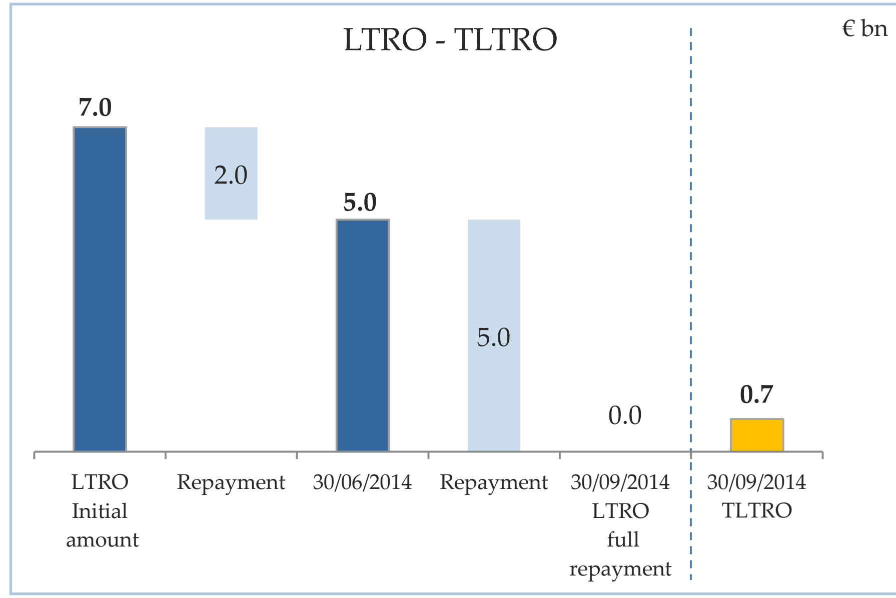


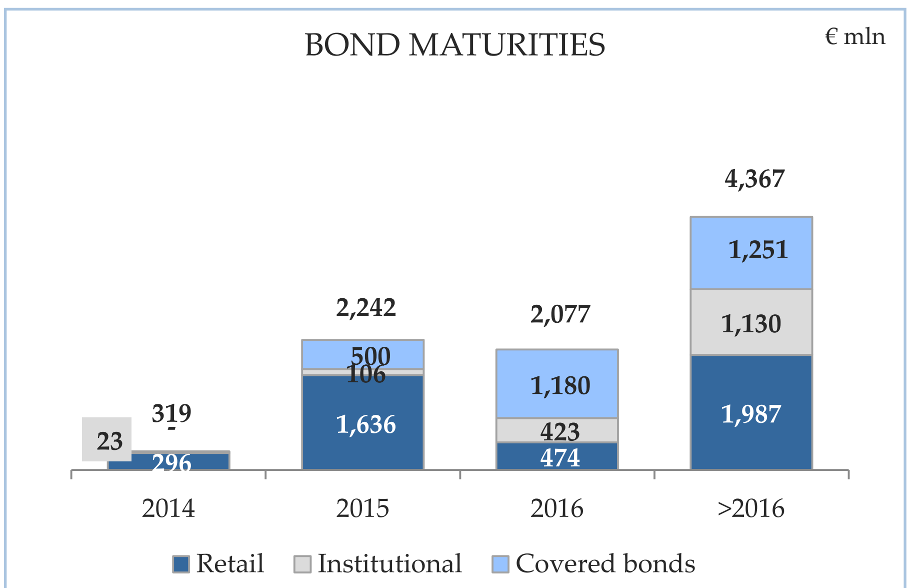


- The Banking Group's securities portfolio is down to EUR 2.8 bn from EUR 7.2 bn as at 30/09/2013 and EUR 6.1 bn as at 31/12/2013 (excluding BoI stake)
- The average term to maturity of the Banking group's securities portfolio was reduced from 6 to 2.1 years over the nine-month period, as per guidance in the Business Plan
- The gross AFS reserve has almost been reduced to zero (-EUR 1.8 mln as at 30/09/2014 from –EUR 496.4 mln one year ago)

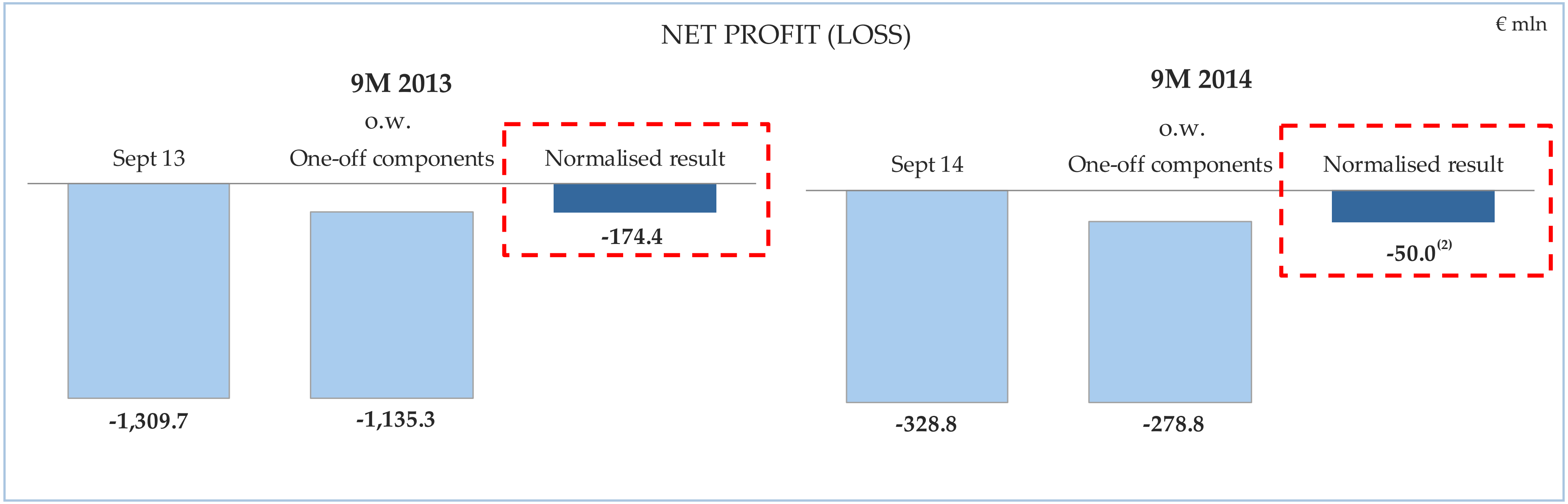
Figures do not include the stake in the Bank of Italy







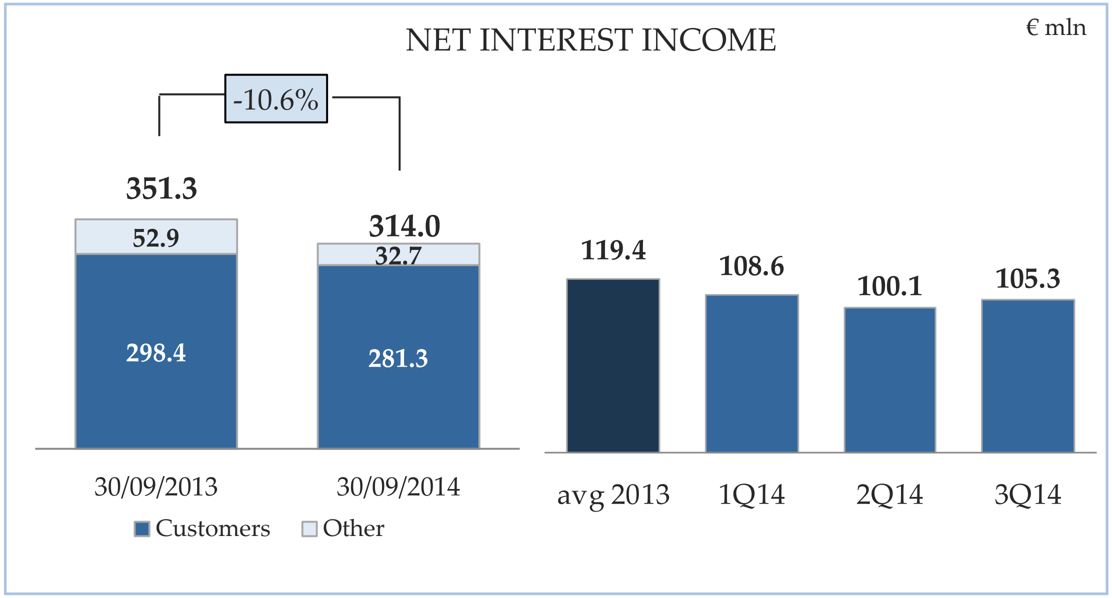
- Robust liquidity profile with EUR 3.7 bn worth of unencumbered assets as at 30/9/2014
- During the year, the LTRO due in the first months of 2015 was fully repaid. At the auction in September, the Group was allocated TLTRO funds for an amount of EUR 700 mln
- Funding gap down to EUR 0.8 bn net (EUR 1.8 bn as at December 2013)
- LCR and NSFR ratios significantly above 100%
- EUR 340 mln retail bonds issued so far since the end of July

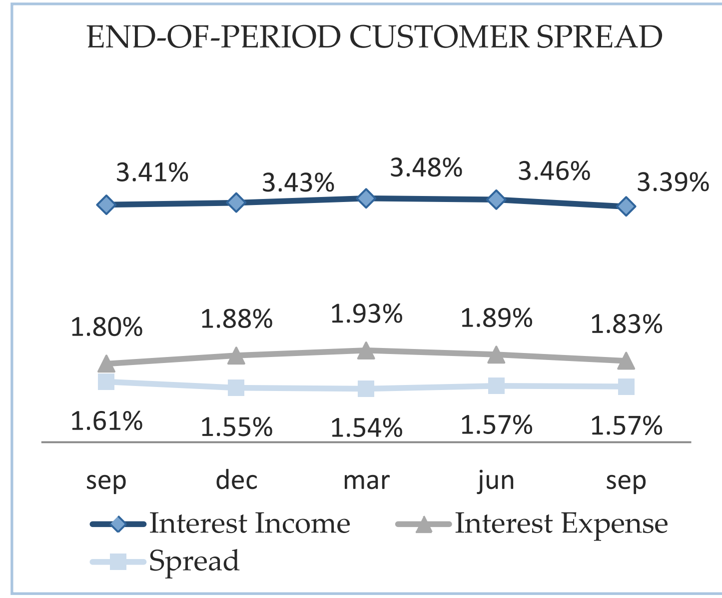


- Net profit/loss for the period is -EUR 328.8 mln and reflects the following main non-recurring items after tax:
  - - EUR 208.4 mln capital loss from valuation under IFRS 5 of the insurance companies held for sale, gross of profits generated by the insurance companies in the period
  - - EUR 43.9 mln in personnel costs mainly attributable to the incentive-based early retirements and remuneration structure review following the new union agreement
  - - EUR 9.8 mln in additional tax impact(1)
  - - EUR 9.3 mln in goodwill impairment for CR Carrara
  - - EUR 3.0 mln in costs associated with the planned closure of part of the branches identified in the Plan
- Net profit (loss) for the 9M13 period was –EUR 1,309.7 mln and reflected EUR 1,135.3 mln in non-recurring items, mostly attributable (EUR 1,170.6 mln) to the impairment of goodwill
- Net of non-recurring items, the net profit (loss) for the 9M14 period totals –EUR 50.0 mln and incorporates EUR 319 mln in loan loss provisions

(1) Traceable to: higher tax rate on re-valuation of the stakes held in the Bank of Italy (-EUR 42 mln), tax realignment of immovable properties (+EUR 39.5 mln), tax realignment of deferred tax assets and liabilities due to a lower IRAP (Tax on Productive Activities) tax rate (-EUR 7.3 mln).

(2) Includes EUR 45.2 mln profits attributable to the Insurance Companies held for sale

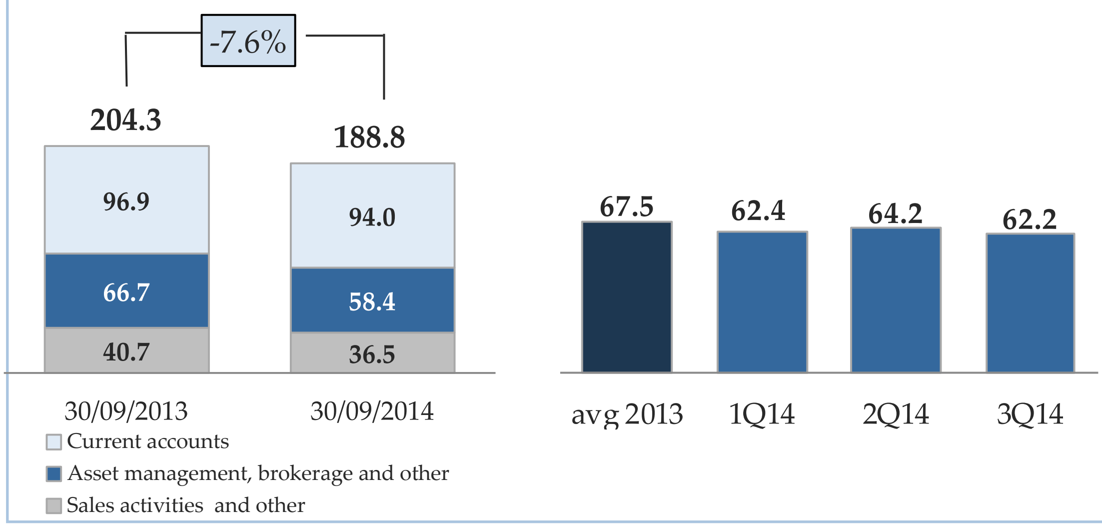




- Lower funding/lending volumes and substantially stable spreads, still at an all-time low, were reflected in Net Interest Income trends
- Lower profitability is partly attributable (-EUR 40 mln) to a different mix/average maturity of the securities' portfolio and partly (-EUR 21 mln) to a considerable classification of exposures to bad loan status (~EUR 670 mln) in 2013, continuing in 2014
- The end-of-period customer spread has been slightly widening since the beginning of the year, stabilising at the levels of the previous quarter

NET FEES AND COMMISSIONS

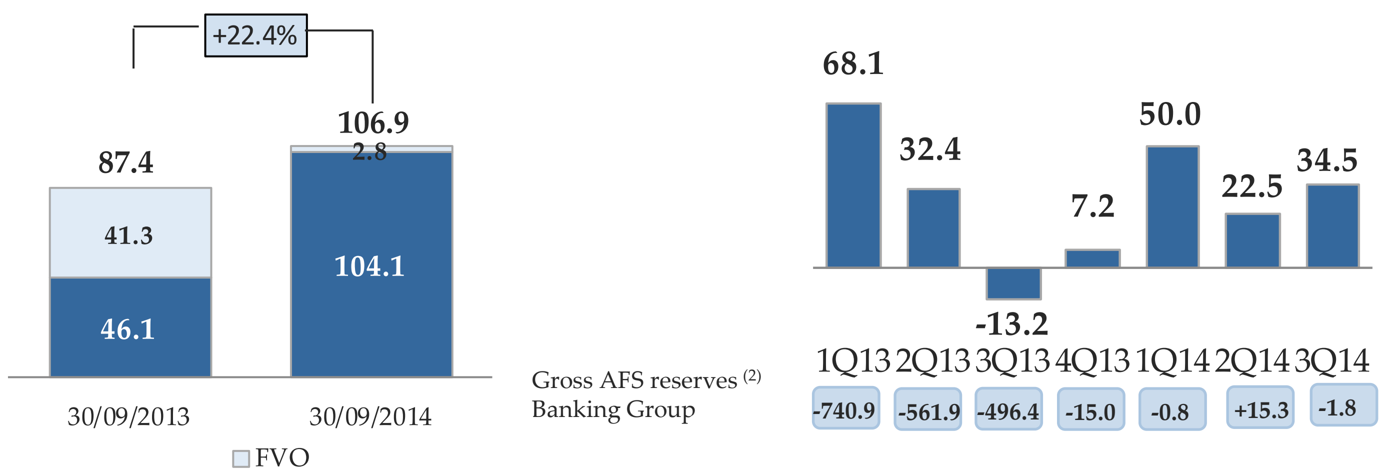
€ mln



- In the YoY comparison, the trend in net fees and commissions (-EUR 15.5 mln; -7.6%) was associated with lower revenues following disposal of the Asset Management company and reduced lending (-EUR 6.4 mln)
- The disposal of AFS securities provided a positive contribution (EUR 10.4 mln in 3Q and EUR 133.2 mln in the 9M period) and led to the almost full reduction of the AFS reserve (-EUR 1.8 mln).

FINANCE(1)

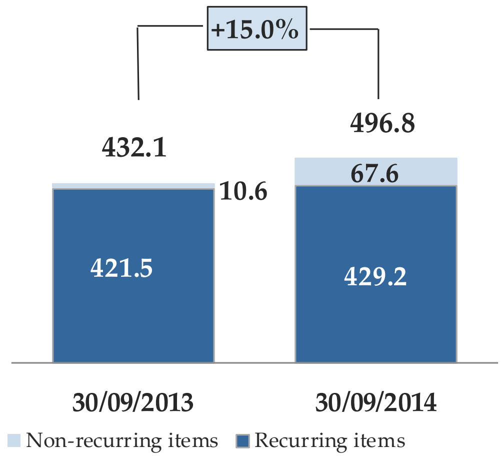
€ mln

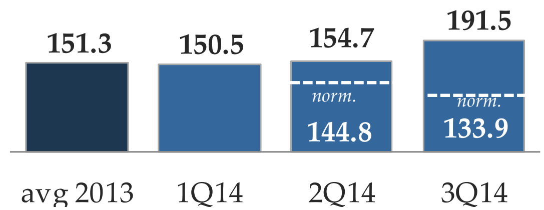


(1) Dividends, net profit (loss) from trading, gains/losses from valuation
(2) Operational data

OPERATING COSTS

€ mln

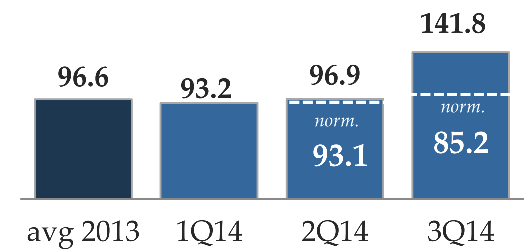




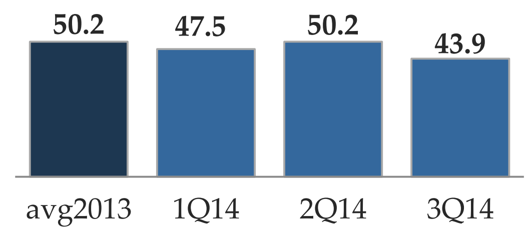
	30/09/2013	30/09/2014
C/I	*67.2%*	*81.5%*
Normalised[1] C/I	*70.0%*	*70.0%*

o. w.

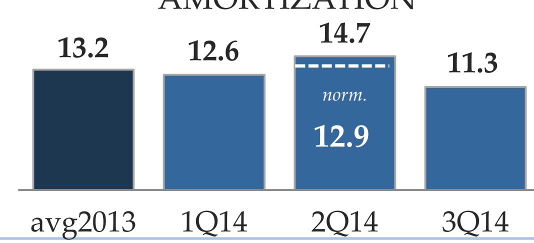
PERSONNEL COSTS



OVERHEAD EXPENSES



AMORTIZATION



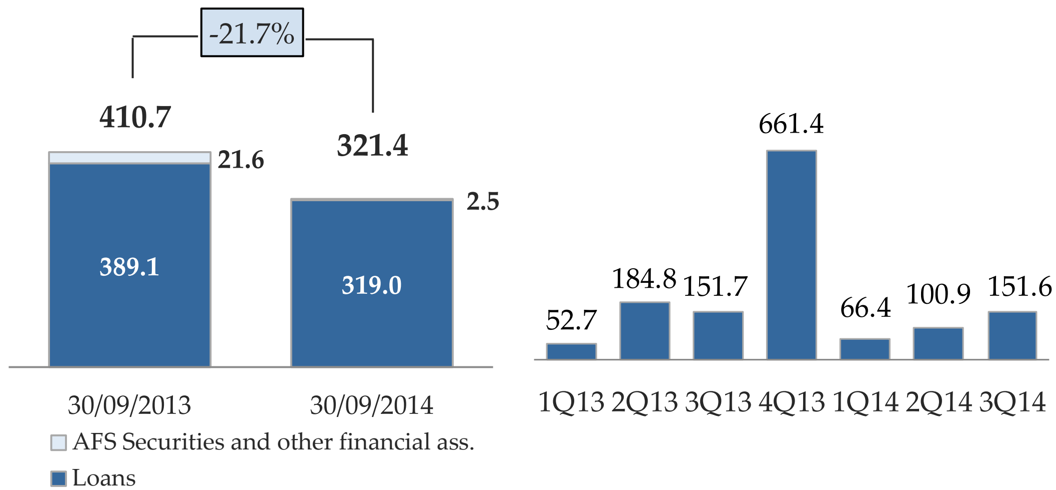
- Operating costs, amounting to EUR 496.8 mln edged up 15% during the year; net of non-recurring items[1] costs were up 1.8% (from EUR 421.5 mln to EUR 429.2 mln)
- Normalised cost income remained stable at the levels of the previous year (70%)
- In the quarter, personnel costs were up to EUR 141.8 mln due to early-retirements and review of the remuneration structure (EUR 56.7 mln) which, at steady state will contribute an expected benefit of approximately EUR 50 mln gross per year

(1) In the 9M period of 2013, non-recurring items reflected EUR 10.6 mln arising from the out-of-court settlement of a legal dispute, EUR 41.3 mln due to the introduction of the «Fair Value Option». In the 9M period of 2014, non-recurring items were reflective of EUR 60.5 mln worth of personnel costs, EUR 5.2 mln in provisions to the Fund for Risks and Charges, EUR 1.8 mln in costs due to the closure of branches and EUR 3.9 mln from disposal of IRSs

Loan Loss Provisions

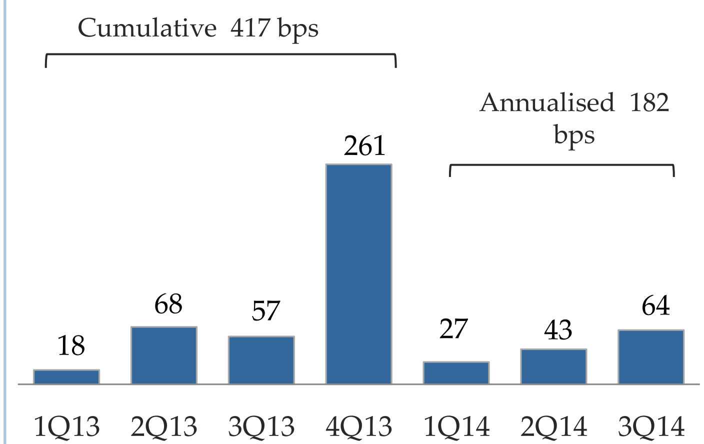
€ mln

LOSS PROVISIONS ON LOANS AND OTHER FINANCIAL ASSETS



COST OF CREDIT(1)

bps



(1) Calculated on net loans

- Loan loss provisions totalled EUR 319 mln, of which EUR 151.6 mln recognised in 3Q14; the annualised cost of credit was 182 bps
- In addition to reflecting the trends observed in the first nine months of the year, loan loss provisions are largely inclusive (EUR 192.1 mln gross of write-backs) of the required higher provisioning level identified in the credit file review (EUR 215.6 mln) for the loan book in scope for the AQR
- AQR adjustments from the 'collective provisioning' and 'projection of findings' are not factored in as they are the result of a prudential supervision exercise which is not consistent with the accounting standards in use (IAS/IFRS)

	30/09/2014						
Loans	Gross	%	Loan losses	Net	%	Coverage	Coverage including write-offs
Bad loans	2,932.5	*11.3%*	1,686.4	1,246.1	*5.3%*	*57.5%*	60.6%
Substandard	2,824.3	*10.9%*	586.0	2,238.2	*9.5%*	*20.8%*	20.8%
Rescheduled	174.8	*0.7%*	27.5	147.3	*0.6%*	*15.7%*	15.7%
Past Due	231.2	*0.9%*	33.8	197.4	*0.8%*	*14.6%*	14.6%
Non-performing loans	**6,162.7**	***23.8%***	**2,333.7**	**3,829.0**	***16.3%***	***37.9%***	**40.1%**
Performing loans	19,782.4	*76.2%*	147.8	19,634.6	*83.7%*	0.7%	0.7%
Total loans	**25,945.1**	***100.0%***	**2,481.5**	**23,463.7**	***100.0%***	**9.6%**	**10.4%**

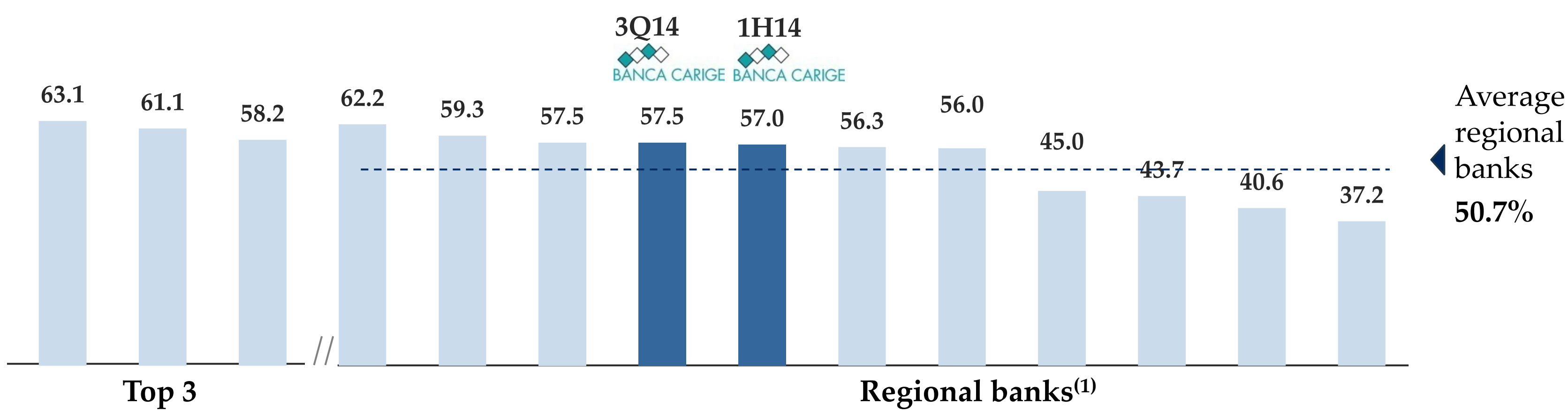
- Coverage for total NPLs further increased from 36.0% to 37.9% (40.1% including write-offs) over the first nine months of the year, standing at the highest levels reported by regional banks
- Bad loans coverage went up further from 56.3% to 57.5% in the same period (60.6% including write-offs)

	30/06/2014					
Crediti	Gross	%	Loan losses	Net	%	Coverage
Sofferenze	2,795.2	*10.8%*	1,592.9	1,202.3	*5.1%*	*57.0%*
Incagli	2,799.6	*10.8%*	550.0	2,249.6	*9.5%*	*19.6%*
Ristrutturati	190.8	*0.7%*	30.5	160.3	*0.7%*	*16.0%*
Past Due	168.5	*0.6%*	23.6	145.0	*0.6%*	*14.0%*
Crediti deteriorati	**5,954.2**	***23.0%***	**2,197.0**	**3,757.2**	***15.9%***	***36.9%***
Crediti in bonis	19,981.7	*77.0%*	141.6	19,840.1	*84.1%*	*0.7%*
Totale crediti vs clientela	**25,935.9**	***100.0%***	**2,338.6**	**23,597.3**	***100.0%***	***9.0%***

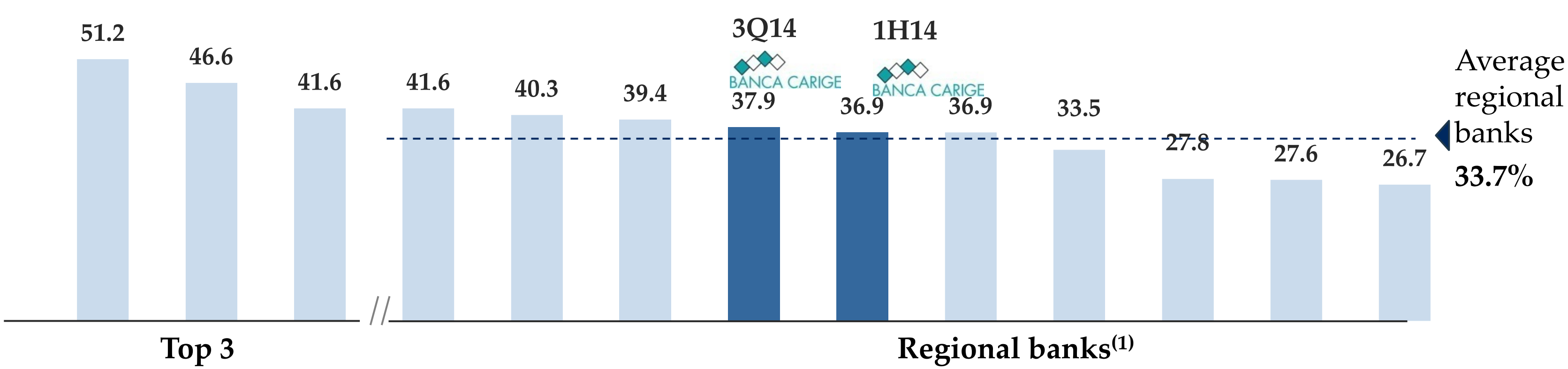
	31/12/2013					
Loans	Gross	%	Loan losses	Net	%	Coverage
Bad loans	2,640.7	*9.6%*	1,486.7	1,154.0	*4.6%*	56.3%
Substandard	2,430.4	*8.8%*	492.3	1,938.0	*7.7%*	20.3%
Rescheduled	232.4	*0.8%*	30.5	201.9	*0.8%*	13.1%
Past Due	375.8	*1.4%*	36.1	339.7	*1.3%*	9.6%
Non-performing loans	**5,679.3**	***20.6%***	**2,045.7**	**3,633.6**	***14.3%***	**36.0%**
Performing loans	21,844.4	*79.4%*	153.0	21,691.4	*85.7%*	0.7% (1)
Total loans	**27,523.7**	***100.0%***	**2,198.7**	**25,325.0**	***100.0%***	**8.0%**

(1) On a like-for-like basis (excluding insurance companies)

Bad loans coverage for Italy's top 10 Banking Groups (1H14 figures)



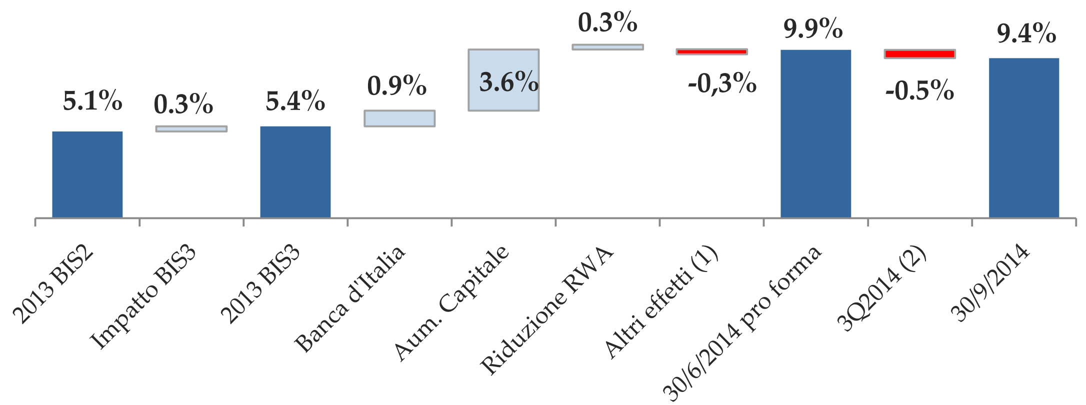
Total NPL coverage for Italy's top 10 Banking Groups (1H14 figures)



(1) UBI, Banco Popolare, BPER, BPM, Credem, Creval, BPVI, Veneto Banca and BP Sondrio.

Note: Carige's figures are as at 30/09/2014, i.e. including post-AQR adjustments.

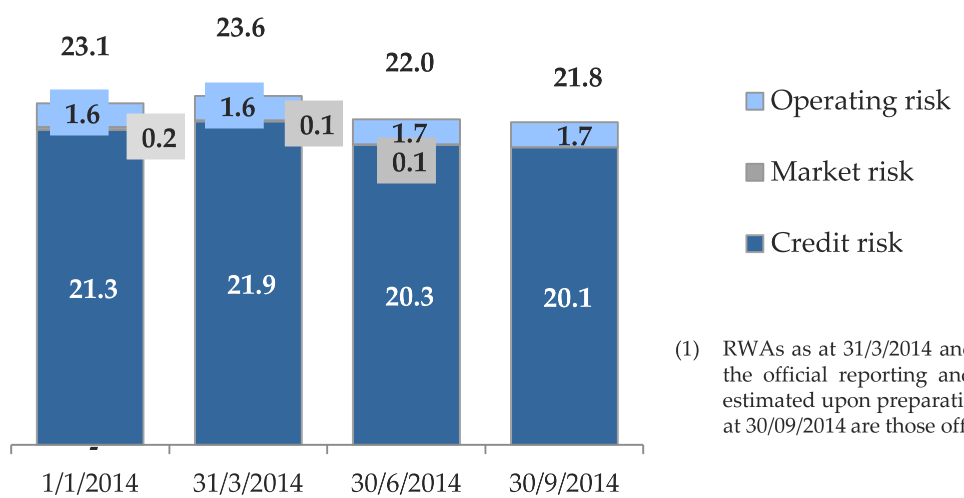
CET1 RATIO PHASED IN



(1) Including Insurance Company's capital increase
(2) Including 9M14 profit (loss) and effects from disposal of the insurance companies
(3) Estimate, pending official consolidated reporting

RWA BASEL 3 (1)

€ bn



(1) RWAs as at 31/3/2014 and 30/6/2014 are those contained in the official reporting and differ from those operationally estimated upon preparation of the Interim Report; RWAs as at 30/09/2014 are those officially reported.

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GRUPPO BANCA CARIGE

9M 2014 Results

Chief Executive Officer
Piero Luigi Montani

Genoa, 12 November 2014