



Consolidated results as at 30 September 2015

11 November 2015

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The manager responsible for preparing the company's 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 document results, books and accounting records.

It is noted that the Bank has classified, measured and presented data relating to groups of assets held for sale (Creditis) and discontinued operations (Insurance Group) according to the provisions of IFRS 5. Further to the resolution adopted by the Board of Directors on 30 June 2015, Banca Cesare Ponti has ceased to be classified under groups of assets held for sale. Some comparative data contained in this presentation, in addition to those reported in the attached Financial Statements, have consequently been restated, as necessary and even where not provided for by the afore-mentioned accounting standard, in order to take account of changes made to groups of assets held for sale and allow for a like-for-like comparison.

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

3Q15 Consolidated Results

Turnaround in line with Business Plan

2014: FIRST PHASE OF TURNAROUND

- ✓ Risk profile reduction
- ✓ Branch network rationalisation (36 branches closed)
- ✓ 2014-2018 Business Plan
- ✓ EUR 800 mln Capital Increase
- ✓ Trade Union Agreement
- ✓ Early repayment of LTRO & Participation in T-LTRO programme
- ✓ New organisational and governance model
New Management Team
- ✓ Signing of Insurance Companies Disposal
- ✓ Re-opening of retail bond issuance programme
- ✓ Comprehensive Assessment Results and Capital Plan

2015: SECOND PHASE OF TURNAROUND

- 2015-2019 Business Plan ✓ 19/03/2015 approved
- Closing of Insurance Companies Disposal ✓ 5/06/2015
- EUR 850 mln Capital Increase ✓ 2/07/2015 completed
- Closure of 15 branches out of 45 (as per BP) ✓ 30/06/2015
- Cost Excellence Programme: EUR 3.8 mln savings (EUR 5.7mln at steady state) ✓ 30/09/2015
- Return to wholesale debt mkt (EUR 500 mln Covered Bond issuance) ✓ 19/10/2015 placement
- Unification of Market Areas (12 to 8) ✓ 5/10/2015
- Roll-out new advisory service model ✓ 20/10/2015 completed
- Hub&Spoke Model: Roll-out of first batch (117 branches) ⚠ Roll-out completion in 1Q16
- Merger by absorption of CRS and CRC ⚠ Completion in 4Q15
- Strategic re-focusing of Banca Cesare Ponti and Creditis ⚠ Role of Group's Private Banking & Consumer Credit Companies
- ⚠ New customer segmentation model
- ⚠ Back-office and IT Unit efficiency improvement

2014

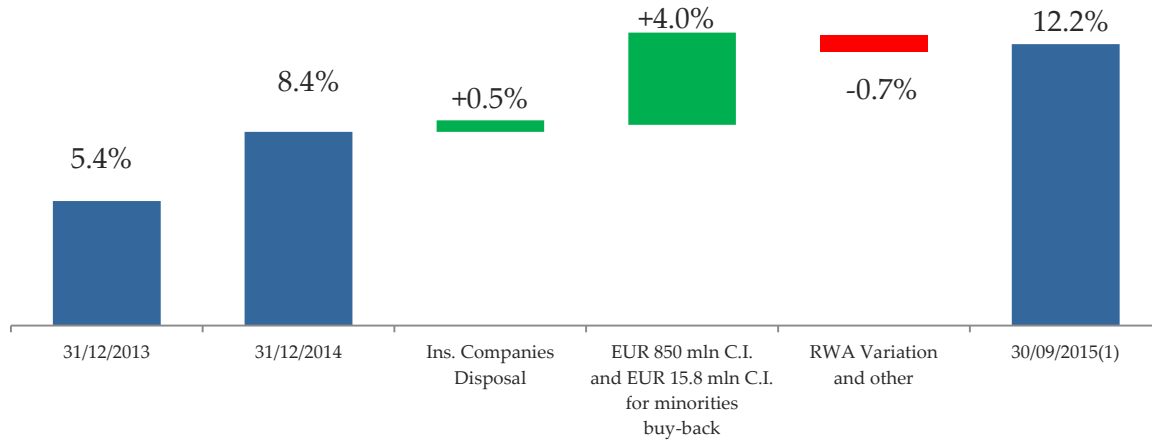
2015

Securing the Group

Improving efficiency

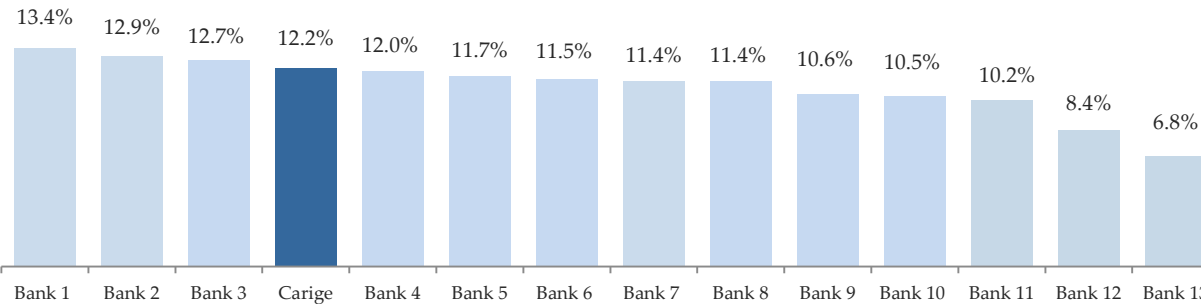
Commercial momentum

CET1 RATIO PHASED-IN



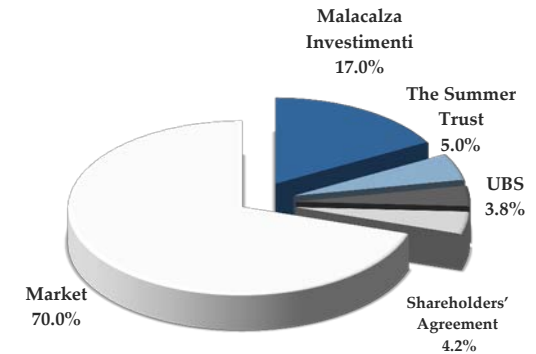
RWA **21.6** **20.5** **20.7** € bn

CARIGE VS PEERS⁽²⁾: CET1 RATIO PHASED-IN



- CET1 ratio among the highest in the Italian Banking System, higher than the 11.5% target level required by the ECB

MAIN SHAREHOLDERS



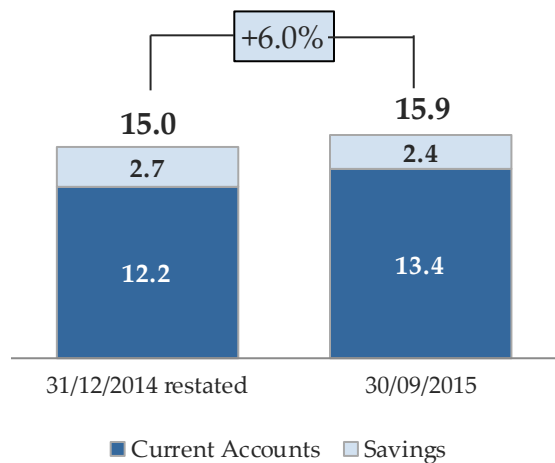
- The 'Malacalza Investimenti' Company holds a 17.0% stake
- Fondazione Carige reduced its stake to less than 2% of the Group's share capital, binding its shareholding to a Shareholders' Agreement with the 'Malacalza Investimenti' Company
- Coop Liguria, Talea, Fondazione CR Savona and Fondazione CR Carrara entered into a Shareholders' Agreement on 4.2% of the Group's capital
- BPCE announced stake lowering to less than 2%

(1) Ratio estimated on the basis of operational data, pending official reporting

(2) Intesa, MPS, Creval, BPM, Banco Popolare, Desio (3Q15); BP Sondrio, BPER, UniCredit, Credem, UBI, Vicenza and Veneto Banca (1H15)

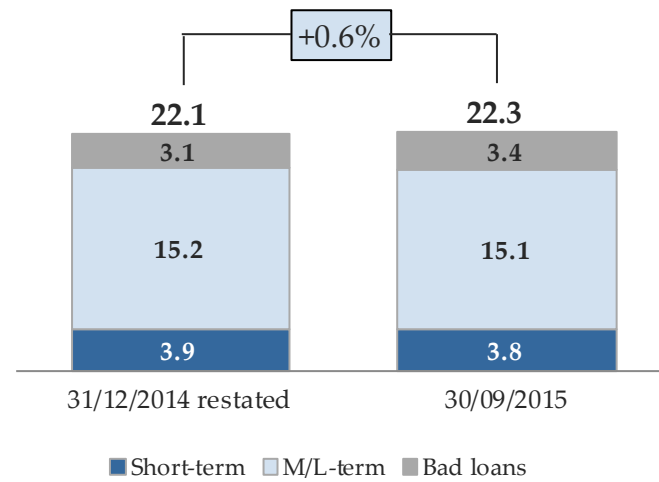
CORE FUNDING

€ bn



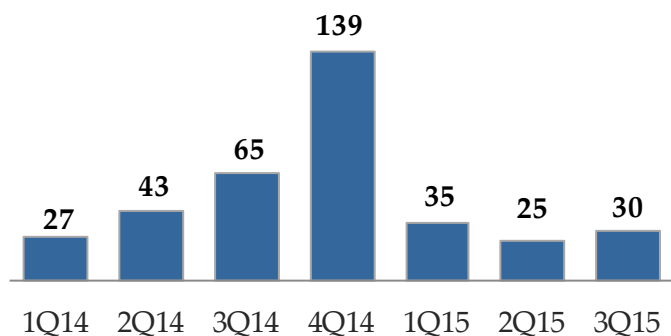
LOANS TO CUSTOMERS

€ bn



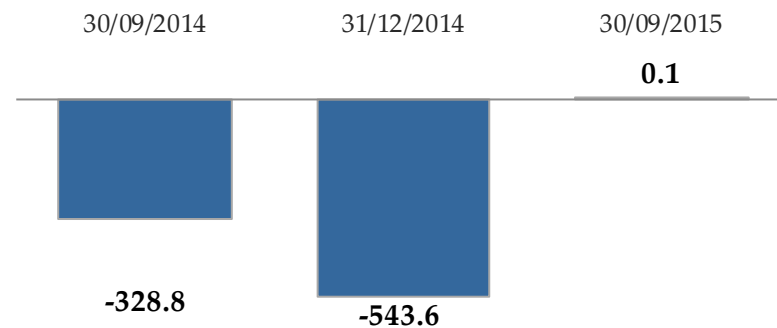
COST OF CREDIT

bps

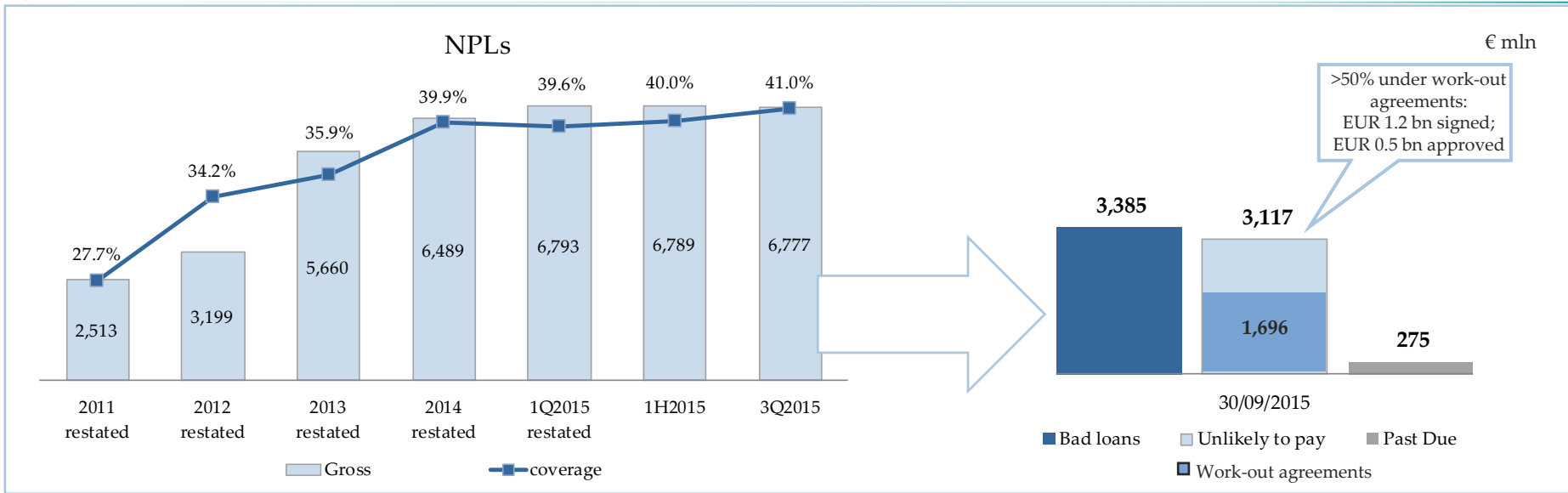


NET RESULT⁽¹⁾

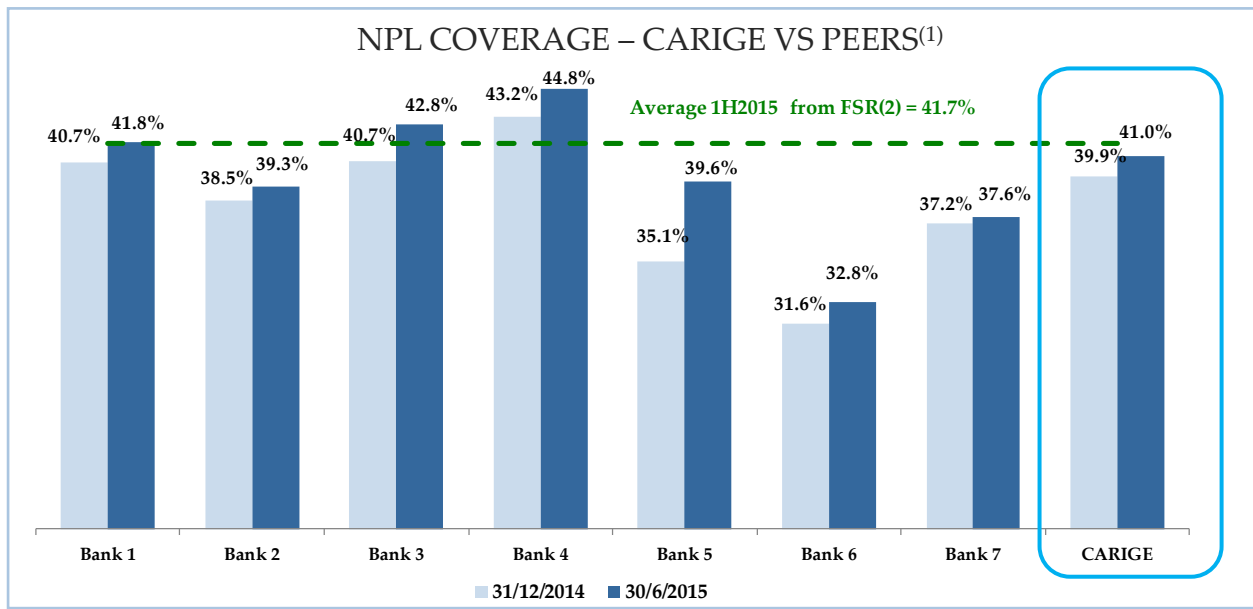
€ mln



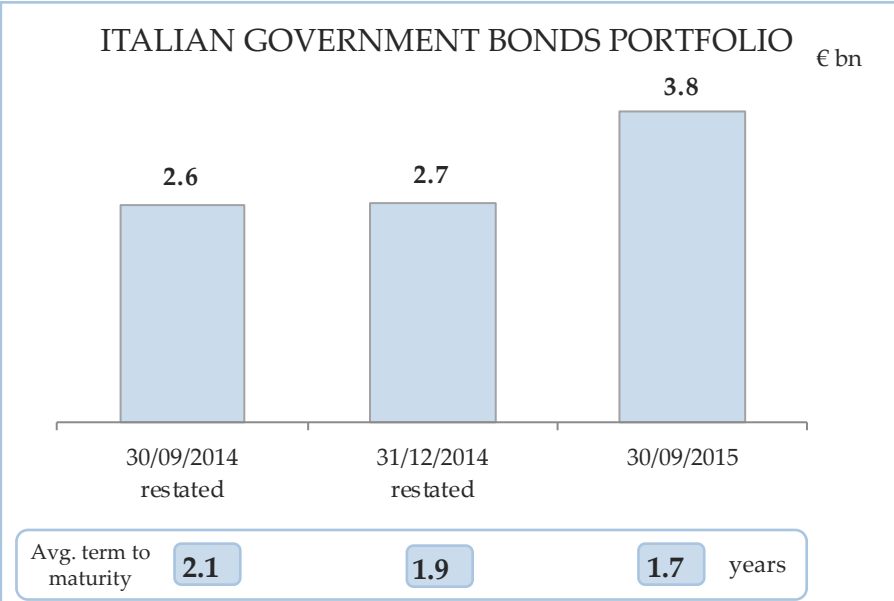
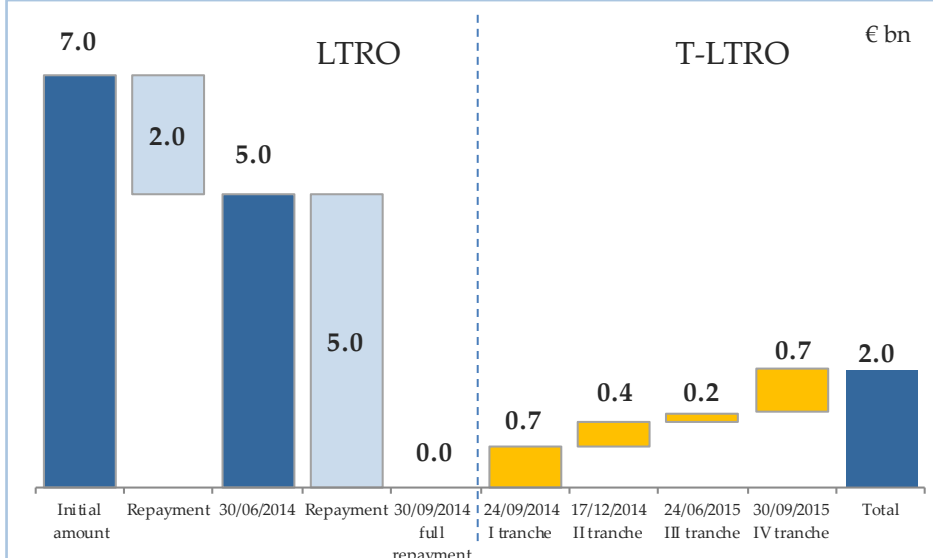
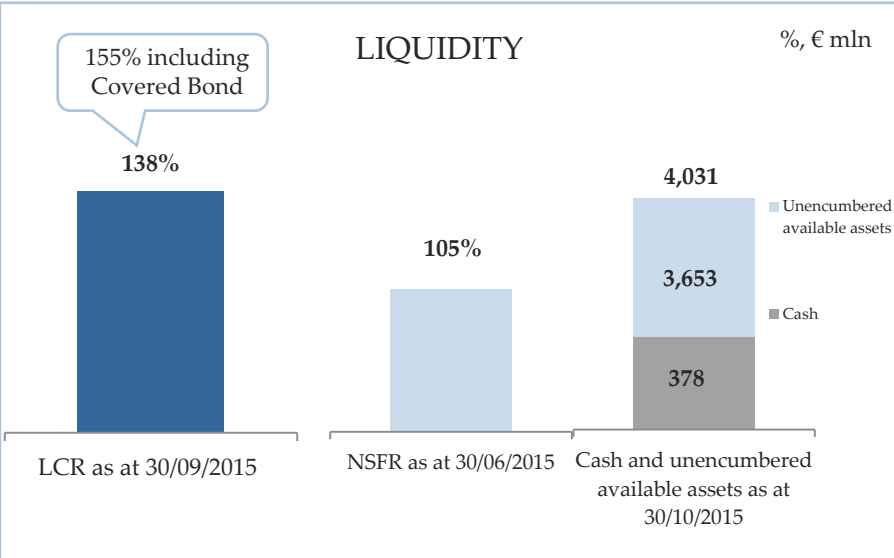
(1) 9M15 result includes the EUR 68 mln positive effect from disposal of the Insurance Group, mainly arising from the reversal to profit or loss of the positive valuation of AFS reserves



- Stabilisation of NPLs on March and June 2015 levels
- Signing of work-out agreements for ~EUR 1.2 bn worth of exposures (out of EUR 1.7 bn approved) previously classified as 'substandard' and held in the 'unlikely-to-pay' category (~EUR 550 mln may return to 'performing' status in 2016, if exit criteria are met)
- Non-performing loan coverage among the highest for regional banks and further improved compared to June 2015
- Leading advisor appointed for structuring of Bad Loans disposal planned for 2016



(1) Carige (data as at 31/12/2014 and 30/09/2015); BPER, BPM, Credem, BP Sondrio, BPVi, Veneto Banca and Creval (data as at 31/12/2014 and 30/06/2015)
 (2) Financial Stability Report no. 2 - 2015, weighted avg "large" banks as per BoI definition

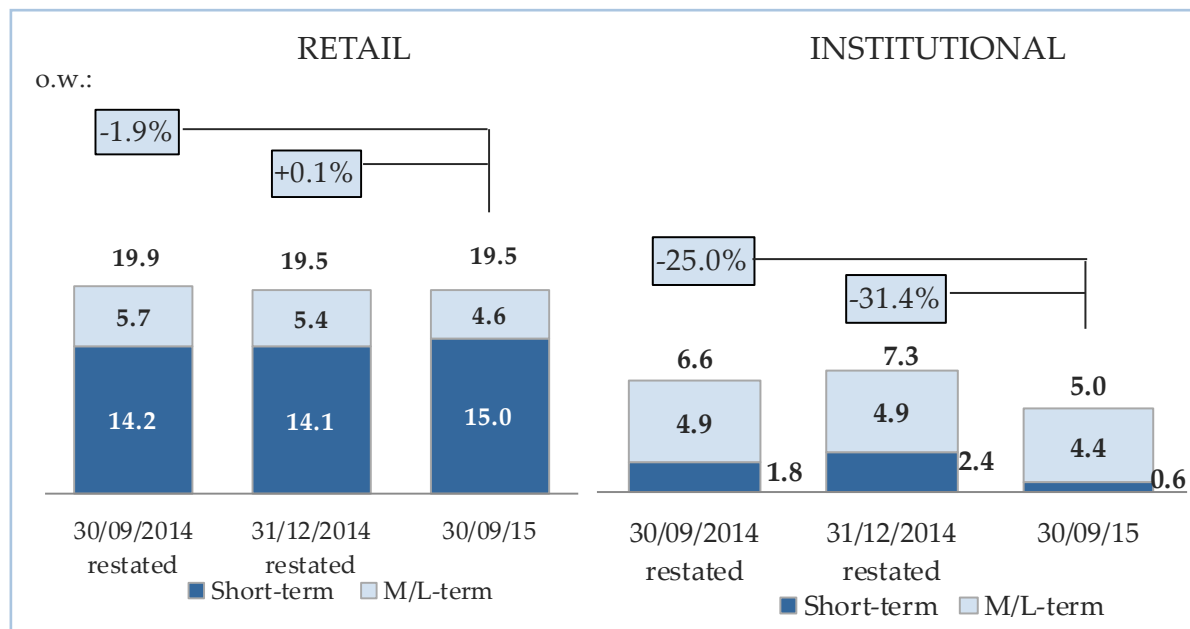
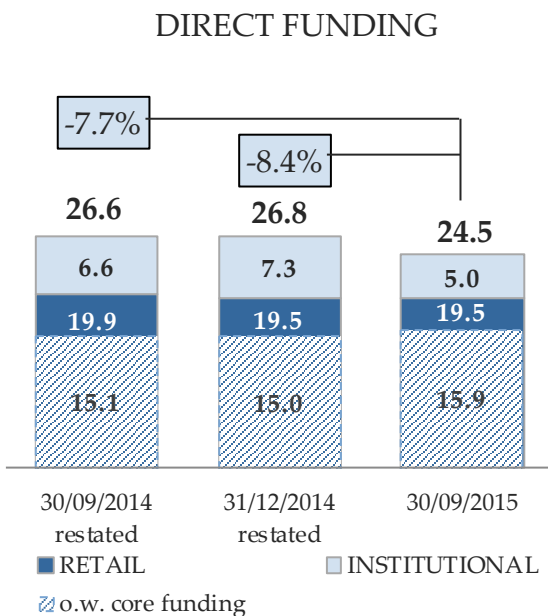


- Structural increase of the short and medium-term liquidity ratios, already above the full compliant regulatory targets
- T-LTRO funding further up to EUR 2.0 bn
- EUR 4.0 bn cash and unencumbered available assets as at 30/10/2015
- The increase in the securities portfolio is a consequence of additional liquidity generated by: Capital Increase, Insurance Companies disposal and new T-LTRO funding
- The placement of EUR 500 mln worth of covered bonds in October marks the Group's return to the wholesale market



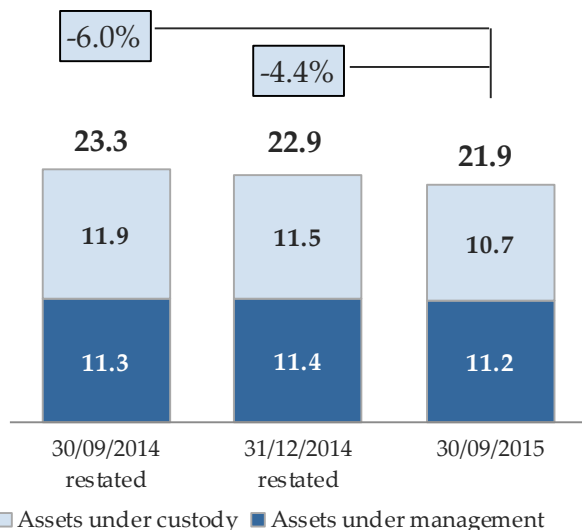
Highlights

3Q15 Consolidated Results

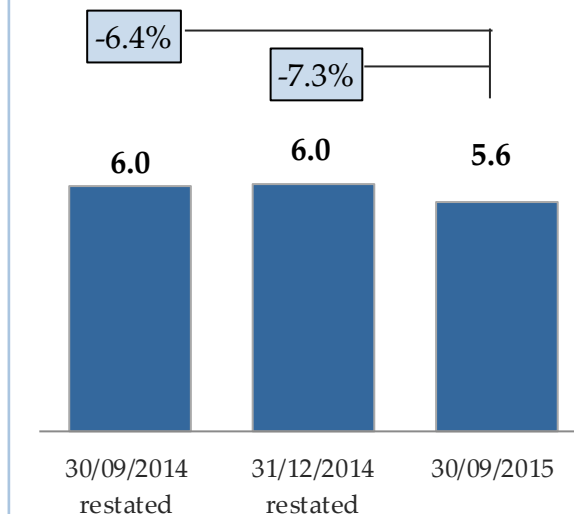


- Direct retail funding (net of institutional funding) was stable on early 2015 levels, although its “core” component shows a 6.0% growth to EUR 15.9 bn, driven by a marked upswing in current accounts (+9.6%). Funding from bonds placed with retail customers (EUR 3.4 bn) was down 19.4% due to ~EUR 1.5 bn in maturities and buy-backs (only partially renewed)
- Direct funding was down by an overall 7.7% mainly as a result of the downturn in the institutional component (-25.0% to EUR 5 bn) reflective of a reduction in sell/buy back REPOs (similar to that in ‘buy/sell back’ REPOs) and a covered bond issuance coming to maturity in March (EUR 500 mln)
- After over 2 years of absence, Banca Carige returned to the wholesale debt market in October, with the placement of a EUR 500 mln covered bond issuance

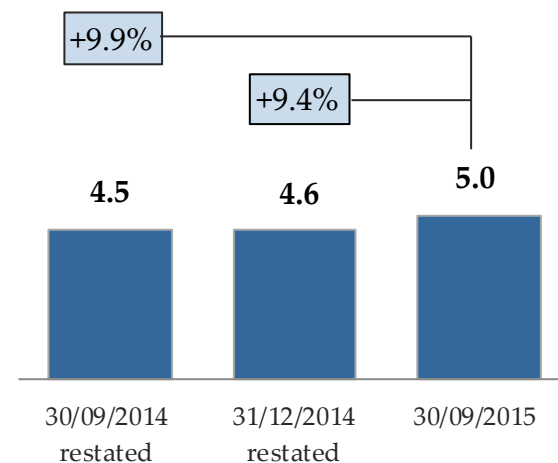
INDIRECT FUNDING



MUTUAL FUNDS



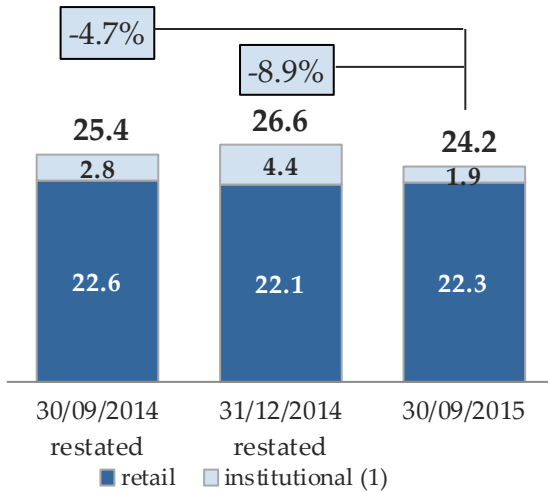
BANCASSURANCE PRODUCTS



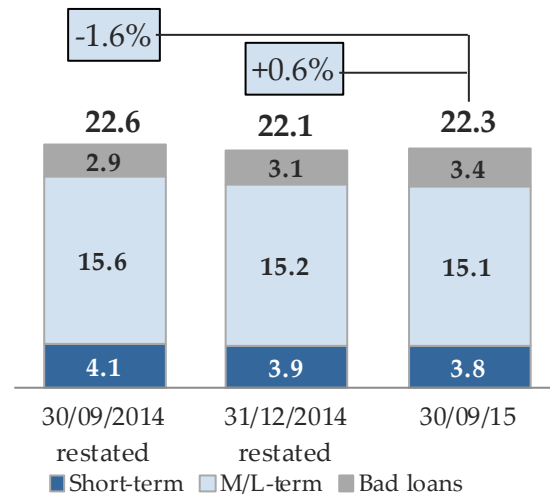
- Indirect funding amounted to EUR 21.9 bn and decreased by 4,4% in the nine-month period mainly due to the reduction in Assets Under Custody from EUR 11.5 bn to EUR 10.7 bn. The downtrend reflects the impact from the restructuring of Banca Cesare Ponti, which saw the recent approval of strategic guidelines for its relaunch as the Group's private banking company
- As part of Asset Management, mutual funds amounted to EUR 5.6 bn (-7.3% in the nine-month period) affected by the decrease in bond mutual funds (-10.6% to EUR 2.3 bn). The substantial stability of ARCA funds placed by the Group (-1.4% to EUR 3.9 bn) is in line with commitments
- Bancassurance products grew on a sustained uptrend (+9.4%) to EUR 5 bn: a breakdown shows that the share of products covered by the distribution agreement with the new insurance partner amounts to EUR 4.5 bn (+10%), with EUR 594.2 mln premiums underwritten in the first nine months of 2015 (EUR 639.9 mln in 2014), on average in excess of commitments undertaken

€ bn

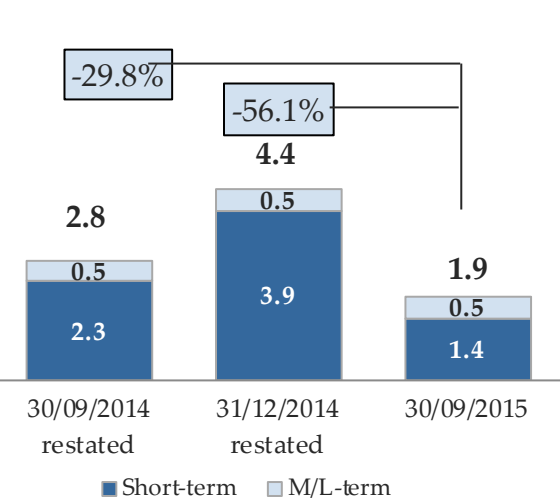
GROSS LOANS



o.w.: CUSTOMER LOANS



INSTITUTIONAL⁽¹⁾



- Customer loans (retail and corporate) have further reversed their downward trend (+0.6% in the nine month period to EUR 22.3 bn); loans to the corporate segment showed an increase (+1.1% to EUR 12 bn) as against the decrease in loans to retail customers (-2.9% to EUR 6.5 bn)
- The overall decrease in gross loans (-8.9%) was related to the drop in the institutional component (-56.1% to EUR 1.9 bn), which is mainly made up of 'buy/sell back' REPOs (temporarily used as treasury liquidity) and interest-bearing postal bonds
- In the first nine months of 2015 new loans (mortgages) were granted to households for an overall amount of EUR 0.3 bn (EUR 0.2 bn throughout 2014) and to businesses for an amount of EUR 1.1 bn (EUR 0.9 in 2014)

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

o.w. under work-out agreements
~ EUR 1.2 bn

€ mln

30/09/2015

Loans	Gross	%	Loan losses	Net	%	Coverage	Coverage including write-offs	Coverage Avg. regional peer (1)
Bad loans	3,385.4	14.0%	1,998.6	1,386.8	6.5%	59.0%	61.4%	52.7%
Unlikely to pay	3,117.0	12.9%	737.6	2,379.4	11.2%	23.7%	23.7%	22.6%
Past Due	274.7	1.1%	39.0	235.6	1.1%	14.2%	14.2%	10.7%
Non-performing loans	6,777.0	28.0%	2,775.2	4,001.8	18.8%	41.0%	42.7%	38.3%
Performing loans	17,432.0	72.0%	172.2	17,259.8	81.2%	1.0%	1.0%	0.6%
Total loans to customers	24,209.1	100.0%	2,947.4	21,261.6	100.0%	12.2%	42.7%	7.2%

Net of REPOs
1.1%

- Stabilisation of NPLs on March and June 2015 levels
- Signing of work out agreements for ~EUR 1.2 bn worth of exposures (out of an overall amount of EUR 1.7 bn already approved) previously classified as 'substandard' and held in the 'unlikely-to-pay' category (~EUR 550 mln may return to 'performing' status in 2016, if exit criteria are met)
- Non-performing loan coverage among the highest for regional banks and further up from June 2015

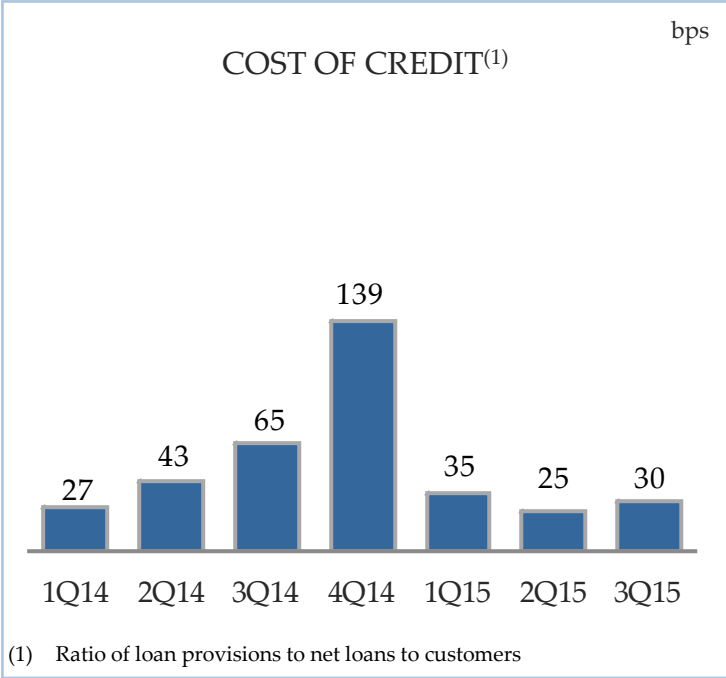
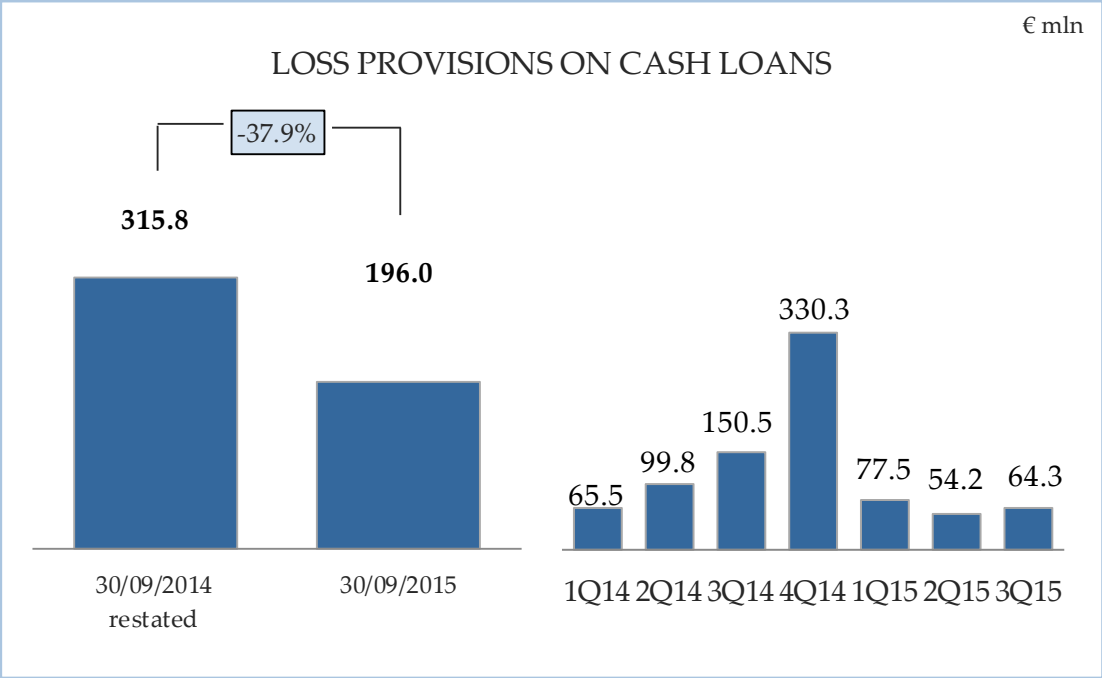
30/06/2015

Loans	Gross	%	Loan losses	Net	%	Coverage
Bad loans	3,269.6	13.2%	1,913.6	1,356.1	6.2%	58.5%
Unlikely to pay	3,282.9	13.3%	768.6	2,514.3	11.5%	23.4%
Past Due	236.9	1.0%	36.4	200.5	0.9%	15.4%
Non-performing loans	6,789.4	27.4%	2,718.6	4,070.8	18.6%	40.0%
Performing loans	17,960.0	72.6%	176.2	17,783.8	81.4%	1.0%
Total loans to customers	24,749.4	100.0%	2,894.8	21,854.7	100.0%	11.7%

31/12/2014 restated

Loans	Gross	%	Loan losses	Net	%	Coverage
Bad loans	3,091.3	11.6%	1,807.2	1,284.1	5.4%	58.5%
Unlikely to pay	3,228.6	12.2%	760.6	2,468.0	10.4%	23.6%
Past Due	169.4	0.6%	23.9	145.5	0.6%	14.1%
Non-performing loans	6,489.3	24.4%	2,591.6	3,897.6	16.4%	39.9%
Performing loans	20,081.0	75.6%	206.8	19,874.2	83.6%	1.0%
Total loans to customers	26,570.3	100.0%	2,798.5	23,771.8	100.0%	10.5%

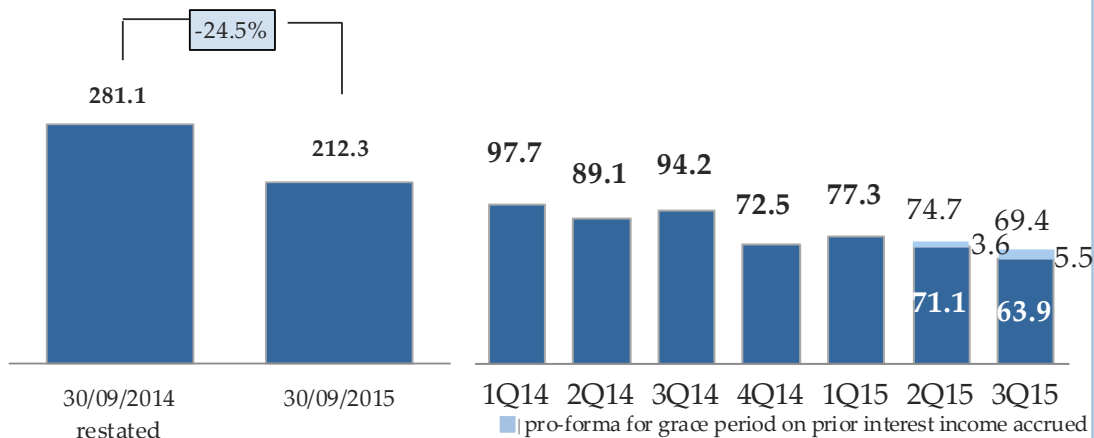
(1) Calculated on data disclosed to the public by UBI, Banco Popolare, BPER, BPM, Credem, Creval and BP Sondrio (as at 30/06/2015)



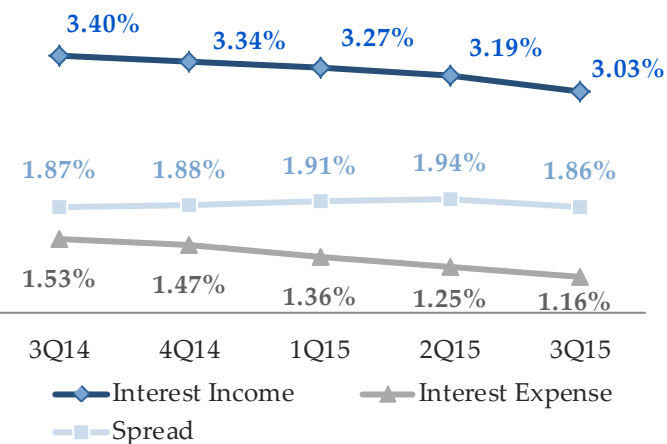
- Loan loss provisions (EUR 196 mln) were down 37.9% Y/Y, proceeding through the normalisation path outlined in the Business Plan
- In 3Q15, loan loss provisions totalled EUR 64.3 mln vs. an average of EUR 65.8 mln in 1H15
- Cost of credit in the quarter was at 30 bps, in line with Business Plan forecasts

NET INTEREST INCOME

€ mln



CUSTOMER SPREAD⁽¹⁾

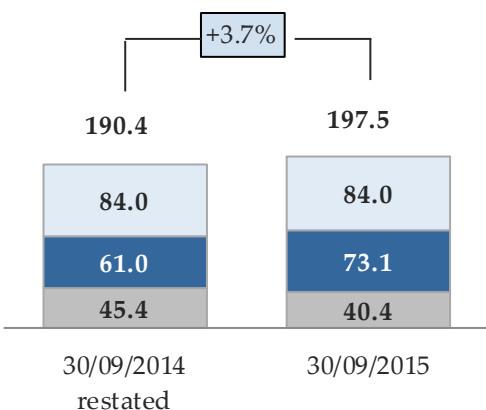


(1) Average end-of-period customer spread referring only to funding/lending via the distribution network

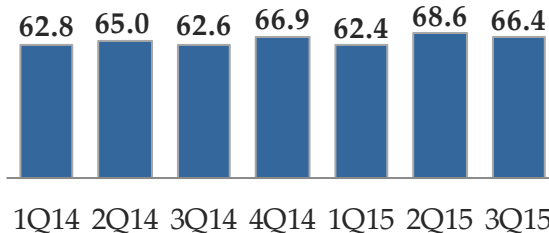
- Net Interest Income (EUR 212.3 mln) down by 24.5% on September 2014 figures, primarily as a result of lower interest-bearing assets, in connection with exposures reclassified to bad-loan status in 2014, and a lower contribution from the Group's securities portfolio
- In detail, the gap (EUR 68.8 mln) mainly derives from:
 - A different quali-quantitative composition of the Bank's securities portfolio (EUR 42.6 mln)
 - EUR 460 mln in additional Bad Loans for a negative economic impact of EUR 10.5 mln
 - Work-out agreements on large-amount unlikely-to-pay exposures with a EUR 9.1 mln effect from the grace period on prior interest income accrued

NET FEES AND COMMISSIONS

€ mln



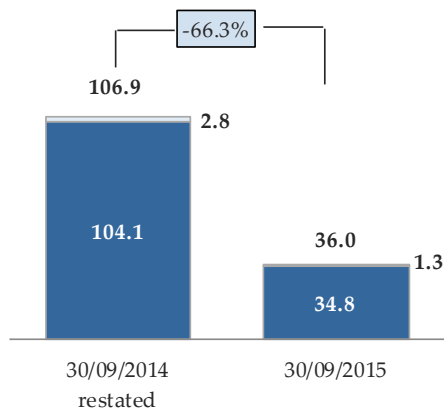
■ Current accounts
■ Asset management, brokerage and other
■ Commercial activities and other



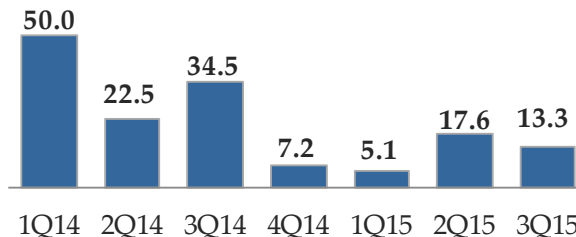
- Net fee and commission income (EUR 197.5 mln) was up 3.7% Y/Y
- The increase derives from the performance in bancassurance and AuM fees and commissions (+EUR 12.5 mln to EUR 49.7 mln) driven by the positive placement of mutual funds and insurance products, albeit partially offset by a decrease in fees on collection and payment services (-EUR 2.1 mln to EUR 48.8 mln) and expense recoveries on current accounts (-EUR 9.2 mln to EUR 85.3 mln)

FINANCE⁽¹⁾

€ mln



■ FVO



Gross AFS Reserves⁽²⁾
Banking Group

-0.7
+15.3
-1.8
-11.0
+3.4
+4.7
+20.9

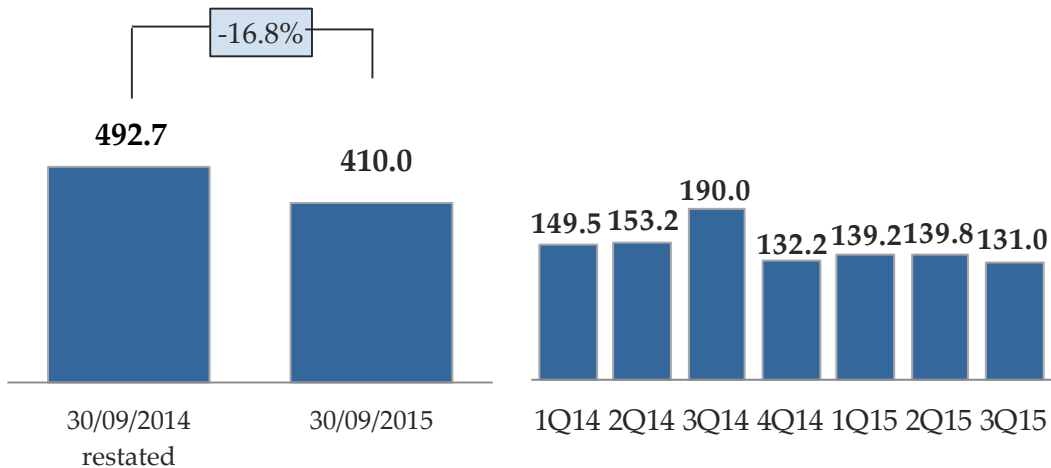
- Income from Finance is a positive EUR 36 mln compared to a likewise positive result of +EUR 106.9 mln in 9M2014, strongly influenced by the non-recurring divestment of the AFS portfolio
- As at end-September, AFS reserves were positive

(1) Items 70, 80, 90, 100 b, 100 d, 110 of P&L accounts

(2) Operational data restated for prior periods; the last 2 quarters include the revaluation of the stakes held in ICBPI

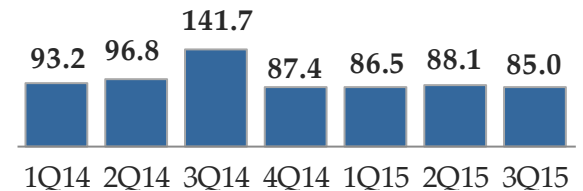
OPERATING COSTS

€ mln

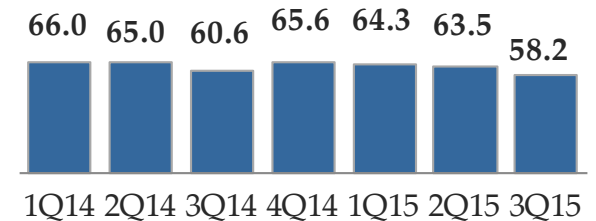


O.W.:

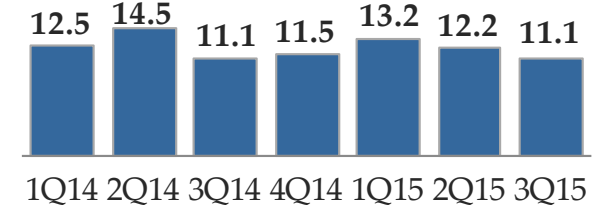
PERSONNEL COSTS



OVERHEAD COSTS



AMORTISATION



- Operating costs (EUR 410.0 mln) were down 16,8% Y/Y on the back of cost-containment measures implemented
- Personnel costs (EUR 259.6 mln) were down by over EUR 72 mln compared to the first 9 months of 2014 (-21,7%) (which included non-recurring effects for an overall EUR 56.7 mln) on the back of retirement schemes and Union agreements
- Other administrative expenses were similarly on a downtrend (-2,9% to EUR 186.0 mln) as a result of the cost-curbing actions introduced under the 'Cost Excellence' programme

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