PRESS RELEASE

BANCA CARIGE
Cassa di Risparmio di Genova e Imperia

BOARD OF DIRECTORS APPROVES BANCA CARIGE'S RESULTS AS AT 31 MARCH 2014

VITTORIO ROCCHETTI SUCCEEDS DIEGO MAGGIO AS STANDING AUDITOR

- Overall funding holds firm (+0.9% Q/Q; -4.7% Y/Y), primarily on the back of a good performance in assets under management (+2.7% and +5.3% respectively)
- Ongoing pick up in mutual funds continues (+3.8% Q/Q and +7.6% Y/Y), with approximately EUR 351 mln new underwritings in Q1 (approx. + EUR 119 mln net funding)
- Despite the gross lending downturn (-1.4% Q/Q and -10.7% Y/Y) caused by a still negative macro-economic environment, support to households continues with over 4,300 new loans granted in Q1, of which 700 residential mortgage loans (vs. 543 loans in Q1 2013; approximately +30%)
- Liquidity position continues to be strong: average term to maturity of the securities portfolio down to 1.75 years from 7.73 in Q1 2013
- 30% of LTRO repaid (EUR 2 bn) and 80% repayment confirmed by the end of the year
- Non-performing loans: coverage ratios higher than regional peer group average[1]: total NPLs 37.4% (vs. 34.7% for the peer group), bad loans 56.6% (vs. 52.4% for the peer group) and substandard loans 20.0% (vs. 17.2% for the peer group); coverage ratio for bad loans including write offs has now risen to 60.0%
- Annualised cost of credit at 110 bps, down from 417 bps in 2013.
- Business results: positive quarterly balance of + 4,500 new customers
- Cross selling index up from 4.04 to 4.08 (over 30,000 new products sold in the quarter)
- Parent Company’s share of net profit for the period stands at EUR 17.0 mln

[1] Source: press releases and presentations of BPER, CREDEM, BPM, Banco Desio, BP, Creval, UBI, BP Sondrio

- Pro-forma phased-in CET1 ratio: 9.5% , including capital increase effects
- Requirements of statutory auditors appointed by the Shareholders' Meeting have been verified: Alternate Auditor Vittorio Rocchetti succeeds Diego Maggio as Standing Auditor

The risk profile mitigation strategy of the Banca Carige Group continued in the first part of the year, implementing the guidelines set out in the 2014-2018 Business Plan

In today's meeting chaired by Cesare Castelbarco Albani, Banca Carige's Board of Directors has approved the Interim Report as at 31 March 2014, as presented by the Chief Executive Officer Piero Luigi Montani.

Against the backdrop of a market showing weak signs of initial recovery and in line with Carige's *mission* as a retail bank, which was confirmed in the 2014–2018 Business Plan, the Group's business in the first quarter was reflective of the intense risk profile mitigation work conducted by the new Management as of the fourth quarter of last year.

Strict control over key risk profiles resulted in:

- a slowdown in credit quality deterioration, with reduced inflows into the individual classes of non-performing loans as compared to both the first and fourth quarter of 2013;
- improvement in liquidity through divestment of part of the government bond portfolio and its repositioning to shorter duration (average term to maturity has decreased from 7.73 years as at 31/3/2013, to 2.86 years as at 31/12/2013 to 1.75 years as at 31/3/2014);
- early repayment of 30% of the LTRO for a total amount of EUR 2 bn, with EUR 5 bn now outstanding.

The recent full-scale review of the loan book and the adoption of prudential classification and assessment criteria contributed to raising the non-performing loans coverage ratio to 37.4%, a higher level than the 34.7% ratio registered by the regional peer group[2]. Particularly noteworthy are the coverage ratios for the following key aggregates: bad loans 56.6% (vs. 49.8% in March 2013) vs. 52.4% for the peer group and substandard loans 20.0% (vs. 16.0% in March 2013) vs. 17.2% for the peer group.

[2] Source: press releases and presentations of BPER, CREDEM, BPM, Banco Desio, BP, Creval, UBI, BP Sondrio

During the quarter, improved financial market conditions and new mutual funds underwritten by customers spurred a slight growth in overall funding to EUR 48.3 bn (+0,9%).

Direct funding, totalling EUR 25.1 bn, was substantially stable Q/Q (+0.2%), with the retail component falling slightly (-1.3%), against the backdrop of a general reduction for the Italian banking system, while indirect funding, totalling EUR 23.2 bn, was up 1.5% on account of the positive trend in asset management (+2.7%) and a slight recovery in assets under custody (+0.5%) (respectively +5.3% and +1.2% Y/Y).

The pickup in mutual funds placed continues (+3.8% Q/Q), with EUR 351 mln new underwritings in the quarter (+EUR 119 mln net funding), as does growth in bancassurance products (with quarterly volumes totalling EUR 220.4 mln, up 47.9% Y/Y), both driven by improved financial market conditions.

Conversely, the uncertainties of the macro-economic and financial environment were reflected on the slowdown in gross loans (EUR 27.2 bn; -1.4% Q/Q and -10.7% Y/Y); retail customer loans (EUR 23.9 bn) witnessed a more moderate downturn of 1.0% Q/Q (-4.9% Y/Y). Group support to households continued with over 4,300 new loans granted in the quarter, of which 700 mortgage loans (543 loans in Q1 2013).

Lower funding/lending volumes and substantially stable spreads, still at an all-time low, were reflected on trends in Net Interest Income in the first quarter of 2014 (EUR 148 mln; -2.3% from Q1 2013 and -12.4% on Q4 2013); lower margins were largely the result of having divested part of the AFS securities portfolio for the purpose of improving the liquidity profile, by repositioning the portfolio to a duration in line with early repayment of the LTRO.

Net fees and commissions (EUR 62.6 mln; -9.8% Y/Y and -5.1% on Q4 2013) were similarly affected by weak volumes: in a Y/Y comparison, alongside an increase in commissions on payment systems (+ EUR 0.87 mln to EUR 11.3 mln; +8.1%), a reduction was registered in fees on asset management, trading and advisory services (-EUR 3.3 mln to EUR 19.1 mln; -14.6%) and fee and commission income on current accounts (-EUR 1.1 mln; -3.5%).

Net income from Finance totalled EUR 58.7 mln and reflects the positive contribution from divestment of part of the securities portfolio; the Y/Y negative change (-29.5%) lies in the non-recurring positive items (EUR 39.8 mln, fair value option effects on liabilities) accounted for in Q1 2013, net of which the comparison would be positive (+34.9%).

Strict control made it possible to keep operating costs stable on prior-year levels at EUR 160.3 mln, net of a non-recurring item posted in Q1 2013; personnel expenses and overhead costs as a whole were down by approximately EUR 3.3 mln as compared to the first quarter of 2013.

Finally, customer loan loss provisions for an amount of EUR 69.0 mln were recognised in profit and loss (vs. EUR 52.8 mln in 1Q 2013), corresponding to an annualised cost of credit of 110 bps, in line with budget forecasts.

Net of tax on income (EUR 14.3 mln) and non-controlling interests' share of net profit (+EUR 587 mln), the Parent Company's share of profit is positive by EUR 17 mln.

As at 31 March 2014, the Group confirmed its strong liquidity position, currently at EUR 6.8 bn, of which EUR 2.6 bn in unencumbered ECB-eligible Government bonds, which -in line with guidance in the Business Plan- makes it possible to pursue 80% repayment of the LTRO with the ECB by the end of the year. As at today, 30% of the original EUR 7 bn LTRO has been repaid by way of four EUR 500 mln tranches (of which, the first was repaid on 9 April and the last one on 14 May), for a total amount of EUR 2 bn.

As at 31 March 2014, the CET1 ratio, including the P&L and balance-sheet effects from recognition of the new stakes in the Bank of Italy as at 31/12/2013, was 6.5%. Including capital increase, pro-forma CET1 is 9.5%[3].

The forthcoming EUR 800 mln capital increase marks a further essential milestone for continuing with the execution of the new Business Plan, under which the new Management Team has chartered a path for gradually returning to sustainable growth.

Verification of Statutory Auditors' requirements

Pursuant to supervisory regulations in force, the Board of Directors has verified the requirements of professionalism, integrity and independence of members of the Board of Statutory Auditors, appointed for the 2014-2016 period by the Shareholder Meeting of 30 April 2014.

In particular, based on information provided by each Statutory Auditor or in any case available to the Bank, the Board of Directors has proven that the statutory requirements of independence provided for by art. 148, para. 3 of Legislative Decree no. 58/1998, as well as any requirements

[3] The pro-forma ratio includes the effects from the Bank's capital increase, the Insurance Company's capital increase and the higher tax rate on recognition of the new stakes in the Bank of Italy.

applicable under the Italian Corporate Governance Code for listed companies, are met by: the Chairman of the Statutory Auditors' Board, Mr. Stefano Lunardi; Standing Auditor, Ms. Maddalena Costa and Alternate Auditors, Mr. Francesco Isoppi and Mr. Vittorio Rocchetti.

The Board of Directors has further ascertained that, as a result of verifications conducted, the afore-mentioned requirements under art. 148, para. 3, of Legislative Decree no. 58/1998 is not met by Standing Auditor, Mr. Diego Maggio, who is therefore dismissed from office pursuant to the above-cited regulatory provisions.

As provided for by art. 2401 of the Italian Civil Code and art. 26, para.10 of the Company's Articles of Association, Diego Maggio has been succeeded in office as a Standing Auditor by Alternate Auditor, Vittorio Rocchetti, appointed by the Shareholders' Meeting from the same list, which obtained the majority of votes and was submitted by the shareholder, Fondazione Cassa di Risparmio di Genova e Imperia.

The Interim Report as at 31/3/2014 for the Banca CARIGE Group has been made available to the public at the Bank's registered office, on Banca Carige's corporate website www.gruppocarige.it/investor relations/bilanci and by all other means allowed by applicable regulations in force.

****

Declaration of the Financial Reporting Officer pursuant to art. 154-bis, para. 2, of Legislative Decree no. 58/1998 (Consolidated Law on Finance)

Pursuant to Article 154-bis, paragraph 2, of the Italian Consolidated Law on Finance, the undersigned, Luca Caviglia, in his capacity as the Manager responsible for preparing the Company's financial reports, declares that the accounting information contained in this Press Release corresponds to the underlying documentary evidence and accounting records.

****

The Banca Carige Group's results as at 31 March 2014 will be presented to the financial community in a conference call scheduled for 16 May 2014 at 10.00 a.m. (CET). A live webcast will also be available.

Dial in numbers and other details to access the conference call can be found on the Bank's corporate website (www.gruppocarige.it) under 'Investor Relations'.

Genoa, 15 May 2014

INVESTOR RELATIONS
Pietro Ripa
Roberta Famà
Via Cassa di Risparmio 15
16123 GENOVA GE
tel. +39 010 579 4877
fax +39 010 579 2443
e-mail: investor.relations@carige.it

COMMUNICATIONS
Antonello Amato
Alfredo Majo
Via Cassa di Risparmio 15
16123 GENOVA GE
tel. +39 010 579 2697
fax +39 010 579 2731
e-mail: relazioni.esterne@carige.it

AD HOC COMMUNICATION ADVISORS
Giorgio Zambeletti
Sara Balzarotti
Tel: +39 02 7606741
mobile: + 39 335 5347916
e-mail: *giorgio.zambeletti@ahca.it*
sara.balzarotti@ahca.it

ACCOUNTING TABLES
BANCA CARIGE GROUP

BALANCE SHEET

ASSETS *(figures in thousands of euro)*

	31/03/2014	31/12/2013	Change absolute	%
10 - *CASH AND CASH EQUIVALENTS*	292,434	339,280	(46,846)	-13.8
20 - *FINANCIAL ASSETS HELD FOR TRADING*	90,424	132,697	(42,273)	-31.9
30 - *FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS*	252,531	258,633	(6,102)	-2.4
40 - *FINANCIAL ASSETS AVAILABLE-FOR-SALE*	11,255,187	10,544,587	710,600	6.7
60 - *DUE FROM BANKS*	1,578,406	1,218,989	359,417	29.5
70 - *LOANS TO CUSTOMERS*	25,038,677	25,476,359	(437,682)	-1.7
80 - *HEDGING DERIVATIVES*	146,364	125,811	20,553	16.3
100 - *EQUITY INVESTMENTS*	89,668	91,552	(1,884)	-2.1
110 - *TECHNICAL INSURANCE RESERVES REASSURED WITH THIRD PARTIES SUBJECT TO JOINT CONTROL*	146,966	155,233	(8,267)	-5.3
120 - *PROPERTY AND EQUIPMENT*	1,070,769	1,070,877	(108)	-0.0
130 - *INTANGIBLE ASSETS*	182,779	188,067	(5,288)	-2.8
of which:				
- goodwill	106,479	106,479	0	0.0
140 - *TAX ASSETS*	2,115,286	2,083,257	32,029	1.5
a) current	289,342	298,245	(8,903)	-3.0
b) deferred	1,825,944	1,785,012	40,932	2.3
b1) pursuant to Law 214/2011	1,443,572	1,425,756	17,816	1.2
160 - *OTHER ASSETS*	442,902	470,933	(28,031)	-6.0
TOTAL ASSETS	**42,702,393**	**42,156,275**	**546,118**	**1.3**

LIABILITIES AND SHAREHOLDERS' EQUITY *(figures in thousands of euro)*

	31/03/2014	31/12/2013	Change absolute	%
10 - *DUE TO BANKS*	8,234,990	8,161,242	73,748	0.9
20 - *DUE TO CUSTOMERS*	14,948,865	14,817,367	131,498	0.9
30 - *SECURITIES ISSUED*	9,157,391	9,217,979	(60,588)	-0.7
40 - *FINANCIAL LIABILITIES HELD FOR TRADING*	12,223	14,567	(2,344)	-16.1
50 - *FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS*	1,281,246	1,296,816	(15,570)	-1.2
60 - *HEDGING DERIVATIVES*	483,128	457,998	25,130	5.5
80 - *TAX LIABILITIES*	322,634	252,242	70,392	27.9
(a) current	113,638	94,683	18,955	20.0
(b) deferred	208,996	157,559	51,437	32.6
100 - *OTHER LIABILITIES*	869,040	812,430	56,610	7.0
110 - *EMPLOYEE TERMINATION INDEMNITIES*	88,532	89,232	(700)	-0.8
120 - *ALLOWANCES FOR RISKS AND CHARGES:*	374,102	375,415	(1,313)	-0.3
a) post employment benefits	320,684	320,900	(216)	-0.1
b) other allowances	53,418	54,515	(1,097)	-2.0
130 - *TECHNICAL RESERVES*	5,250,249	5,017,768	232,481	4.6
140 - *VALUATION RESERVES*	(105,127)	(123,950)	18,823	-15.2
170 - *RESERVES*	(1,465,061)	296,061	(1,761,122)	...
180 - *SHARE PREMIUM RESERVE*	1,020,903	1,020,990	(87)	-0.0
190 - *SHARE CAPITAL*	2,177,219	2,177,219	-	0.0
200 - *TREASURY SHARES*	(21,282)	(21,282)	0	0.0
210 - *MINORITY INTERESTS (+/-)*	56,307	55,838	469	0.8
220 - *NET INCOME (LOSS) (+/-)*	17,034	(1,761,657)	1,778,691	...
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**42,702,393**	**42,156,275**	**546,118**	**1.3**

INCOME STATEMENT

(figures in thousands of euro)

	1st Q 2014	1st Q 2013 (*)	Change 03/14 - 03/13 absolute	%
10 - INTEREST AND SIMILAR INCOME	265,540	299,851	(34,311)	- 11.4
20 - INTEREST AND SIMILAR EXPENSE	(117,585)	(148,370)	30,785	- 20.7
30 - INTEREST MARGIN	**147,955**	**151,481**	**(3,526)**	**- 2.3**
40 - FEE AND COMMISSION INCOME	75,764	82,158	(6,394)	- 7.8
50 - FEE AND COMMISSION EXPENSE	(13,142)	(12,719)	(423)	3.3
60 - NET FEE AND COMMISSION INCOME	**62,622**	**69,439**	**(6,817)**	**- 9.8**
70 - DIVIDENDS AND SIMILAR INCOME	70	278	*(208)*	- 74.8
80 - PROFIT (LOSSES) ON TRADING	*(3,863)*	*3,478*	*(7,341)*	...
90 - FAIR VALUE ADJUSTMENTS IN HEDGE ACCOUNTING	*2,747*	*2,335*	412	17.6
100 - PROFITS (LOSSES) ON DISPOSAL OR REPURCHASE OF:	*59,226*	*37,335*	21,891	58.6
a) loans	*(190)*	*(112)*	*(78)*	*69.6*
b) financial assets available-for-sale	*57,060*	*37,693*	*19,367*	*51.4*
d) financial liabilities	*2,356*	*(246)*	*2,602*	...
110 - PROFIT (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	*379*	*39,764*	(39,385)	- 99.0
120 - NET INTEREST AND OTHER BANKING INCOME	**269,136**	**304,110**	**(34,974)**	**- 11.5**
130 - NET LOSSES/RECOVERIES ON IMPAIRMENT OF:	(68,029)	(55,655)	(12,374)	22.2
a) loans	*(67,545)*	*(52,980)*	*(14,565)*	*27.5*
b) financial assets available-for-sale	*(291)*	*(480)*	*189*	*- 39.4*
d) other financial activities	*(193)*	*(2,195)*	*2,002*	*- 91.2*
140 - NET INCOME FROM BANKING ACTIVITIES	**201,107**	**248,455**	**(47,348)**	**- 19.1**
150 - NET INSURANCE PREMIUMS	324,542	277,650	*46,892*	16.9
160- OTHER NET INSURANCE INCOME (EXPENSE)	(335,507)	(302,263)	(33,244)	11.0
170 - NET INCOME FROM BANKING AND INSURANCE ACTIVITIES	**190,142**	**223,842**	**(33,700)**	**- 15.1**
180 - ADMINISTRATIVE EXPENSES:	(166,968)	(166,089)	(879)	0.5
a) personnel expenses	*(96,928)*	*(103,132)*	*6,204*	*- 6.0*
b) other administrative expenses	*(70,040)*	*(62,957)*	*(7,083)*	*11.3*
190 - NET PROVISIONS FOR RISKS AND CHARGES	(4,000)	(1,971)	(2,029)	...
200 - NET ADJUSTMENTS TO/ RECOVERIES ON PROPERTY AND EQUIPMENT	(6,089)	(7,013)	924	- 13.2
210 - NET ADJUSTMENTS TO/ RECOVERIES ON INTANGIBLE ASSETS	(8,497)	(8,734)	237	- 2.7
220 - OTHER OPERATING EXPENSES (INCOME)	25,239	38,696	(13,457)	- 34.8
230 - OPERATING EXPENSES	**(160,315)**	**(145,111)**	**(15,204)**	**10.5**
240 - PROFIT (LOSSES) ON INVESTMENTS IN ASSOCIATES AND COMPANIES SUBJECT TO JOINT CONTROL	2,138	2,543	(405)	- 15.9
270 - PROFIT (LOSSES) FROM DISPOSAL OF INVESTMENTS	4	3	1	33.3
280 - INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**31,969**	**81,277**	**(49,308)**	**- 60.7**
290 - TAXES ON INCOME FROM CONTINUING OPERATIONS	*(14,348)*	*(33,294)*	18,946	- 56.9
300 - INCOME (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**17,621**	**47,983**	**(30,362)**	**- 63.3**
320 - NET INCOME (LOSS)	**17,621**	**47,983**	**(30,362)**	**- 63.3**
330 - MINORITY INTERESTS	587	(915)	1,502	...
340 - PARENT COMPANY'S NET INCOME (LOSS)	**17,034**	**48,898**	**(31,864)**	**- 65.2**
Earnings per share (in Euro)				
- Basic	0.008	0.023		
- Diluted	0.008	0.023		

(*) As reported in the "Accounting policies" section of the Explanatory notes, the 2013 first quarter balances reflect, with respect to the published balances, the changes resulting from the retrospective application of the criterion for recognising a particular instance of premiums pertaining to non-life insurance operations, in compliance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".