

BOARD OF DIRECTORS' APPROVAL OF PARENT COMPANY'S DRAFT SEPARATE AND GROUP CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

APPROVAL OF CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT

- Banca Carige's Board of Directors has today approved the Parent Company's Draft Separate and the Group's Consolidated Financial Statements as at 31 December 2015.
- On 19 February 2016, the Bank received a *draft decision* letter from ECB communicating its intention to adopt a decision on the “*The reduction of risks and the presentation of a plan to restore compliance with supervisory requirements*”. Notwithstanding the actions implemented by the Bank, which the Authority has recognised, particularly in terms of capital strengthening (the CET1 ratio today is above the minimum level required by the ECB in its SREP decision of 20/11/2015), governance and control improvement and better operational efficiency, the Draft Decision requires the Bank to prepare:
 - a new *Funding Plan* by 31/3/2016;
 - a new Business Plan by 31/5/2016, reflecting the worsening of the overall scenario as compared to previous estimates;
 - prepare a plan, containing a reassessment of the Group's strategic options, by 31/5/2016.

The Bank replied to the Draft Decision providing comments and observations, reasserting the suitability of its strategies, processes, own funds and liquidity position to face the Group's current and future risks even in the new deteriorated market environment. At the same time, action was taken by the Bank to comply with the Supervisory Authority's instructions and create the conditions for the Board of Directors -soon to be appointed by the forthcoming Shareholders' Meeting- to make the best-suited strategic decisions for the development of the Bank and the Group.

In the current market environment, the Bank -similarly to other Italian peers- had to face unexpected tensions with swift actions in full compliance with supervisory instructions and

regulations. The system's difficulties were particularly reflected in the performance of direct funding, down from last year's levels, and had a partial impact on the Group's profit and loss results, since they made it necessary -partly in the wake of the foregoing *draft decision* of 19 February and the adverse market conditions persisting since early 2016- to write off the entire value of Banca Carige's residual goodwill for an amount of EUR 57.1 mln. A net loss of EUR 101.7 mln is consequently reported for 2015, as opposed to the EUR 44.6 mln loss amount which was communicated to the market on 11 February 2016. The Bank clarifies that the write-off of goodwill only has accounting effects exclusively impacting the 2015 results, with no negative repercussions on the Group's forward-looking profitability, capital adequacy (CET1R and TCR respectively confirmed at 12.2% and 14.9%) and liquidity position.

- As at today, the Bank's liquidity strength is confirmed with approximately EUR 2 bn worth of cash and unencumbered eligible assets and a Liquidity Coverage Ratio of over 100%, in excess of the minimum target required by the ECB (90%). With a view to strengthening its liquidity position, the Bank made two new issuances of covered bonds, currently retained, under the programmes OBG1 and OBG2 for an aggregate amount of EUR 850 mln and has arranged for the implementation of two new securitisations of a leasing portfolio and a fifth-of- salary-backed and personal loan portfolio originated by its subsidiary company, Creditis, with an estimated positive effect on liquidity of approx. EUR 500 mln.
- The Italian Revenue Agency's targeted access to Banca Carige Italia S.p.A.'s dataset for tax ascertainment purposes, which had started on 5 February 2015 with regard to tax years 2012 and 2013, came to a close on 26 February 2016 with an Official Tax Audit Report served on the Bank. With the support of leading consultants, the Group deems the therein reported tax findings arising from the widely disclosed claims made by Consob on the 2013 financial statements, devoid of any foundation, and therefore considers that no change is required to the related risk assessment.

- As required by art. 123-ter of the Consolidated Law on Finance, the Board of Directors has also approved the annual Corporate Governance and Ownership Structure Report for 2015. On this occasion, the Board of Directors has conducted the yearly assessment of requirements for director independence pursuant to Article 3 of the Corporate Governance Code for listed companies. As a result of the assessment, which was conducted to also verify requirements under art. 148, para. 3, of the Consolidated Law on Finance and art. 18, para. 4, of the Articles of Association, as well as via a review of all credit relations held with the Bank in the name of any Director qualifying as independent in accordance with current Bank of Italy's Supervisory Regulations concerning Corporate Governance - the following directors qualified as fully independent: Beniamino Anselmi, Jérôme Gaston Raymond Bonnet, Evelina Christillin, Philippe Marie Michel Garsuault, Guido Pescione, Lorenzo Roffinella, Elena Vasco, Lucia Venuti e Philippe Wattecamp. This assessment will be repeated and disclosed to the public after the appointment of the Board of Directors to be resolved upon by the Ordinary Shareholders' Meeting on 31 March 2016.
- Today's approved documents will be made available under the terms and through the means set out by regulations in force at the Bank's registered office and under “Shareholders Meetings” in the “Governance” section of the Group's website and will be submitted to the Shareholders' Meeting of 31 March 2016 for consideration and approval.

Declaration of the manager responsible for preparing the company's financial reports pursuant to paragraph 2 of Article 154-bis of the Italian Legislative Decree no. 58/1998 (Consolidated Law on Finance)

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 press release corresponds to the document results, books and accounting records.

Genoa, 3 March 2016

INVESTOR RELATIONS & RESEARCH*Roberta Famà**Massimo Turla*

Via Cassa di Risparmio 15

16123 GENOVA GE

tel. +39 010 579 4877

fax +39 010 579 4875

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 Zambelletti**Sara Balzarotti*

Tel: +39 02 7606741

mobile: + 39 335 5347916

e-mail: giorgio.zambelletti@ahca.itsara.balzarotti@ahca.it

**FINANCIAL STATEMENTS
BANCA CARIGE GROUP**

CONSOLIDATED BALANCE SHEET

ASSETS (EUR/000)

	31/12/2015	31/12/2014	Change	
			absolute	%
10 · CASH AND CASH EQUIVALENTS	324,395	329,394	(4,999)	-1.5
20 · FINANCIAL ASSETS HELD FOR TRADING	15,065	67,762	(52,697)	-77.8
40 · FINANCIAL ASSETS AVAILABLE FOR SALE	3,803,770	3,037,414	766,356	25.2
60 · LOANS TO BANKS	1,220,489	754,732	465,757	61.7
70 · LOANS TO CUSTOMERS	21,472,616	23,682,831	(2,210,215)	-9.3
80 · HEDGING DERIVATIVES	54,730	201,525	(146,795)	-72.8
100 · EQUITY INVESTMENTS	92,536	92,482	54	0.1
120 · PROPERTY AND EQUIPMENT	783,816	769,760	14,056	1.8
130 · INTANGIBLE ASSETS	78,062	116,148	(38,086)	-32.8
<i>of which:</i>				
- goodwill	19,942	57,145	(37,203)	-65.1
140 · TAX ASSETS	2,145,389	2,032,517	112,872	5.6
a) current	1,186,602	1,034,463	152,139	14.7
b) deferred	958,787	998,054	(39,267)	-3.9
b1) of which pursuant to Law 214/2011	647,443	753,312	(105,869)	-14.1
150 · NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	-	6,854,768	(6,854,768)	-100.0
160 · OTHER ASSETS	307,988	370,227	(62,239)	-16.8
TOTAL ASSETS	30,298,856	38,309,560	(8,010,704)	-20.9

LIABILITIES AND SHAREHOLDERS' EQUITY (EUR/000)

	31/12/2015	31/12/2014	Change	
			absolute	%
10 · DUE TO BANKS	2,824,957	1,877,094	947,863	50.5
20 · DUE TO CUSTOMERS	15,536,566	17,332,987	(1,796,421)	-10.4
30 · SECURITIES ISSUED	7,327,427	8,121,888	(794,461)	-9.8
40 · FINANCIAL LIABILITIES HELD FOR TRADING	4,824	11,667	(6,843)	-58.7
50 · FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS	557,795	964,726	(406,931)	-42.2
60 · HEDGING DERIVATIVES	220,628	515,252	(294,624)	-57.2
80 · TAX LIABILITIES	18,303	24,421	(6,118)	-25.1
(a) current	6,735	12,891	(6,156)	-47.8
(b) deferred	11,568	11,530	38	0.3
90 - LIABILITIES ASSOCIATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	-	6,474,615	(6,474,615)	-100.0
100 · OTHER LIABILITIES	922,239	640,768	281,471	43.9
110 · EMPLOYEE TERMINATION INDEMNITIES	72,235	82,588	(10,353)	-12.5
120 · ALLOWANCES FOR RISKS AND CHARGES:	324,830	446,011	(121,181)	-27.2
a) post-employment benefits	244,932	393,563	(148,631)	-37.8
b) other allowances	79,898	52,448	27,450	52.3
140 · VALUATION RESERVES	(198,017)	(190,025)	(7,992)	4.2
170 · RESERVES	(832,387)	(426,348)	(406,039)	95.2
180 · SHARE PREMIUM RESERVE	811,949	368,856	443,093	...
190 · SHARE CAPITAL	2,791,422	2,576,863	214,559	8.3
200 · TREASURY SHARES	(15,572)	(20,283)	4,711	-23.2
210 · NON-CONTROLLING INTERESTS (+/-)	33,398	52,071	(18,673)	-35.9
220 · NET PROFIT (LOSS) FOR THE PERIOD (+/-)	(101,741)	(543,591)	441,850	-81.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	30,298,856	38,309,560	(8,010,704)	-20.9

CONSOLIDATED INCOME STATEMENT

(EUR/000)

	2015	2014(*)	Change	
			absolute	%
10 - INTEREST AND SIMILAR INCOME	681,703	842,586	(160,883)	- 19.1
20 - INTEREST AND SIMILAR EXPENSE	(347,271)	(444,941)	97,670	- 22.0
30 - NET INTEREST INCOME	334,432	397,645	(63,213)	- 15.9
40 - FEE AND COMMISSION INCOME	310,054	309,370	684	0.2
50 - FEE AND COMMISSION EXPENSE	(46,209)	(54,349)	8,140	- 15.0
60 - NET FEE AND COMMISSION INCOME	263,845	255,021	8,824	3.5
70 - DIVIDEND AND SIMILAR INCOME	15,349	18,265	(2,916)	- 16.0
80 - NET PROFIT (LOSS) ON TRADING	(2,533)	5,316	(7,849)	...
90 - NET PROFIT (LOSS) FROM HEDGING	(4,697)	1,925	(6,622)	...
100 - GAINS (LOSSES) ON DISPOSAL/REPURCHASE OF:	79,544	90,821	(11,277)	- 12.4
a) loans	(48)	2,617	(2,665)	...
b) financial assets available for sale	76,723	85,651	(8,928)	- 10.4
d) financial liabilities	2,869	2,553	316	12.4
110 - NET PROFIT (LOSS) FROM FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	(137)	367	(504)	...
120 - NET INTEREST AND OTHER BANKING INCOME	685,803	769,360	(83,557)	- 10.9
130 - NET LOSSES/REVERSALS ON IMPAIRMENT OF:	(271,672)	(674,383)	402,711	- 59.7
a) loans	(286,066)	(650,438)	364,372	- 56.0
b) financial assets available for sale	(1,796)	(1,452)	(344)	23.7
d) other financial transactions	16,190	(22,493)	38,683	...
140 - NET INCOME FROM BANKING ACTIVITIES	414,131	94,977	319,154	...
170 - NET INCOME FROM BANKING AND INSURANCE ACTIVITIES	414,131	94,977	319,154	...
180 - ADMINISTRATIVE EXPENSES:	(660,606)	(683,342)	22,736	- 3.3
a) personnel expenses	(354,157)	(419,472)	65,315	- 15.6
b) other administrative expenses	(306,449)	(263,870)	(42,579)	16.1
190 - NET PROVISIONS FOR RISKS AND CHARGES	(10,069)	(5,629)	(4,440)	78.9
200 - NET ADJUSTMENTS TO/ RECOVERIES ON PROPERTY AND EQUIPMENT	(21,764)	(20,994)	(770)	3.7
210 - NET ADJUSTMENTS TO/ RECOVERIES ON INTANGIBLE ASSETS	(27,810)	(29,450)	1,640	- 5.6
220 - OTHER OPERATING INCOME (EXPENSES)	98,839	108,379	(9,540)	- 8.8
230 - OPERATING EXPENSES	(621,410)	(631,036)	9,626	- 1.5
240 - GAINS (LOSSES) ON INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	6,644	4,940	1,704	34.5
260 - IMPAIRMENT ON GOODWILL	-57,145	(15,919)	(41,226)	...
270 - GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS	25	(179)	204	...
280 - PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(257,755)	(547,217)	289,462	- 52.9
290 - TAX EXPENSE (INCOME) ON CONTINUING OPERATIONS	82,255	163,098	(80,843)	- 49.6
300 - PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	(175,500)	(384,119)	208,619	- 54.3
310 - PROFIT (LOSS) AFTER TAX FROM NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	71,216	(162,823)	234,039	...
320 - NET PROFIT (LOSS) FOR THE PERIOD	(104,284)	(546,942)	442,658	- 80.9
330 - NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(2,543)	(3,351)	808	- 24.1
340 - NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	(101,741)	(543,591)	441,850	- 81.3

(*) The balances of the previous year reflect, with respect to those published, changes resulting from the application of the provisions of IFRS 5 "Non-current Assets Held for sale and Discontinued Operations".