PRESS RELEASE

BANCA CARIGE'S BOARD OF DIRECTORS APPROVES CONSOLIDATED RESULTS AS AT 31 MARCH 2021[1]

- **THE NET RESULT FOR THE FIRST QUARTER OF 2021 (-EUR 39.7 MLN) STANDS AGAINST THE EUR 55.1 MLN LOSS POSTED FOR THE MONTHS OF FEBRUARY AND MARCH 2020. THE 30% LOSS REDUCTION BEARS WITNESS TO THE GRADUAL RETURN TO A GOVERNANCE ORIENTED TOWARDS SOUND AND PRUDENT MANAGEMENT FOCUSING ON COMMERCIAL RELAUNCH**
- **STEADY GROWTH IN SALES AND DISTRIBUTION[2] FROM 31 MARCH 2020 TO 31 MARCH 2021:**
  - **EUR 1.0 BN TOTAL INCREASE (+7.8%) IN DEPOSITS AND OTHER DIRECT FUNDING FROM CUSTOMERS (AMOUNTING TO EUR 12.9 BN)[2]**
  - **NEW INFLOWS OF OVER EUR 900 MLN (+8.5%) TO AuM (EUR 11.5 BN) AND EUR 200 MLN (+1.6%) TO AuC (EUR 11.3 BN)[2]**
  - **LOANS TO CUSTOMERS UP BY OVER EUR 300 MLN (+2.9%) TO EUR 11.7 BN[2]**
- **HIGHER THAN SYSTEM AVERAGE PERFORMANCE CONFIRMED IN THE PLACEMENT OF ASSET MANAGEMENT PRODUCTS (+3.0% VS +1.3%[3]), WITH MUTUAL FUNDS AND OPEN-ENDED COLLECTIVE INVESTMENT SCHEMES UP 21.7% Y/Y (+ EUR 1.0 BN[2] TO EUR 5.7 BN[2])**
- **1Q POSITIVE COMMERCIAL RESULTS ARE ONLY PARTIALLY REFLECTIVE OF THE UPSIDE FROM THE DEFINITION OF THE NEW SERVICE MODEL, WHICH IS BEING PHASED IN TO FULL IMPLEMENTATION**
- **GROWTH TREND OF TOP LINE REVENUES (NII + NET FEES AND COMMISSIONS) CONFIRMED AT Q3 AND Q4 2020 LEVELS; +4% ON 1Q2020[1]**
- **CONTINUED FOCUS ON STRUCTURAL COST REDUCTION WITH PERSONNEL EXPENSES DOWN 9.5% COMPARED TO THE FIRST QUARTER OF 2020[1]**
- **THE GROUP ENHANCES ITS PERCEPTION AS A POINT OF REFERENCE FOR LIGURIAN SMALL AND MEDIUM-SIZED ENTERPRISES AND CUSTOMERS IN ITS FOOTPRINT AREAS OF CHOICE:**
  - **SUPPORT PROVIDED TO APPROXIMATELY 37,000 BUSINESSES THROUGH THE APPROVAL OF EUR 2.8 BN WORTH OF STATE-GUARANTEED LOANS,**

[1]With the month of January 2020 being included in the Financial Statements for the period under Temporary Administration, the results for the first quarter of 2021 are not comparable with those of the first quarter of 2020. Any comparison with the first quarter of 2020 -if commented on- is the result of a quarterly pro-rata recalculation of the first two months (February/March) of the 2020 ordinary course of administration.

[2] Operational data

[3] Source: Processing of data from the Funds and Asset Management Association, 'Assogestioni'

ROUGHLY 2.5 TIMES THE GROUP'S MARKET SHARE
    - **IN LIGURIA, 25% OF THIS TYPE OF LOANS ARE GRANTED BY CARIGE**
- **NON-PERFORMING LOANS TO CUSTOMERS, NET OF PROVISIONS, DOWN TO EUR 309.2 MLN AND ASSET QUALITY CONFIRMED AT BEST MARKET LEVELS:**
    - **NPE RATIO: 4.9% GROSS, 2.5%NET (VS. BANKING SYSTEM AVERAGE OF 5.5% AND 2.8% RESPECTIVELY[4])**
    - **AVERAGE NON-PERFORMING LOAN BOOK COVERAGE OF 49.6% (51.1% INCLUDING WRITE OFFS)**
    - **PERFORMING LOAN BOOK COVERAGE OF 1% (1.1% NET OF REPOS), FAR BEYOND BANKING SYSTEM AVERAGE**
    - **ANNUALISED COST OF CREDIT: 69 BPS, IN LINE WITH BUDGET TARGETS FOR THE PERIOD, REFLECTIG THE IMPACT ON COLLECTIVE IMPAIRMENT LOSSES OF THE APPLICATION OF THE NEW DEFINITION OF DEFAULT AND FORBEARANCE MEASURES (MORATORIA) GRANTED TO SUPPORT THE ECONOMY**
- **FULL-SPEED ROLL OUT OF THE NEW SERVICE MODEL, WHICH IS BEING ACHIEVED THROUGH THE**
    - **REORGANISATION OF THE WEALTH MANAGEMENT SEGMENT**
    - **ONGOING RELEASE OF THE NEW ON-LINE BANKING APP**
    - **GROWING SHARE OF SERVICES PROVIDED THROUGH THE "REMOTE BANKING PROPOSITION"**
    - **NEW COLLABORATION INITIATIVES WITH PARTNERS IN NON-LIFE BANCASSURANCE AND CONSUMER CREDIT**

  IS THE PREREQUISITE FOR A FORESEEABLE TREND OF GRADUAL ACCELERATION IN VOLUMES SOLD, WITH A PROPORTIONAL INCREASE IN REVENUES AND A STEADY RECOVERY OF PROFITABILITY
- **THE GROUP'S COMMITMENT TO THE YOUNGER GENERATIONS CONTINUES. ON THE BACK OF THE SUCCESS OF THE FIRST EDITION OF THE MASTER'S DEGREE PROJECT IN BANKING NETWORK MANAGEMENT, CANDIDATES ARE BEING SELECTED FOR THE SECOND EDITION**
- **THE GROUP HAS STARTED PREPARATORY WORK TO FOCUS ON ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG) ISSUES, WHICH WILL GRADUALLY BE INCORPORATED INTO THE BUSINESS MODEL**

Genoa, 12 May 2021 – Banca Carige's Board of Directors has today approved the Group's consolidated results as at 31 March 2021. The first quarter of 2021 saw confirmation of the evidence of an accelerating commercial momentum following the already positive results observed as of March 2020; in particular, in the period from 31 March 2020 to 31 March 2021, significant results were achieved in deposits and other direct funding from customers,

[4] Source: Press releases and presentations published for the period ended 31 March 2021(Intesa, Unicredit, Banco BPM, MPS, BPER, Credem, BP Sondrio and Creval; Financial Statements as at 31 December 2020 for Credit Agricole Italia)

up by approximately EUR 1.0 bn[5] (+7.8% to EUR 12.9 bn[5]), in assets under management with over EUR 0.9 bn[5] new inflows (+8.5% to EUR 11.5 bn), and assets under custody with new inflows for an amount of approximately EUR 0.2 bn[5] (+1.6% to EUR 11.3 bn). The placement of asset management products confirmed its positive performance in the quarter, marking a 3.0% increase on December 2020, over twice the average for the banking system (+1.3%[6]). Mutual funds, open-ended collective investment schemes (SICAV) and portfolio management settled at EUR 5.7 bn[5] showing the strongest Y/Y increase (+21.7%[5]; +EUR 1.0 bn[5]). The volume of loans to customers was likewise up by over EUR 300.0 mln[5] (+2.9%; to EUR 11.7 bn[5]).

The sharp rise in volumes confirms the effect of the renewed sales momentum, which could only partially benefit from the newly defined service model introduced last January which is gradually becoming fully operational, as well as from certain activities launched early this year, such as the newly introduced repricing of certain asset items, the relaunch of synergies with commercial partners (resulting in an average monthly inflows increase by 17.8%[5] in non-life insurance and 12.2%[5] in consumer credit with respect to the last quarter of 2020), and the purchase of tax credits under the 'Eco-bonus' scheme (with EUR 108.0[5] mln in tax credits already acquired and a higher average number of tax credit transfer applications per branch than for most of the banking system), which will fully contribute to revenue generation only in the quarters to come.

The consolidation of top line revenues (net interest income and net fee and commission income) observed in the previous quarters was likewise confirmed in 1Q2021 (+4.0%[7] as compared to 1Q2020) as was the ongoing parallel structural cost reduction, both of which contributed to a more evident gradual recovery of profitability, while the contribution of profit from trading was negligible. Total loan loss provisions posted in the quarter reflect the impact on collective impairment losses of the application of the new definition of default and the

[5] Operational data
[6] Source: Processing of data from the Funds and Asset Management Association, 'Assogestioni'
[7] With the first month of 2020 being included in the Financial Statements for the period under Temporary Administration, any comparison with the first quarter of 2020 -if commented on- is the result of a quarterly pro-rata recalculation of the first two months (February/March) of the 2020 ordinary course of administration

forbearance measures (moratoria) granted to support the economy. As a result, the annualised cost of risk is 69 bps[8].

The Group enhances its perception as a point of reference for Ligurian small and medium-sized enterprises and customers in its footprint areas of choice, through the approval of EUR 2.8 bn[9] worth of state-guaranteed loans (roughly 2.5 times its market share) granted to over 37,000 businesses (of which EUR 2.4 bn[9] disbursed by 30 April 2021) to counter the economic effects of the restrictive measures adopted in response to the pandemic. In Liguria, 25% of this type of loans were granted by the Bank. The Bank also continued to support SMEs and households by granting an overall amount of EUR 2.1 bn[9] worth of moratoria on loans, of which EUR 1.2 bn outstanding as at 30 April 2021, with no signs of impairment for past due/paid off positions.

Despite the pandemic crisis, the Group maintained an extremely low risk profile also in the first quarter of the year, continuing its derisking activity (disposal of non-performing leases to AMCO for a gross amount of approximately EUR 67.0 mln), with average non-peforming loan portfolio coverage settling at 49.6%[10] (51.1% including write-offs) and a gross and net NPE ratio (share of non-performing loans out of total loans) of 4.9 and 2.5%, respectively.

The level of RWAs measured under the standardised approach totalled EUR 9.5 bn[11], with capital ratios in excess of regulatory requirements: phased-in CET1 ratio of 11.5%[11] and phased-in Total Capital ratio of 13.7%[11].

[8] Ratio of net value adjustments, gains/losses on disposal and contractual modifications not resulting in derecognition (Items 100(a) - for the loans component only, 130(a) - for the loans to customers component only and 140 of the Income Statement) and Net loans to customers (Balance Sheet item 40(a) net of debt securities at amortised cost)
[9] Operational data
[10] Figure referred to balance sheet credit exposures to customers
[11] Operational estimate, pending official supervisory reporting

Francesco Guido, CEO of Banca Carige, comments on the first quarter results: *“**The growth in funding and lending volumes, the extremely low asset risk profile and the successful launch of new streams of operation are the preconditions for boosting profitability. Growth will be gradual, with households and businesses at its very centre, up to advanced, innovative standards. I would like to thank the entire staff of Carige, without whose paramount contribution none of this would be possible**”*.

The quarter just ended does not yet incorporate the upside of the new service model which is being implemented through the: (i) reorganisation of the Wealth Management segment, which will be completed by the end of Q2 with the release of the new workstation for customer relationship managers and the inauguration of new private banking branches, (ii) release of the new iOS and Android app on the app stores for customers, (iii) fine-tuning of the range of services provided through the “remote proposition”, to be completed by June, (iv) new collaboration initiatives with partners to boost non-life bancassurance and consumer credit. These measures are paving the way for a foreseeable trend of gradual acceleration in volumes sold, with a proportional increase in revenues and a steady recovery of profitability in the quarters to come.

The Group's commitment to the younger generations continues. On the back of the success of the first edition of the master’s degree project in banking network management, whereby 20 young talents were hired, 400 candidates are being selected for participation in the second edition.

The Group has also started preparatory work to focus on environmental, social and corporate governance (ESG) issues, which will gradually be incorporated into the business model. Against this background, following the initial verification of its positioning, the Bank launched a sustainability project called "*Carige sostenibile*", which marks the first phase of a more comprehensive programme aimed at pursuing objectives for the development of a culture of sustainability for the Group through the promotion of a sustainability strategy and the programming of an action plan to be implemented in 2021, in line with regulatory developments in the sector.

Funding, lending and balance-sheet aggregates

FUNDING *(EUR/000)*

	Situation as at		Change	
	31/03/2021	31/12/2020	Absolute	%
Totale (A + B)	**18,909,629**	**19,771,001**	**(861,372)**	**(4.4)**
Direct deposits (A)	**15,083,093**	**15,927,477**	**(844,384)**	**(5.3)**
Due to customers	12,896,540	12,819,390	77,150	0.6
current accounts and demand deposits	*11,527,158*	*11,326,698*	*200,460*	*1.8*
term deposits	*1,183,169*	*1,289,919*	*(106,750)*	*(8.3)*
loans	*2,096*	*2,091*	*5*	*0.2*
lease liabilities	*46,405*	*49,265*	*(2,860)*	*(5.8)*
other payables	*137,712*	*151,417*	*(13,705)*	*(9.1)*
Securities issued	2,186,553	3,108,087	(921,534)	(29.6)
bonds	*2,186,098*	*3,107,622*	*(921,524)*	*(29.7)*
other securities	*455*	*465*	*(10)*	*(2.2)*
Due to banks (B)	**3,826,536**	**3,843,524**	**(16,988)**	**(0.4)**
Due to central banks	3,478,075	3,485,273	(7,198)	(0.2)
Current accounts and demand deposits	9,229	9,745	(516)	(5.3)
Repurchase agreements	223,437	228,464	(5,027)	(2.2)
Loans	114,348	118,358	(4,010)	(3.4)
Lease liabilities	1,447	1,674	(227)	(13.6)
Other payables	-	10	(10)	(100.0)

INDIRECT DEPOSITS(1) *(EUR/000)*

	Situation as at		Change	
	31/03/2021	31/12/2020	Absolute	%
Total (A+B)	**22,794,392**	**22,850,429**	**(56,037)**	**(0.2)**
Assets under Management (A)	**11,524,351**	**11,450,004**	**74,347**	**0.6**
Mutual funds and open-end collective investment schemes	5,257,425	5,094,613	162,812	3.2
Portfolio management	466,768	457,194	9,574	2.1
Bancassurance products	5,800,158	5,898,197	(98,039)	(1.7)
Assets under Custody (B)	**11,270,041**	**11,400,425**	**(130,384)**	**(1.1)**
Government securities	2,003,472	2,100,191	(96,719)	(4.6)
Bonds	321,497	330,561	(9,064)	(2.7)
Shares(2)	1,725,134	1,679,026	46,108	2.7
Other	7,219,938	7,290,647	(70,709)	(1.0)

(1) The breakdown of indirect funding (assets under management and assets under custody) is by type of product and by type of relationship manager. Assets under management therefore include products that are not directly managed by companies of the Carige Group.

(2) The aggregate includes EUR 916.4 mln worth of Carige shares, with the ordinary shares being valued at the latest available market price before suspension from trading (EUR 1.15 on 28 December 2018, as per the reverse stock split completed at the end of 2020).

Overall funding totalled EUR 37.9 bn, with **direct deposits** declining to EUR 15.1 bn in the quarter from EUR 15.9 bn as at the end of December 2020, as a consequence of the EUR 1.0 bn repayment of covered bonds, and current accounts growing 1.8% to EUR 11.5 bn, on the back of a revived sales momentum. **Indirect deposits** were essentially stable at EUR 22.8 bn (EUR 22.9 bn as at the end of December 2020), with Assets under Management totalling EUR

11.5 bn (+0.6%) - driven by the growth in mutual funds and open-ended collective investment schemes (SICAV) (+3.2%) - and Assets under Custody amounting to EUR 11.3 bn (-1.1%). **Direct funding from retail and corporate customers** was stable at EUR 12.9 bn in the quarter, vs. EUR 12.8 bn as at December 2020. **Securities issued** were down to EUR 2.2 bn from EUR 3.1 bn as at the end of 2020 due to the foregoing EUR 1.0 bn government-backed bond issuance coming to maturity.

Amounts due to banks stood at EUR 3.8 bn, stable as compared to 31 December 2020; the overall amount of refinancing operations with the ECB (T-LTRO III) totalled EUR 3.5 bn.

LOANS AT AMORTISED COST[1] *(EUR/000)*

	Situation as at		Change	
	31/03/2021	31/12/2020	Absolute	%
Total (A+B)	**15,568,231**	**15,995,320**	**(427,089)**	**(2.7)**
Loans to customers (A)	**12,172,049**	**12,036,177**	**135,872**	**1.1**
- Gross exposure[2]	12,598,399	12,491,861	106,538	0.9
current accounts	*633,054*	*644,028*	*(10,974)*	*(1.7)*
repurchase agreements	*352,984*	*385,934*	*(32,950)*	*(8.5)*
mortgage loans	*7,912,872*	*7,832,467*	*80,405*	*1.0*
credit cards, personal loans and fifth of salary-backed loans	*83,041*	*83,223*	*(182)*	*(0.2)*
leasing	*403,957*	*408,555*	*(4,598)*	*(1.1)*
factoring	*37,722*	*56,911*	*(19,189)*	*(33.7)*
other loans	*2,561,834*	*2,448,738*	*113,096*	*4.6*
non-performing assets	*612,935*	*632,005*	*(19,070)*	*(3.0)*
-Value adjustments (-)	426,350	455,684	(29,334)	(6.4)
Loans to banks (B)	**3,396,182**	**3,959,143**	**(562,961)**	**(14.2)**
- Gross exposure[2]	3,402,735	3,964,332	(561,597)	(14.2)
compulsory reserves	*2,767,118*	*3,303,858*	*(536,740)*	*(16.2)*
current accounts and demand deposits	*24,261*	*20,331*	*3,930*	*19.3*
loans	*598,257*	*627,107*	*(28,850)*	*(4.6)*
non-performing assets	*13,099*	*13,036*	*63*	*0.5*
-Value adjustments (-)	6,553	5,189	1,364	26.3

(1) As at 31/03/2021, net of debt securities at amortised cost amounting to EUR 328,333 thousand (loans to customers), and as at 31/12/2020, net of debt securities at amortised cost amounting to EUR 328,333 thousand (loans to customers).

(2) Before value adjustments.

Gross loans to customers settled at EUR 12.6 bn, essentially stable with respect to EUR 12.5 bn as at the end of December 2020 (+0.9%), with the medium/long term component up 1.9% to EUR 10.9 bn; net of value adjustments (EUR 0.4 bn), the aggregate amounted to EUR 12.2 bn (vs. EUR 12.0 bn as at the end of December 2020).

Credit quality

Figures in EUR/mln	31/03/2021						
Loans to customers(1)	Gross	%	Loan losses	Net	%	**Coverage**	**Coverage including write-offs**
Bad Loans	240.5	*1.9%*	160.6	79.9	*0.7%*	66.8%	68.7%
Unlikely to pay	327.9	*2.6%*	135.1	192.8	*1.6%*	41.2%	41.9%
Past Due	44.5	*0.4%*	8.0	36.5	*0.3%*	18.0%	18.0%
Non-performing loans	**612.9**	***4.9%***	**303.7**	**309.2**	***2.5%***	**49.6%**	**51.1%**
Performing Loans	11,985.5	*95.1%*	122.6	11,862.9	*97.5%*	1.0%	1.0%
Total	**12,598.4**	***100.0%***	**426.4**	**12,172.0**	***100.0%***	**3.4%**	**3.5%**

Figures in EUR/mln	31/12/2020						
Loans to customers(1)	Gross	%	Loan losses	Net	%	**Coverage**	**Coverage including write-offs**
Bad Loans	277.8	*2.2%*	194.5	83.4	*0.7%*	70.0%	71.6%
Unlikely to pay	329.9	*2.6%*	132.0	197.9	*1.6%*	40.0%	40.7%
Past Due	24.3	*0.2%*	4.4	19.9	*0.2%*	18.0%	18.1%
Non-performing loans	**632.0**	***5.1%***	**330.8**	**301.2**	***2.5%***	**52.3%**	**53.8%**
Performing Loans	11,859.9	*94.9%*	124.9	11,735.0	*97.5%*	1.1%	1.1%
Total	**12,491.9**	***100.0%***	**455.7**	**12,036.2**	***100.0%***	**3.6%**	**3.8%**

(1) Excluding debt securities at amortised cost

On balance sheet **gross non-performing loans** to customers at amortised cost amounted to EUR 0.6 bn (EUR 0.3 bn net of value adjustments), slightly down[12] compared to December 2020 (-3.0%), confirming stability in the quality of loans despite the difficult context caused by the pandemic. The excellent levels of NPEs out of the total loan portfolio were confirmed during the quarter: gross NPE ratio at 4.9% (5.1% in December 2020) and net NPE ratio stable at 2.5%. More specifically, gross bad loans amounted to EUR 240.5 mln (EUR 79.9 mln net of value adjustments), with 66.8% coverage (68.7% including write-offs); gross Unlikely-To-Pay exposures totalled EUR 327.9 mln (EUR 192.8 mln net), with coverage rising to 41.2% (41.9% including write-offs); gross Past Due exposures amounted to EUR 44.5 mln, with

[12] Including as a result of the disposal of non-performing leases to AMCO for an amount of EUR 67.0 mln carried out in March 2021

coverage stable at 18.0%. Performing portfolio coverage is likewise stable at 1.0% (1.1% excluding repos - assets).

The Texas Ratio (total net NPEs over net tangible common equity, net of profit (loss) for the period) was 24.5%.

Liquidity management and securities portfolio

The Group's liquidity position continues to be robust, with cash and unencumbered eligible assets (counterbalancing capacity) totalling EUR 2.9 bn after repayment of EUR 1.0 bn in covered bonds. The Liquidity Coverage Ratio (LCR) is 198% (172% as at the end of December 2020) and the Net Stable Funding Ratio (NSFR) is 115%, both higher than regulatory prudential requirements.

Net of the equity investment in the Bank of Italy, the securities portfolio was stable at EUR 2.4 bn, with 85.3% (EUR 2.0 bn) accounted for by government bonds and a duration of 0.6 years.

Own funds and capital ratios[13]

As at 31 March 2021, capital ratios were still in excess of specific regulatory requirements: phased-in CET1 ratio of 11.5%[14] (vs. requirement of 8.55%[15]) and phased-in Total Capital Ratio of 13.7% (vs. requirement of 13.25%), with an RWA level of EUR 9.5 bn.

The phased-in Leverage Ratio is 4.9% (4.0% fully loaded).

[13] Operational estimate, pending official supervisory reporting
[14] IFRS 9 fully-loaded CET1 ratio estimated at 9.5%; IFRS 9 fully-loaded Total Capital Ratio estimated at 11.8%
[15] Reflecting the sum of the Pillar 1 minimum requirement (4.5%), 56.25% of the Pillar 2 Requirement (1.55%) and the Capital Conservation Buffer (2.50%)

Profit &Loss results[16]

Q1 2021 closed with a net loss of EUR 39.7 mln (-EUR 55.1 mln in the two-month February/March period of 2020) and a loss before tax of EUR 36.0 mln.

Amounts in EUR/mln

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	1Q21	4Q20	3Q20	2Q20	Feb/Mar '20
Net interest income	35.4	38.1	37.6	27.0	20.9
Net fee and commission income	51.2	53.0	51.6	47.5	34.7
Dividends and similar income	10.4	0.0	0.2	0.1	10.5
Net profit (loss) from core trading(1)	1.4	(0.2)	5.1	(1.2)	2.8
Other core operating income/expense(2)	(0.9)	1.6	3.9	3.9	2.5
OPERATING INCOME	**97.6**	**92.6**	**98.4**	**77.3**	**71.3**
Personnel expenses net of early-retirement costs(3)	(54.4)	(60.6)	(57.7)	(56.3)	(40.1)
Recurring net adjustments to/recoveries on property and equipment, and intangible assets(4)	(9.3)	(10.9)	(8.4)	(8.4)	(5.7)
Recurring administrative expenses(5)	(32.0)	(38.8)	(33.4)	(31.4)	(18.7)
OPERATING EXPENSES	**(95.7)**	**(110.2)**	**(99.4)**	**(96.1)**	**(64.5)**
GROSS OPERATING PROFIT (LOSS)	**1.8**	**(17.6)**	**(1.1)**	**(18.8)**	**6.8**
Net losses/recoveries on impairment of loans to banks and customers(6)	(25.2)	(26.6)	(4.0)	(12.0)	(42.6)
Profits (losses) on disposal or repurchase of financial assets at amortised cost(7)	0.2	0.1	0.7	-	-
Net losses/recoveries on impairment of other financial assets(8)	0.0	(0.0)	(0.0)	(0.1)	(0.0)
NET OPERATING PROFIT (LOSS)	**(23.2)**	**(44.2)**	**(4.4)**	**(30.9)**	**(35.8)**
Net profit (loss) from non-core trading(9)	0.6	10.7	1.6	1.5	6.2
Other non-core operating income/expense(10)	(1.4)	23.0	-	-	-
Profits (losses) on equity investments and on disposal of investements(11)	3.4	(0.1)	3.9	7.8	(6.8)
Early retirement costs(12)	-	(2.9)	-	-	0.1
Strategic Plan charges relating to non-recurring items(13)	(0.1)	1.0	(0.0)	(0.2)	(0.0)
Non-recurring net adjustments to/ recoveries on property and equipment and intangible assets	-	(14.3)	-	(4.8)	-
Net provisions for risks and charges(14)	(1.6)	(21.9)	(5.5)	(6.3)	0.1
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante)	(10.3)	(3.7)	(11.1)	(2.7)	(8.5)
DTA fees	(3.5)	(3.5)	(3.5)	(3.5)	(2.3)
PROFIT (LOSS) BEFORE TAX	**(36.0)**	**(55.9)**	**(19.0)**	**(39.1)**	**(47.0)**
Taxes	(4.2)	(74.3)	(5.4)	(3.3)	(8.6)
Profit (loss) after tax from discontinued operations	-	(0.0)	-	-	0.0
NET PROFIT (LOSS) FOR THE PERIOD	**(40.2)**	**(130.2)**	**(24.4)**	**(42.5)**	**(55.6)**
Non-controlling interests	(0.5)	(0.4)	(0.3)	0.2	(0.5)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(39.7)**	**(129.8)**	**(24.1)**	**(42.7)**	**(55.1)**

See table and reclassification criteria on page 16 *et seq.* for notes.

More specifically, the **gross operating profit** for the first quarter of 2021 amounts to a positive EUR 1.8 mln (confirming the operating income growth trend observed in 2020) and is determined as a difference between **operating income** (EUR 97.6 mln) and **operating expenses** (EUR 95.7 mln). As part of operating income, which is not yet fully inclusive of the growth in profitability due to increasing volumes expected to become evident over the next quarters, **Net Interest Income** totalled EUR 35.4 mln and **Net fee and commission income** amounted to EUR 51.2 mln. Core trading contribution amounted to EUR 11.8 mln, including

[16] Commentary on the reclassified Income Statement With the month of January 2020 being included in the Financial Statements for the period under Temporary Administration, the results for the first quarter of 2021 are not comparable with those of the first quarter of 2020

EUR 10.4 mln worth of dividends almost entirely relating to the stake held in the Bank of Italy (now down to 3.14%).

Operating expenses settled at EUR 95.7 mln and include **personnel expenses** for an amount of EUR 54.4 mln, reflecting the outflow of 384 employees in the period from 31 March 2020 to 31 March 2021, o.w. 352 in connection with incentive-based retirement schemes resulting from the union agreements signed in 2017 and 2019 (total headcount of 3,288 as at 31 March 2021).

Recurring administrative expenses totalled EUR 32.0 mln and recurring net **adjustments to/recoveries on property and equipment and intangible assets** amounted to EUR 9.3 mln.

Net losses/recoveries on impairment of loans to banks and customers totalling EUR 25.2 mln, were weighed down by collective, incremental loan loss provisions (for an amount of EUR 8.0 mln[17]) primarily due to the incorporation of the new definition of default, the growth of the performing loan portfolio and the forbearance measures (moratoria) granted to support the economy. As a result, the three-month annualised cost of credit risk is 69 bps[17].

Net operating income was a negative EUR 23.2 mln (-EUR 35.8 mln in the two-month period February/March 2020).

Net provisions for risks and charges amounted to EUR 1.6 mln, whereas **contributions and other banking system charges** (to the SRF and DGS) and DTA fees totalled EUR 13.8 mln (o.w. EUR 10.3 mln in contributions to the National/Single Resolution Fund). **Profit (loss) before tax for the period** thus amounted to a negative EUR 36.0 mln. **Taxes** amounted to a negative EUR 4.2 mln due to the fact that the Bank, in continuity with prior quarters, decided not to recognise any new deferred tax assets (DTAs) based on future taxable profits; the negative impact of this approach on profit (loss) for the three-month reporting period was approximately EUR 11.0 mln, with total EUR 502.0 mln DTAs not being recognised. As at 31 March 2021, the amount of DTAs recognised in the financial statements totalled EUR 821.0 mln.

[17] Operational estimate

*****

In relation to the request for information to be provided to the public pursuant to art. 114, paragraph 5 of the Consolidated Law on Finance, as contained in the Communication received from Consob on 15 March 2017, notice is hereby given that the 2019-2023 Strategic Plan approved by the Temporary Administrators on 26 July 2019 is confirmed, which continued to constitute the basis to include the impacts of the pandemic scenario, as was approved by Banca Carige's Board of Directors on 23 February 2021. Due to the economic repercussions of the pandemic, the original targets are expected to be obtained later than planned, with a foreseeable return to net profit as of 2023; with reference to the reporting period, the most significant negative deviations from forecasts concern revenue items and the recognition of non-recurring charges.

*****

Declaration of the Manager responsible for preparing the Company's financial reports 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 Manager responsible for preparing Banca Carige S.p.A.'s financial reports, Mr. Mauro Mangani, declares that the accounting information contained in this Press Release corresponds to the underlying documentary evidence, books and accounting records.

*****

For breakdown purposes, provided below are the consolidated Balance Sheet and Income Statement and the reclassified consolidated Income Statement.

INVESTOR RELATIONS & RESEARCH
tel. +39 010 579 4877
investor.relations@carige.it

COMMUNICATIONS
tel. +39 010 579 3380
relazioni.esterne@carige.it

ANNEXES

CONSOLIDATED BALANCE SHEET

ASSETS *(EUR/000)*

		Situation as at		Change	
		31/03/2021	31/12/2020	Absolute	%
10.	CASH AND CASH EQUIVALENTS	250,609	267,695	(17,086)	(6.4)
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	165,335	168,601	(3,266)	(1.9)
20. a)	FINANCIAL ASSETS HELD FOR TRADING	1,577	1,728	(151)	(8.7)
20. c)	OTHER FINANCIAL ASSETS MANDATORILY AT FAIR VALUE	163,758	166,873	(3,115)	(1.9)
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2,253,496	2,608,558	(355,062)	(13.6)
40.	FINANCIAL ASSETS AT AMORTISED COST	15,886,505	16,323,653	(437,148)	(2.7)
40. a)	LOANS TO BANKS	3,396,182	3,959,143	(562,961)	(14.2)
40. b)	LOANS TO CUSTOMERS	12,490,323	12,364,510	125,813	1.0
50.	HEDGING DERIVATIVES	4,241	9,355	(5,114)	(54.7)
70.	EQUITY INVESTMENTS	97,654	94,257	3,397	3.6
90.	PROPERTY AND EQUIPMENT	845,409	850,624	(5,215)	(0.6)
100.	INTANGIBLE ASSETS	87,676	85,594	2,082	2.4
110.	TAX ASSETS	1,362,913	1,413,628	(50,715)	(3.6)
110. a)	CURRENT	541,786	586,154	(44,368)	(7.6)
110. b)	DEFERRED	821,127	827,474	(6,347)	(0.8)
130.	OTHER ASSETS	291,052	208,271	82,781	39.7
	TOTAL ASSETS	**21,244,890**	**22,030,236**	**(785,346)**	**(3.6)**

LIABILITIES AND SHAREHOLDERS' EQUITY *(EUR/000)*

		Situation as at		Change	
		31/03/2021	31/12/2020	Absolute	%
10.	FINANCIAL LIABILITIES AT AMORTISED COST	18,909,629	19,771,001	(861,372)	(4.4)
10. a)	DUE TO BANKS	3,826,536	3,843,524	(16,988)	(0.4)
10. b)	DUE TO CUSTOMERS	12,896,540	12,819,390	77,150	0.6
10. c)	SECURITIES ISSUED	2,186,553	3,108,087	(921,534)	(29.6)
20.	FINANCIAL LIABILITIES HELD FOR TRADING	901	1,056	(155)	(14.7)
40.	HEDGING DERIVATIVES	246,720	247,079	(359)	(0.1)
60.	TAX LIABILITIES	23,719	10,229	13,490	...
60. a)	CURRENT	18,110	3,025	15,085	...
60. b)	DEFERRED	5,609	7,204	(1,595)	(22.1)
80.	OTHER LIABILITIES	444,802	326,496	118,306	36.2
90.	EMPLOYEE TERMINATION INDEMNITIES	31,508	38,245	(6,737)	(17.6)
100.	ALLOWANCES FOR RISKS AND CHARGES:	266,258	276,223	(9,965)	(3.6)
100. a)	COMMITMENTS AND GUARANTEES GIVEN	18,358	18,831	(473)	(2.5)
100. b)	POST-EMPLOYMENT BENEFITS	25,827	26,523	(696)	(2.6)
100. c)	OTHER ALLOWANCES FOR RISKS AND CHARGES	222,073	230,869	(8,796)	(3.8)
120.	VALUATION RESERVES	(78,353)	(79,996)	1,643	(2.1)
150.	RESERVES	(1,096,517)	(844,873)	(251,644)	29.8
160.	SHARE PREMIUM RESERVE	623,922	623,922	-	-
170.	SHARE CAPITAL	1,915,164	1,915,164	-	-
180.	TREASURY SHARES (-)	(15,536)	(15,536)	-	-
190.	NON-CONTROLLING INTERESTS (+/-)	12,383	12,867	(484)	(3.8)
200.	NET PROFIT (LOSS) FOR THE PERIOD (+/-)	(39,710)	(251,641)	211,931	(84.2)
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**21,244,890**	**22,030,236**	**(785,346)**	**(3.6)**

CONSOLIDATED INCOME STATEMENT

(EUR/000)

	Situation as at		Change
	1Q2021	01/02/2020 - 31/03/2020	Absolute
10. Interest and similar income	67,475	49,104	18,371
o.w.: interest income calculated using the effective interest rate method	72,112	52,448	19,664
20. Interest and similar expense	(32,078)	(28,207)	(3,871)
30. NET INTEREST INCOME	**35,397**	**20,897**	**14,500**
40. Fee and commission income	56,449	38,749	17,700
50. Fee and commission expense	(5,202)	(4,087)	(1,115)
60. NET FEE AND COMMISSION INCOME	**51,247**	**34,662**	**16,585**
70. Dividends and similar income	10,396	10,458	(62)
80. Net profit (loss) from trading	(1,290)	2,571	(3,861)
90. Net profit (loss) from hedging	(595)	(141)	(454)
100. Profits (losses) on disposal or repurchase of:	2,252	5,604	(3,352)
a) financial assets at amortised cost	*189*	*5,530*	*(5,341)*
b) financial assets at fair value through other comprehensive income	*2,114*	*-*	*2,114*
c) financial liabilities	*(51)*	*74*	*(125)*
110. Profits (losses) on financial assets/liabilities at fair value through profit or loss	(480)	(755)	275
b) other financial assets mandatorily at fair value	*(480)*	*(755)*	*275*
120. NET INTEREST AND OTHER BANKING INCOME	**96,927**	**73,296**	**23,631**
130. Net losses/recoveries on impairment of:	(22,959)	(40,906)	17,947
a) financial assets at amortised cost	*(22,973)*	*(40,867)*	*17,894*
b) financial assets at fair value through other comprehensive income	*14*	*(39)*	*53*
140. Gains (losses) due to contractual modifications not resulting in derecognition	96	(20)	116
150. NET INCOME FROM BANKING ACTIVITIES	**74,064**	**32,370**	**41,694**
180. NET INCOME FROM BANKING AND INSURANCE ACTIVITIES	**74,064**	**32,370**	**41,694**
190. Administrative expenses	(110,151)	(75,358)	(34,793)
a) personnel expenses	*(54,431)*	*(39,975)*	*(14,456)*
b) other administrative expenses	*(55,720)*	*(35,383)*	*(20,337)*
200. Net provisions for risks and charges	(1,599)	149	(1,748)
a) commitments and guarantees given	*474*	*790*	*(316)*
b) other net provisions	*(2,073)*	*(641)*	*(1,432)*
210. Net adjustments to/recoveries on property and equipment	(5,271)	(3,752)	(1,519)
220. Net adjustments to/recoveries on intangible assets	(4,068)	(1,928)	(2,140)
230. Other operating income (expense)	7,657	8,304	(647)
240. OPERATING EXPENSES	**(113,432)**	**(72,585)**	**(40,847)**
250. Profits (losses) on equity investments	3,406	(6,845)	10,251
280. Profits (losses) on disposal of investments	(5)	42	(47)
290. PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(35,967)**	**(47,018)**	**11,051**
300. Taxes on income from continuing operations	(4,228)	(8,594)	4,366
310. PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**(40,195)**	**(55,612)**	**15,417**
320. Profit (loss) after tax from discontinued operations	-	1	(1)
330. NET PROFIT (LOSS) FOR THE PERIOD	**(40,195)**	**(55,611)**	**15,416**
340. Non-controlling interests	(485)	(538)	53
350. NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(39,710)**	**(55,073)**	**15,363**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(see reclassification criteria at the end of this document)

Amounts in EUR/mln

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	3M 2021	Feb/Mar '20
Net interest income	35.4	20.9
Net fee and commission income	51.2	34.7
Dividends and similar income	10.4	10.5
Net profit (loss) from core trading[1]	1.4	2.8
Other core operating income/expense[2]	(0.9)	2.5
OPERATING INCOME	**97.6**	**71.3**
Personnel expenses net of early-retirement costs[3]	(54.4)	(40.1)
Recurring net adjustments to/recoveries on property and equipment, and intangible assets[4]	(9.3)	(5.7)
Recurring administrative expenses[5]	(32.0)	(18.7)
OPERATING EXPENSE	**(95.7)**	**(64.5)**
GROSS OPERATING PROFIT (LOSS)	**1.8**	**6.8**
Net losses/recoveries on impairment of loans to banks and customers[6]	(25.2)	(42.6)
Profits (losses) on disposal or repurchase of financial assets at amortised cost[7]	0.2	-
Net losses/recoveries on impairment of other financial assets[8]	0.0	(0.0)
NET OPERATING PROFIT (LOSS)	**(23.2)**	**(35.8)**
Net profit (loss) from non-core trading[9]	0.6	6.2
Other non-core operating income/expense[10]	(1.4)	-
Profits (losses) on equity investments and disposal of investements[11]	3.4	(6.8)
Early retirement costs[12]	-	0.1
Strategic Plan charges relating to non-recurring items[13]	(0.1)	(0.0)
Net provisions for risks and charges[14]	(1.6)	0.1
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante)	(10.3)	(8.5)
DTA fees	(3.5)	(2.3)
PROFIT (LOSS) BEFORE TAX	**(36.0)**	**(47.0)**
Taxes	(4.2)	(8.6)
Profit (loss) after tax from discontinued operations	-	0.0
NET PROFIT (LOSS) FOR THE PERIOD	**(40.2)**	**(55.6)**
Non-controlling interests	(0.5)	(0.5)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(39.7)**	**(55.1)**

(1) Includes Income Statement items 80, 90, 100(a) (for the component relating to securities only), 100(b), 100(c) and 110 (for the component relating to securities only) net of non-core items

(2) Income statement item 230 net of tax recoveries and other non-core operating income/expense

(3) Income Statement item 190(a) net of non-recurring items (early retirement costs, operational data)

(4) Income Statement items 210 and 220 net of non-recurring items

(5) Income Statement item 190(b) net of contributions and other banking system charges (SRF and DGS), DTA fees, tax recoveries and Business plan charges, associated with the one-off transactions carried out during the period (with the latter being operational data)

(6) Includes Income Statement item 130(a), item 110 (for loan component only) and item 140

(7) Income Statement item 100(a) (for the loans component only), net of the component now now recognised under Non-core operating income/expense

(8) Income Statement items 130(b)

(9) Fair value adjustment of financial assets arising from securitisation and from capital gains on disposal of HTC securities

(10) Income Statement item 230 for the part of non-core operating income/expense. In the fourth quarter of 2020, the item also came to include the profits on disposal of financial assets at amortised cost, for the performing loans component only

(11) Income Statement items 250 and 280

(12) Operational data

(13) Non-recurring expenses, in connection with one-off transactions carried out during the period (operational data)

(14) Income Statement item 200, stripped of Strategic Plan charges relating to non-recurring items

Income statement reclassification criteria

The Consolidated Income Statement was reclassified to enhance the understandability of the operating income, by segregating recurring and/or core business-related items (Operating Expenses or Operating Income, depending on their sign, with their difference corresponding to Gross Operating Profit/Loss) from non-recurring and non-core business components.
The identification of profit and loss items and their accounting treatment over time (based on both accounting and operational data) follows the criteria listed below:

- profit (loss) from disposal of all fixed assets (equity investments, property and equipment);
- profit and loss items associated with efficiency-raising, restructuring initiatives, etc. (e.g. charges for Redundancy Fund access, early-retirement/exit incentives/severance, gains/losses on disposal/repurchase of loans, charges linked to Strategic Plan adoption);
- profit and loss items not expected to recur (e.g. penalties, impairment of fixed assets, goodwill and other intangible assets, effects from regulatory and/or methodological changes, exceptional results)

- are considered non-recurring;

- contributions and other banking system charges (contributions to the Resolution Fund and the Interbank Deposit Protection Fund, valuation of the stakes held in the Atlante Fund and the Voluntary Scheme of the Italian Interbank Deposit Protection Fund, and any other similar contributions that may become payable in the future, in addition to fees paid to continue deducting eligible deferred tax assets)

- are considered non-core.

The application of the foregoing criteria specifically leads to the following reclassification of P&L items (where stated, the items correspond to the items of the Consolidated Income Statement prepared in accordance with the criteria set by the Bank of Italy's latest update to Circular No. 262/2005). Although criteria previously adopted have substantially remained unaltered, some items have been modified compared to the wording used until the reporting of results as at 30 September 2020 (see list below).

- "**Net Interest Income**" corresponds to item "30. Net Interest income";
- "**Net fee and commission income**" corresponds to item "60. Net fee and commission income";
- "**Dividends and similar income**" corresponds to item "70. Dividends and similar income";
- The item "**Net profit (loss) from core trading**" includes items "80. Net profit (loss) from trading", "90. Net profit (loss) from hedging", "100a. Profits /losses on disposal or repurchase of financial assets at amortised cost" (for the securities component only), "100b. Profits (losses) on disposal or repurchase of financial assets at fair value through other comprehensive income", "100c. Profits (losses) on disposal or repurchase of financial liabilities" and "110. Profits (losses) on financial assets/liabilities at fair value through profit or loss (for the securities component only) of the Consolidated Income Statement net of non-core items, referred to under "Non-core trading";
- "**Other core operating income (expense)**" corresponds to item "230. Other operating income (expense)", net of tax recovery included in "Recurring administrative expenses" and, unlike previously reported, net of other operating income (expense) relating to non-recurring items (see below);
- "**Personnel expenses net of early-retirement costs**" corresponds to Item "190a. Administrative expenses – personnel expenses" net of non-recurring items, consisting in costs for early-retirement / exit incentives and severance negotiations;
- "**Recurring net adjustments to/recoveries on property and equipment, and intangible assets**" includes items "210. Net adjustments to/recoveries on property and equipment" and "220. Net adjustments to/recoveries on intangible assets", net of non-recurring items, which are identified separately under item "Non-recurring net adjustments to/recoveries on property and equipment and intangible assets" (see below);
- "**Recurring administrative expenses**" corresponds to item "190b. Administrative expenses – other administrative expenses", net of:
  - Administrative expenses related to one-off transactions set forth in the Strategic Plan included in the new Item "Strategic Plan charges relating to non-recurring items" (see below)
  - contributions to the National/Single Resolution Fund (NRF/SRF) and the Deposit Guarantee Scheme (DGS/FITD) included in "Contributions and other banking system charges"
  - fees on Deferred Tax Assets (DTAs) convertible into tax credits

  and include tax recovery under item "230. Other operating income (expense)";
- "**Net losses/recoveries on impairment of loans to banks and customers**" includes Items "110. Profits (losses) on financial assets/liabilities at fair value through profit or loss" (for the loans component only), "130a. Net losses/recoveries on impairment of financial assets at amortised cost" and "140. Gains (losses) due to contractual modifications not resulting in derecognition";
- "**Profits /losses on disposal or repurchase of financial assets at amortised cost**" corresponds to same-heading item "100a" for the loans component only, net of the capital gain earned in the fourth quarter of 2020 from the disposal of performing loans measured at amortised cost, which is included in the new item "Other non-core operating income (expense)" (see below);

- "**Net losses/recoveries on impairment of other financial assets**" includes items "130b. Net losses/recoveries on impairment of financial assets at fair value through other comprehensive income";
- "**Net profit (loss) from non-core trading**" corresponds to Fair Value adjustments to financial assets arising from securitisation transactions and a capital gain on the disposal of HTC securities;
- "**Other non-core operating income (expense)**", introduced in 2020, corresponds to the remaining portion of Other operating income (expense) (Income Statement item 230) not included in other items, and to the profits on disposal of financial assets at amortised cost for the performing loans component only (recognised under item 100a in the Consolidated Income Statement);
- "**Profits (losses) on equity investments and disposal of investments**" includes items "250. Profits (losses) on equity investments" and "Profits (losses) on disposal of investments";
- "**Early retirement costs**" corresponds to charges for early-retirement / exit incentives and severance negotiations (operational data);
- "**Strategic Plan charges relating to non-recurring items**" includes the portion of expenses relating to the one-off transactions envisaged in the Strategic Plan that are recognised under other items of the Income Statement (operational data);
- "**Non-recurring net adjustments to/recoveries on property and equipment and intangible assets**" corresponds to non-recurring items net of items "210. Net adjustments to/recoveries on property and equipment" and "220. Net adjustments to/recoveries on intangible assets";
- "**Net provisions for risks and charges**" corresponds to item "200. Net provisions for risks and charges", stripped of Strategic Plan charges relating to non-recurring items;
- "**Contributions and other banking system charges**" consists in contributions to the National/Single Resolution Fund (NRF/SRF) and the Deposit Guarantee Scheme (DGS/FITD);
- "**DTA Fees**" corresponds to fees on Deferred Tax Assets (DTAs) convertible into tax credits;
- "**Taxes**" corresponds to item "300. Taxes on income from continuing operations";
- "**Profit (loss) after tax from discontinued operations**" corresponds to item "320. Profit (loss) after tax from discontinued operations";
- "**Non-controlling interests**" corresponds to item "340. Non-controlling interests";
- "**Net profit (loss) for the period attributable to the Parent Company**" corresponds to item "350. Net profit (loss) for the period attributable to the Parent Company".