GRUPPO BANCA CARIGE

1Q 2014 Results

Chief Executive Officer
Piero Luigi Montani

Genoa, 16 May 2014

Disclaimer

This document has been prepared by Banca Carige SpA solely for information purposes and for use in presentations of the Group's strategies and financials.
The information contained herein has not been independently verified.
The company and its representatives shall have no liability whatsoever for any loss howsoever arising from any use of this document or its contents.
The forward-looking information contained herein has been prepared on the basis of assumptions which may prove to be incorrect. Therefore, results presented herein may vary.
All of the above factors should be considered by readers in forming their own opinions.
The distribution of this presentation in certain jurisdictions may be restricted by law or regulations in force. Recipients of this presentation should therefore inform themselves about and observe such restrictions.
This document does not constitute an offer or invitation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.
The information contained herein may not be reproduced, published or distributed, in whole or in part, for any purpose whatsoever.

*****

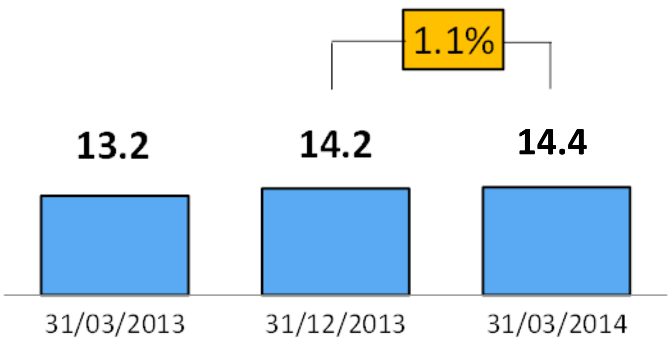
The manager responsible for preparing the company's financial reports, Mr. Luca Caviglia, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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

Highlights: core components of total funding on the rise, strong liquidity position and better coverage ratios

EUR bn

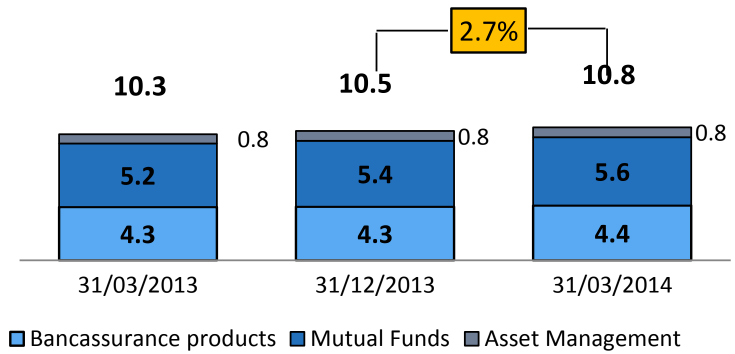
CORE DIRECT FUNDING(1)



(1) Includes current accounts and savings deposits

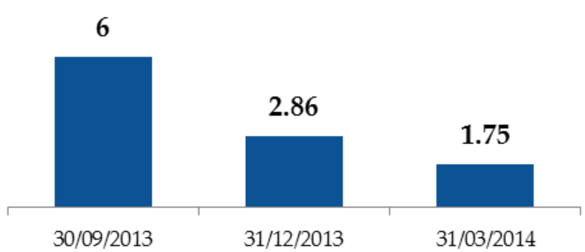
EUR bn

ASSETS UNDER MANAGEMENT



years

AVERAGE TERM TO MATURITY OF ITALIAN GOVERNMENT BOND PORTFOLIO



OVERALL LIQUIDITY EUR 6.8 bn

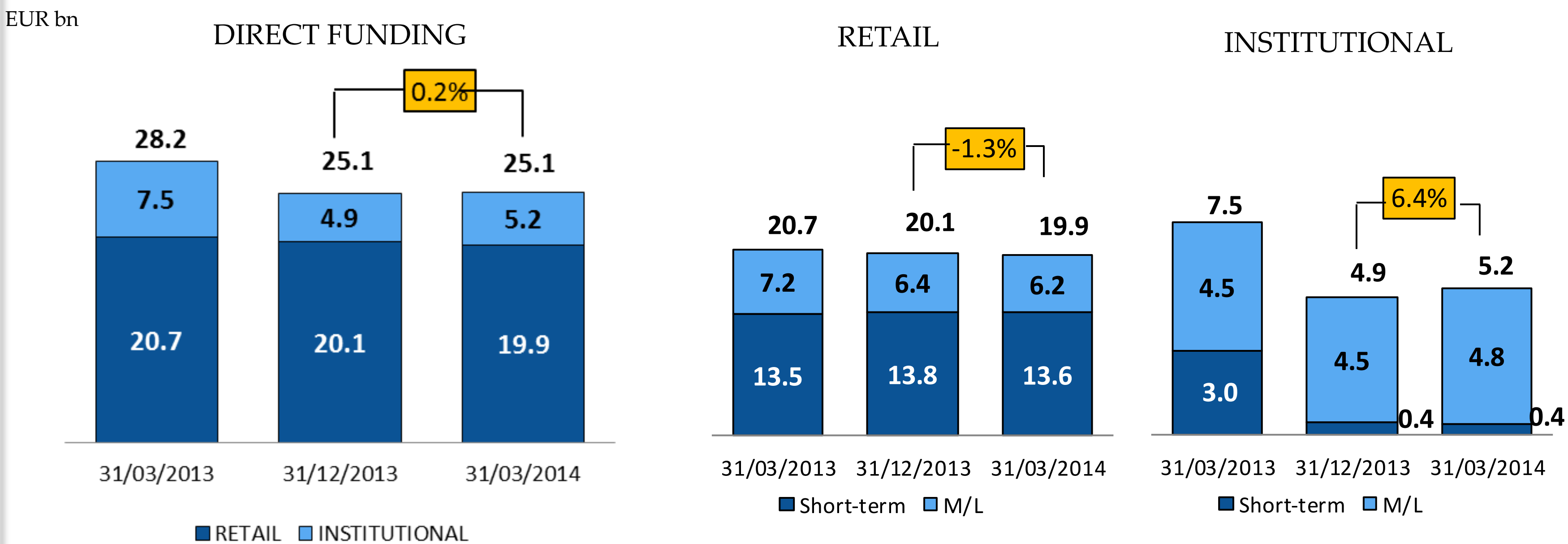
LTRO: 30% EARLY REPAYMENT AS AT TODAY 80% BY END-2014

%

COVERAGE RATIOS

Coverage %	31/03/2013	31/12/2013	31/03/2014	31/03/2014 write-offs included
Total NPLs	**33.7**	**36.0**	**37.4**	**39.9**
Bad Loans	49.8	56.3	56.6	60.0
Substandard	16.0	20.3	20.0	20.0
Restructured	10.4	13.1	13.8	13.8
Past due	1.8	9.6	14.2	14.2
Performing	0.5	0.9	0.9	0.9
Total Loans	**4.2**	**8.1**	**8.4**	**9.2**

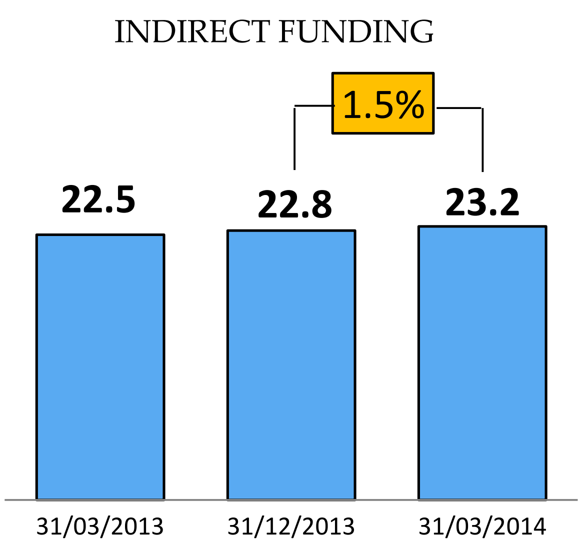
Direct funding: quarterly stable, growing in its core components

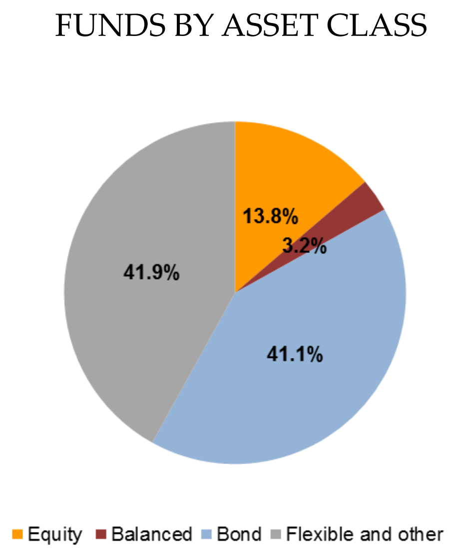


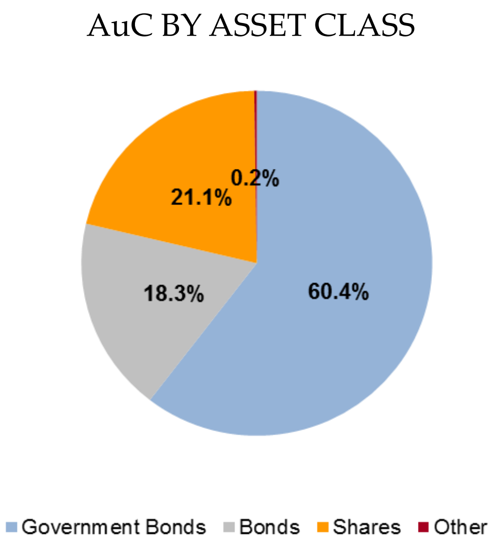
- Overall funding totalled EUR 48.3 bn, up EUR 412 mln (+0.9%)
- Against the backdrop of a general reduction for the Italian banking system, direct funding was substantially stable Q/Q (+0.2%), with its «core» components (current accounts and savings deposits) up 1.1% to EUR 14.4 bn
- The Y/Y decrease in direct funding (-10.9%) is mainly attributable to the institutional component (-30.6%) due to a decrease in REPOs against a general background of reduced lending

Indirect funding: growth in mutual funds and bancassurance products

EUR bn





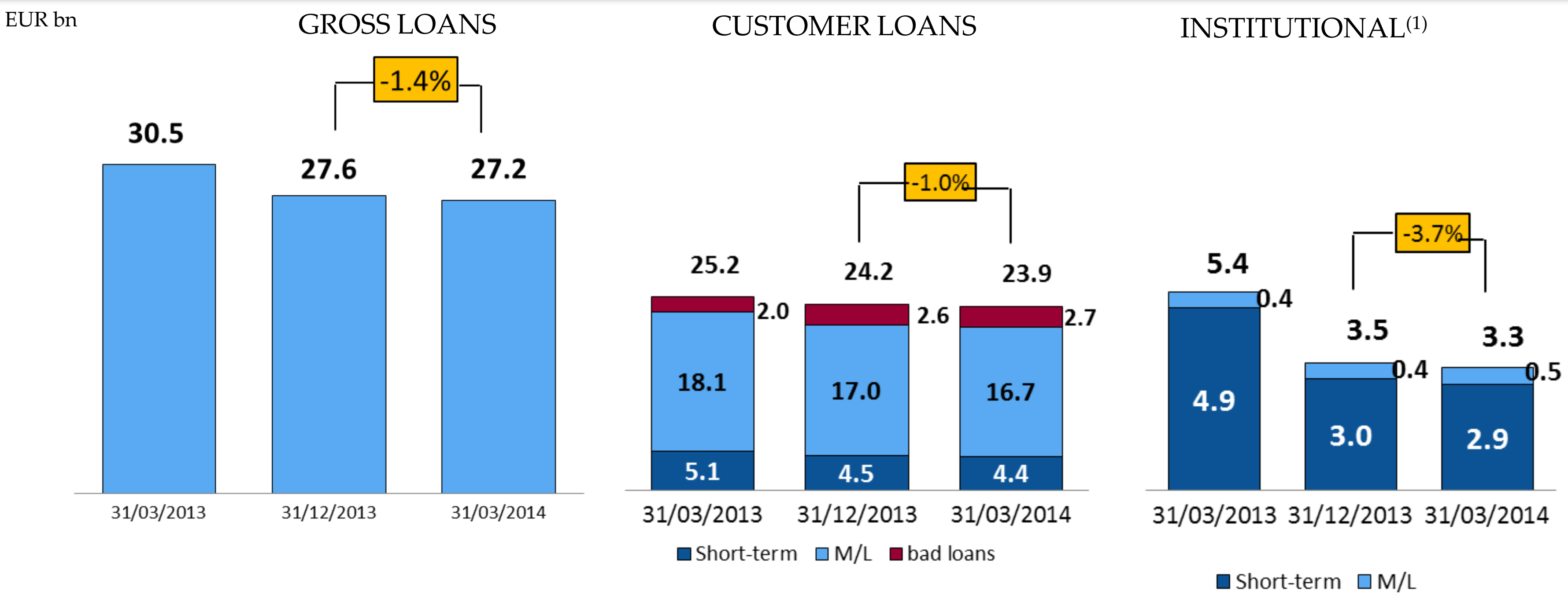


- Indirect funding was up 1.5% in Q1, benefiting from: the positive trend in asset management (+2.7% to EUR 10.8 bn), a slight recovery in assets under custody (+0.5% to EUR 12.4 bn) and, more in general, improved financial market conditions

- The ongoing pick up in mutual funds placed continues (+3.8%), with EUR 351 mln of new underwritings in Q1 (+EUR 119 mln net funding)

- Bancassurance products were placed in Q1 2014 for an amount of EUR 220.4 mln, up 47.9% on Q1 2013 (EUR 149.0 mln)

Lending: supporting households in a difficult context

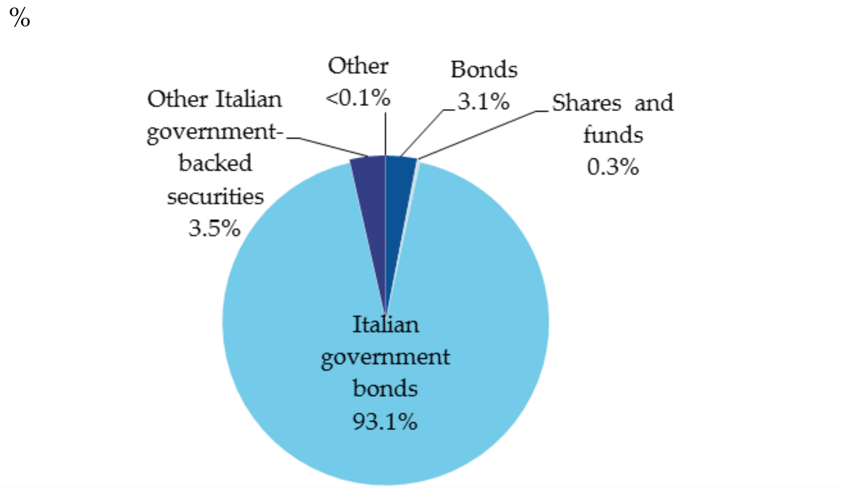


- Persisting weakness in lending , down 1.4%
- As in the case of direct funding, the annual decrease in lending (-10.7%) was mainly driven by the institutional component (-38.0%), within a general framework of banking deleveraging
- the Group continued its action of support to households granting more than 4,300 new loans in Q1 for over EUR 100 mln, of which approximately 700 being residential mortgages (543 in Q1 2013)

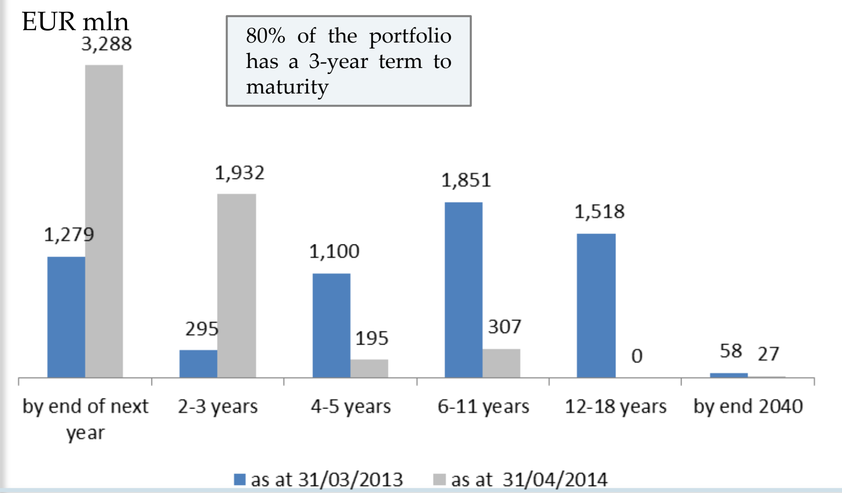
(1) Includes interest-bearing postal bonds, REPOS with financial companies and other loans

Banking group securities' portfolio: the risk mitigation process continues

BREAKDOWN BY TYPE (%)



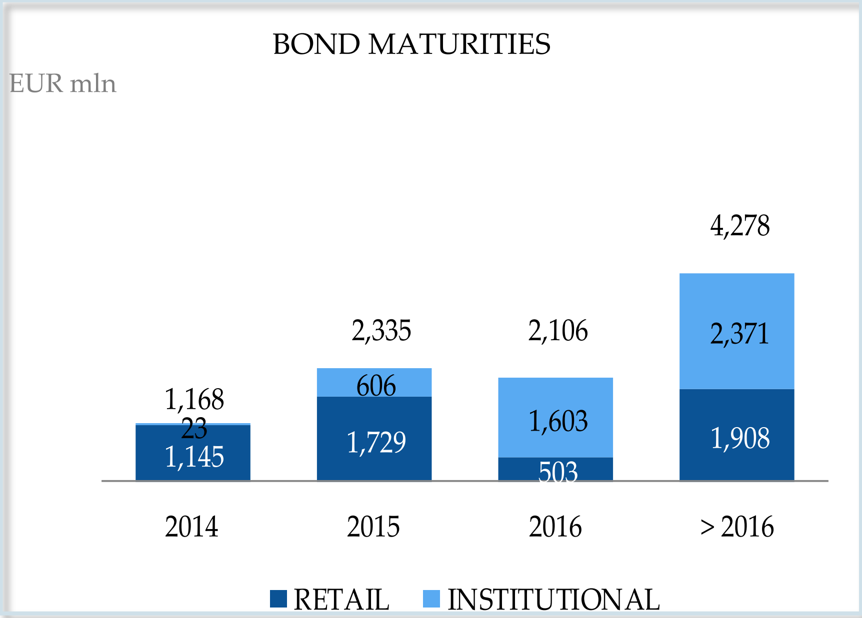
TERM TO MATURITY OF ITALIAN GOVERNMENT BONDS

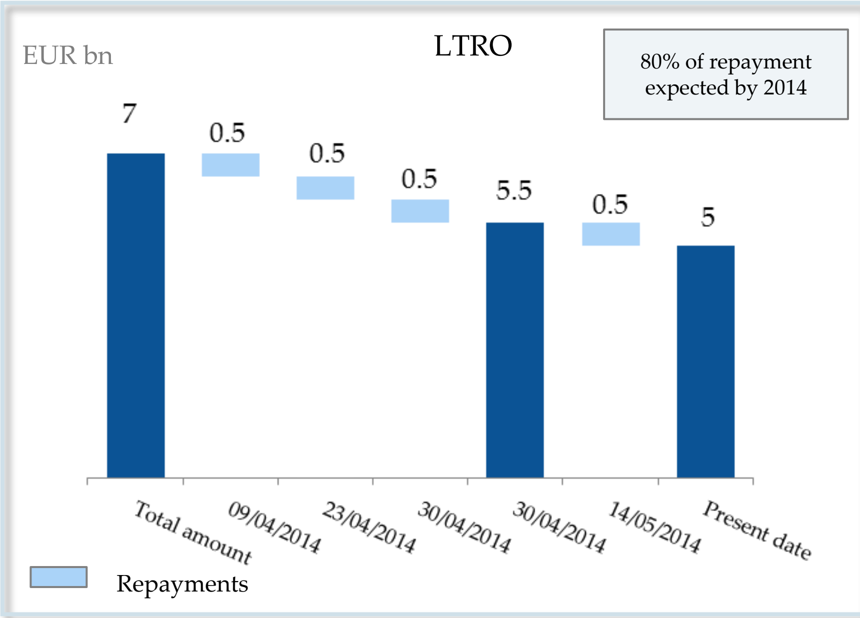


- The banking group securities portfolio amounts to EUR 6.6 bn (excluding BoI stake)
- 98.8% of securities portfolio is rated 'investment grade' with no exposure to peripheral countries
- The average term to maturity of the Banking group's securities portfolio was further reduced from 2.86 to 1.75 years in the quarter, as per guidance in the Business Plan

Figures do not include the stake in the Bank of Italy and interest-bearing postal bonds

Strong liquidity profile

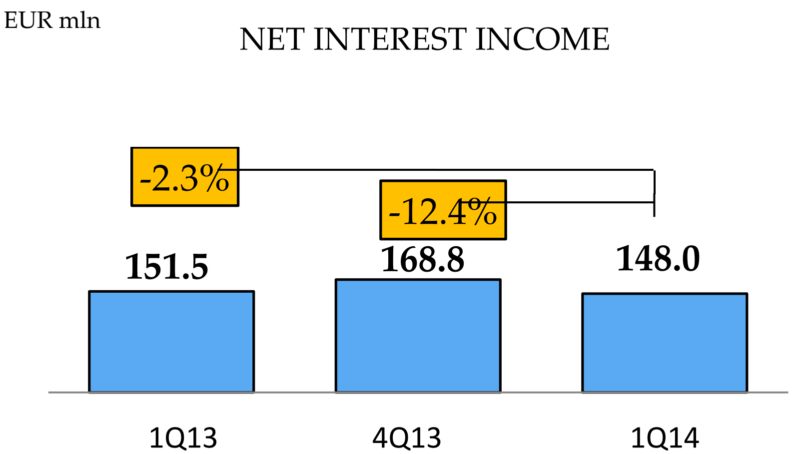


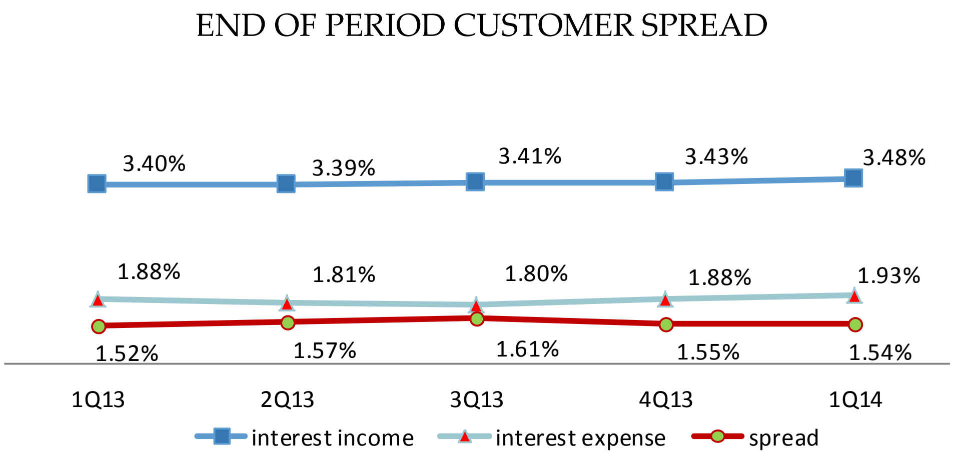


- After the end of Q1 2014, the robust liquidity profile allowed for 30% early repayment of the LTRO (EUR 2 bn), leaving EUR 5 bn outstanding
- Overall liquidity amounts to approximately EUR 6.8 bn(1), of which about EUR 2.6 bn in unencumbered ECB-eligible securities.
- During the quarter, the funding gap (share of net retail loans not funded by direct retail deposits) remained stable at EUR 1.8 bn net.

(1) Figures as at 13/05/2014, net of LTRO

Net interest income: lower-yield securities portfolio and 'bad loans effect'





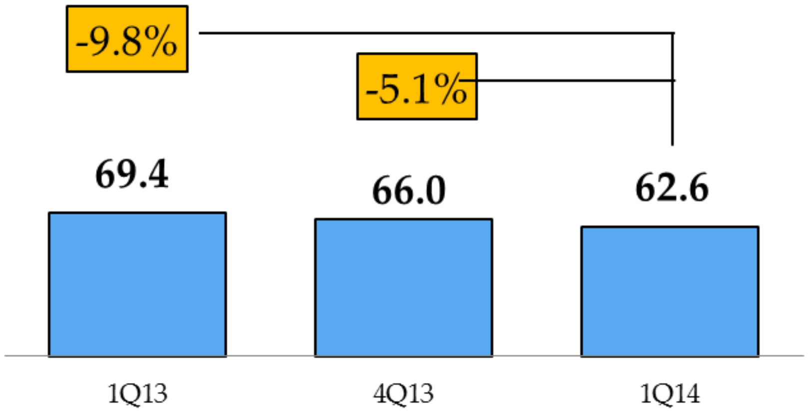
- Lower funding/lending volumes and substantially stable spreads, still at an all-time low, were reflected on trends in Net Interest Income in Q1 2014, which was down 2.3% on Q1 2013

- Lower margins were largely the result of the loan book quality enhancement policy (which drove bad loans up by approximately EUR 670 mln in 2013) and partly the result of divestment of a portion of the securities portfolio.

Non-interest income: good trend in revenues from Finance

EUR mln

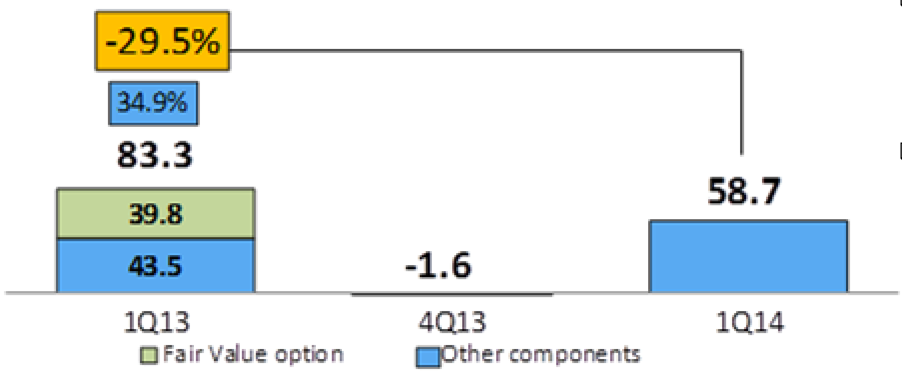
FEE AND COMMISSION INCOME



- 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 assets under 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%).

EUR mln

FINANCE[1]



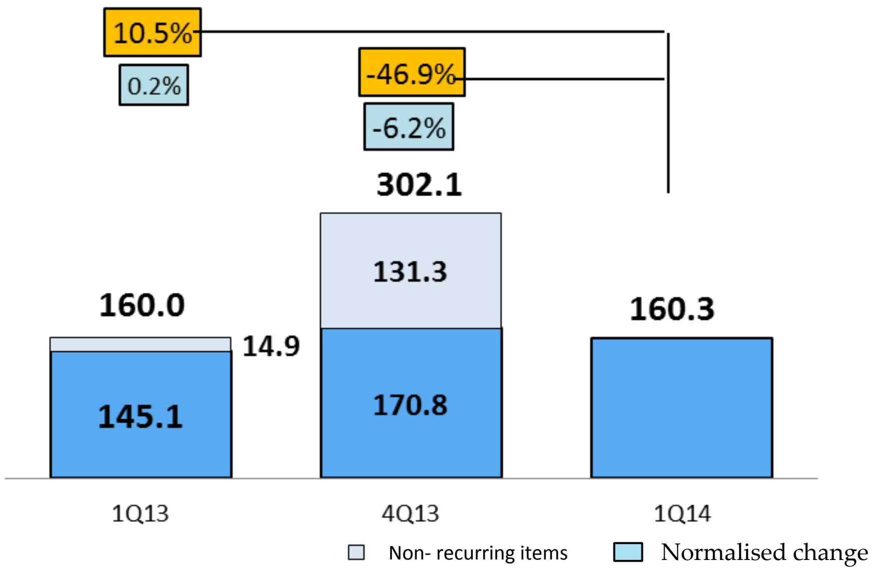
- The positive contribution from Finance mainly arises from disposal of AFS securities (EUR 57.1 mln vs. EUR 37.7 mln in Q1 2013)
- Material increase in Finance contribution as compared to Q1 2013 (net of the non-recurring positive effects arising from the «fair value option» accounted for in Q1 2013)

(1) dividend and similar income, net profit (loss) from trading, gains /losses from valuation (items 70, 80, 90, 100 b-c-d and 110).

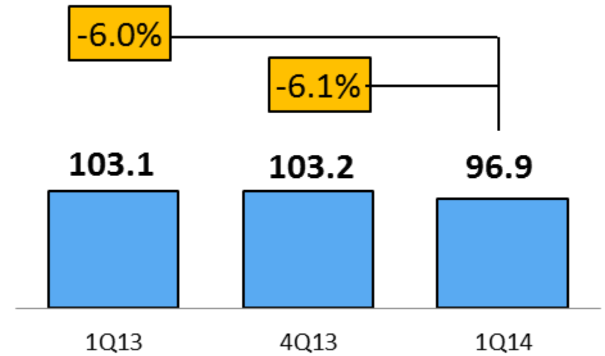
Operating costs: stable, net of one-offs

EUR mln

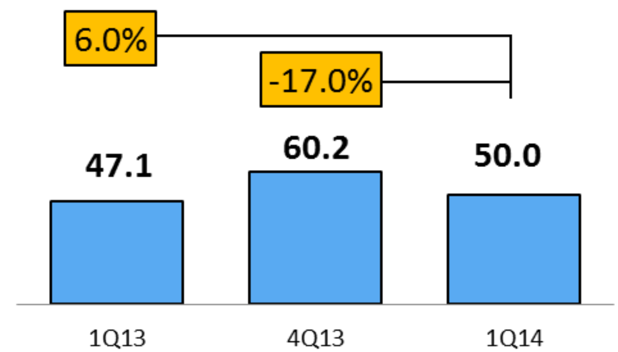
OPERATING COSTS



PERSONNEL COSTS



OVERHEAD COSTS



C/I	52.6%(1)	73.6%(1)	59.6%

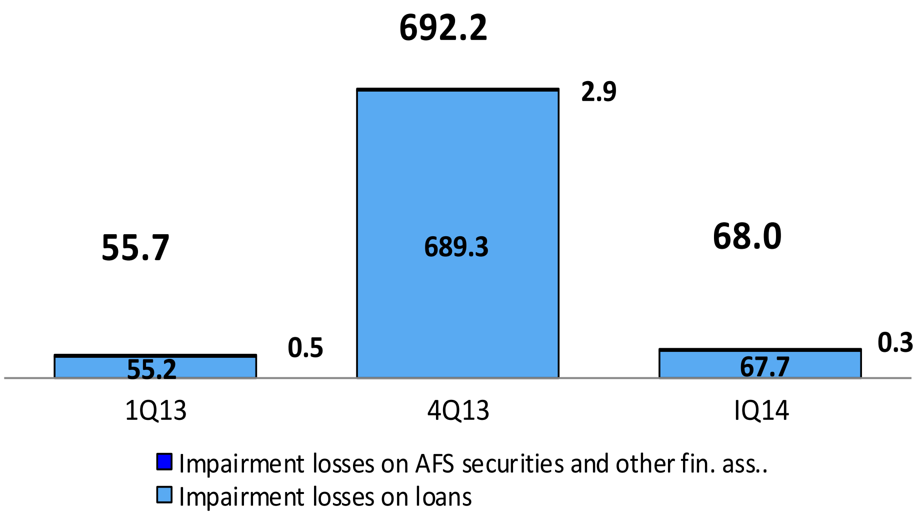
(1) Normalised

- Total operating costs, amounting to EUR 160.3 mln, were broadly stable (+0.2%) on Q1 2013, net of non-recurring positive gains for an amount of approx. EUR 15 mln posted in Q1 2013 arising from the out-of-court settlement of a legal dispute
- Personnel and overhead costs as a whole were down by approximately EUR 3 mln compared to Q1 2013

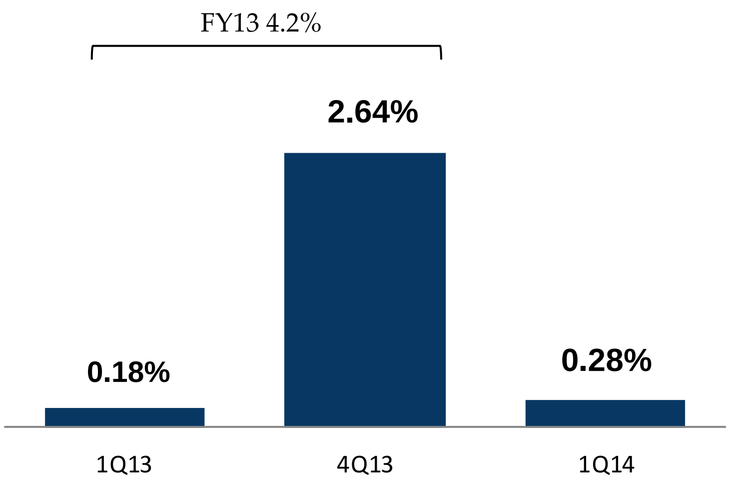
Value adjustments: in line with forecasts

EUR mln

NET IMPAIRMENT LOSSES/REVERSALS ON LOANS AND OTHER FINANCIAL ASSETS



COST OF CREDIT (1)

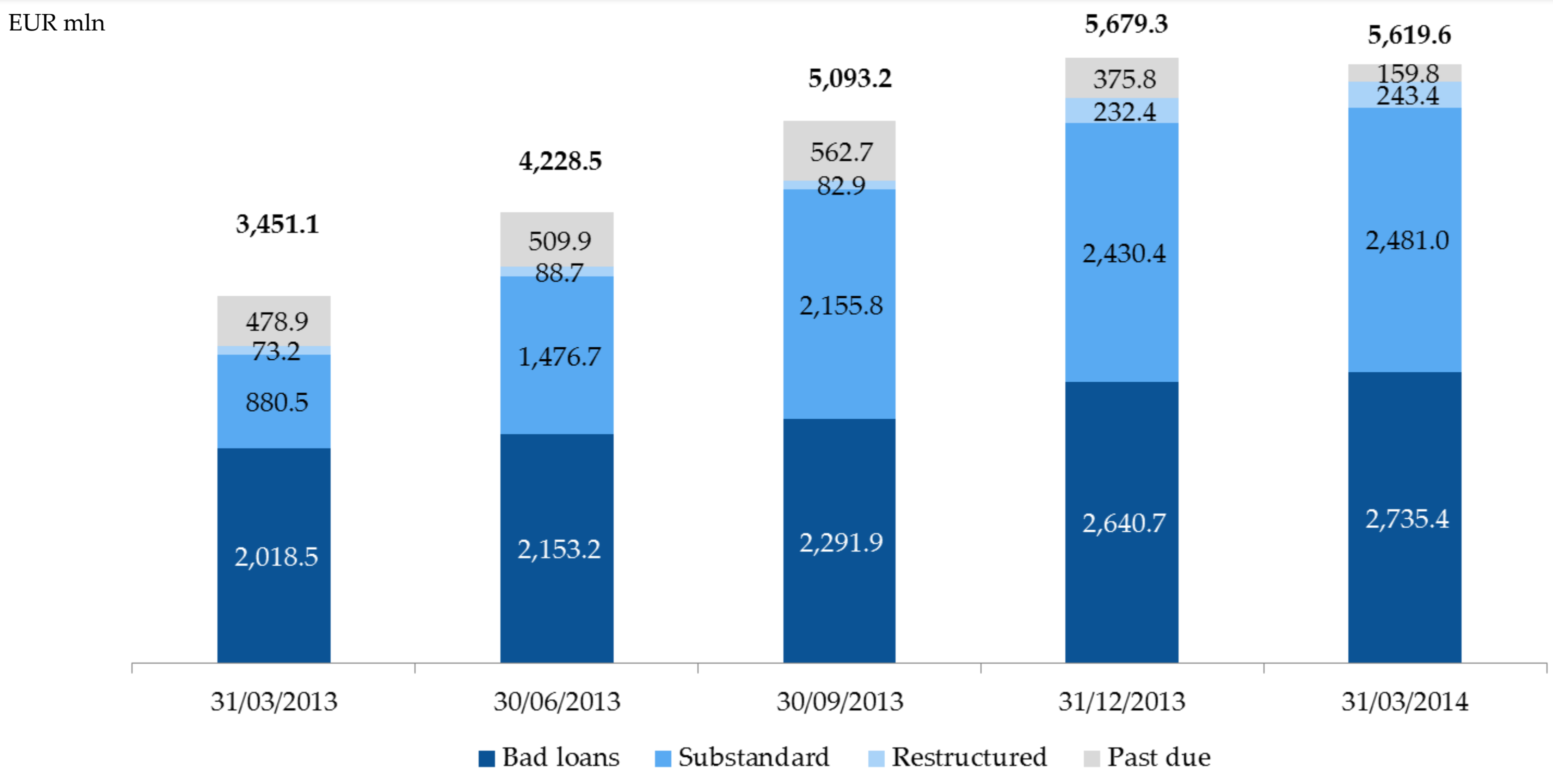


(1) Calculated on net loans

- Impairment losses on loans and other financial assets totalled EUR 68 mln in Q1, in line with budget forecasts
- The «core» component of cash loan loss provisions totals EUR 69 mln and corresponds to an annualised cost of credit of 110 bps

GRUPPO BANCA CARIGE

Gross non-performing loans trending down



- Q/Q slowdown in credit quality deterioration with reduced inflows into the individual classes of NPLs
- The decrease in NPLs (-1.1% to EUR 5.6 bn) is traceable to stronger control over the aggregate and, partly, to a new regulatory definition of past due exposures (-57.5% to EUR 159.8 mln)

Robust coverage ratios, in line with the industry's highest levels

Coverage %	31/03/2013	31/12/2013	31/03/2014	31/03/2014 write-offs included	Avg. Regional peers (1)
Total NPLs	**33.7**	36.0	37.4	**39.9**	**34.7**
Bad Loans	49.8	56.3	56.6	60.0	52.4
Substandard	16.0	20.3	20.0	20.0	17.2
Restructured	10.4	13.1	13.8	13.8	14.1
Past due	1.8	9.6	14.2	14.2	6.4
Performing (2)	**0.5**	0.9	0.9	0.9	n.d.
Total Loans	**4.2**	**8.1**	**8.4**	**9.2**	**n.d.**

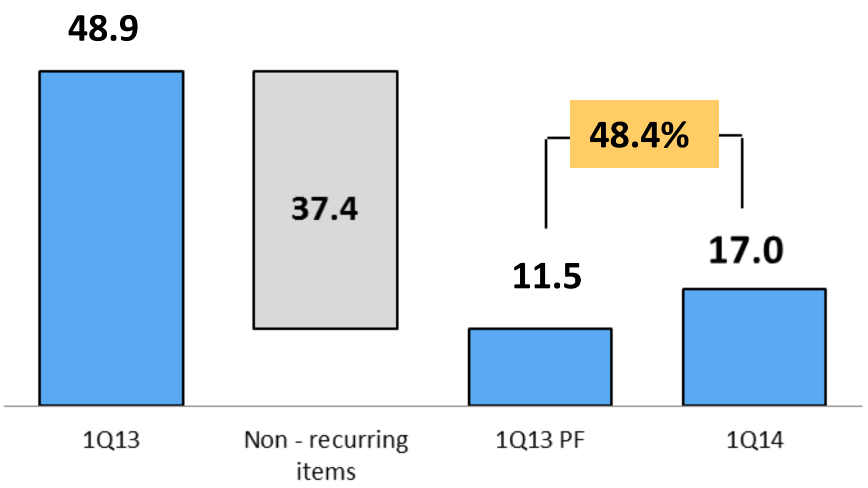
- NPL coverage ratio was up further from 36% to 37.4% in Q1, in line with regional peers' highest levels (1) (34.7%)
- Bad loans coverage was broadly stable on levels as at 31/12/2013, and was over 4 p.p. the average of regional banks (1)
- Bad loans coverage including write-offs has now risen to 60% and NPL coverage ratio write-offs included to 39.9%

(1) Source: press releases and presentations of Q1 2014 of BPER, Credem, BPM, Desio, Banco Popolare, Creval, UBI, BP Sondrio e BP Etruria Group
(2) Net of securities

Net profit for the period on the rise, net of one-offs

EUR mln

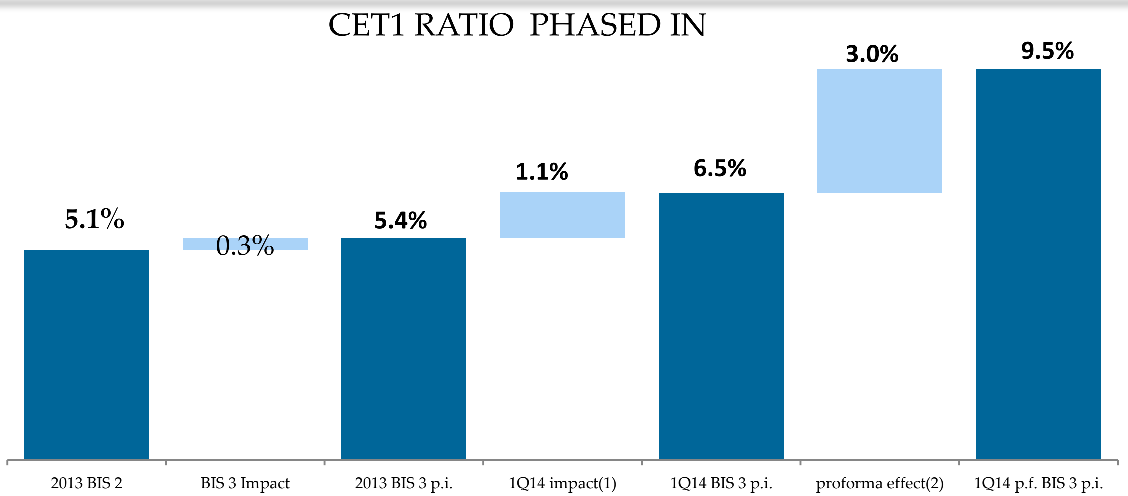
NET PROFIT FOR THE PERIOD



- Net profit for the period stands at EUR 17 mln, down 65.2% compared to Q1 2013
- However, a 1Q14 vs. 1Q13 profit comparison net of one-offs(1) reveals a positive difference (+48.4%)

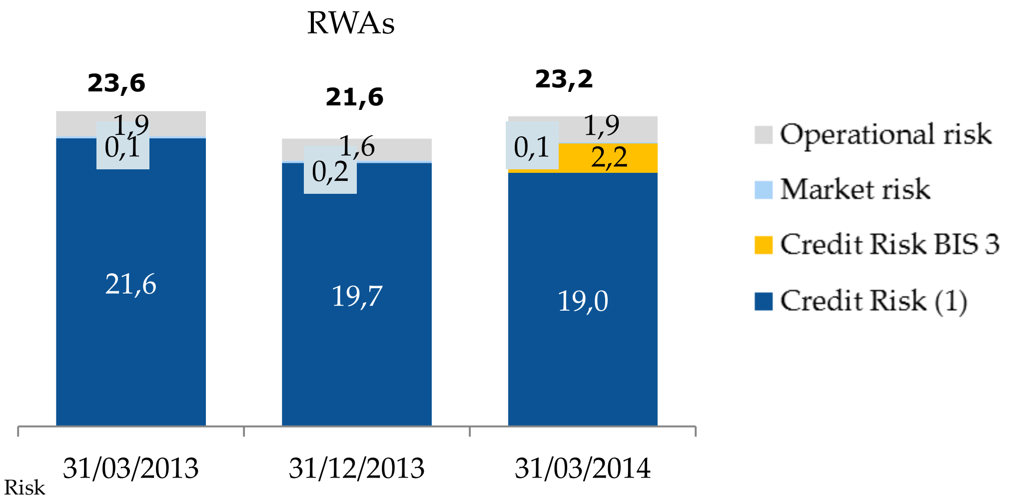
(1) Fair value option effects on liabilities (EUR 39.8 mln gross) and gains arising from the out-of-court settlement of a legal dispute (EUR 14.9 mln)

Capital ratios in line with Business Plan timeline



(1) Including balance-sheet effects from recognition of the new stakes in the Bank of Italy
(2) Including the Bank's capital increase, the insurance company's capital increase and the higher tax rate on the stake in the BoI

EUR bn



(1) based on standardised approach for Credit Risk

GRUPPO BANCA CARIGE

Contacts

Investor Relations

Pietro Ripa, Head of IR +39 010 579 4373

Roberta Famà +39 010 579 4877

investor.relations@carige.it

GRUPPO BANCA CARIGE

1Q 2014 Results

Chief Executive Officer
Piero Luigi Montani

Genoa, 16 May 2014