GRUPPO BANCA CARIGE

Preliminary Consolidated Results as at 31 December 2014

Genoa, 12 February 2015

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The Manager responsible for preparing the 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 underlying documentary evidence and accounting records.

It is noted that assets, liabilities and profit & loss items concerning the Insurance Group, Banca Cesare Ponti and Creditis have been classified and measured by the Bank under IFRS 5 (Non-current Assets Held for sale and Discontinued Operations), restating the profit and loss balances for 2013. With regard to balance-sheet data, although the afore-mentioned standard does not call for a restatement of comparative data as at 31 December 2013, this presentation contains some restated comparative data, in addition to the historical figures reported in the accounting tables, in order to allow for a 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**

- **FY 2014 Preliminary Consolidated Results**

2014: A year centred on securing the Group and improving operational efficiency

Risk profile reduction

2013 P&L impact:
Impairment of goodwill (-EUR 1,673 mln)
Divestment of AFS securities portfolio (-EUR 302.3 mln)
Write-down of Insurance Companies' real estate assets (-EUR 185 mln)
Loan loss provisions (-EUR 1,042.8 mln)

2014 P&L impact:
Costs related to Trade Union Agreement (-EUR 59.0 mln)
Capital loss from Insurance Companies' Disposal (-EUR 218.7 mln)
Loan loss provisions (EUR -645.5 mln)

New stake in BoI ✓

AuM Company disposal ✓ 31/12/2013

Disposal of Insurance Companies to Apollo ✓ 28/10/2014 — **Signing** — **Closing expected in 1Q15**

Capital Increase ✓ 11/07/2014

✓ 28/07/2014 **Re-opening of bond issuance programmes**

Trade Union Agreement ✓ 30/9/2014

Early repayment of LTRO

Participation in T-LTRO programme

Business Plan 2014-2018 ✓ 28/3/2014 Approval

Comprehensive Assessment Results and CAPITAL PLAN set-up

Branch network rationalisation (36 branches closed out of 80)

New organisational and governance model – New Management Team ✓ 3/11/2014

4Q13 | 1Q14 | 2Q14 | 3Q14 | 4Q14

4/11/2013 — 2015

Securing the Group → **Improving efficiency** → **Commercial momentum**

Bad loans coverage > 60% and full recognition of AQR results

LOAN LOSS PROVISIONS ON AQR PORTFOLIOS

€ mln

	AQR findings	Loan loss provisions registered by Carige	Gap	%
	(a)	(b)	(c = b - a)	(d = b / a)
Credit File Review	216	222	6	103%
Projection of findings	94	126	32	134%
Collective provisioning[1]	106	83	-23	78%
Total	**416**	**431**	**15**	**104%**

- Full recognition of AQR results, both in terms of total provisions, and updates of processes, methodologies and application parameters for the classification and assessment of exposures

(1) Net of the decrease in exposures (between the AQR reference date and 31/12/2014) and with the coverage ratio being the same, the EUR 83 mln worth of provisions recognised by the Group would have totalled EUR 102 mln, resulting in a gap of a mere EUR 4 mln and in a level of recognition of 96%

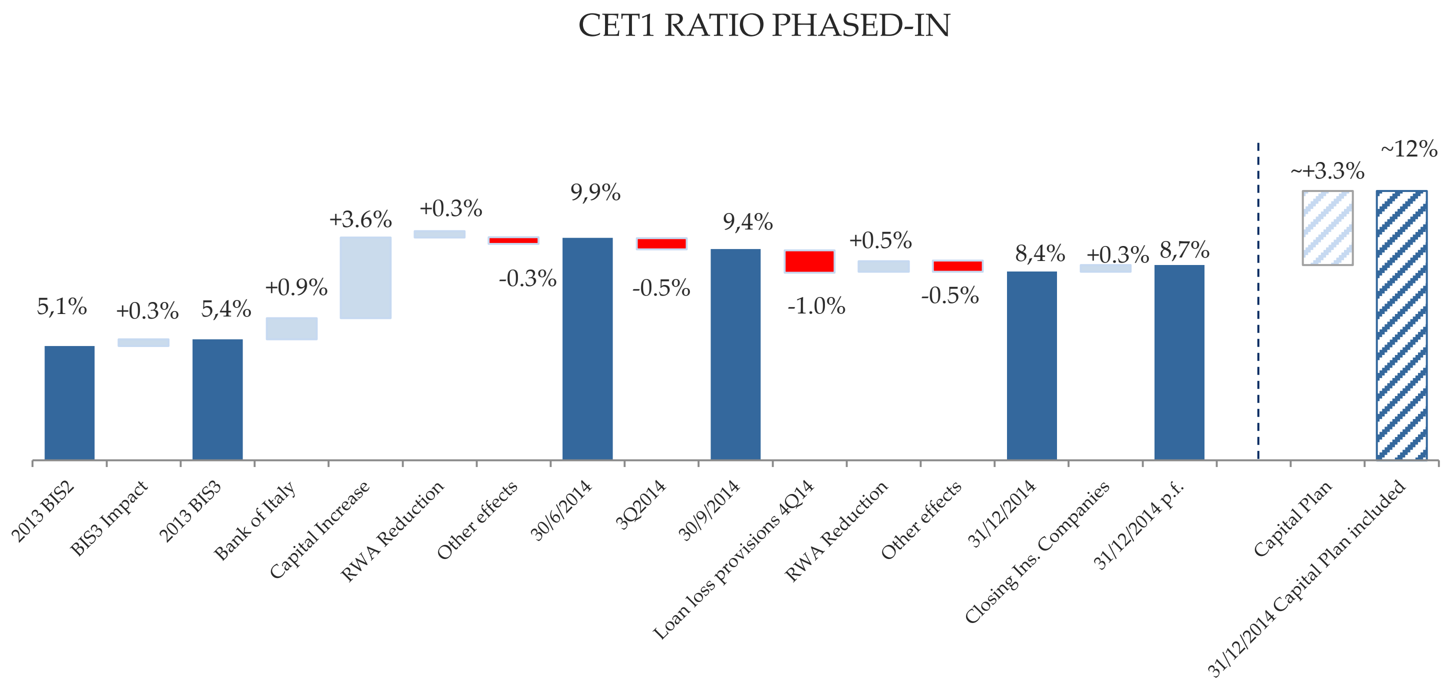
COVERAGE[1]

	Coverage			including write-offs	Regional peers average [3]
Loans	31/12/2013	30/09/2014	31/12/2014	31/12/2014	31/12/2014
Bad loans	56.3%	57.5%	58.5%	60.5%	52,8%
Substandard	20.3%	20.8%	23.9%	23.9%	n.d.
Rescheduled	13.1%	15.7%	18.3%	18.3%	n.d.
Past Due	9.6%	14.6%	14.1%	14.1%	n.d.
Non-performing loans	**36.0%**	**37.9%**	**39.9%**	**41.3%**	**37.4%**
Performing loans	0.7% [2]	0.7%	1.0%	1.0% (Net of REPOs 1.3%)	n.d.
Total loans to customers	**8.0%**	**9.6%**	**10.6%**	**11.1%**	**n.d.**

- In 4Q the coverage for both NPLs and performing loans ratio increased, and is still in line with the industry's highest levels
- The fine-tuning of collective provisioning parameters has increased the coverage on the performing loans portfolio (net of REPOs with the *'Cassa Compensazione e Garanzia'* - Central Counterparty Clearing) to 1.3%
- The coverage for the performing corporate portfolio increased by 140 bps (from 1.6% at end 2013 to 3.0%)

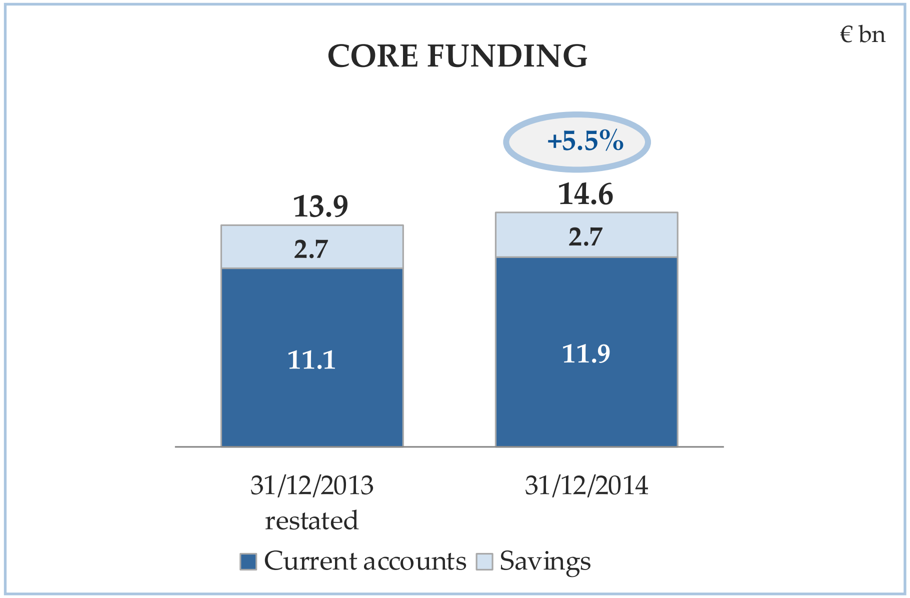
(1) Debt securities classified as L&R not included
(2) Insurance companies not included
(3) Calculated on data disclosed to the public by UBI, Banco Popolare, BPER, BPM, Credem, Creval and BP Sondrio.

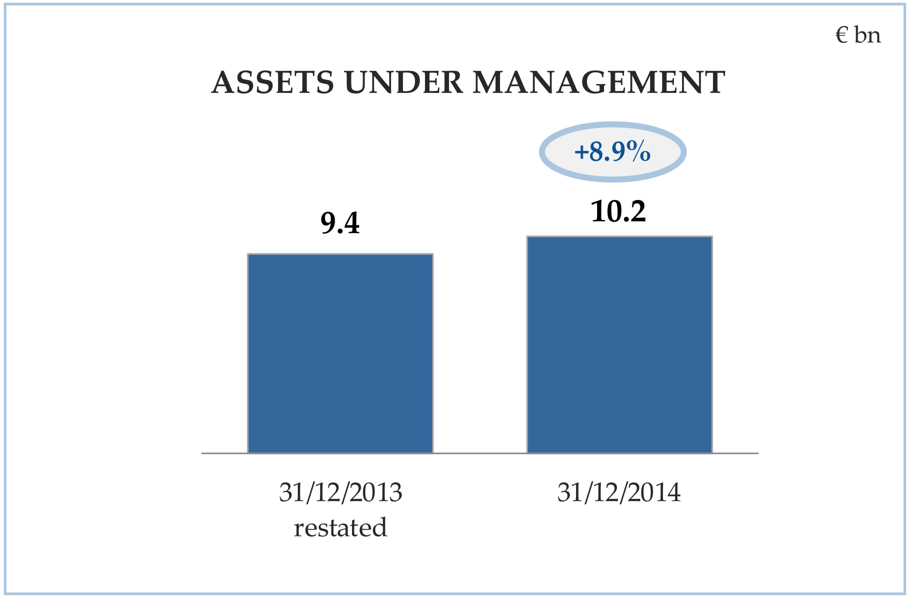
Capital level expected to further improve with the Capital Plan execution

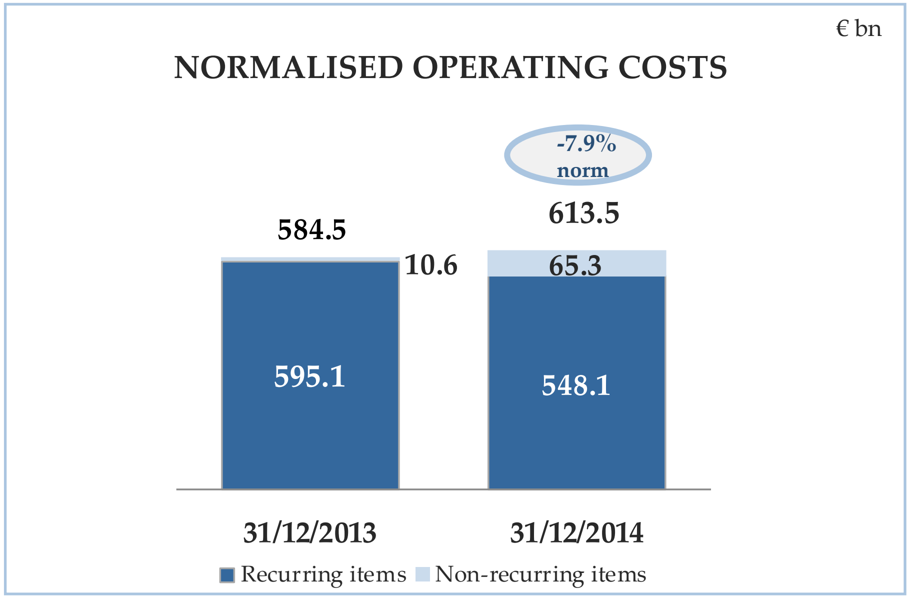


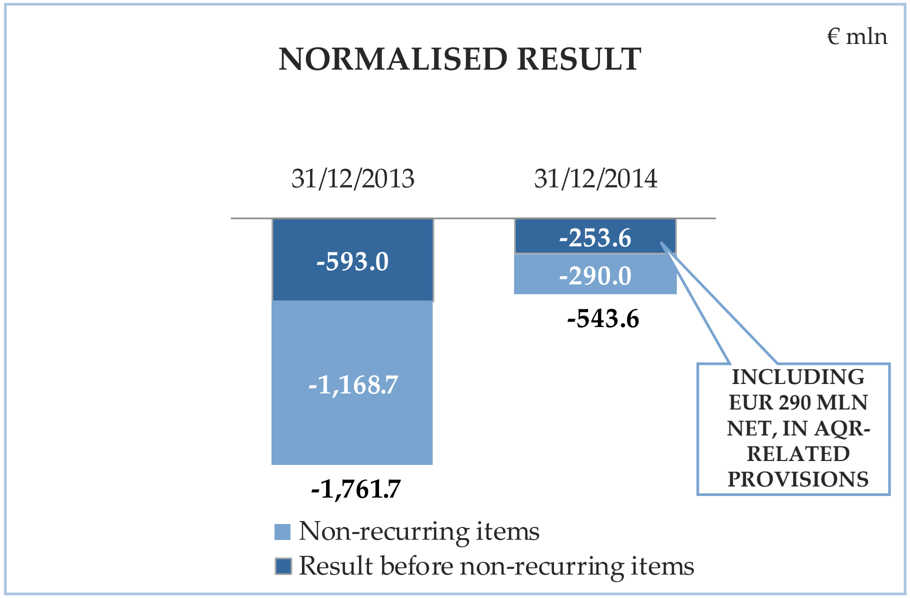
- The phased-in CET1 Ratio as at 31/12/2014 8.4 %
- Including the effects from the closing of the Insurance Companies' disposal agreement, phased-in CET1 Ratio is 8.7%
- The phased-in CET1 Ratio will reach approximately 12% on the back of the Capital Plan which foresees a capital increase guaranteed by a pre-underwriting agreement for a maximum amount of EUR 700 mln, the disposal of the Insurance Companies, of Banca Cesare Ponti and Creditis, in addition to the buyback of the subsidiary banks' non-controlling interests

Highlights: core funding on the rise, mutual funds and bancassurance improving









Commercial upturn of the retail segment and new distribution model

PROJECT FOR THE UPTURN OF COMMERCIAL ACTIVITES

BEFORE

- **Relatively unstructured Commercial and Sales Plan,** translated into hardly measurable commercial actions
- **Excessively wide and unfocused product portfolio,** lacking a product offer specifically designed for the 'Business' segment
- **Lack of** a structured and effective "**Performance Dialogue**"
- **Commercial reporting system not sufficiently effective** for the purpose of an adequate planning process

TODAY

- ✓ **New Commercial and Sales Plan**, known to and shared with the branch network and articulated in key-initiatives developed on a quarterly basis
- ✓ **New Product Portfolio** streamlined and detailed for all Retail segments
- ✓ **"Performance Dialogue" initiated,** covering the whole branch network in order to enable the creation of common targets, results and corrective measures
- ✓ **New commercial reporting system** standardised (widespread language on the commercial network) on a daily/weekly/monthly basis rolled out throughout the branch network

NEW DISTRIBUTION MODEL

Action plan directed to create the infrastructure for the **new commercial/ distribution model** of the Carige Group, differentiated between Carige and Carige Italia, in order to enhance their differences in terms of footprint/business model (small vs. large-mesh, leading regional bank vs bank with a strong focus on attracting new customers)

- Redefinition of **segmentation and service model**
- Branch model renewal with implementation of the **Hub and Spoke model**

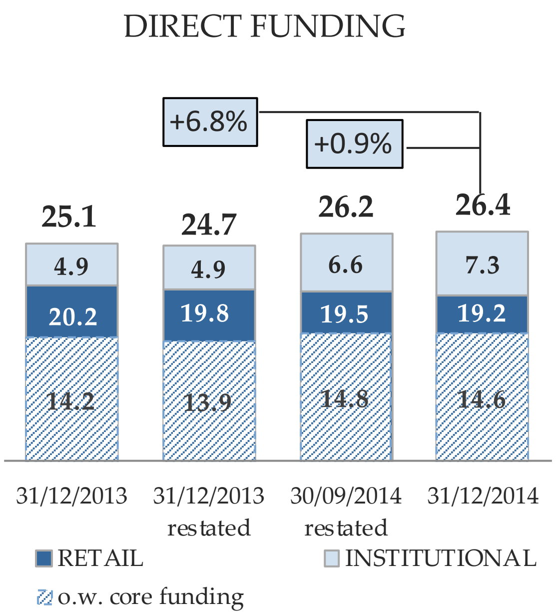
✓ Completed

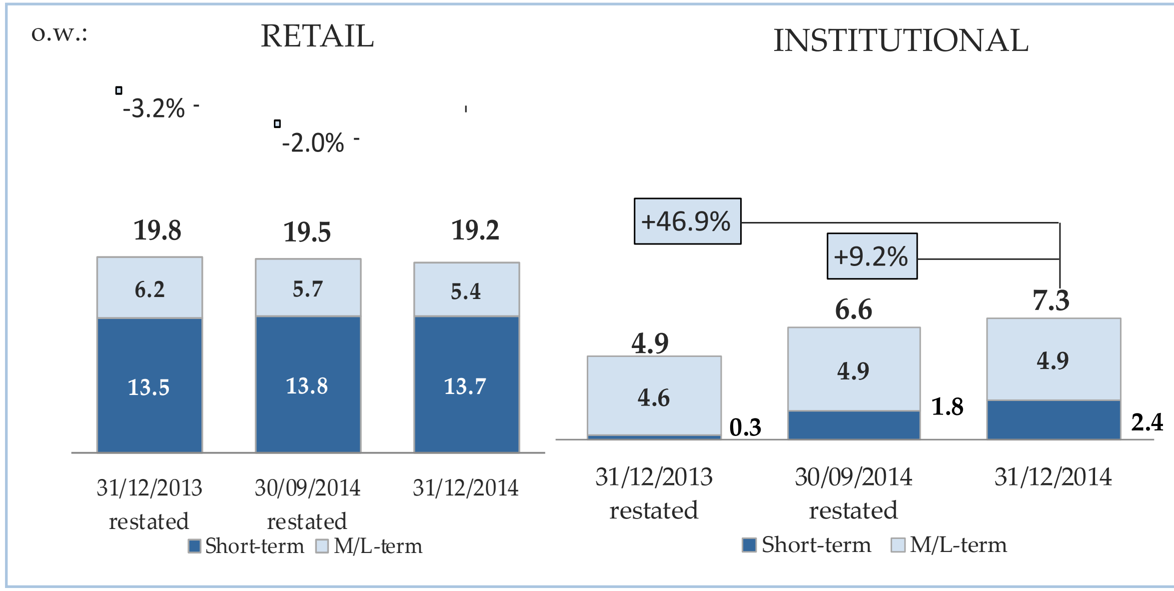
✓ In progress

- **Highlights**

- **FY 2014 Preliminary Consolidated Results**

€ mld





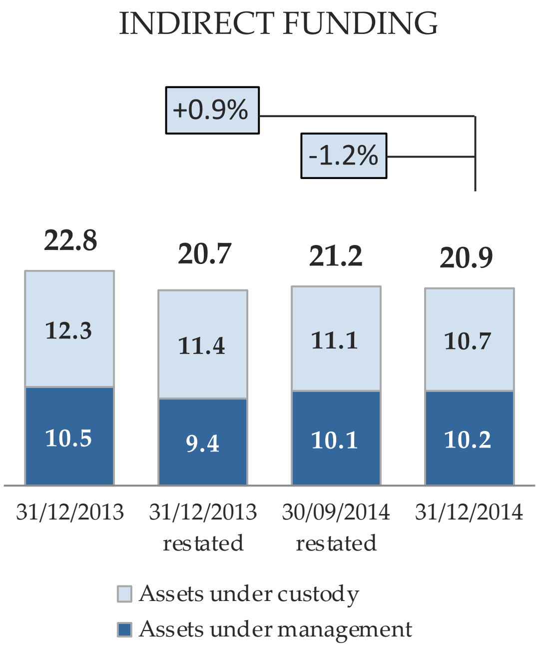
- In 2014, direct funding was up 6.8% to EUR 26.4 bn, with its «core» components (current accounts and saving deposits) up 5.5% to EUR 14.6 bn, compared to a 3.9% growth rate of retail deposits in the Italian Banking System (Source: BoI)

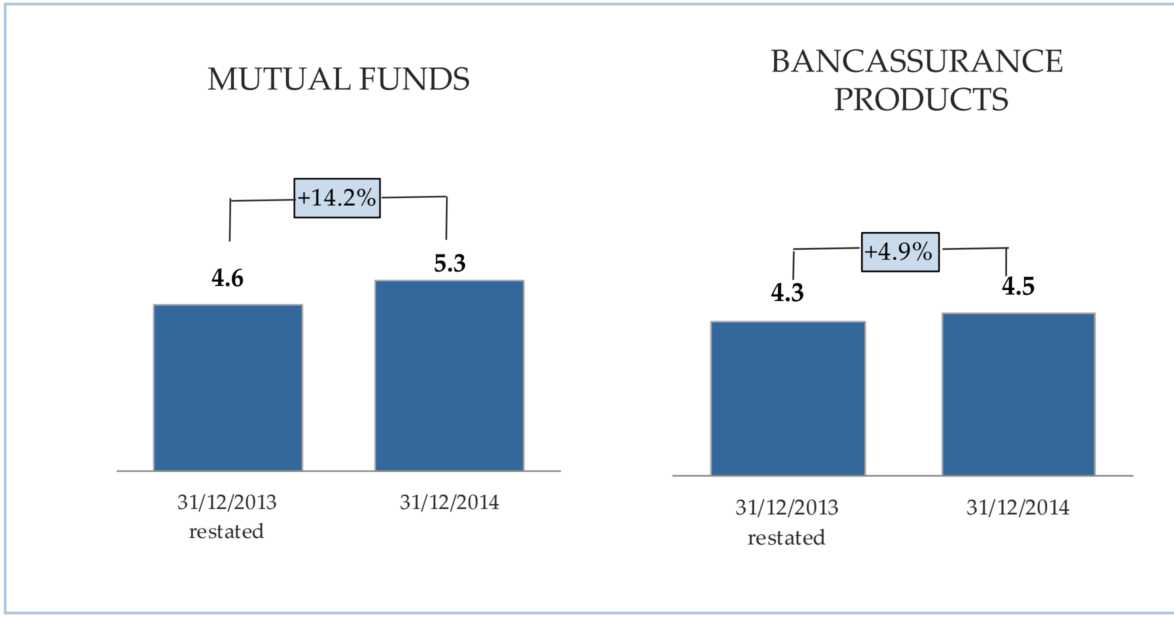
- The decrease in the retail component (-3.2%) is entirely attributable to the bond component. The bond issue programme was resumed in July

- Institutional funding grew at a steady pace Y/Y (+ 46.9%) mainly due to the trend in REPOs with financial counterparties (EUR 2.4 bn as at December 2014 vs EUR 0.3 bn as at December 2013) in relation to the Group's treasury investment strategy

Indirect funding

€ bn



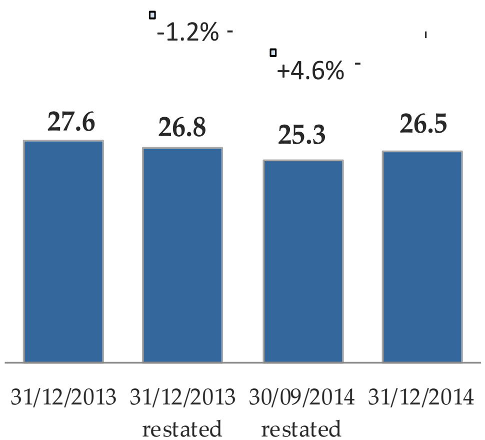


- Moderate growth in indirect funding Y/Y (+ 0.9%) to EUR 20.9 bn, driven by a significant increase in assets under management (+EUR 0.8 bn, +8.9%), despite the downturn in assets under custody (-EUR 0.6 bn, -5.7%)

- Assets under management show a sustained growth in mutual funds (+EUR 0.7 bn, +14.2%) with the asset mix gradually shifting to flexible funds, and insurance products (EUR 4.5 bn, +4.9%) with placements amounting to EUR 639.9 mln

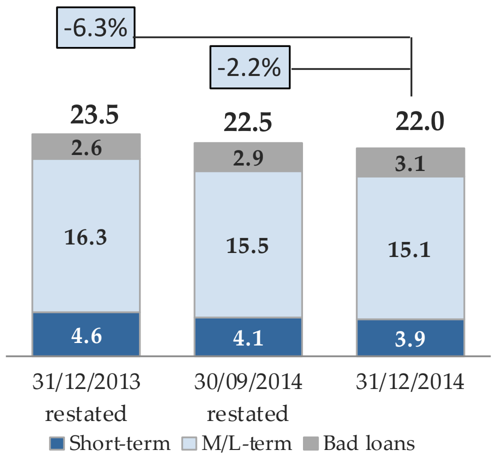
€ mld

GROSS LOANS TO CUSTOMERS

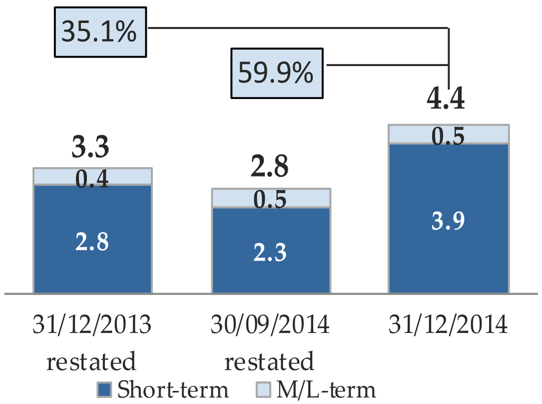


o.w.:

RETAIL



INSTITUTIONAL(1)

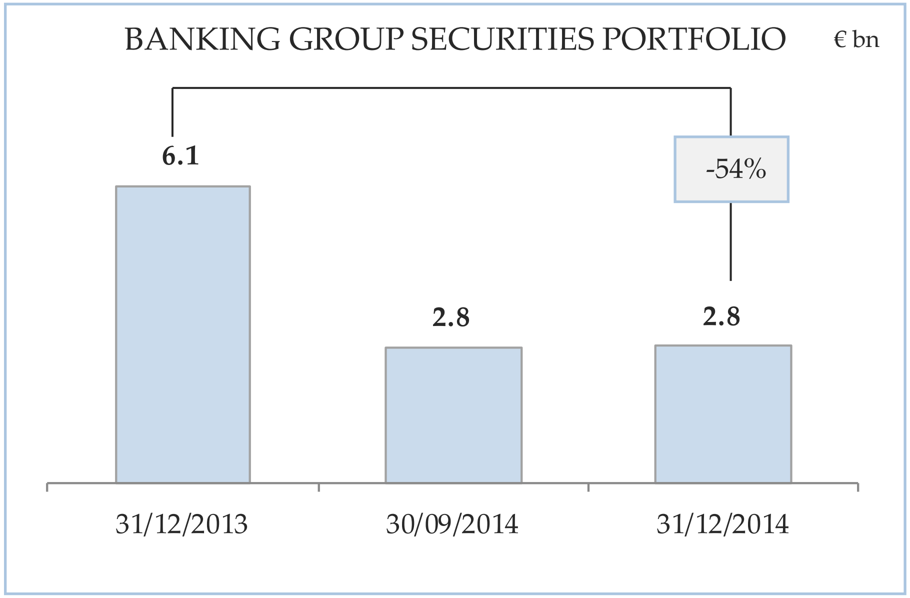


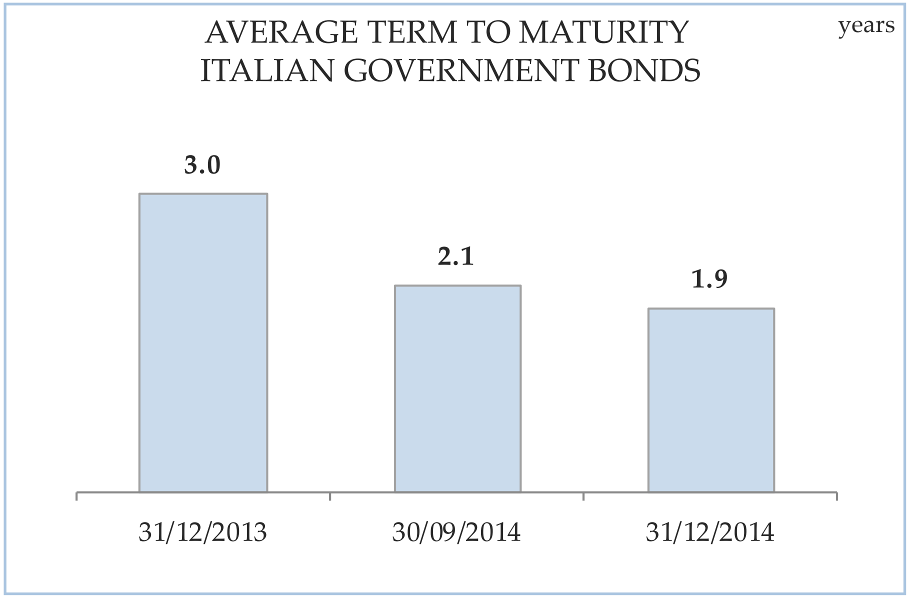
- In a scenario characterised by an overall contraction of credit, total loans are down 1.2% Y/Y to EUR 26.5 bn, with the 'loans to retail customers' component down 6.3% Y/Y to EUR 22.0 bn. The sharpest reduction is shown in short-term loans (-EUR 0.7 bn;-15.4%)

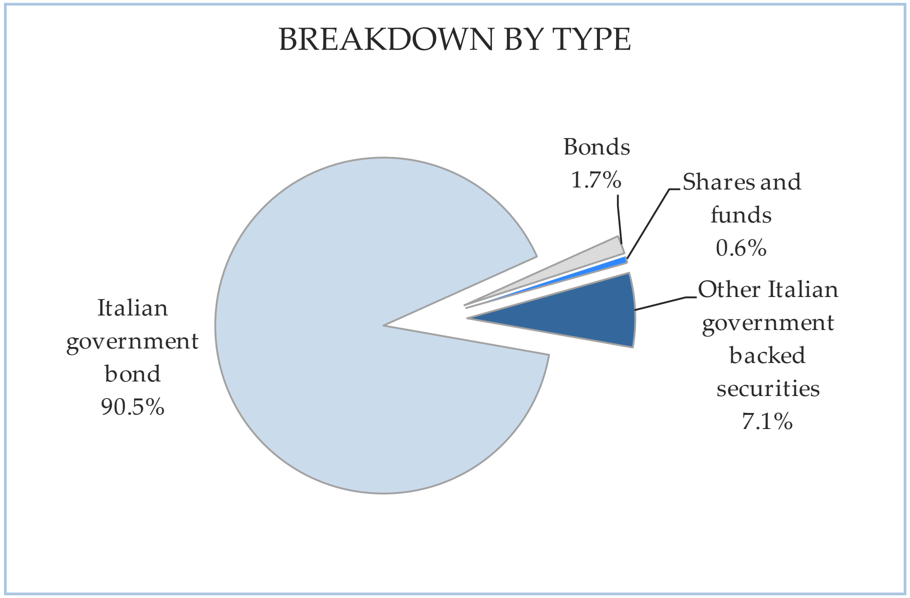
- Loans to businesses witnessed a sharper drop (EUR 12.4 bn; -11.2%) than loans to customers (EUR 6.6 bn; -5.5%)

- Lending initiatives dedicated to corporates have been launched using TLTRO funds, with an initial maximum amount of EUR 450 mln

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

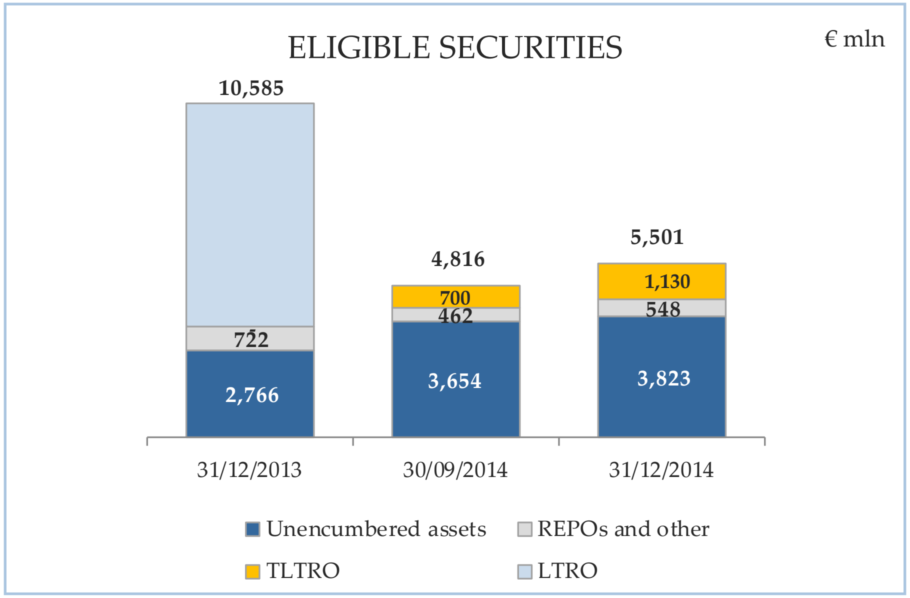


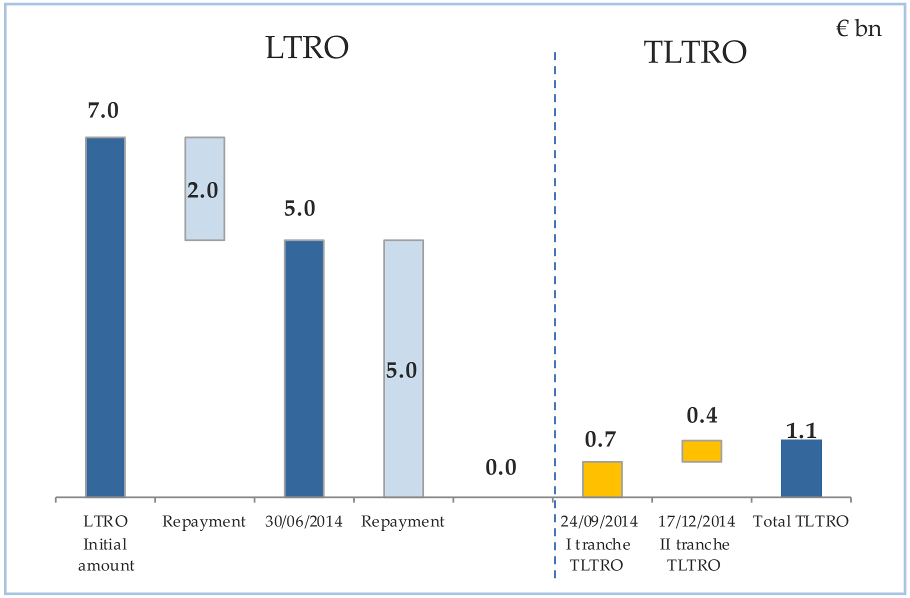


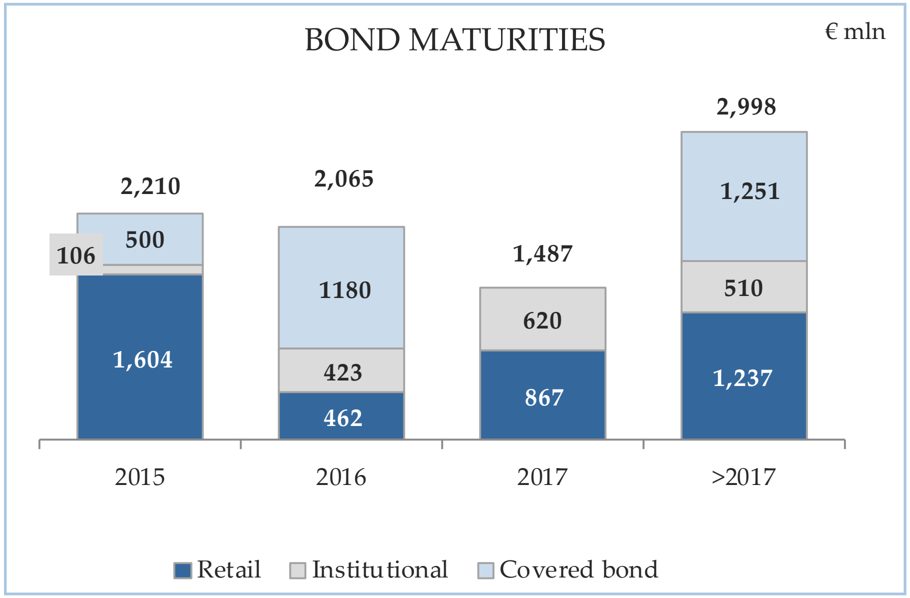


- The Banking Group securities portfolio halved compared to 31/12/2013 (from EUR 6.1 bn to EUR 2.8 bn, excluding BoI stake)
- In 2014, the average term to maturity of the Banking group's government bond portfolio was reduced from 3 to 1.9 years (6 years as at 30/09/2013) as per guidance of the Business Plan
- The gross AFS reserve of the Banking Group rose from the over EUR 700 mln negative peak recorded in 2013 to being almost reduced to zero at end 2014 (-EUR 1.8 mln)

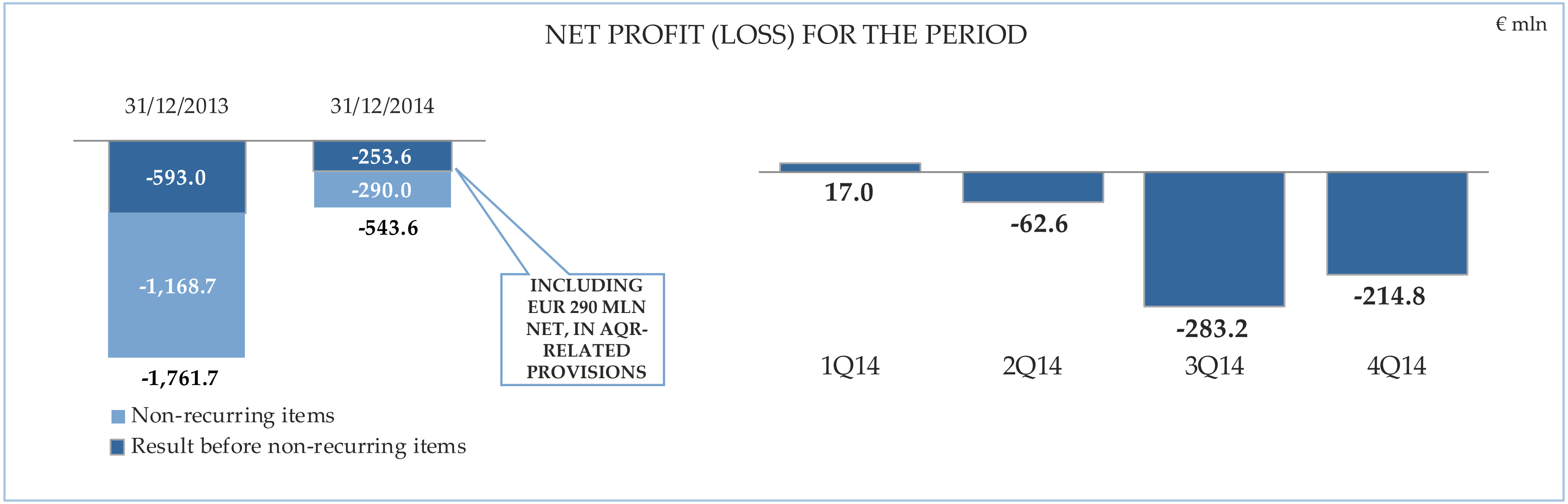
Figures do not include the stake in the Bank of Italy







- Robust liquidity profile with EUR 3.8 bn worth of unencumbered assets as at 31/12/2014
- During the year, the LTRO due in the first months of 2015 was fully repaid. In the September and December 2014 auctions, the Group was allocated TLTRO funds for an amount of EUR 1.1 bn
- Funding gap (EUR 1.8 bn as at 31/12/2013) reduced to zero
- LCR at 157% and NSFR at 109%
- Over EUR 450 mln retail bonds issued since the end of July

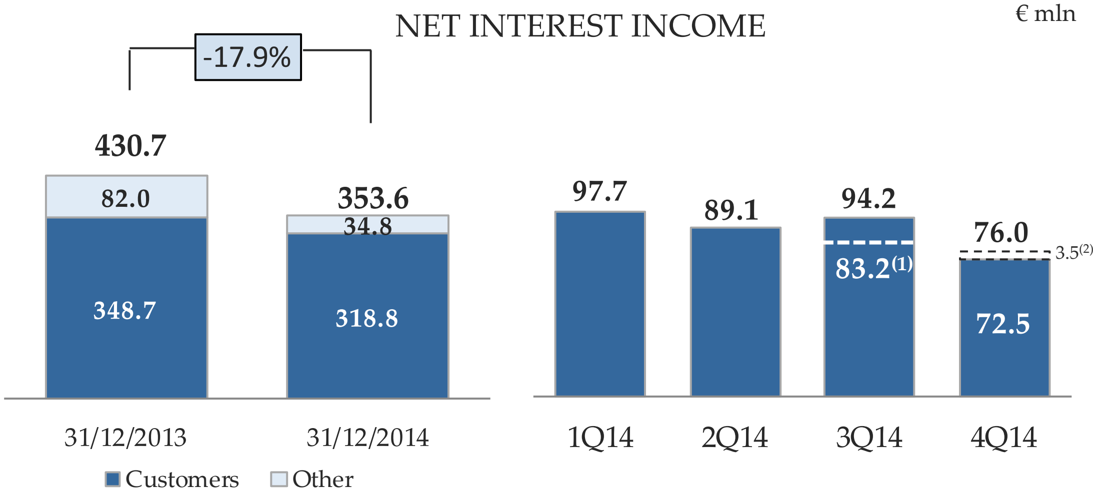


- Net profit/loss for the period negative by EUR 543.6 mln, affected by non-recurring items for EUR 290 mln, after tax

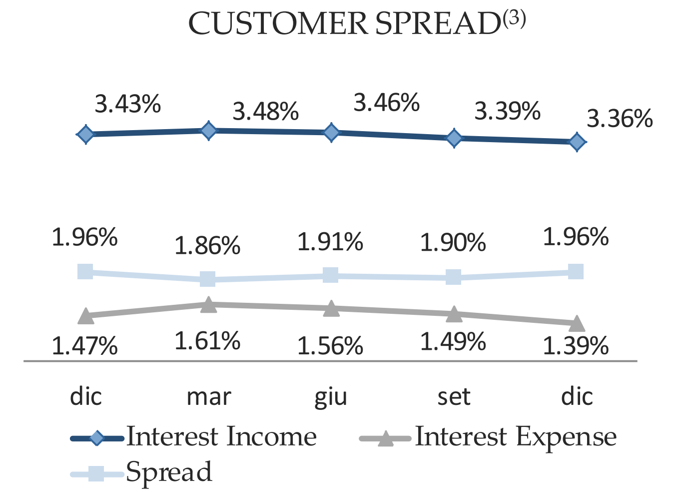
- In detail, the main non-recurring items for the year were:
  - - EUR 218.7 mln capital loss from valuation under IFRS 5 of the insurance companies held for sale
  - - EUR 43.9 mln in personnel costs mainly attributable to the incentive-based early retirement scheme and to the remuneration structure review following the new Trade Union Agreement, net of tax impact
  - - EUR 9.8 mln in additional tax impact(1)
  - - EUR 11.6 mln in goodwill impairment of CR Carrara
  - - EUR 1.5 mln in costs associated with the closure of part of the branches identified in the Business Plan

- Net of non-recurring items, the Group's normalised result would be -EUR 253.6 mln. The result is furthermore fully inclusive of the AQR results (amounting to approximately EUR 290 mln after tax).

(1) Traceable to: higher tax rate on re-valuation of stake held in the Bank of Italy(-EUR 42 mln), tax realignment of immovable properties:(+EUR +39.5 mln), tax realignment of deferred tax assets and liabilities due to a lower IRAP (Tax on Productive Activities) tax rate (- EUR 7.3 mln).

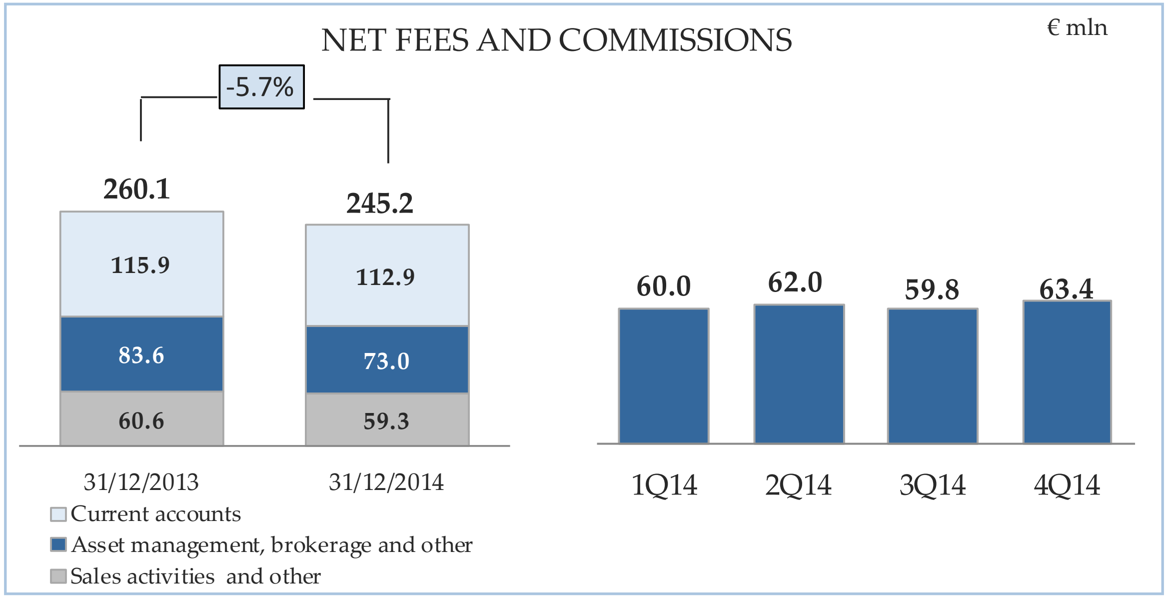


(1) Benefit arising from the suspension of an AT1 issue coupon payment
(2) Non-recurring effect from the closing of IRS positions

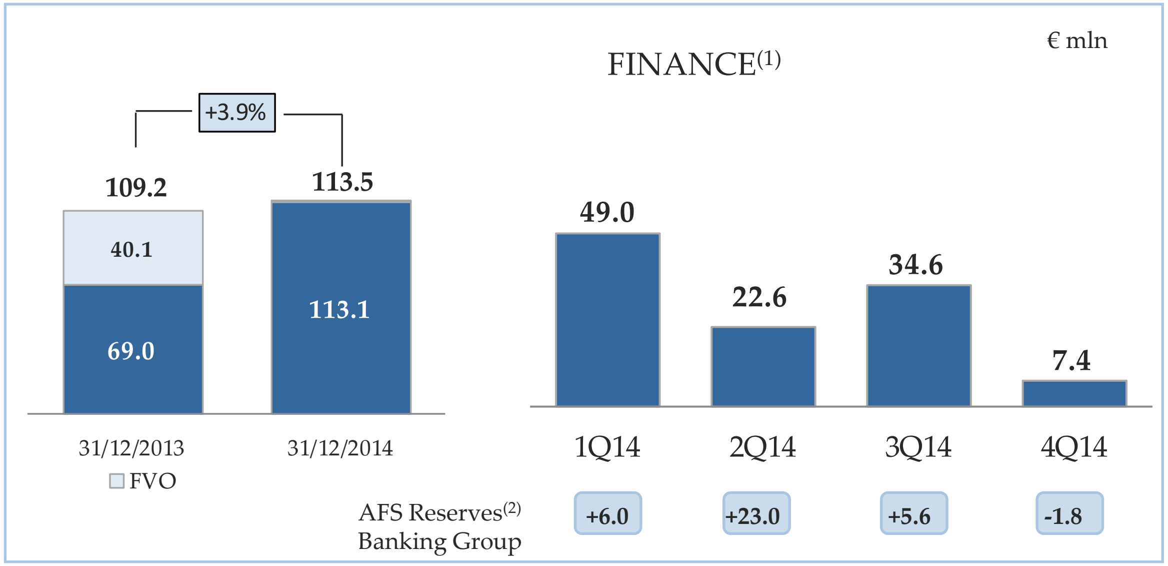


(3) End-of-period customer spread referring only to retail funding/lending volumes

- The Group's NII shows a downturn of 17.9% on 2013, affected by the decrease in funding/lending volumes (negative impact ~ EUR 40 mln) and the variation in interest rates, which accounts for approximately EUR 36 mln
- The variation in interest rates is mainly attributable to a different mix/average term to maturity of the securities' portfolio coupled with a considerable migration of exposures to bad loan status
- Albeit still at low levels the customer spread widened in the second half of the year, representing a first sign of a trend reversal which, in 2015, will further benefit from the maturities of expensive institutional funding and from the activation of the T-LTRO programme



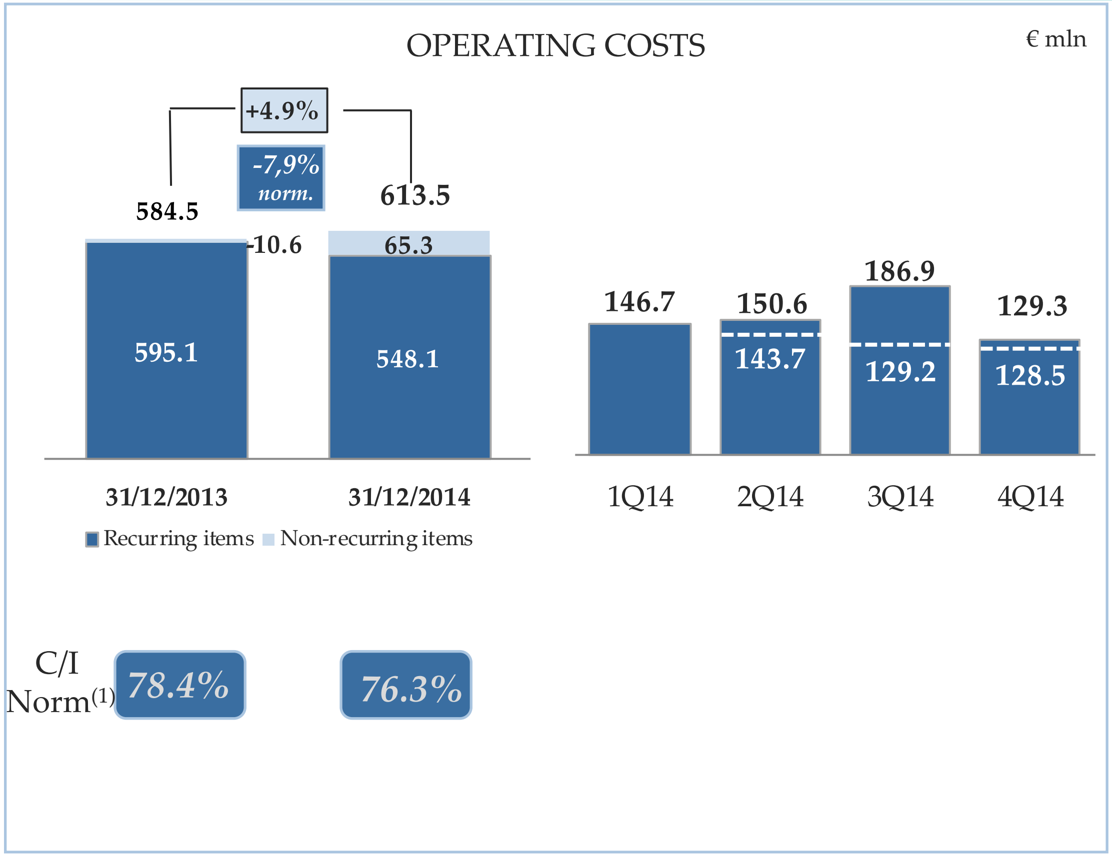
- The trend in net fees and commissions (-5.7% to EUR 245.2 mln), is driven by lower revenues following the AuM Company disposal (-EUR 10.6 mln)
- Last quarter growth is driven by a good performance in AuM

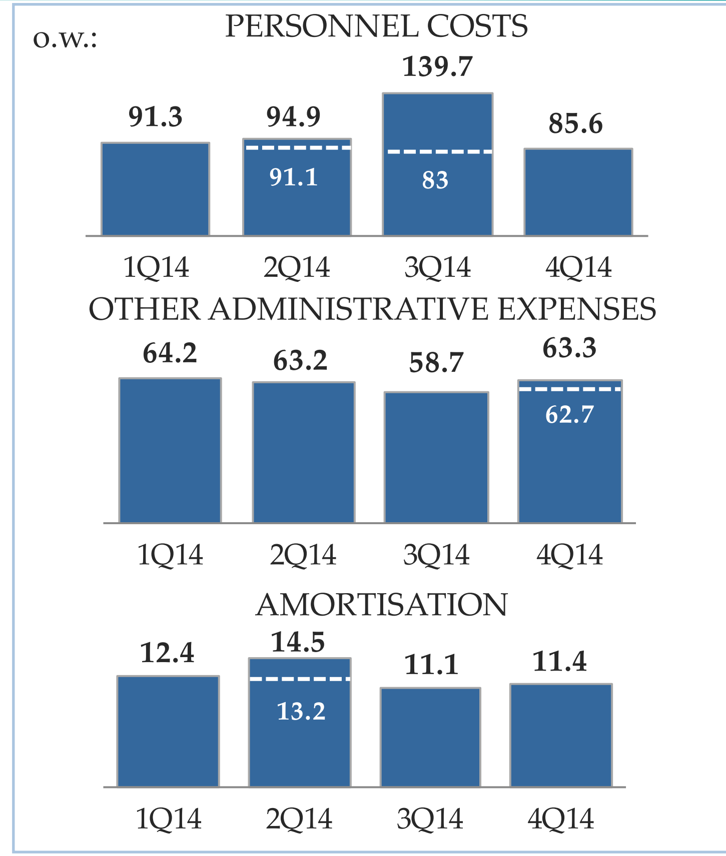


- Revenues from Finance for the period improved significantly as compared to 2013 (which had benefitted from the non-recurring positive effects arising from the «Fair Value Option»)
- 1Q and 3Q performed particularly well upon the divestment of the securities portfolio

(1) Dividends, net profit (loss) from trading, gains/losses from valuation
(2) Operational data restated for prior periods

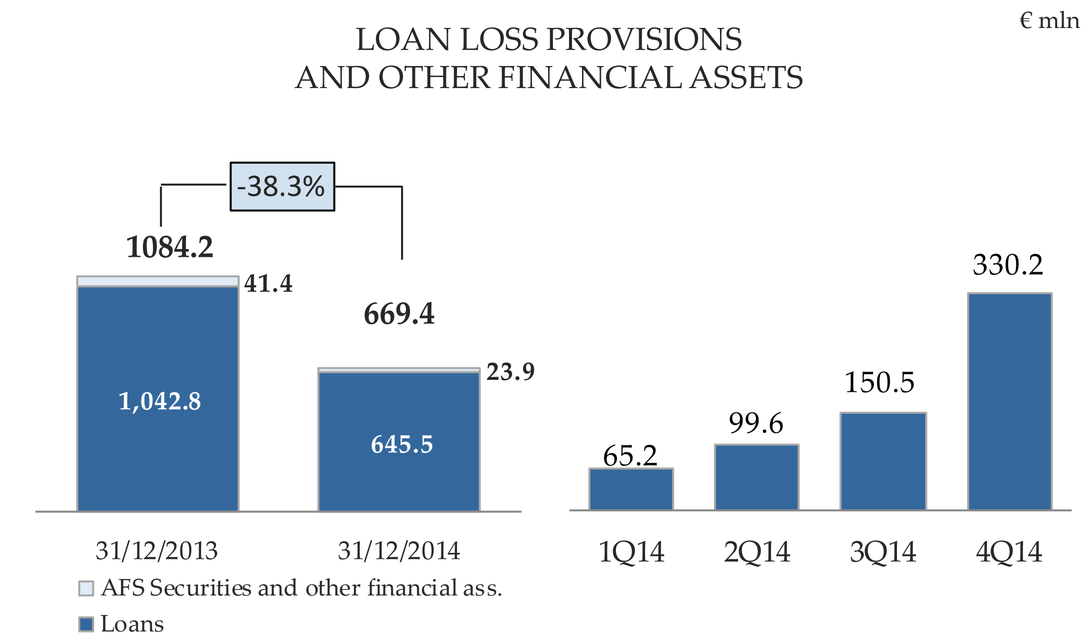
Operating costs

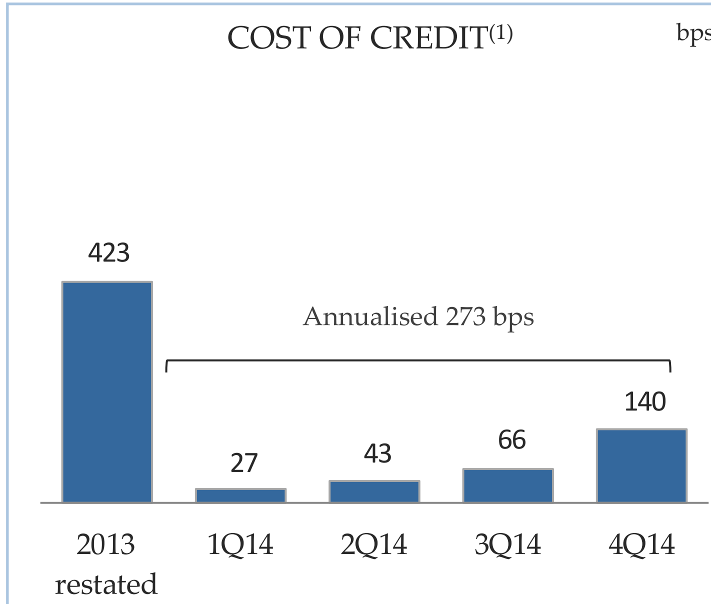




- Operating costs net of non-recurring items operating costs are down 7.9% to EUR 548.1 mln.
- The normalised cost/income ratio decreases as compared to the prior period (76.3%; 78.4% in 2013), despite the contraction in profitability
- In 2014, the base has been laid down for a structural reduction of personnel costs, recognising expenses related to the early-retirements and to the review of the remuneration structure (EUR 59.0 mln) which, at steady state will account for an expected benefit of approximately EUR 50 mln gross per year

(1) In 2013, non-recurring items reflected the EUR 10.6 mln arising from the out-of-court settlement of a legal dispute, and the EUR 40.1 mln due to the introduction of the «Fair Value Option». In 2014, non-recurring items were reflective of EUR 60.5 mln worth of personnel costs, EUR 5.2 mln in provisions for Risks and Charges, EUR 1.8 mln in costs due to the closure of branches





(1) Calculated as the ratio of provisions on loans to customers on net loans to customers

- Loan loss provisions amount to EUR 645.5 mln, of which EUR 330.2 mln recognised in 4Q2014; the annualised cost of credit is 273 bps

- The overall amount includes the impact of adjustments to processes, methodologies and application parameters for the classification and evaluation of exposures, in light of the observations made by the ECB during the AQR excercise

- The amount of total provisions includes the effects from a recalibration of PD and LGD over short time horizons and inclusive of a *Down Turn* factor for the corporate segment, thus adopting an approach more in line with the *point in time* perspective specifically noted by the ECB

Loans	31/12/2014 Gross	%	Loan losses	Net	%	Coverage	Coverage including write-offs
Bad loans	3,087.3	*11.7%*	1,805.2	1,282.1	*5.4%*	*58.5%*	60.5%
Substandard	3,021.4	*11.4%*	722.3	2,299.1	*9.7%*	*23.9%*	23.9%
Rescheduled	204.8	*0.8%*	37.6	167.2	*0.7%*	*18.3%*	18.3%
Past Due	169.0	*0.6%*	23.8	145.2	*0.6%*	*14.1%*	14.1%
Non-performing loans	**6,482.5**	***24.5%***	**2,588.9**	**3,893.6**	***16.4%***	***39.9%***	**41.3%**
Performing loans	19,992.7	*75.5%*	206.7	19,786.0	*83.6%*	*1.0%*	1.0%
Total loans to customers	**26,475.2**	***100.0%***	**2,795.6**	**23,679.6**	***100.0%***	***10.6%***	**11.1%**

Net of REPOs 1.3%

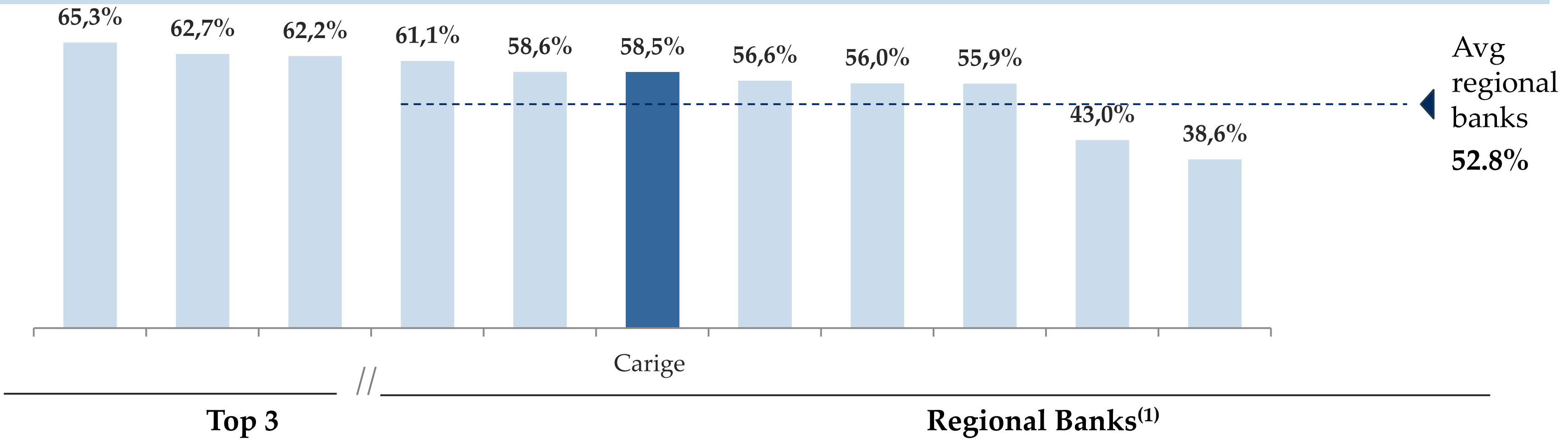
- The coverage ratio for total NPLs further increased Y/Y from 36.0% to 39.9% (41.3% including write-offs) standing at the highest levels reported by regional banks
- Bad loans coverage went up further from 56.3% to 58.5% in the same period (60.5% including write-offs)
- The Coverage ratio for performing loans was up from 0.7% to 1%; the coverage ratio for the corporate portfolio was up from 1.6% to 3.0% (+140 bps)

Loans	30/09/2014 Gross	%	Loan losses	Net	%	Coverage
Bad loans	2,932.5	*11.3%*	1,686.4	1,246.1	*5.3%*	*57.5%*
Substandard	2,824.3	*10.9%*	586.0	2,238.2	*9.5%*	*20.8%*
Rescheduled	174.8	*0.7%*	27.5	147.3	*0.6%*	*15.7%*
Past Due	231.2	*0.9%*	33.8	197.4	*0.8%*	*14.6%*
Non-performing loans	**6,162.7**	***23.8%***	**2,333.7**	**3,829.0**	***16.3%***	***37.9%***
Performing loans	19,782.4	*76.2%*	147.8	19,634.6	*83.7%*	*0.7%*
Total loans to customers	**25,945.1**	***100.0%***	**2,481.5**	**23,463.7**	***100.0%***	***9.6%***

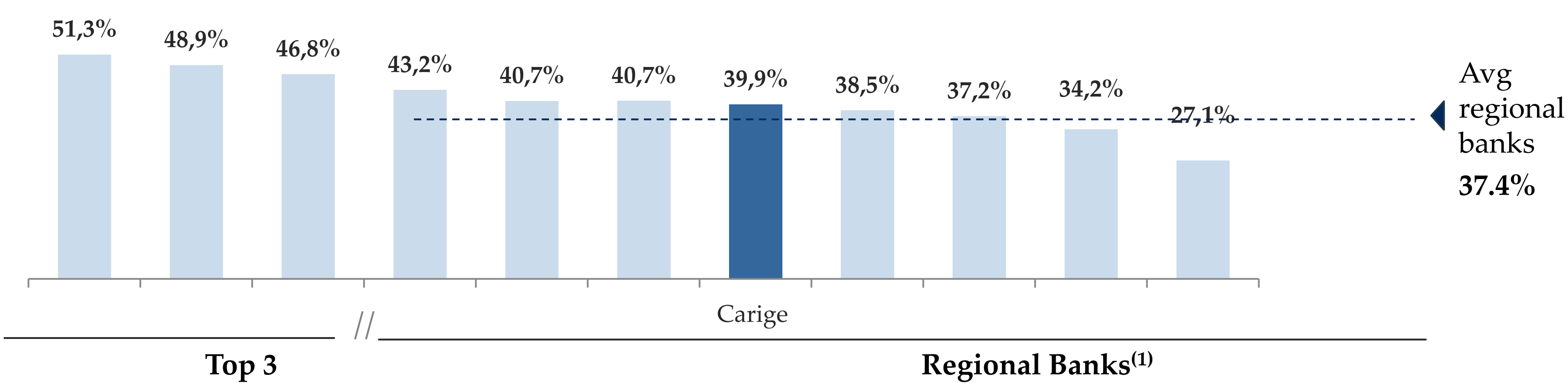
Loans	31/12/2013 Gross	%	Loan losses	Net	%	Coverage
Bad loans	2,640.7	*9.6%*	1,486.7	1,154.0	*4.6%*	56.3%
Substandard	2,430.4	*8.8%*	492.3	1,938.0	*7.7%*	20.3%
Rescheduled	232.4	*0.8%*	30.5	201.9	*0.8%*	13.1%
Past Due	375.8	*1.4%*	36.1	339.7	*1.3%*	9.6%
Non-performing loans	**5,679.3**	***20.6%***	**2,045.7**	**3,633.6**	***14.3%***	**36.0%**
Performing loans[2]	21,844.4	*79.4%*	153.0	21,691.4	*85.7%*	0.7%
Total loans to customers	**27,523.7**	***100.0%***	**2,198.7**	**25,325.0**	***100.0%***	**8.0%**

(1) Figures as at 30/09/2014 and as at 31/12/2013 not restated and debt securities classified as L&R not included
(2) Insurance companies not included

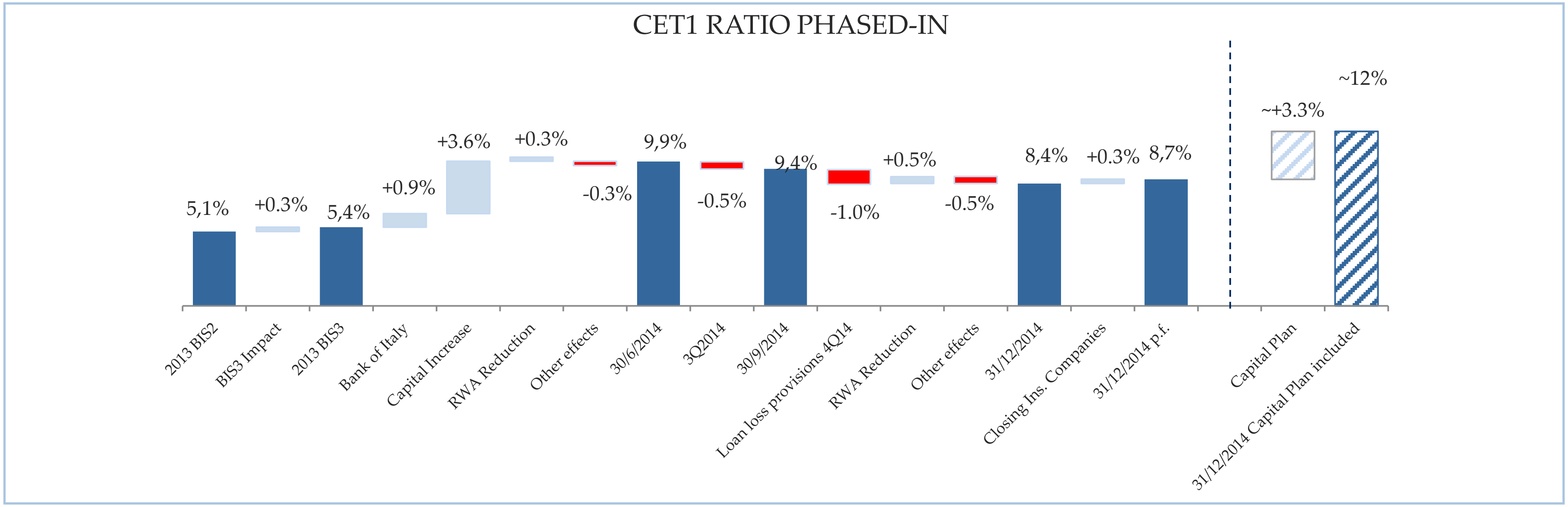
Bad Loans coverage for Italy's top Banking groups

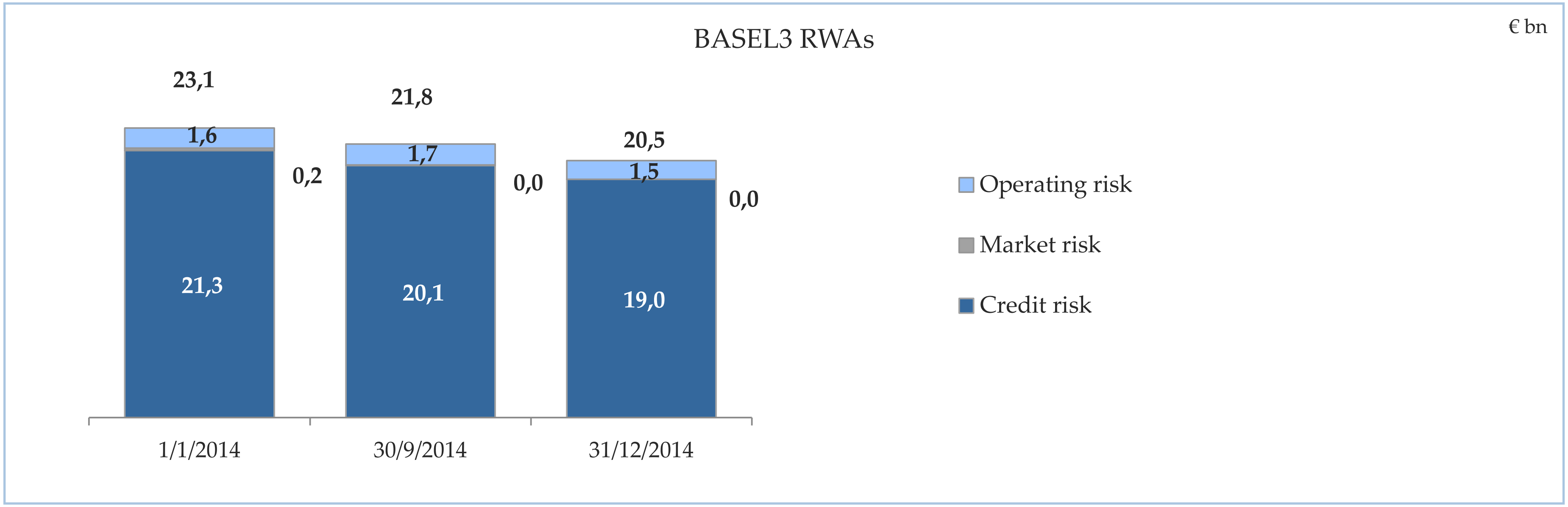


Total NPLs coverage for Italy's top Banking Groups

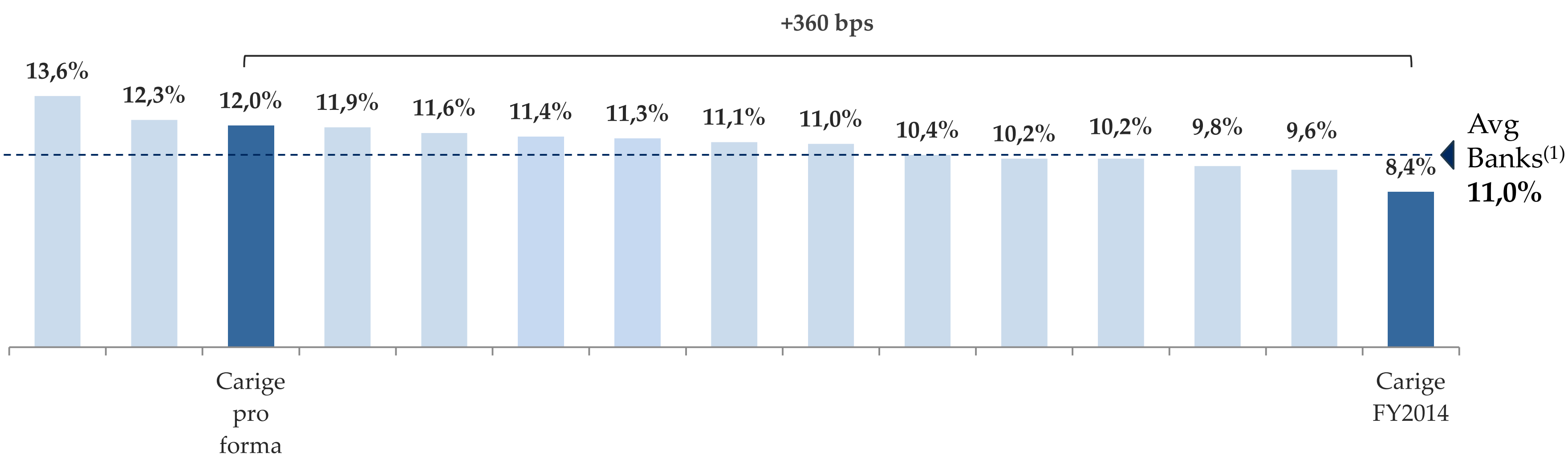


(1) UBI, Banco Popolare, BPER, BPM, Credem, Creval and BP Sondrio


CET1 RATIO PHASED-IN
5,1%
+0.3%
5,4%
+0.9%
+3.6%
+0.3%
-0.3%
9,9%
-0.5%
9,4%
-1.0%
+0.5%
-0.5%
8,4%
+0.3%
8,7%
~+3.3%
~12%
2013 BIS2
BIS3 Impact
2013 BIS3
Bank of Italy
Capital Increase
RWA Reduction
Other effects
30/6/2014
3Q2014
30/9/2014
Loan loss provisions 4Q14
RWA Reduction
Other effects
31/12/2014
Closing Ins. Companies
31/12/2014 p.f.
Capital Plan
31/12/2014 Capital Plan included


BASEL3 RWAs
€ bn
23,1
1,6
0,2
21,3
21,8
1,7
0,0
20,1
20,5
1,5
0,0
19,0
1/1/2014
30/9/2014
31/12/2014
Operating risk
Market risk
Credit risk

Phased-in CET1 Ratio (FY2014) for Italy's top Banking Groups



(1) Intesa, BPM, BP Sondrio, Desio, BPER, Vicenza, Unicredit, Banco Popolare, MPS, Creval, Credem, Veneto, UBI

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GRUPPO BANCA CARIGE

Preliminary Consolidated Results as at 31 December 2014

Genoa, 12 February 2015