



Consolidated results as at 31 March 2017

9 May 2017

This document has been prepared by Banca Carige S.p.A. solely for information purposes and for use in presentations of the Group's 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 and, accordingly, 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 Banca Carige's financial reports, Mr. Mauro Mangani, 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 document results, books and accounting records.

Please note that, upon preparation of the 2016 Financial Statements, the Bank restated the balances of financial year 2015 in accordance with the provisions of IAS 8 (Accounting standards, changes in accounting estimates and errors), in order to (i) correctly recognise the amortised cost of certain bond issuances, and (ii) correct errors in the calculation of loan losses relating to the discounting of expected recoveries on certain exposures. A restatement of the balances of similar items for the first quarter of 2016 was accordingly required.

After tax, the foregoing adjustments entailed an overall EUR 50.0 mln reduction of equity as at 1 January 2016, a EUR 1.1 mln positive effect on the 1Q16 income statement and an overall EUR 48.9 mln reduction of equity as at 31 March 2017, with respect to the balances communicated during the presentation of the financial results for the first quarter of 2016.

Comparative data with prior periods reported in this presentation reflects previous restatements made, inter alia on the basis of operational evidence.

Note: due to rounding off, the sum of some separate itemised amounts may differ from their respective aggregate amounts; the percentage variation is calculated from data not rounded off.

Profitability

Trend reversal on Net Interest Income and net fees and commissions: increasing operating income on 4Q16

Further reduction in operational expenses

Gross operating profit at EUR 26.7 mln (vs EUR 10.3 mln in 4Q16)

Non-operational charges (DTA fees and other banking system charges: SRF (National Resolution Fund) and write-down of the stakes held in the Atlante Fund) gross EUR 14.5 mln

Decreasing Loan Losses

Credit quality

Further de-risking actions: NPL coverage at 46.4% - Bad loan coverage at 63.4%

Funding/lending

Stability in funding and lending from customers

Shareholders' equity (estimate)

Phased-in CET1r 10.9% considering the 55 bps impact from the 2017 transitional prudential arrangements

RWAs at EUR 16.6 bn, -2.4% from December 2016

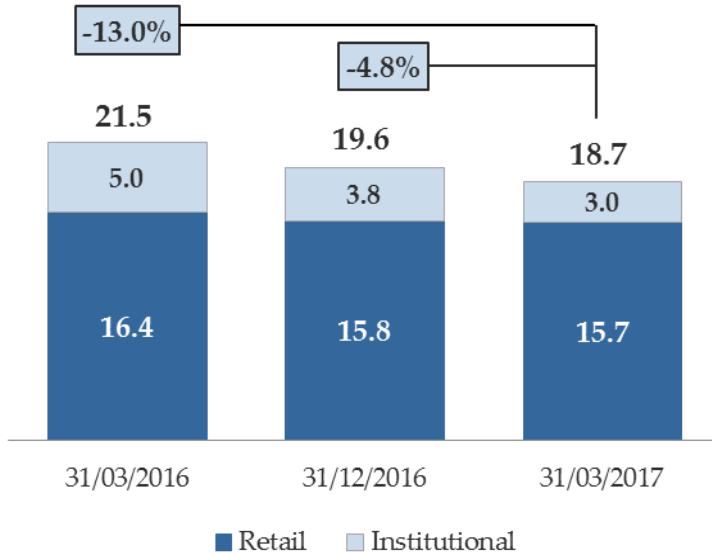
Liquidity

LCR at 119% vs SREP requirement of 90% - estimated NSFR > 100%

Retail direct deposits stable on December 2016

EUR bn

DIRECT FUNDING



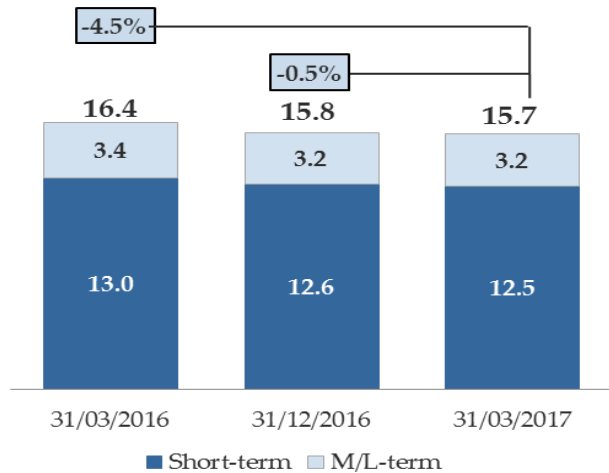
Funding from customers (retail and corporate) in line with end-December 2016 levels, with short and medium-to-long term components holding stable

Institutional funding on a downturn due to the termination of repurchase agreements and repayment of an Italian government-backed senior bond issuance for an amount of EUR 600 mln in March.

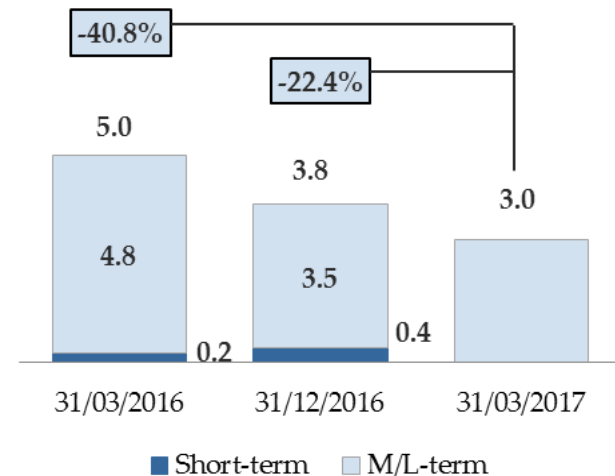
Loan to deposit ratio 96.6%

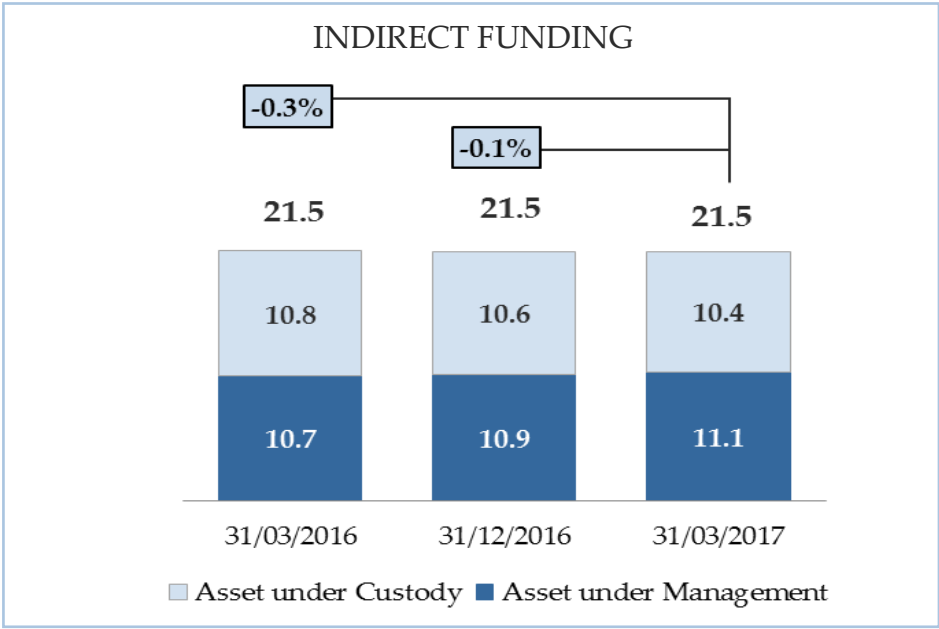
o. w.:

RETAIL & CORPORATE



INSTITUTIONAL

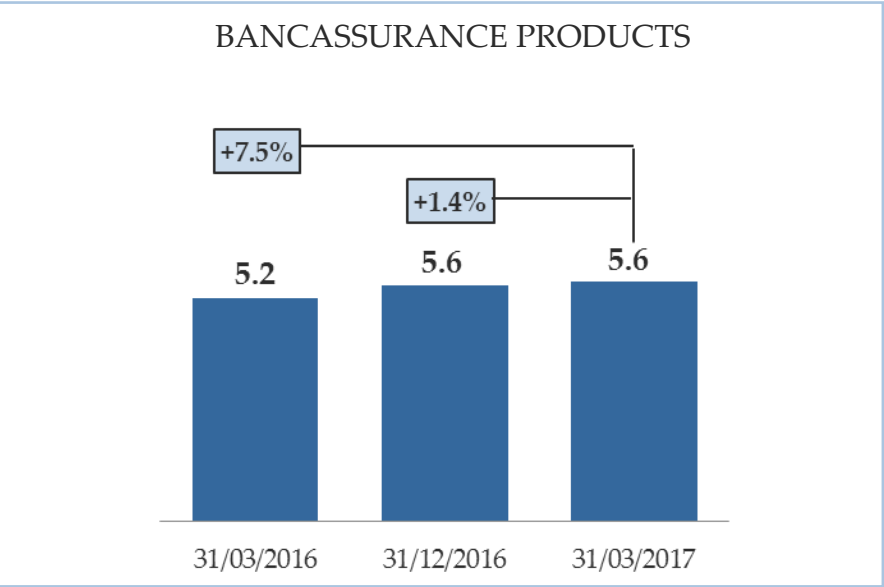
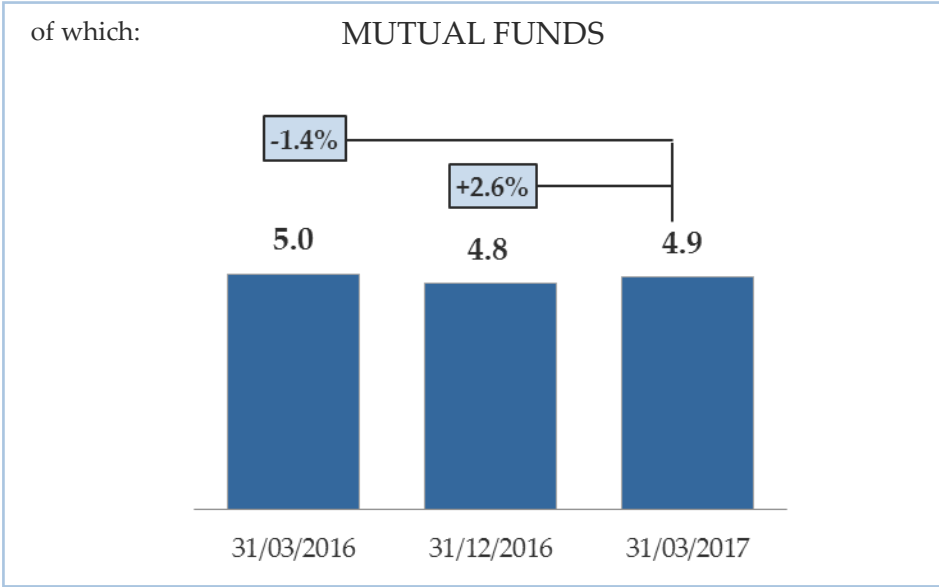




Indirect funding holding stable with a shift to Assets under Management (+3.0% Y/Y and +2.0% Q/Q)

AuM increase driven by Funding from bancassurance (+7.5% Y/Y and +1.4% Q/Q)

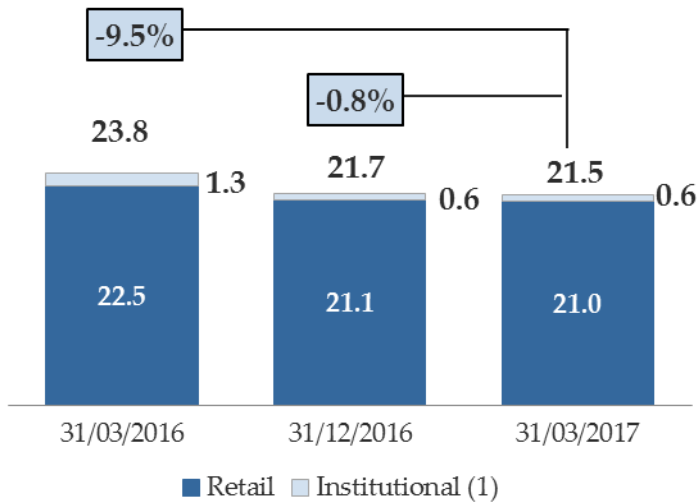
of which:



Loans to customers stable on December 2016

EUR bn

GROSS LOANS

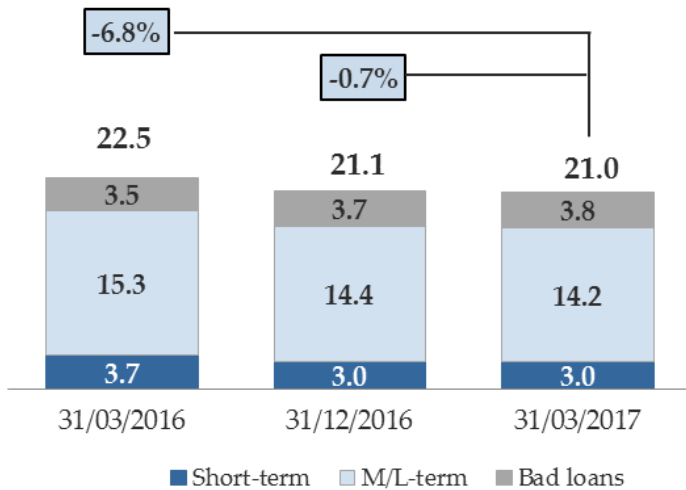


Loans to Retail and Corporate customers held stable in 1Q17, with new mortgage loans to households amounting to EUR 115.2 mln and loans to businesses totalling EUR 218.1 mln

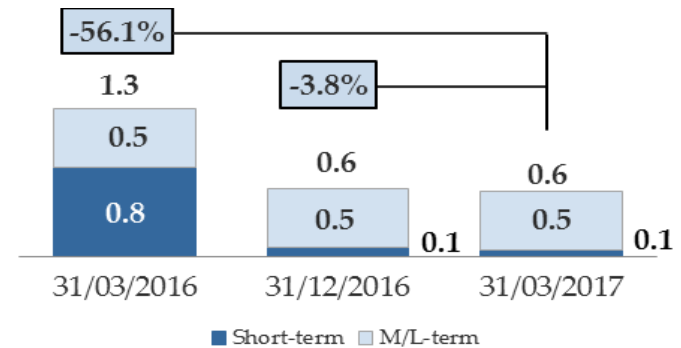
Institutional component in line with 4Q16, after repurchase agreements with financial businesses were phased out during the year

o. w.:

CUSTOMERS LOANS

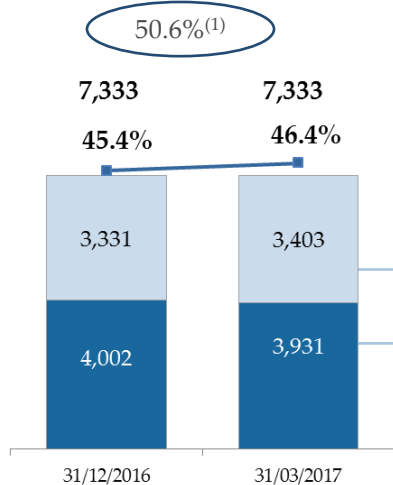


INSTITUTIONAL⁽¹⁾

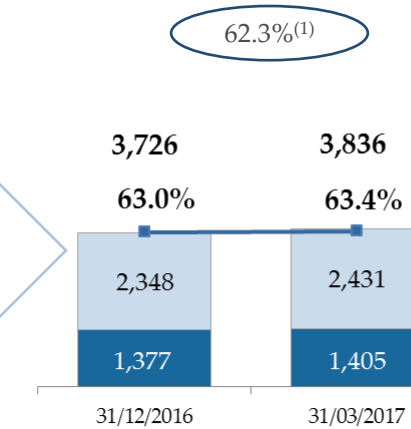


(1) Includes interest-bearing postal bonds, REPOs with financial institutions and other loans

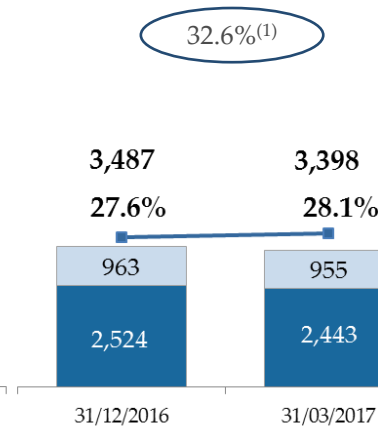
NON-PERFORMING LOANS



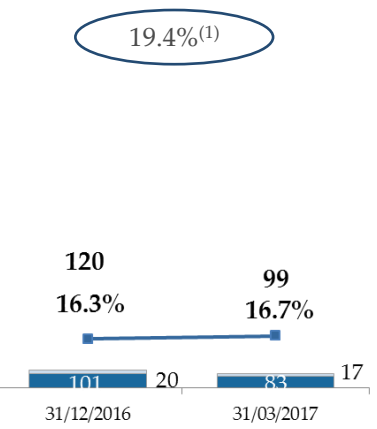
BAD LOANS



UNLIKELY-TO-PAY EXPOSURES



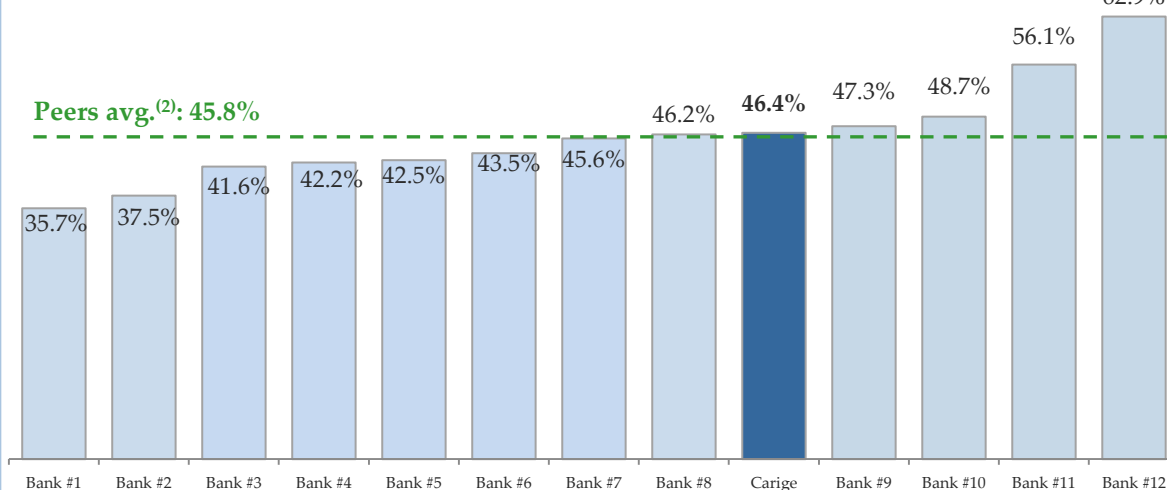
PAST DUE EUR mln



■ Net ■ Loan Loss Provisions — Coverage ratio

CARIGE VS PEERS⁽²⁾: NPL COVERAGE

Peers avg.⁽²⁾: 45.8%



NPLs stable; higher coverage for all categories

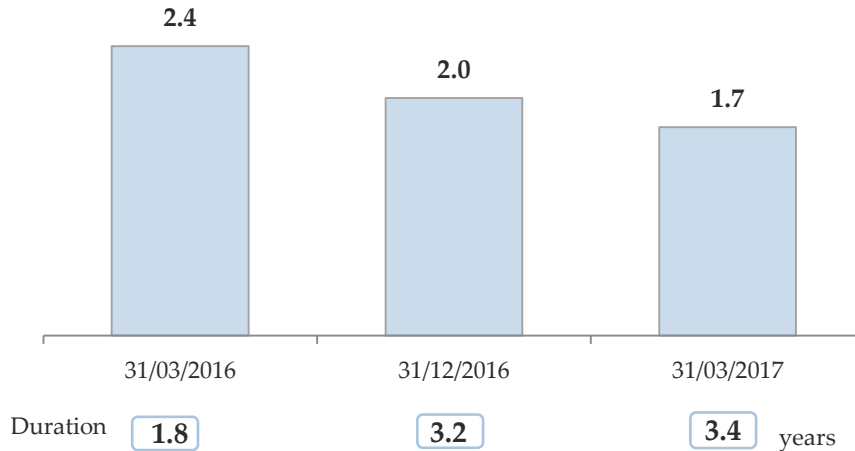
NPL Coverage at 46.4%, up 1.0 p.p. from December 2016 (50.6% Italian banking system average¹)

Coverage of bad loans at 63.4% (62.3% Italian banking system average¹)

(1) Italian banking system's coverage, source: Bank of Italy, Financial Stability Report no. 1 of 2017 (data as at 31/12/2016)

(2) Source: reporting documents for 1Q17 (Carige, MPS, ISP, Creval and BPER), FY16 (Credem, POPSO, UCG, UBI, BBPM, Cariparma, Veneto Banca and BPVi)

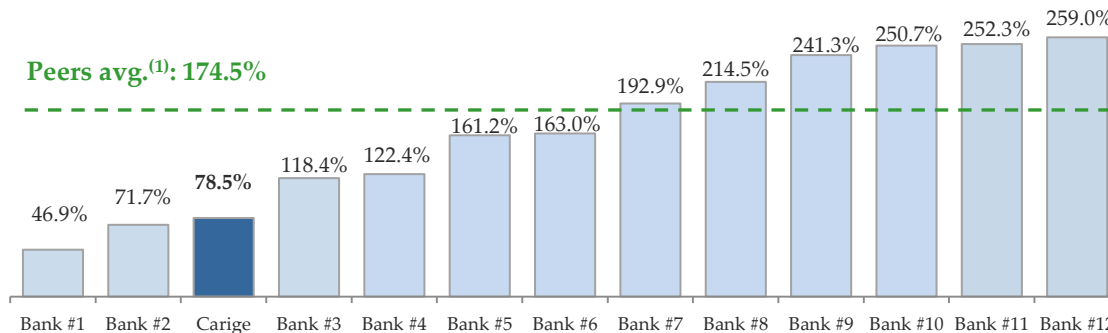
ITALIAN GOVERNEMENT BONDS PORTFOLIO EUR bn



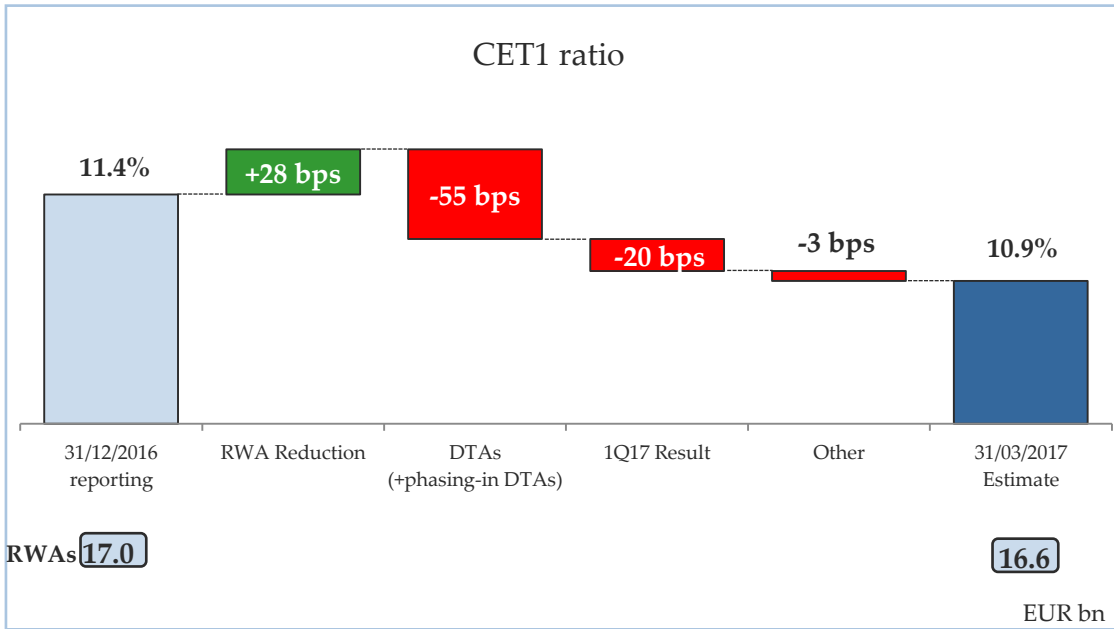
Low risk securities portfolio in sizing and duration

Net of the stake held in the Bank of Italy, 97.2% of the securities portfolio consists of Italian Government bonds

CARIGE VS PEERS⁽¹⁾ ITALIAN GOVERNMENT BONDS/OWN FUNDS TOTAL



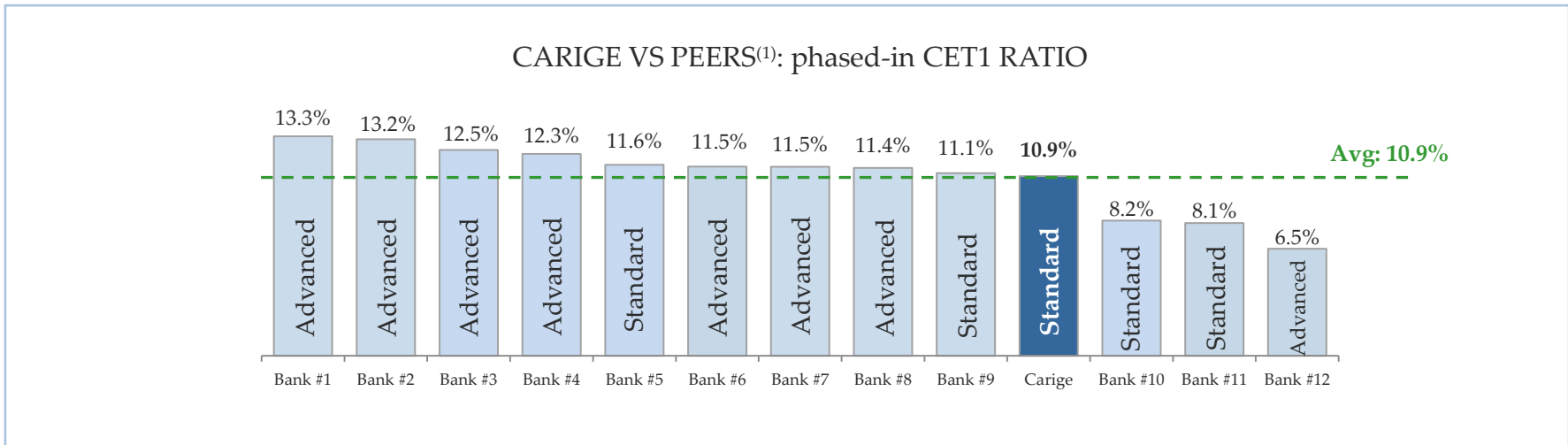
(1) Source: reporting documents for 1Q17 (Carige), FY16 (UCG, ISP, MPS, UBI, BP, BPER, BPM, Credem, POPSO, BPVi, Veneto Banca, Creval and Cariparma)



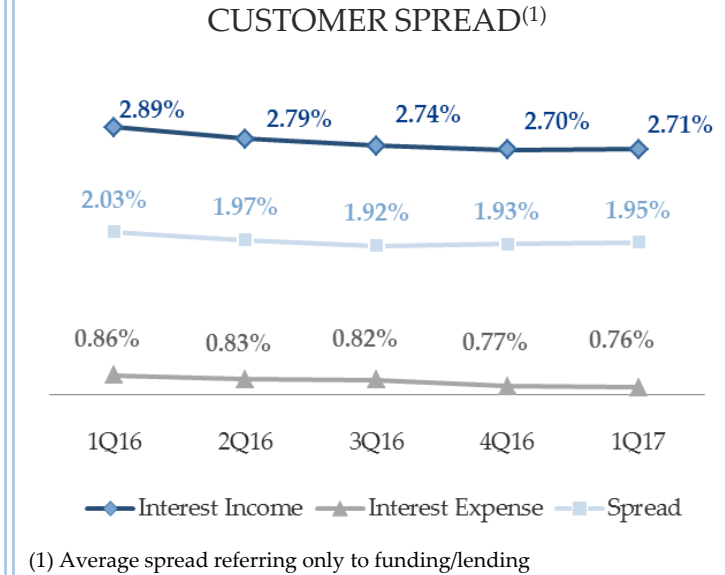
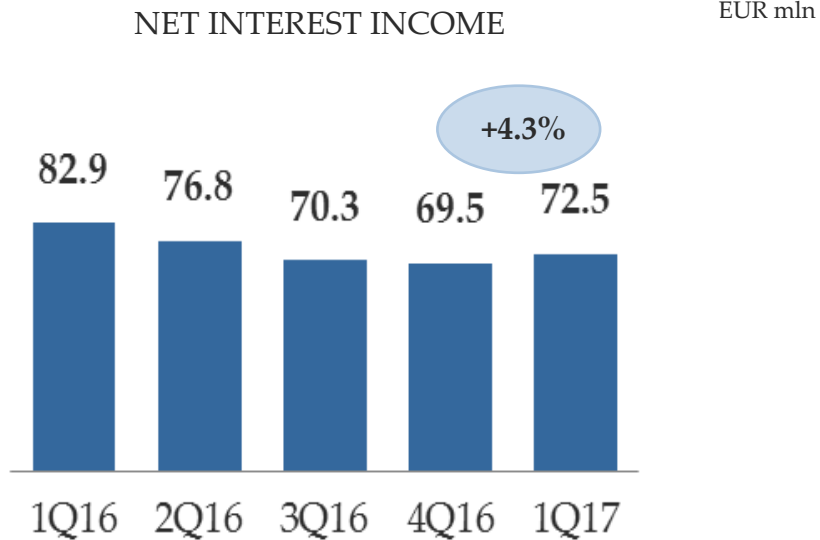
Estimated phased-in CET1 Ratio at 10.9%, including impact of transitional arrangements on DTAs (55 bps)

RWA reduction continues

Basel 3 Leverage Ratio at an estimated 6.7%, amongst the highest in the Italian banking system



(1) Source: Reporting documents for 1Q17 (Carige, ISP, MPS, Creval and BPER), FY16 (UCG including capital increase, Credem, BBPM, UBI, POPSO, CR Parma, Veneto Banca and BPVi including contributions to the Atlante Fund of January 2017)



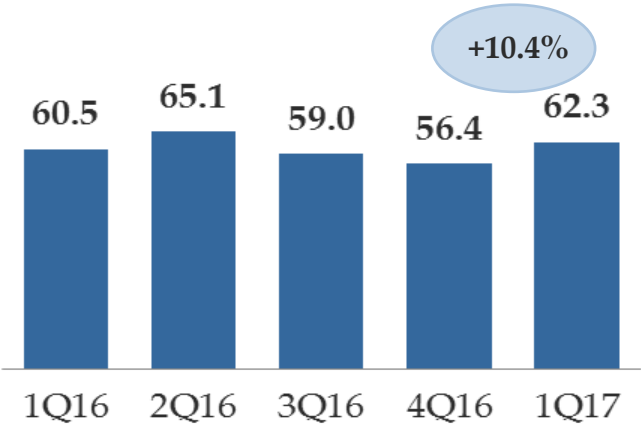
Net Interest Income reverting to growth in 1Q17 (+4.3%). The Y/Y decrease is accounted for by a business environment reflecting the all-time low interest rates for the banking system and the reduction of interest-bearing assets during the year

The average customer spread has marginally widened since last quarter

Upturn in fee and commission income

NET FEE AND COMMISSION INCOME

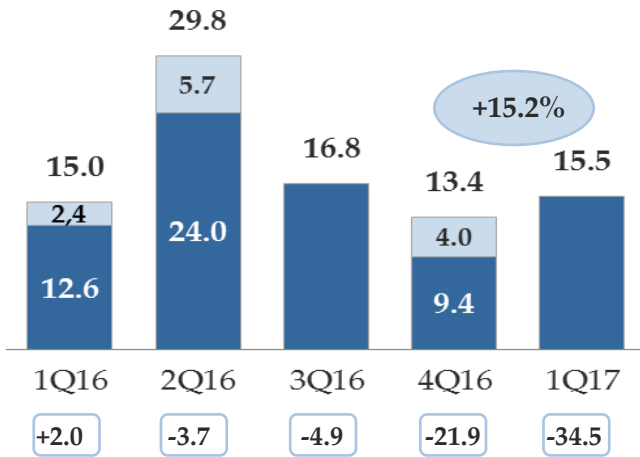
EUR mln



Net fees and commissions up 10.4% Q/Q (+3.0% vs 1Q16) driven by an increase in AuM and in fees and commissions on current accounts

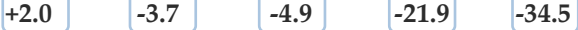
FINANCE (1)

EUR mln



The quarter includes recognition of the EUR 10.2 mln dividend earned on the investment in the Bank of Italy (recognised in 2Q in 2016)

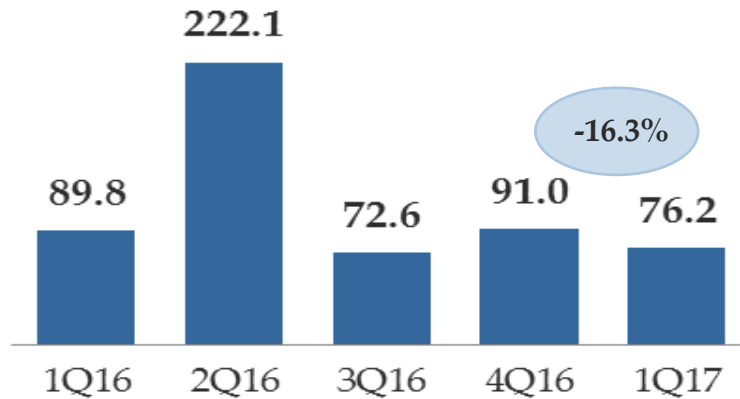
Net AFS Reserves



(1) Includes items 70, 80, 90, 100(b), 100(c), 100(d) and 110 of the Income Statement

NET LLPs⁽¹⁾

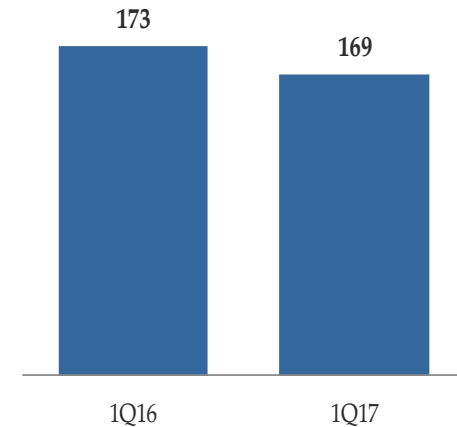
EUR mln



(1) Net impairment losses on balance-sheet loans to customers

COST OF CREDIT ⁽²⁾

bps



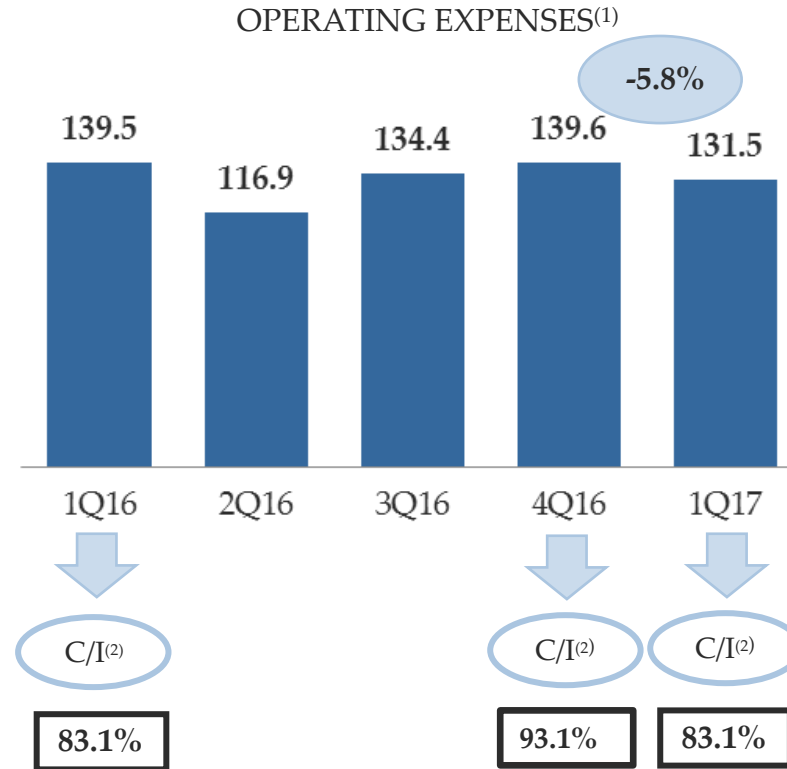
(2) Annualised ratio of 'net impairment losses on balance-sheet loans to customers' over 'net loans to customers'

Net loan losses down 16.3% Q/Q (-15.2% vs. 1Q16)

Cost of credit at 169 bps, set to fall significantly during the year as the deconsolidation transactions envisaged in the Plan are implemented

Compression continues in operating expenses ...

EUR mln



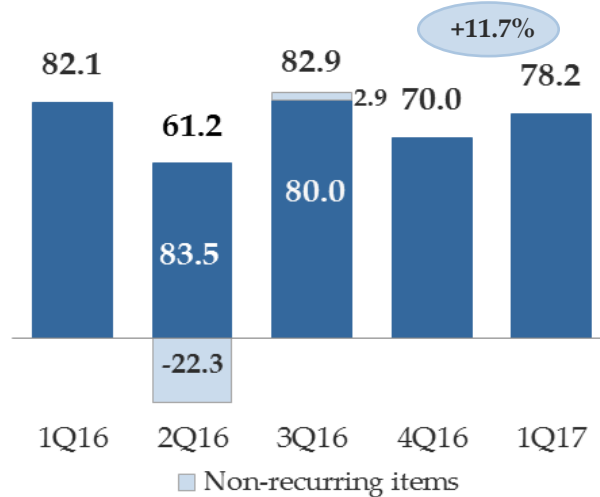
Operating expenses were down 5.8% Q/Q (-5.7% vs 1Q16), on the back of the cost-curbing initiatives put in place in the past quarters to reduce personnel and administrative expenses

The cost income ratio has remained unchanged since March 2016 (83.1%) but is down 10 p.p. on 4Q16

(1) Operating expenses include: personnel expenses; net adjustments to/recoveries on property, equipment and intangible assets; and *core* administrative expenses (see annexed reclassified Income Statement)

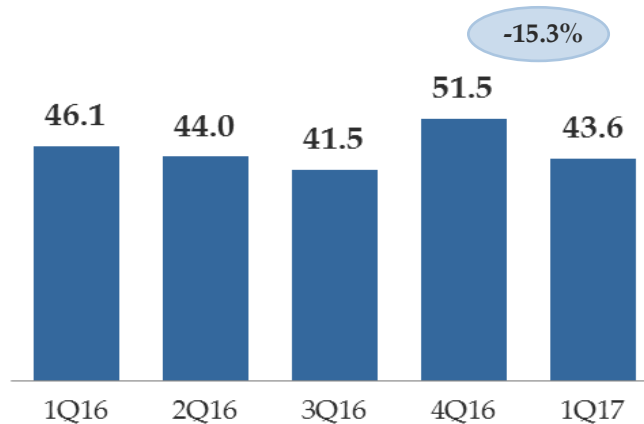
(2) Operating expenses/Net operating income. Net operating income includes Net Interest Income, Net Fees and Commissions, Income from 'Finance' and other operating income (see annexed reclassified Income Statement)

PERSONNEL EXPENSES (1)



Personnel expenses were down Y/Y (-4.8%), although up 11.7% Q/Q, in line with the Strategic Plan, which envisages a further reduction during the year

CORE ADMINISTRATIVE EXPENSES(2)



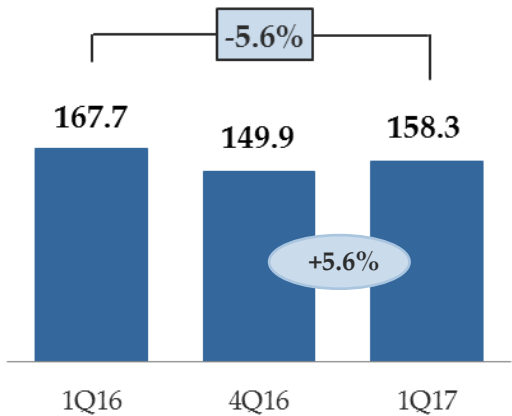
Core administrative expenses are being structurally reduced (-15.3% Q/Q and -5.4% Y/Y)

(1) Normalised to reflect non-recurring items amounting to a positive EUR 22.3 mln in 2Q16 in connection with the definition of the Company's Supplementary Pension Fund, and a negative -EUR 2.9 mln in 3Q16 due to the effects of the new Union Agreement

(2) Item 180(b) of the Income Statement net of contributions and other banking system charges, DTA fees and recoveries of taxes from customers

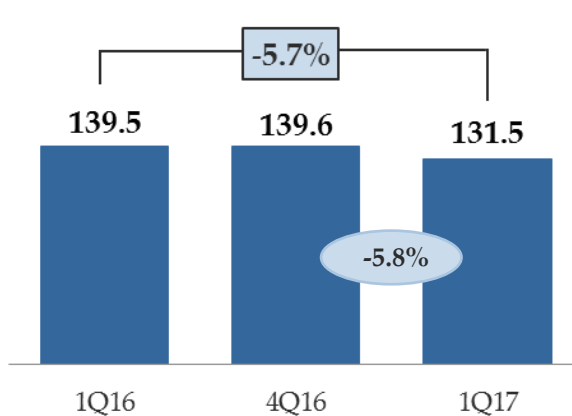
NET OPERATING INCOME

EUR mln



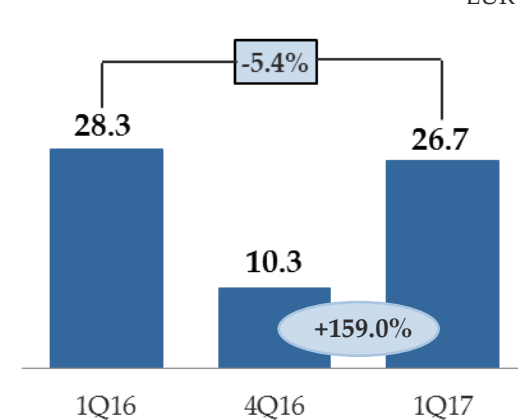
OPERATING EXPENSES

EUR mln



GROSS OPERATING PROFIT⁽¹⁾

EUR mln



(1) Gross Operating Profit is the difference between net operating income and operating expenses

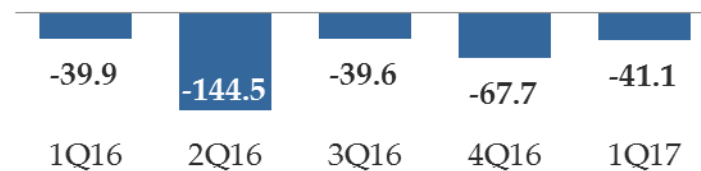
NET IMPAIRMENT LOSSES ON CUSTOMER LOANS

EUR mln



NET PROFIT (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY

EUR mln





Annexes

Reclassified Consolidated Income Statement

Amounts in EUR/mln

	Situation as at		Change	
	1Q2017	1Q2016(*)	absolute	%
RECLASSIFIED INCOME STATEMENT				
Net interest income	72.5	82.9	(10.3)	(12.5)
Net fee and commission income	62.3	60.5	1.8	3.0
Net income from trading/valuation of financial assets (Finance) ⁽¹⁾	15.5	15.0	0.5	3.5
Other operating income ⁽²⁾	8.0	9.4	(1.4)	(15.3)
NET OPERATING INCOME	158.3	167.7	(9.5)	(5.6)
Personnel expenses	(78.2)	(82.1)	3.9	(4.8)
Net adjustments to/ recoveries on property and equipment, and on intangible assets	(9.7)	(11.3)	1.5	(13.7)
Core administrative expenses ⁽³⁾	(43.6)	(46.1)	2.5	(5.4)
OPERATING EXPENSE	(131.5)	(139.5)	7.9	(5.7)
GROSS OPERATING PROFIT	26.7	28.3	(1.5)	(5.4)
Net losses/recoveries on impairment of loans ⁽⁴⁾	(76.2)	(89.8)	13.6	(15.2)
Net losses/recoveries on impairment of other financial assets ⁽⁵⁾	4.2	2.1	2.1	98.6
NET OPERATING PROFIT	(45.2)	(59.4)	14.2	(23.9)
Net provisions for risks and charges	(1.1)	0.6	(1.7)	...
Profits (losses) on equity investments and on disposal of investements ⁽⁶⁾	0.9	2.3	(1.4)	(61.2)
PROFIT (LOSS) BEFORE TAX FROM OPERATIONS	(45.4)	(56.5)	11.1	(19.6)
Taxes ⁽⁷⁾	14.6	21.4	(6.9)	(32.1)
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante) after tax	(7.8)	(6.7)	(1.1)	16.5
DTA fees after tax	(2.5)	-	(2.5)	...
NET PROFIT (LOSS) FOR THE PERIOD	(41.2)	(41.8)	0.6	(1.5)
Non-controlling interests	(0.1)	(1.9)	1.8	(96.5)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	(41.1)	(39.9)	(1.2)	3.1

(*) With respect to published accounts, the balances of previous year are reflective of changes from the application of provisions of IAS 8 "Accounting policies, changes in accounting estimates and errors"

(1) Includes income statement items 70, 80, 90, 100(b), 100(c), 100(d) and 110

(2) Income statement item 220 net of tax recoveries

(3) Income statement item 180(b) net of banking system charges, DTA fees and tax recovered from customers

(4) Income statement item 130(a) (net losses on impairment of loans to banks and customers)

(5) Includes income statement items 130(b) and 130(d)

(6) Includes income statement items 240 and 270

(7) Item 290 of the income statement net of the tax effects relating to the components under Contributions and other banking system charges and DTA fees

Reclassified Consolidated Income Statement - quarterly trend

Amounts in EUR/mln

RECLASSIFIED INCOME STATEMENT	1Q2017	4Q2016	3Q2016(*)	2Q2016(*)	1Q2016(*)
Net interest income	72.5	69.5	70.3	76.8	82.9
Net fee and commission income	62.3	56.4	59.0	65.1	60.5
Net income from trading/valuation of financial assets (Finance) ⁽¹⁾	15.5	13.4	16.8	29.8	15.0
Other operating income ⁽²⁾	8.0	10.5	11.2	8.0	9.4
NET OPERATING INCOME	158.3	149.9	157.4	179.6	167.7
Personnel expenses	(78.2)	(70.0)	(82.9)	(61.2)	(82.1)
Net adjustments to/ recoveries on property and equipment, and on intangible assets	(9.7)	(18.1)	(10.1)	(11.7)	(11.3)
Core administrative expenses ⁽³⁾	(43.6)	(51.5)	(41.5)	(44.0)	(46.1)
OPERATING EXPENSE	(131.5)	(139.6)	(134.4)	(116.9)	(139.5)
GROSS OPERATING PROFIT	26.7	10.3	23.0	62.8	28.3
Net losses/recoveries on impairment of loans ⁽⁴⁾	(76.2)	(88.6)	(72.6)	(222.0)	(89.8)
Profits (losses) on disposal or repurchase of loans	-	0.0	(0.0)	-	-
Net losses/recoveries on impairment of other financial assets ⁽⁵⁾	4.2	4.9	(1.1)	2.7	2.1
NET OPERATING PROFIT	(45.2)	(73.4)	(50.7)	(156.5)	(59.4)
Net provisions for risks and charges	(1.1)	(17.4)	(3.5)	(0.8)	0.6
Profits (losses) on equity investments and on disposal of investments ⁽⁶⁾	0.9	(0.2)	4.3	0.0	2.3
Impairment on goodwill	-	-	-	(19.9)	-
PROFIT (LOSS) BEFORE TAX FROM OPERATIONS	(45.4)	(91.1)	(49.9)	(177.3)	(56.5)
Taxes ⁽⁷⁾	14.6	31.3	19.0	47.4	21.4
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante) after tax	(7.8)	(16.9)	(6.8)	0.0	(6.7)
DTA fees after tax	(2.5)	7.5	(2.5)	(15.1)	-
NET PROFIT (LOSS) FOR THE PERIOD	(41.2)	(69.1)	(40.2)	(144.9)	(41.8)
Non-controlling interests	(0.1)	(1.4)	(0.6)	(0.4)	(1.9)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	(41.1)	(67.7)	(39.6)	(144.5)	(39.9)

(*) Redetermined partly on the basis of operational data, for the quarterly trend to reflect the restatement of yearly comparative balances pursuant to IAS 8 "Accounting standards, changes in accounting estimates and errors"

(1) Includes income statement items 70, 80, 90, 100(b), 100(c), 100(d) and 110

(2) Income statement item 220 net of tax recoveries

(3) Income statement item 180(b) net of contributions and other banking system charges (SRF and DGS), DTA fees and tax recoveries

(4) Income statement item 130(a) (net losses on impairment of loans to banks and customers)

(5) Includes income statement items 130(b) and 130(d) net of banking system charges (Voluntary scheme and Atlante)

(6) Includes income statement items 240 and 270

(7) Item 290 of the income statement net of the tax effects relating to the components under Contributions and other banking system charges and DTA fees

Amounts in EUR/mln

	Situation as at		Change	
	31/03/2017	31/12/2016	absolute	%
BALANCE SHEET FIGURES				
Total assets	26,760.3	26,111.0	649.3	2.5
Direct deposits (a)	18,674.4	19,612.7	(938.3)	(4.8)
Indirect deposits (b)	21,475.1	21,487.9	(12.8)	(0.1)
- o.w. Assets under Management	11,076.1	10,864.2	211.9	2.0
- o.w. Assets under Custody	10,399.0	10,623.7	(224.7)	(2.1)
Overall funding (a+b)	40,149.5	41,100.6	(951.1)	(2.3)
Loans to customers ⁽¹⁾	18,039.6	18,245.8	(206.2)	(1.1)
Securities portfolio ⁽²⁾	2,079.2	2,326.7	(247.5)	(10.6)
Group's share capital and reserves	2,101.0	2,401.0	(300.0)	(12.5)
RECLASSIFIED INCOME STATEMENT FIGURES				
	1Q2017	1Q2016(*)		
Net operating income	158.3	167.7	(9.5)	(5.6)
Operating expenses	(131.5)	(139.5)	7.9	(5.7)
Gross operating profit	26.7	28.3	(1.5)	(5.4)
Net operating profit	(45.2)	(59.4)	14.2	(23.9)
Profit (loss) before tax from operations	(45.4)	(56.5)	11.1	(19.6)
Net Profit (Loss) attributable to the Parent Company	(41.1)	(39.9)	(1.2)	3.1
ALTERNATIVE PERFORMANCE MEASURES⁽³⁾				
	1Q2017	1Q2016(*)		
Cost income	83.1%	83.1%		
ROE	-2.0%	-1.6%		
Adjusted ROE	-1.8%	-1.5%		
	31/03/2017	31/12/2016		
Net bad loans/Loans to customers ⁽¹⁾	7.8%	7.5%		
RESOURCES (end of period)				
	31/03/2017	31/12/2016		
Number of branches	587	587	-	-
Headcount	4,810	4,873	(63)	(1.3)

(*) With respect to published accounts, the balances of previous year are reflective of changes from the application of provisions of IAS 8 "Accounting policies, changes in accounting estimates and errors"

(1) Net of debt securities classified as L&R and after value adjustments

(2) Balance sheet items 20 (net of derivatives), 40, 60 (only for L&Rs) and 70 (only for L&Rs)

(3) With reference to Alternative Performance Measures (APM) consideration was given to the ESMA Guidelines on Alternative Performance Measures, which were published on 5 October 2015 and entered into force on 3 July 2016. An APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Reported below is the reference for the calculation method of selected APMs:

- Cost income ratio: ratio of operating expenses (items 180, 200 and 210 of the Income Statement net of tax recoveries contained in item 220, of contributions to single resolution fund and deposit guarantee schemes and DTA fees alignment) to net operating income (items 30, 60, 70, 80, 90, 100b-c-d, 110 and 220 of the Income Statement net of tax recoveries);

- ROE: ratio of Net Profit (Loss) for the period attributable to the Parent Company (item 340 of the Income Statement) to the Group's share capital and reserves (items 140, 170, 180, 190 and 200 of Balance Sheet Liabilities);

- Adjusted ROE: ratio of Net Profit (Loss) for the period attributable to the Parent Company (item 340 of the Income Statement) to the Group's share capital and reserves net of valuation reserves (items 170, 180, 190 and 200 of Balance Sheet Liabilities)

- Net bad loans/Loans to customers: ratio of net balance-sheet bad loans to customers to net loans to customers (item 70 of the Balance Sheet Assets net of debt securities classified as L&R).

	31/3/2017						31/12/2016							
Loans	Gross	%	Loan losses	Net	%	Coverage	Coverage including write-offs	Coverage Avg. regional peer ¹	Gross	%	Loan losses	Net	%	Coverage
Bad loans	3,835.6	17.8%	2,430.8	1,404.8	7.8%	63.4%	65.0%	56.9%	3,725.6	17.2%	2,348.5	1,377.1	7.5%	63.0%
Unlikely to pay	3,398.4	15.8%	955.1	2,443.2	13.5%	28.1%	29.7%	26.2%	3,487.0	16.1%	962.5	2,524.4	13.8%	27.6%
Past Due	99.1	0.5%	16.6	82.5	0.5%	16.7%	16.7%	11.5%	120.3	0.6%	19.7	100.7	0.6%	16.3%
Non-performing loans	7,333.1	34.0%	3,402.6	3,930.5	21.8%	46.4%	48.2%	42.9%	7,332.9	33.8%	3,330.7	4,002.2	21.9%	45.4%
Performing loans	14,214.7	66.0%	105.6	14,109.1	78.2%	0.7%	0.7%	0.6%	14,380.1	66.2%	136.5	14,243.6	78.1%	0.9%
Total loans to customers	21,547.8	100.0%	3,508.2	18,039.6	100.0%	16.3%	17.3%	9.8%	21,713.0	100.0%	3,467.2	18,245.8	100.0%	16.0%

(1) Source: unweighted average of FY16 data (UBI, BPER, Credem, POPSO, Creval, Cariparma, Veneto Banca and BPVi)

Investor Relations & Research Department

Roberta Famà, Head of IR

roberta.fama@carige.it

+39 010 579 4877

Fixed Income, Equity Coverage & Ratings

Massimo Turla

massimo.turla@carige.it

+39 010 579 4220

Benchmarking & Analysis

+39 010 579 2794

investor.relations@carige.it



Consolidated results as at 31 March 2017

9 May 2017