PRESS RELEASE

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BANCA CARIGE
Cassa di Risparmio di Genova e Imperia

THE BOARD OF DIRECTORS APPROVES THE RESULTS OF THE BANCA CARIGE GROUP AS AT 30 SEPTEMBER 2013

- Compared to September 2012, in the retail customer business, direct deposits grew by 2.6%, while loans decreased by 2.6%, in line with broader market trends;
- Confirming the Group's long-standing commercial effectiveness, over 60,000 new current accounts were opened (with a net increase of approximately 9,000) and the number of products owned per customer rose from 3.98 to 4.02;
- The liquidity position was confirmed to be robust, with short-term cash reserves exceeding EUR 4 billion;
- In spite of the challenging economic environment, the net income from ordinary operations of the period was essentially at the breakeven point;
- However, in the third quarter, extraordinary write-downs were carried out on certain assets in the balance sheet, such as loans (EUR 101.8 million), securities (EUR 22.3 million) and properties (EUR 35.1 million).
- As a consequence, the normalised consolidated net loss at 30 September 2013 amounted to EUR -139.1 million;
- Moreover, at 30 September 2013 the Bank wrote down goodwill, which declined from EUR 1,779.5 to EUR 131.9 million, with a negative adjustment of EUR 1,647.6 million. The mechanism for the recognition of adjustments prescribed by IAS/IFRS international accounting standards, which calls for their transit through the income statement, produces effects only from the accounting viewpoint, impacting solely on the income for the period and for the 2013 financial year, without negative consequences on the Group's future profitability and on the adequacy of its capital and liquidity. In this regard, it should be pointed out that all major Italian banking groups have made similar write-downs since 2011. Including these adjustments to goodwill, the consolidated net loss as at 30 September 2013 amounted to EUR – 1,309.7 million;
- In evaluating the consolidated results as at 30 September 2013, the Board of Directors considered the report on the updated value of the shareholding of the Bank of Italy, published on the website of the Ministry of the Economy and Finance on 9 November 2013. The effects of such evaluation update were solely on the balance sheet, without any effect on the income for the period;
- With specific reference to the write-down of goodwill and to the adjustment of the interest in the Bank of Italy, the Bank also considered the notice of the start of a proceeding sent by CONSOB on 8 November 2013, in which CONSOB formulated the hypothesis that critical elements may exist in the separate and consolidated Financial Statements of the Bank as at 31 December 2012, and in the Half-

yearly Financial Report to 30 June 2013, in accordance with international accounting standards pertaining to the measurement of goodwill, of the equity investments held in subsidiaries and of the interest in the Bank of Italy. It should be noted that they are the same issues that were thoroughly analysed within the Interim Report on Operations at 30 September 2013 and that entailed, as reported herein, the recognition of significant value adjustments and/or changes to balance sheet items. The Bank intends to prevent any difference from arising with regard to the interpretation and application of the accounting standards, as a sign of its continuous cooperation with the Supervisory Authorities, and therefore the Bank has started an analysis of the CONSOB's considerations, with the aim of submitting its own observations, mainly with reference to the period of accrual of the aforesaid value adjustments and/or changes to balance sheet items.

- The Pro-forma Core Tier 1 is 7.7%, including also the capital gain deriving from the sale of Carige AM Sgr (the discrete value is 5.8%).

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Genoa, 11 November 2013 – The Board of Directors of Banca Carige S.p.A., chaired by Mr. Cesare Castelbarco Albani, unanimously approved the Interim Report on Operations at 30 September 2013, illustrated by the Chief Executive Officer, Mr. Piero Luigi Montani.

The particularly unfavourable economic environment is persisting in Italy, where GDP continued to decline in the second quarter as well; indeed, it is expected to contract by 1.8% for the entire year.

In this challenging environment, the Group’s ordinary operations substantially broke even; however, the further economic and financial strengthening brought about a loss for the period.
In the first nine months of 2013, the strengthening process focused on the loans portfolio, with the adoption of restrictive qualification and impairment criteria that led to the recognition of a significant amount of value adjustments, consistently with the indications of the Supervisory Authority and with a view to the upcoming introduction of the unified European banking supervision. The securities portfolio and the property portfolio of the insurance sector were also subjected to write-downs.

Briefly, the net adjustments for the impairment of loans and of other financial assets amounted to EUR 415.1 million (EUR 135.8 million in September 2012): adjustments to cash loans amounted to EUR 393.5 million (EUR 118 in the first nine months of 2012), whilst adjustments to financial assets available for sale totalled EUR 13.7 million (EUR 20 million in September 2012) and, lastly, the write-downs made on the property portfolio of the insurance sector amounted to EUR 35.1 million.

Moreover, in the presence of impairment indicators, goodwill was subjected to impairment testing. In this regard, while awaiting the formulation of the new business plan, the definition of cash flows for the purposes of determining the recoverable amount took into consideration – over a time interval of 5 years – the assumptions set forth by a major economic research institute. According to the impairment test, recoverable amounts were markedly lower than the respective book values, making it necessary to write down goodwill by a total amount of EUR 1,647.6 million. These write-downs have an impact on financial reporting solely on the current year, without any negative effect on the Group’s future profitability and on the adequacy of its capital and liquidity.

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Confirming the traditional effectiveness of the Banca Carige Group's commercial actions, over 60,000 new current accounts were opened (with a net increase of approximately 9,000) and the number of products owned per customer rose from 3.98 to 4.02.

Direct retail deposits, amounting to EUR 21 billion, grew by 2.6% compared to the same period of the previous year (+0.8% in the first nine months). Institutional deposits, on the other hand, decreased by 36.9% in the first nine months and by 31.3% in the past twelve months, partly because senior securities amounting to EUR 750 million reached maturity in April and covered bonds amounting to EUR 550 million reached maturity in September 2013. The latter were replaced with a new issue of EUR 750 million, completed in October.

Indirect deposits remained stable at EUR 22.8 billion (-0.9% in twelve months; +0.9% in nine months), with the assets under management component at EUR 10.5 billion (+6.7% in twelve months; +4.6% in nine months).

Gross loans to retail customers, at EUR 24.5 billion, decreased by 2.6% in twelve months (-3.2% since the start of the year), in line with broader market trends. On the overall loan portfolio, write-down provisions amounted to EUR 1.6 billion, an increase compared to the value of September 2012 (EUR 0.9 billion). The bad loans coverage ratio rose from 43.9% to 49.8% compared to September 2012.

In spite of the good performance of traded volumes and of the commercial activities, the sharp reduction in the spreads compressed the interest margin, which amounted to EUR 467.3 million (-22% compared to the first nine months of 2012). Net fee and commission income (EUR 230.4 million), including the "Fast Credit Processing Fee" - FCPF (recognised among other operating income) declined by 4.1%. The net interest and other banking income (EUR 787 million) declined by 15.8%; including the aforesaid FCPF, this figure falls to 14.5%.

As a result of the continuous cost containment policy, administrative expenses (personnel expenses and other administrative expenses) decreased by 2.1% compared to the first nine months of 2012 and operating expenses as a whole (net of FCPF and of the adjustments to the property portfolio of the insurance companies) decreased by 6.2%, to EUR 479.2 million.

The income for the period of the insurance sector (non-life and life), excluding the write-down of the property portfolio, amounted to EUR 39.2 million.

Following the publication on the website of the Ministry of the Economy and Finance, on 9 November 2013, of the report on the update of the value of the Bank of Italy capital quotas, prepared at the Minister's request by the Bank of Italy with the aid of a committee of experts, the Board of Directors, after thoroughly examining the results of the report, resolved to take them into account in evaluating the interest held in the Bank of Italy for the Interim Report on Operations at 30 September 2013. The evaluation led to a reduction of both assets and liabilities by EUR 666.8 million, on the basis of an estimated total value of EUR 7 billion of the Bank of Italy shares. The impacts of the evaluation were solely on the balance sheet, without any effect on the income for the period.

With specific reference to the write-down of goodwill and to the adjustment of the carrying value of the Bank of Italy capital quotas, the Bank took also notice of the communication received from CONSOB on 8

November 2013 for the opening of a proceeding under the assumption that certain critical elements may exist in the consolidated and non consolidated Financial Statements of the Bank at 31 December 2012, and in the Half-yearly Financial Report at 30 June 2013, to be in accordance with international financial reporting standards with respect to the valuation of goodwill, investments in subsidiaries and interest in the Bank of Italy. It should be noted that these issues were thoroughly analysed in the Interim Report on Operations at 30 September 2013 and resulted, as reported herein, in the recognition of significant value adjustments and/or changes to the balance sheet line items. The Bank intends to avoid differences on the interpretation and application of the accounting standards and to continue its cooperation with the Supervisory Authorities, and accordingly, started an analysis of the CONSOB's considerations, to submit its observations, principally with reference to the accounting period in which the aforesaid value adjustments and/or changes to balance sheet items should be recognized.

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Pursuant to paragraph 5 of Article 154-ter of Italian Legislative Decree no. 58/1998, the file containing the Banca Carige Group Interim Report on Operations at 30 September 2013 will be placed at the public's disposal within the terms set forth by law at the registered office of the Bank and at Borsa Italiana S.p.A., and will be available on the website www.gruppocarige.it. A special notice will be published in the daily newspaper "Il Sole 24 Ore" and made available on the same date on the website www.gruppocarige.it.

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

The manager responsible for preparing the company's financial reports, Ms. Daria Bagnasco, Deputy General Manager (Governance and Control) of Banca Carige S.p.A., 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.

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CONSOLIDATED BALANCE SHEET

ASSETS *(figures in thousands of euro)*

	30/09/2013	31/12/2012	Change absolute	%
10 - *CASH AND CASH EQUIVALENTS*	308.690	376.709	(68.019)	-18,1
20 - *FINANCIAL ASSETS HELD FOR TRADING*	143.053	194.962	(51.909)	-26,6
30 - *FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS*	306.497	457.561	(151.064)	-33,0
40 - *FINANCIAL ASSETS AVAILABLE-FOR-SALE*	11.378.499	9.833.217	1.545.282	15,7
50 - *FINANCIAL ASSETS HELD TO MATURITY*	-	602.777	(602.777)	-100,0
60 - *DUE FROM BANKS*	1.616.161	2.165.106	(548.945)	-25,4
70 - *LOANS TO CUSTOMERS*	25.978.047	30.142.748	(4.164.701)	-13,8
80 - *HEDGING DERIVATIVES*	157.997	217.594	(59.597)	-27,4
100 - *EQUITY INVESTMENTS*	91.567	90.164	1.403	1,6
110 - *TECHNICAL INSURANCE RESERVES REASSURED WITH THIRD PARTIES SUBJECT TO JOINT CONTROL*	170.967	195.471	(24.504)	-12,5
120 - *PROPERTY AND EQUIPMENT*	1.174.808	1.208.678	(33.870)	-2,8
130 - *INTANGIBLE ASSETS*	211.414	1.869.051	(1.657.637)	-88,7
of which:				
- goodwill	131.895	1.779.487	(1.647.592)	-92,6
140 - *TAX ASSETS*	1.820.281	1.447.093	373.188	25,8
a) current	215.693	146.108	69.585	47,6
b) deferred	1.604.588	1.300.985	303.603	23,3
b1) pursuant to Law 214/2011	1.203.614	786.629	416.985	53,0
160 - *OTHER ASSETS*	465.747	529.642	(63.895)	-12,1
TOTAL ASSETS	**43.823.728**	**49.330.773**	**(5.507.045)**	**-11,2**

LIABILITIES AND SHAREHOLDERS' EQUITY *(figures in thousands of euro)*

	30/09/2013	31/12/2012	Change absolute	%
10 - *DUE TO BANKS*	8.071.540	8.486.727	(415.187)	-4,9
20 - *DUE TO CUSTOMERS*	15.603.876	16.729.803	(1.125.927)	-6,7
30 - *SECURITIES ISSUED*	9.214.392	11.022.540	(1.808.148)	-16,4
40 - *FINANCIAL LIABILITIES HELD FOR TRADING*	19.027	21.379	(2.352)	-11,0
50 - *FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS*	1.348.771	1.273.024	75.747	6,0
60 - *HEDGING DERIVATIVES*	1.120.704	1.548.821	(428.117)	-27,6
80 - *TAX LIABILITIES*	228.697	625.854	(397.157)	-63,5
(a) current	73.190	302.414	(229.224)	-75,8
(b) deferred	155.507	323.440	(167.933)	-51,9
100 - *OTHER LIABILITIES*	885.849	784.381	101.468	12,9
110 - *EMPLOYEE TERMINATION INDEMNITY*	83.588	91.652	(8.064)	-8,8
120 - *ALLOWANCES FOR RISKS AND CHARGES:*	369.318	363.308	6.010	1,7
a) post employment benefits	337.889	334.237	3.652	1,1
b) other allowances	31.429	29.071	2.358	8,1
130 - *TECHNICAL RESERVES*	4.852.129	4.717.735	134.394	2,8
140 - *VALUATION RESERVES*	(196.777)	136.888	(333.665)	…
160 - *EQUITY INSTRUMENTS*	1.173	1.173	0	0,0
170 - *RESERVES*	295.679	372.089	(76.410)	-20,5
180 - *SHARE PREMIUM RESERVE*	1.020.019	1.020.020	(1)	-0,0
190 - *SHARE CAPITAL*	2.177.219	2.177.219	0	0,0
200 - *TREASURY SHARES*	(21.282)	(18.259)	(3.023)	16,6
210 - *MINORITY INTERESTS (+/-)*	59.484	52.591	6.893	13,1
220 - *NET INCOME (LOSS) (+/-)*	(1.309.678)	(76.172)	(1.233.506)	…
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**43.823.728**	**49.330.773**	**(5.507.045)**	**-11,2**

The balances of the previous year reflect, with respect to the published balances, the changes resulting from the retrospective application of the criterion for recognising a particular instance of premiums pertaining to non-life insurance operations, in compliance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

CONSOLIDATED INCOME STATEMENT

(figures in thousands of euro)	9 months 2013	9 months 2012	Change 9 months 2013 - 9 months 2012 absolute	%
10 - INTEREST AND SIMILAR INCOME	897.109	1.096.434	(199.325)	- 18,2
20 - INTEREST AND SIMILAR EXPENSE	(429.854)	(497.452)	67.598	- 13,6
30 - INTEREST MARGIN	**467.255**	**598.982**	**(131.727)**	**- 22,0**
40 - FEE AND COMMISSION INCOME	247.531	266.714	(19.183)	- 7,2
50 - FEE AND COMMISSION EXPENSE	(41.496)	(41.230)	(266)	0,6
60 - NET FEE AND COMMISSION INCOME	**206.035**	**225.484**	**(19.449)**	**- 8,6**
70 - DIVIDENDS AND SIMILAR INCOME	4.264	6.180	(1.916)	- 31,0
80 - PROFIT (LOSSES) ON TRADING	6.150	5.523	627	11,4
90 - FAIR VALUE ADJUSTMENTS IN HEDGE ACCOUNTING	(7.023)	5.301	(12.324)	...
100 - PROFITS (LOSSES) ON DISPOSAL OR REPURCHASE OF:	69.534	88.116	(18.582)	- 21,1
a) loans	*(571)*	*1.456*	*(2.027)*	...
b) financial assets available-for-sale	*48.382*	*85.497*	*(37.115)*	*- 43,4*
c) financial assets held to maturity	*21.261*	-	*21.261*	...
d) financial liabilities	*462*	*1.163*	*(701)*	*- 60,3*
110 - PROFIT (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	40.783	4.582	36.201	...
120 - NET INTEREST AND OTHER BANKING INCOME	**786.998**	**934.168**	**(147.170)**	**- 15,8**
130 - NET LOSSES/RECOVERIES ON IMPAIRMENT	(415.144)	(135.791)	(279.353)	...
a) loans	*(393.514)*	*(118.001)*	*(275.513)*	...
b) financial assets available-for-sale	*(13.694)*	*(19.966)*	*6.272*	*- 31,4*
d) other financial activities	*(7.936)*	*2.176*	*(10.112)*	...
140 - NET INCOME FROM BANKING ACTIVITIES	**371.854**	**798.377**	**(426.523)**	**- 53,4**
150 - NET INSURANCE PREMIUMS	*803.506*	*771.148*	*32.358*	*4,2*
160- OTHER NET INSURANCE INCOME (EXPENSE)	(870.065)	(866.649)	(3.416)	*0,4*
170 - NET INCOME FROM BANKING AND INSURANCE ACTIVITIES	**305.295**	**702.876**	**(397.581)**	**- 56,6**
180 - ADMINISTRATIVE EXPENSES:	(493.237)	(503.648)	10.411	- 2,1
a) personnel expenses	*(296.962)*	*(310.451)*	*13.489*	*- 4,3*
b) other administrative expenses	*(196.275)*	*(193.197)*	*(3.078)*	*1,6*
190 - NET PROVISIONS FOR RISKS AND CHARGES	(4.252)	(578)	(3.674)	...
200 - NET ADJUSTMENTS TO/ RECOVERIES ON PROPERTY AND EQUIPMENT	(55.524)	(20.344)	(35.180)	...
210 - NET ADJUSTMENTS TO/ RECOVERIES ON INTANGIBLE ASSETS	(25.789)	(23.735)	(2.054)	*8,7*
220 - OTHER OPERATING EXPENSES (INCOME)	*88.876*	*52.070*	*36.806*	*70,7*
230 - OPERATING EXPENSES	**(489.926)**	**(496.235)**	**6.309**	**- 1,3**
240 - PROFIT (LOSSES) ON INVESTMENTS IN ASSOCIATES AND COMPANIES SUBJECT TO JOINT CONTROL	5.625	2.728	2.897	...
260 - IMPAIRMENT ON GOODWILL	(1.647.592)	-	(1.647.592)	...
270 - PROFIT (LOSSES) FROM DISPOSAL OF INVESTMENTS	10	(2)	12	...
280 - INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(1.826.588)**	**209.367**	**(2.035.955)**	**...**
290 - TAXES ON INCOME FROM CONTINUING OPERATIONS	509.708	(60.427)	570.135	...
300 - INCOME (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**(1.316.880)**	**148.940**	**(1.465.820)**	**...**
320 - NET INCOME (LOSS)	**(1.316.880)**	**148.940**	**(1.465.820)**	**...**
330 - MINORITY INTERESTS	(7.202)	2.812	(10.014)	...
340 - PARENT COMPANY'S NET INCOME (LOSS)	**(1.309.678)**	**146.128**	**(1.455.806)**	**...**

Earnings per share (in Euro)		
- Basic	-0,61	0,07
- Diluted	-0,61	0,07

The balances of the first nine months of the year reflect, with respect to the published balances:
- the changes resulting from the retrospective application of the criterion for recognising a particular instance of premiums pertaining to non-life insurance operations, in compliance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- the reclassification of the "Fast-Track Facility Fee" in accordance with the Bank of Italy's circular letter of 15 January 2013.