PRESS RELEASE

BANCA CARIGE'S BOARD OF DIRECTORS APPROVES THE GROUP'S CONSOLIDATED PRELIMINARY RESULTS AS AT 31 DECEMBER 2021[1]

2021 registered a significant growth in volumes and the gradual acceleration of core profitability recovery, reflecting the effects of the new service model

The loss reduced to EUR 90 mln compared to the -EUR 279 mln of the previous year[1] substantially in line with the closing target set in the budget

- **SIGNIFICANT GROWTH OF TOP-LINE REVENUES (NII + NET FEE AND COMMISSIONS): +12.7% Y/Y[1]**
  - **NET INTEREST INCOME +15.1%[1]**
  - **NET FEES AND COMMISSIONS +11.2%[1]**
- **OPERATING EXPENSES ON A STRUCTURAL DOWNTREND: -3.5%[1] Y/Y**
  - **PERSONNEL EXPENSES -8.0%[1] (-11.2% IN THE FOURTH QUARTER VS THE SAME PERIOD OF 2020)**
  - **CORE ADMINISTRATIVE EXPENSES -1.5%[1] (-10.1% IN THE FOURTH QUARTER OF 2021 VS THE FOURTH QUARTER OF 2020)**
- **PROFIT (LOSS) BEFORE TAX IS POSITIVE AGAIN: +EUR 18.9 MLN VS -EUR 34.4 MLN IN 2020[1]**

[1] With the month of January 2020 being included in the Financial Statements for the period under Temporary Administration, the results for the twelve months of 2021 are not comparable with those of the twelve months of 2020. Any comparison with the twelve months of 2020 - if commented on - is the result of a twelve-month redistribution of the first eleven months (February/December) of the 2020 ordinary course of administration. The notes on the income statement are based on the attached reclassified Income Statement.

- **COST OF CREDIT IS GRADUALLY STABILISING: 33 BPS (80 BPS IN 2020[1]); 48 BPS INCLUDING THE LOSSES POSTED (15 BPS) ON A SECURITY HELD AGAINST THE RESTRUCTURING OF A LOAN AS PART OF A BANKING SYSTEM TRANSACTION**
- **POSITIVE DEVELOPMENTS IN COMMERCIAL MOMENTUM[2], WITH AGGREGATES REMARKABLY INCREASING COMPARED TO 31 DECEMBER 2020:**
  - ✓ **+EUR 1.0 BN (+8.5%) IN SHORT-TERM FUNDING FROM HOUSEHOLDS AND BUSINESSES OVER THE YEAR, AMOUNTING TO EUR 12.5 BN**
  - ✓ **ASSETS UNDER MANAGEMENT TO AN ALL-TIME HIGH;(EUR 12.1 BN, +6.0% Y/Y)**
  - ✓ **EXCELLENT PERFORMANCE OF ASSETS UNDER MANAGEMENT COMPARED TO THE MARKET AVERAGE[3]: +11.8% GROUP'S NET FUNDING VS MARKET AVERAGE OF +6.1%**
  - ✓ **SUSTAINABLE GROWTH IN LOANS TO HOUSEHOLDS AND BUSINESSES TO EUR 11.7 BN (+1.8%)**
  - ✓ **EXTRAORDINARY GROWTH OF CONSUMER CREDIT (+56.8%) AND BANCASSURANCE PRODUCTS (+52.1%)**
- **TIGHT CONTROL OVER ASSET QUALITY:**
  - ✓ **NON-PERFORMING LOANS TO CUSTOMERS NET OF IMPAIRMENT PROVISIONS STABILISED AT EUR 0.3 BN**
  - ✓ **NPE RATIO: GROSS 5.0% AND NET 2.6%,**
  - ✓ **AVERAGE NON-PERFORMING LOAN BOOK COVERAGE OF 50.0% (51.3% INCLUDING WRITE OFFS)**
  - ✓ **PERFORMING LOAN BOOK COVERAGE OF 0.8%**

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[2] Operational data
[3] Source: Assogestioni

Genoa, 09 February 2022 – At its meeting today, Banca Carige's Board of Directors has approved the Group's consolidated results as at 31 December 2021.

Over the year, the effects of the new service model released as from January 2021 gradually consolidated, boosting the growth trend of the top-line revenues core components (net interest income and net commissions totalled EUR 381.6 mln) both compared to the twelve months of 2020[1] (+12.7%), and with the fourth quarter of 2020 (+6.4%).

Significant growth in the typical business figures: specifically, net interest income (EUR 155.2 mln) increased by 15.1%[1] compared to the previous year, as a result of the reduction in cost of funding and the increase in loan portfolio income; net fee and commission income totalled EUR 226.4 mln, showing a marked acceleration: +11.2%[1] compared to 2020, and respectively +4.7% and +9.9% compared to 4Q2021, 3Q2021 and 4Q2020.

Operating expenses (EUR 389.7 mln), have been structurally and steadily reduced over time, mainly with personnel expenses falling to EUR 215,5 mln, down 8.0%[1] over the year and 11.2% comparing the last quarter of 2021 with the same period of 2020 (in 2021, the Group's headcount decreased by 341 units, 9.4% compared to the end of 2020).

The gross non-performing loan portfolio to customers decreased from EUR 632.0 mln to EUR 618.4 mln (-2.1%) and was substantially stable in net terms, at EUR 309.2 mln, reflecting a credit quality that is robust again, with gross and net NPE ratio of 5.0% and 2.6% respectively.

Loans to consumer customers and businesses[2](EUR 11.7 bn) grew by 1.8% over twelve months, confirming a quality portfolio, with 82% of secured loans: 62% by collateral and around 20% by State guarantee (54% of the unsecured portfolio). Outstanding moratoria[2] as at 31 December 2021, granted to support households and enterprises, totalled EUR 441.1 mln (EUR 33.8 mln as at the end of January 2022), without evidence of particular difficulties regarding the foreseeable resumption of payments at the end of the moratorium period.

The cost of credit risk to customers in the twelve months stood at 33 bps, 48 bps if the higher losses estimated on a security resulting from the previous loan restructuring are included.

The commercial drive being able to count on the deployment of the initiatives of the new distribution model as from January 2021 allowed the Group to be proactive on the market, thus considerably increasing its market shares, primarily in loans to SMEs (granting loans with state guarantees) and with initiatives to support households and local footprint.

Direct funding from retail and corporate customers[2], totalling EUR 13.3 bn, has shown a steady positive trend (+4.1% YoY, equal to EUR 0.5 bn of growth), with the short-term component increasing to EUR 12.5 bn (+8.5%).

In addition to the service model relaunch, the Group's renewed capacity is achieved by:

- the new Wealth Management model introduced by Banca Cesare Ponti (BCP) mainly in the last part of the year by placing the first issue of investment certificates and the provision of advanced tools to provide financial advisory services;
- the omni-channel approach underlying the Remote Banking tools and the opening of the first three Smart Branches in the last quarter;
- the birth of "Futuro Liguria" in the first part of 2021, a project aimed at strengthening the regional economy after the pandemic coming together with the clear objective of providing corporate customers with the best tools to attract the funds allocated by the NRRP and encouraging them to increase their competitiveness.

Assets under management increased to EUR 12.1 bn - all-time high for the Group - up 6.0% during the year. Among the aggregates, the growth in mutual funds (EUR 5.7 bn; +12.8% YoY) and asset management (EUR 0.6 bn, up 38.5% compared to the end of December 2020) is clearly strong.

The Group's commercial relaunch efforts during the year just ended resulted in an outstanding performance as to volume growth, both in consumer credit (+56.8% yearly cumulative variation) and bancassurance products (+52.1% yearly cumulative variation).

The level of RWAs (Risk Weighted Assets) – measured under the standardised approach - further decreased to EUR 9.2 bn[4] (-EUR 0.3 bn); capital ratios are thus equal to: phased-in CET1 ratio of 10.9%[4] and phased-in Total Capital ratio of 13.2%[4].

The Group's liquidity position continued to be robust, with cash and unencumbered eligible assets (Counterbalancing Capacity) totalling EUR 4.1 bn (EUR 3.6 bn as at December 2020) and liquidity ratios in excess of prudential requirements.

[4] Operational estimate, pending official supervisory reporting.

Financial year 2021 closed with a profit (loss) before tax of -EUR 86.5 and includes some negative non-recurring items, such as:

- provisions on a prudential basis for EUR 22.6 mln (in addition to EUR 10.4 mln allocated in 2020 budget) referred to indemnities for commissions charged in previous years;
- the estimated higher losses on securities previously underwritten in connection with the System-wide restructuring of a credit position that led to recognising EUR 15.1 mln of impairment loss over the year,

that have more than offset the positive effect of other non-recurring items registered during the year, such as:

- the release of provision for EUR 15.2 mln on the back of the renegotiation of distribution agreements.
- a positive effect for EUR 5.2 mln net mainly due to recognition of bancassurance commissions of (non-life and life business) related to Group's placements of previous periods;
- the significant increase in gains on shareholdings for EUR 10.8 mln[1]

In 2021, too, around EUR 28.0 mln of DTAs (Deferred Tax Assets) were not recognised; hence, off-balance sheet DTAs totalled approximately EUR 519 mln.

The net profit (loss) for the year is -EUR 90.0 mln, thus improving significantly compared to the previous year closed with a loss of EUR 279.0 mln[1], and is substantially in line with the closing target set in the budget for 2021 (-EUR 84.0 mln).

Francesco Guido, CEO of Banca Carige, comments on the results: "***The spirit and extraordinary resolution of Banca Carige's personnel allowed us to strengthen and reaffirm the relationship of trust with our customers and to further advance in the project of the commercial relaunch, always keeping a higher speed than the system average. This effort is all the more so praiseworthy because of the extraordinary hardship and unforeseen events we faced. My warmest thanks to our Personnel and Customers***."

In view of the approval of the final results as of 31 December 2021, scheduled on 9 March 2022, and of the outcome pf the due diligence currently underway that could lead to formalising a binding offer by 15 February 2021 and defining an acquisition contract by BPER Banca of the controlling interest held by FITD in Banca Carige, the in-depth studies will be completed on the assessment of the recovery likelihood over the time of the Deferred Tax Assets (DTAs) to determine the value to be recorded in the financial statements.

Funding, lending and balance-sheet aggregates

Overall funding from customers totalled EUR 38.9 bn with **direct funding** increasing to EUR 16.3 bn during the year compared to EUR 15.9 bn at the end of December 2020, and including the redemption of covered bonds at maturity amounting to EUR 1.6 bn (partially offset by the issue of similar securities totalling EUR 865.0), and aggregates increasing especially in the current accounts component. **Direct funding from retail and corporate customers**[2] totalled EUR 13.3 bn (+4.1% Y/Y), supported in particular by the dynamics of the short-term component (+8.5% in the twelve months, totalling EUR 12.5 bn). **Outstanding securities** fell to EUR 2.6 bn compared to EUR 3.1 bn at the end of 2020 due to the aforementioned covered bond maturities only partially offset by new issues aimed at reducing the cost of funding. **Indirect deposits** was up compared to 3Q2021 (+0.7%), totalling EUR 22.6 bn (EUR 22.9 bn at the end of December 2020), with assets under management growing to EUR 12.1 bn (+6.0% YoY) driven by growth in mutual Funds and Sicav (+12.8% YoY) and portfolio management (+38.5% YoY), while assets under custody fell to EUR 10.5 bn (-8.1% YoY) due to the new market valuation of Carige ordinary shares, admitted to trading on last 27 July, and the contraction of aggregates related to government bonds and securities.

Amounts due to banks were stable at EUR 3.8 bn; the overall amount of refinancing operations with the ECB (T-LTRO III) totalled EUR 3.5 bn.

Gross loans to customers amounted to EUR 12.3 bn and were essentially stable over the three months, down 1.5% compared to December 2020. In particular, the aggregate was affected by the exclusion of repurchase agreements (-EUR 0.4 bn), the performance of the short-term component (-EUR 0.4 bn) - only partially offset by the trend of medium/long-term loans (+2.4% during the year, totalling EUR 10.9 bn) - and the disposal of non-performing lease agreements for approximately EUR 88.0 mln; net of value adjustments (EUR 0.4 bn) gross loans to customers amounted to EUR 11.9 bn (-0.4% in the quarter and +2.2% in the twelve months net of REPOs).

Credit Quality

Figures in EUR/mln	31/12/2021						
Loans to customers[1]	Gross	%	Loan losses	Net	%	**Coverage**	**Coverage including write-offs**
Bad Loans	234.4	*1.9%*	153.3	81.1	*0.7%*	65.4%	67.2%
Unlikely to pay	365.6	*3.0%*	152.3	213.3	*1.8%*	41.7%	42.3%
Past Due	18.5	*0.2%*	3.7	14.8	*0.1%*	20.0%	20.0%
Non-performing loans	**618.4**	***5.0%***	**309.3**	**309.2**	***2.6%***	**50.0%**	**51.3%**
Performing Loans	11,689.5	*95.0%*	93.8	11,595.6	*97.4%*	0.8%	0.8%
Total	**12,307.9**	***100.0%***	**403.1**	**11,904.8**	***100.0%***	**3.3%**	**3.4%**

Figures in EUR/mln	30/09/2021						
Loans to customers[1]	Gross	%	Loan losses	Net	%	**Coverage**	**Coverage including write-offs**
Bad Loans	239.7	*1.9%*	160.9	78.8	*0.7%*	67.1%	68.9%
Unlikely to pay	358.7	*2.9%*	150.0	208.7	*1.7%*	41.8%	42.4%
Past Due	23.7	*0.2%*	4.8	18.9	*0.2%*	20.2%	20.2%
Non-performing loans	**622.1**	***5.0%***	**315.6**	**306.5**	***2.6%***	**50.7%**	**52.1%**
Performing Loans	11,744.1	*95.0%*	101.4	11,642.7	*97.4%*	0.9%	0.9%
Total	**12,366.2**	***100.0%***	**417.0**	**11,949.2**	***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), down 2.1% compared to December 2020, confirming stability in the quality of loans despite the context caused by the continuing pandemic.

The share of non-performing loans on the total loan portfolio was as follows: gross NPE ratio of 5.0% (5.1% in December 2020) and net NPE ratio of 2.6% (2.5% in December 2020). More specifically, gross bad loans amounted to EUR 234.4 mln (EUR 81.1 mln net of value adjustments), with 65.4% coverage (67.2% including write-offs); gross Unlikely-To-Pay exposures totalled EUR 365.6 mln (EUR 213.3 mln net), with coverage rising to 41.7% (42.3% including write-offs); gross Past Due exposures amounted to EUR 18.5 mln (EUR 14.8 net), with coverage at 20.0% (18.0% as at December 2020). Performing portfolio coverage remained at the highest level in the industry, at 0.8%[5].

The Texas Ratio (total net NPEs over net tangible common equity, net of profit (loss) for the period) was 24.5% (from 19.9% as at December 2020).

Liquidity management and securities portfolio

The Group's liquidity position continued to be robust, with cash and unencumbered eligible assets (Counterbalancing Capacity) totalling EUR 4.1 bn (EUR 3.6 bn as at December 2020). The Liquidity Coverage Ratio ("LCR") grew to 227% (172% as at December 2020) and the Net Stable Funding Ratio ("NSFR") is estimated over 110%, both higher than regulatory prudential requirements.

Net of the equity investment in the Bank of Italy, the securities portfolio was stable at EUR 2.7 bn, with 86.7% (EUR 2.4 bn) accounted for by government bonds with a duration of 0.4 years (0.7 in December 2020).

[5] Source: Press releases and presentations published for the period ended 31 December 2021 (Intesa, UniCredit, Banco BPM, MPS, BPER, Credem, BP Sondrio)

Own funds and capital ratios[6]

Capital ratios as at 31 December 2021, calculated using standardised models, are as follows: phased-in CET1 ratio at 10.9%[7] and phased-in Total Capital ratio at 13.2%[7], with an RWA level of EUR 9.2 bn. The phased-in Leverage Ratio[6] is estimated at 4.3% (fully loaded 3.5%).

Profit &Loss results[8]

The year 2021 closed with a net loss of EUR 90.0 mln compared to -EUR 251.6 mln of the period February/December 2020.

Amounts in EUR/mln

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	Feb/Mar '20
Net interest income	38.7	41.7	39.3	35.4	38.1	37.6	27.0	20.9
Net fee and commission income	58.2	55.6	61.4	51.2	53.0	51.6	47.5	34.7
Dividends and similar income	0.0	0.1	1.6	10.4	0.0	0.2	0.1	10.5
Net profit (loss) from core trading(1)	2.3	5.3	2.1	1.4	(0.2)	5.1	(1.2)	2.8
Other core operating income/expense(2)	2.6	0.6	1.5	(0.9)	1.6	3.9	3.9	2.5
OPERATING INCOME	**101.8**	**103.3**	**105.9**	**97.6**	**92.6**	**98.4**	**77.3**	**71.3**
Personnel expenses net of early-retirement costs(3)	(53.8)	(53.2)	(54.1)	(54.4)	(60.6)	(57.7)	(56.3)	(40.1)
Recurring net adjustments to/recoveries on property and equipment, and intangible assets(4)	(14.3)	(9.4)	(9.9)	(9.3)	(10.9)	(8.4)	(8.4)	(5.7)
Recurring administrative expenses(5)	(34.9)	(33.8)	(30.7)	(32.0)	(38.8)	(33.4)	(31.4)	(18.7)
OPERATING EXPENSE	**(102.9)**	**(96.4)**	**(94.7)**	**(95.7)**	**(110.2)**	**(99.4)**	**(96.1)**	**(64.5)**
GROSS OPERATING PROFIT (LOSS)	**(1.1)**	**6.9**	**11.2**	**1.8**	**(17.6)**	**(1.1)**	**(18.8)**	**6.8**
Net losses/recoveries on impairment of loans to banks and customers(6)	(3.1)	2.1	(18.3)	(25.2)	(26.6)	(4.0)	(12.0)	(42.6)
Profits (losses) on disposal or repurchase of financial assets at amortised cost(7)	(0.1)	(0.1)	0.6	0.2	0.1	0.7	-	-
Net losses/recoveries on impairment of other financial assets(8)	(0.0)	(0.1)	(0.1)	0.0	(0.0)	(0.0)	(0.1)	(0.0)
NET OPERATING PROFIT (LOSS)	**(4.3)**	**8.8**	**(6.5)**	**(23.2)**	**(44.2)**	**(4.4)**	**(30.9)**	**(35.8)**
Net profit (loss) from non-core trading(9)	(17.9)	(2.9)	1.5	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 disposal of investements(11)	11.2	0.0	3.5	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)	(0.0)	(0.3)	(0.1)	(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)	4.9	(13.5)	(2.8)	(1.6)	(21.9)	(5.5)	(6.3)	0.1
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante)	(2.9)	(15.4)	(3.4)	(10.3)	(3.7)	(11.1)	(2.7)	(8.5)
DTA fees	(3.6)	(3.6)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(2.3)
PROFIT (LOSS) BEFORE TAX	**(12.6)**	**(26.7)**	**(11.2)**	**(36.0)**	**(55.9)**	**(19.0)**	**(39.1)**	**(47.0)**
Taxes	(0.8)	0.0	1.3	(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	**(13.3)**	**(26.7)**	**(9.9)**	**(40.2)**	**(130.2)**	**(24.4)**	**(42.5)**	**(55.6)**
Non-controlling interests	*0.1*	*0.0*	0.2	(0.5)	(0.4)	(0.3)	0.2	(0.5)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(13.5)**	**(26.7)**	**(10.1)**	**(39.7)**	**(129.8)**	**(24.1)**	**(42.7)**	**(55.1)**

See table and reclassification criteria on page 17 *et seq.* for notes.

In detail, **gross operating profit (loss)** for the year was positive, totalling EUR 18.9 mln, confirming the gradual operating income growth started in 1Q2021 (-EUR 30.7 mln in

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6 Operational estimate, pending official supervisory reporting
7 IFRS 9 fully-loaded CET1 ratio estimated at 9.1%; IFRS 9 fully-loaded Total Capital Ratio estimated at 11.4%.
8 See notes to the reclassified Income Statement according to operating criteria. With the month of January 2020 being included in the Financial Statements for the period under Temporary Administration, the results for the year 2021 are not comparable with those of the year 2020

December 2020), and is determined by **operating income** of EUR 408.6 mln (of which EUR 101.8 mln in 4Q2021 vs EUR 92.6 mln in 4Q2020) and **operating expenses** of EUR 389.7 mln. Among the operating income that overall reflect the growth in profitability resulting from increasing volumes, **net interest income** totalled EUR 155.2 mln (of which EUR 38.7 mln in the fourth quarter of 2021 vs EUR 38.1 mln in the fourth quarter 2020) and **net fees and commissions** totalled EUR 226.4 mln (EUR 221.2 mln net of the aforementioned one-off) of which EUR 58.2 mln in the fourth quarter of 2021 vs EUR 53.0 mln in the fourth quarter of 2020. Core trading contribution amounted to EUR 23.2 mln, including EUR 12.1 mln worth of dividends almost entirely relating to the stake held in the Bank of Italy (now down to 3.001%).

Operating expenses totalled to EUR 389.7 mln (of which EUR 102.9 mln in the fourth quarter of 2021 vs EUR 110.2 mln in the fourth quarter of 2020); among them, **personnel expenses** amounted to EUR 215.5 mln (of which EUR 53.8 mln in the fourth quarter of 2021 vs EUR 60.6 mln in the fourth quarter of 2020), recording a net decrease of 341 units during the year due to 418 exits and 77 new hires in the period (3,276 the number of resources as at 31 December 2021).

Recurring administrative expenses amounted to EUR 131.3 mln (EUR 34.9 mln in 4Q2021 vs EUR 38.8 mln in 4Q2020) and **core adjustments to property and equipment and intangible assets** amounted to EUR 42.9 mln (EUR 14.3 mln in 4Q2021 vs EUR 10.9 mln in 4Q2020).

Net losses on impairment of loans to banks and customers amounted to EUR 44.5 mln (EUR 85.2 mln in the eleven-month period of 2020). Following the update of the latest macroeconomic scenarios available, impairments were calculated according to credit risk measurement models updated on the third quarter and include portfolio dynamics, as well as the consequences of the management of counterparties with extended moratoria. Credit cost[9] amounted to 33 bps[10] (48 bps including the estimated loss adjustment on a security resulting from the restructuring of a loan).

[9] For the component relating to impairment losses on loans to customers
[10] Operational estimate

Net operating income was a negative EUR 25.1 mln (-EUR 115.3 mln in the eleven months of 2020).

Net provisions for risks and charges amounted to EUR 12.9 mln, recording in the quarter the release of most of the earn-in previously provisioned against the distribution agreement with Creditis, whereas **contributions and other banking system charges** (to the SRF and DGS) and DTA fees totalled EUR 46.1 mln (of which EUR 32.0 mln in contributions to the National/Single Resolution Fund) vs EUR 38.9 mln in the eleven months of 2020. **Profit (loss) before tax** thus amounted to a negative EUR 86.5 mln (-EUR 161.1 mln in the eleven-month period of 2020). **Taxes** were negative by EUR 3.7 mln (-EUR 91.6 mln over the eleven months of 2020).

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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 currently confirmed, and 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 net provisions for risks and charges while positive deviations relate to loan losses, personnel expenses and general expenses.

It is reasonable to believe that the Updated Plan approved by the Board of Directors on 23 February 2021 will no longer be suitable to represent the Carige Group's strategies and expectations for economic and financial evolution as, whether the process of business combination will be finalised (with the significant transfer expected by 15 February closing the ongoing due diligence process, as a result of the entry into a broader scope of the Group companies) or not, it would be outdated by a new Strategic Plan for the period to 2024, inclusive of Capital Strengthening Plan in compliance with the European Central Bank's requirements, within which the amount of the capital increase required to ensure the continuous compliance with the new regulatory targets notified with the 2021 SREP Decision will have to be recalibrated and new strategic levers, not included in the Updated Plan currently in force, will have to be illustrated.

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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.

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

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ANNEXES

CONSOLIDATED BALANCE SHEET

ASSETS *(EUR/000)*

		Situation as at		Change	
		31/12/2021	31/12/2020	Absolute	%
10.	CASH AND CASH EQUIVALENTS	286,354	288,010	(1,656)	(0.6)
20.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	152,555	168,601	(16,046)	(9.5)
20. a)	FINANCIAL ASSETS HELD FOR TRADING	1,547	1,728	(181)	(10.5)
20. c)	OTHER FINANCIAL ASSETS MANDATORILY AT FAIR VALUE	151,008	166,873	(15,865)	(9.5)
30.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2,634,413	2,608,558	25,855	1.0
40.	FINANCIAL ASSETS AT AMORTISED COST	16,626,989	16,303,338	323,651	2.0
40. a)	LOANS TO BANKS	4,425,518	3,938,828	486,690	12.4
40. b)	LOANS TO CUSTOMERS	12,201,471	12,364,510	(163,039)	(1.3)
50.	HEDGING DERIVATIVES	11,556	9,355	2,201	23.5
70.	EQUITY INVESTMENTS	110,935	94,257	16,678	17.7
90.	PROPERTY AND EQUIPMENT	829,273	850,624	(21,351)	(2.5)
100.	INTANGIBLE ASSETS	90,350	85,594	4,756	5.6
110.	TAX ASSETS	1,207,337	1,413,628	(206,291)	(14.6)
110. a)	CURRENT	428,827	586,154	(157,327)	(26.8)
110. b)	DEFERRED	778,510	827,474	(48,964)	(5.9)
130.	OTHER ASSETS	358,327	208,271	150,056	72.0
	TOTAL ASSETS	**22,308,089**	**22,030,236**	**277,853**	**1.3**

The balances as at 31 December 2021 reflect, compared to those published, the effects deriving from the implementation of the 7th update of Bank of Italy’s Circular no. 262 “Banks’ financial statements: layout and preparation”. Loans to banks repayable on demand, amounting to 20,315 thousand, have been reclassified from the item “Loans to Banks” to the item “Cash and Cash Equivalents”.

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

		Situation as at		Change	
		31/12/2021	31/12/2020	Absolute	%
10.	FINANCIAL LIABILITIES AT AMORTISED COST	20,077,925	19,771,001	306,924	1.6
10. a)	DUE TO BANKS	3,811,005	3,843,524	(32,519)	(0.8)
10. b)	DUE TO CUSTOMERS	13,644,421	12,819,390	825,031	6.4
10. c)	SECURITIES ISSUED	2,622,499	3,108,087	(485,588)	(15.6)
20.	FINANCIAL LIABILITIES HELD FOR TRADING	747	1,056	(309)	(29.3)
30.	FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	2,520	-	2,520	...
40.	HEDGING DERIVATIVES	267,394	247,079	20,315	8.2
60.	TAX LIABILITIES	8,989	10,229	(1,240)	(12.1)
60. a)	CURRENT	1,953	3,025	(1,072)	(35.4)
60. b)	DEFERRED	7,036	7,204	(168)	(2.3)
80.	OTHER LIABILITIES	414,349	326,496	87,853	26.9
90.	EMPLOYEE TERMINATION INDEMNITIES	31,098	38,245	(7,147)	(18.7)
100.	ALLOWANCES FOR RISKS AND CHARGES:	230,920	276,223	(45,303)	(16.4)
100. a)	COMMITMENTS AND GUARANTEES GIVEN	16,950	18,831	(1,881)	(10.0)
100. b)	POST-EMPLOYMENT BENEFITS	21,132	26,523	(5,391)	(20.3)
100. c)	OTHER ALLOWANCES FOR RISKS AND CHARGES	192,838	230,869	(38,031)	(16.5)
120.	VALUATION RESERVES	(75,651)	(79,996)	4,345	(5.4)
150.	RESERVES	99,022	(844,873)	943,895	...
160.	SHARE PREMIUM RESERVE	-	623,922	(623,922)	(100.0)
170.	SHARE CAPITAL	1,343,571	1,915,164	(571,593)	(29.8)
180.	TREASURY SHARES (-)	(15,536)	(15,536)	-	-
190.	NON-CONTROLLING INTERESTS (+/-)	12,789	12,867	(78)	(0.6)
200.	NET PROFIT (LOSS) FOR THE PERIOD (+/-)	(90,048)	(251,641)	161,593	(64.2)
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**22,308,089**	**22,030,236**	**277,853**	**1.3**

CONSOLIDATED INCOME STATEMENT

(EUR/000)

	Situation as at		Change
	31/12/2021	01/02/2020 - 31/12/2020	Absolute
10. Interest and similar income	274,039	266,604	7,435
o.w.: interest income calculated using the effective interest rate method	297,961	283,700	14,261
20. Interest and similar expense	(118,848)	(142,982)	24,134
30. NET INTEREST INCOME	**155,191**	**123,622**	**31,569**
40. Fee and commission income	248,536	207,443	41,093
50. Fee and commission expense	(22,118)	(20,729)	(1,389)
60. NET FEE AND COMMISSION INCOME	**226,418**	**186,714**	**39,704**
70. Dividends and similar income	12,078	10,817	1,261
80. Net profit (loss) from trading	2,711	6,273	(3,562)
90. Net profit (loss) from hedging	(663)	(1,780)	1,117
100. Profits (losses) on disposal or repurchase of:	6,587	44,838	(38,251)
a) financial assets at amortised cost	*565*	*39,951*	*(39,386)*
b) financial assets at fair value through other comprehensive income	*6,073*	*4,775*	*1,298*
c) financial liabilities	*(51)*	*112*	*(163)*
110. Profits (losses) on financial assets/liabilities at fair value through profit or loss	(13,344)	7,511	(20,855)
a) financial assets and liabilities designated at fair value	*101*	*-*	*101*
b) other financial assets mandatorily at fair value	*(13,445)*	*7,511*	*(20,956)*
120. NET INTEREST AND OTHER BANKING INCOME	**388,978**	**377,995**	**10,983**
130. Net losses/recoveries on impairment of:	(46,606)	(92,035)	45,429
a) financial assets at amortised cost	*(46,470)*	*(91,841)*	*45,371*
b) financial assets at fair value through other comprehensive income	*(136)*	*(194)*	*58*
140. Gains (losses) due to contractual modifications not resulting in derecognition	(217)	1,315	(1,532)
150. NET INCOME FROM BANKING ACTIVITIES	**342,155**	**287,275**	**54,880**
180. NET INCOME FROM BANKING AND INSURANCE ACTIVITIES	**342,155**	**287,275**	**54,880**
190. Administrative expenses	(434,089)	(416,684)	(17,405)
a) personnel expenses	*(215,501)*	*(217,472)*	*1,971*
b) other administrative expenses	*(218,588)*	*(199,212)*	*(19,376)*
200. Net provisions for risks and charges	(12,924)	(31,630)	18,706
a) commitments and guarantees given	*1,881*	*5,804*	*(3,923)*
b) other net provisions	*(14,805)*	*(37,434)*	*22,629*
210. Net adjustments to/recoveries on property and equipment	(22,978)	(39,435)	16,457
220. Net adjustments to/recoveries on intangible assets	(19,923)	(12,997)	(6,926)
230. Other operating income (expense)	43,130	47,589	(4,459)
240. OPERATING EXPENSES	**(446,784)**	**(453,157)**	**6,373**
250. Profits (losses) on equity investments	15,878	4,655	11,223
280. Profits (losses) on disposal of investments	2,298	140	2,158
290. PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(86,453)**	**(161,087)**	**74,634**
300. Taxes on income from continuing operations	(3,668)	(91,561)	87,893
310. PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**(90,121)**	**(252,648)**	**162,527**
320. Profit (loss) after tax from discontinued operations	-	-	-
330. NET PROFIT (LOSS) FOR THE PERIOD	**(90,121)**	**(252,648)**	**162,527**
340. Non-controlling interests	(73)	(1,007)	934
350. NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(90,048)**	**(251,641)**	**161,593**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(see reclassification criteria at the end of this document)

Amounts in EUR/mln

RECLASSIFIED INCOME STATEMENT	12M 2021	11M 2020	Change absolute	Change %
Net interest income	155.2	123.6	31.6	25.5
Net fee and commission income	226.4	186.7	39.7	21.3
Dividends and similar income	12.1	10.8	1.3	11.7
Net profit (loss) from core trading activities(1)	11.1	6.5	4.6	70.4
Other core operating income/expense(2)	3.8	11.9	(8.1)	(68.2)
OPERATING INCOME	**408.6**	**339.6**	**69.0**	**20.3**
Personnel expenses net of early retirement costs(3)	(215.5)	(214.7)	(0.8)	0.4
Net adjustments to/recoveries on core property and equipment, and on intangible assets(4)	(42.9)	(33.3)	(9.6)	28.7
Core administrative expenses(5)	(131.3)	(122.3)	(9.1)	7.4
OPERATING EXPENSE	**(389.7)**	**(370.3)**	**(19.5)**	**5.3**
GROSS OPERATING PROFIT	**18.9**	**(30.7)**	**49.5**	**...**
Net losses/recoveries on impairment of loans to banks and customers(6)	(44.5)	(85.2)	40.7	(47.8)
Profits (losses) on disposal or repurchase of financial assets at amortised cost(7)	0.6	0.8	(0.2)	(23.7)
Net losses/recoveries on impairment of other financial assets(8)	(0.1)	(0.2)	0.1	(29.9)
NET OPERATING PROFIT	**(25.1)**	**(115.3)**	**90.1**	**(78.2)**
Net profit (loss) from non-core trading activities(9)	(18.6)	19.9	(38.6)	...
Other non-core operating income/expense(10)	(1.4)	23.0	(24.4)	...
Profits (losses) on equity investments and on disposal of investements(11)	18.2	4.8	13.4	...
Early retirement costs(12)	-	(2.8)	2.8	(100.0)
Business plan charges related to non-core activities(13)	(0.4)	0.8	(1.2)	...
Non-recurring adjustments to/ recoveries on property and equipment and intangible assets	-	(19.1)	19.1	(100.0)
Net provisions for risks and charges(14)	(12.9)	(33.6)	20.7	(61.5)
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante)	(32.0)	(26.1)	(5.9)	22.5
DTA fees	(14.2)	(12.8)	(1.4)	11.1
PROFIT (LOSS) BEFORE TAX	**(86.5)**	**(161.1)**	**74.6**	**(46.3)**
Taxes	(3.7)	(91.6)	87.9	(96.0)
Profit (loss) after tax from discontinued operations	-	0.0	(0.0)	(100.0)
NET PROFIT (LOSS) FOR THE PERIOD	**(90.1)**	**(252.6)**	**162.5**	**(64.3)**
Non-controlling interests	(0.1)	(1.0)	0.9	(92.8)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(90.0)**	**(251.6)**	**161.6**	**(64.2)**

(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 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 loan component only), net of the component recognised under Non-core operating income/expense
(8) Income Statement items 130(b)
(9) Fair value adjustment of financial assets arising from securitisation and, for the 1Q20, 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 (recognised under item 100a in the Consolidated Income Statement)
(11) Income Statement items 250 and 280
(12) Operational data
(13) Non-recurring administrative expenses associated 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:

- are considered 'non-recurring':
  - 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)

- 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 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";
  - Deferred Tax Asset (DTA) fees convertible into tax credits;

  and include tax recovery under item "230. Other operating expense (income)";
- "**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".