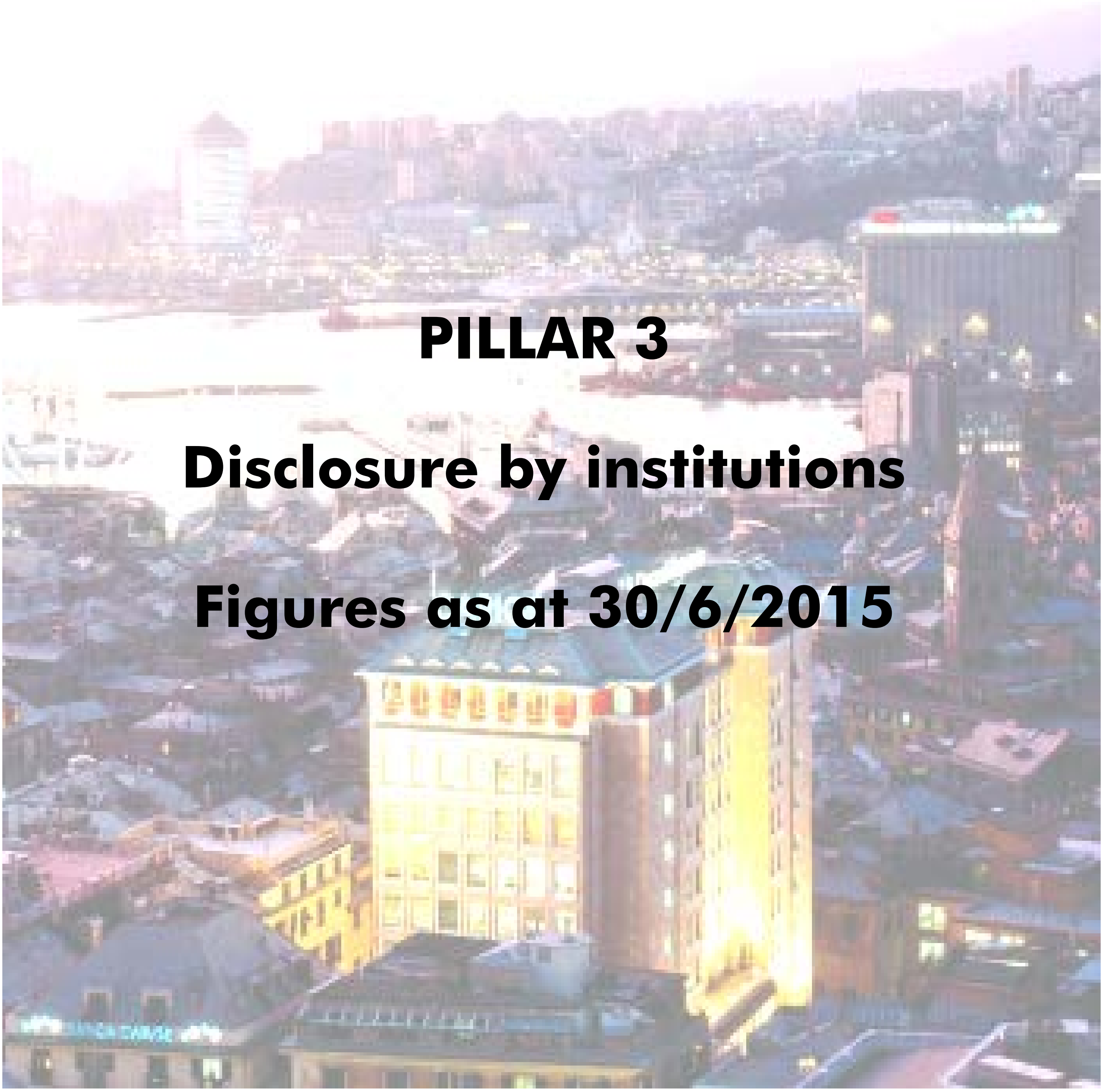

PILLAR 3

Disclosure by institutions

Figures as at 30/6/2015

GRUPPO BANCA CARIGE

INTRODUCTION

Starting from 1 January 2014 the reforms to the Basel Committee agreements ("Basel 3") have been transposed in the UE legal framework, aimed to the strengthening of:

- banks' ability to absorb the shocks arising from financial tensions;
- risk management and governance;
- transparency and disclosure of the banks themselves.

In this context, Basel Committee maintained the approach based on three "Pillars", which constituted the basis of the previous agreement on capital known as "Basel 2", integrating and strengthening it in order to increase both the amount and the quality of the intermediaries' base capital, also introducing anti-cyclical supervisory tools, liquidity risk management regulations and financial leverage containment rules.
Within the EU, "Basel 3" contents have been transposed with the issue of:

– UE Regulation no. 575/2013 dated 26 June 2013 ("CRR"), governing the prudential requirements for the credit institutions and investment firms, as well as the rules for public disclosure (Third Pillar);

– UE Directive 2013/36 dated 26 June 2013 ("CRD IV") regulating, inter alia, the conditions for accessing bank activity, freedom of establishment, freedom to provide services, prudential control procedures and additional equity reserves.

To the aforementioned regulations are added the provisions issued by the Bank of Italy with Circular no. 285 dated 17 December 2013 and subsequent amendments, which contains the prudential supervisory provisions applicable to Italian banks and banking groups, reviewed and updated in order to make the internal regulations compliant with the recent changes occurred into the regulatory international framework, particularly with reference to the new regulatory- and institutional structure of EU banking supervisory.

This Circular, however, doesn't set any specific rule on the preparation and publishing of Pillar 3, but it simply reports the list of the provisions set forth by the CRR for these purposes. This matter is therefore directly regulated by:

- CRR Part 8 "Disclosure by the institutions" (Art. 431-455) and Part 10, Title I, Par. 3 "Transitional arrangements on disclosures on own funds" (Art. 492);

- European Commission Rules, which preparation is delegated to the EBA (European Banking Authority) containing the technical regulation or implementing rules in order to manage standard forms of publishing for the different types of information.

CRR Art. 433, apart from the public disclosures to be performed at least on a yearly basis, as envisaged by the EU regulation, requires credit institutions to assess the need to publish some or all disclosures more frequently than annually, in the light of the relevant characteristics of their business. In particular, these institutions must assess the possible need to publish more frequently information related to "Own Funds" (Art. 437) and to "Capital Requirements" (Art. 438), as well as information on risk exposure or on other issues subject to rapid changes.

In accordance with Art.16 of UE Regulation 1093/2010, on 23 December 2014 EBA published a specific document concerning materiality, confidentiality and disclosure frequency of the information to be provided in the third pillar - Pillar 3 (Guidelines on materiality, proprietary and confidentiality and on disclosures frequency under Articles 432(1), 432(2) and 433 of Regulation No (EU) 575/2013), on the basis of which the Group considers it advisable starting the processing of interim data, providing information on, particularly, "Own Funds", capital requirements, encumbered and unencumbered assets and leverage.

Banca Carige (hereinafter referred to as "Parent Company", "Banca Carige", "Carige" or "the Bank") meets the public disclosure obligation at a consolidated level for the Banca Carige Group (hereinafter referred to as "Carige Group" or "the Group") and prepares this document in accordance with the aforementioned regulations, on a consolidated basis with reference to a "prudential" consolidation area which coincides with the definition of "supervision of a banking group", non substantially differing from the one used for the Own Funds calculation as at 31 December 2014.

For the sake of completeness, it is also specified that information on Own Funds and on capital adequacy is also published on the "Half-yearly Financial Report as at 30 June 2015". For other information not provided in this document, especially those of a general, organisational and methodological nature related to the different risks, see the document as at 31 December 2014.

Due to the significant public relevance of this disclosure, the same is submitted for approval to the Board of Directors of Carige and, in accordance with Art. 154-bis of Legislative Decree 58/98 (Finance Consolidated Act), to the certification by the Manager responsible for the preparation of corporate accounting documents.

The document is available on the website of the Group www.gruppocarige.it, within section “Basel Report – Pillar 3” of “Investor Relations” menu.

Unless otherwise specified, data are expressed in thousands of EUR.

1. TARGETS AND RISK MANAGEMENT POLICY

QUALITATIVE DISCLOSURE - Art. 435 CRR

Risk monitoring consists in four different steps:

a) the definition of risk management strategies, with particular focus on the risk tolerance and on the risk appetite of the organisation;
b) the establishment of the identification, measurement and control procedures of the different risks the Group activities are subject to;
c) the management of the identified risks;
d) the verification of the adequacy of the risk measurement and management systems.

Already in 2014 the Risk Management realised some interventions, implementing the provisions of the 15th update of Bank of Italy's Circular no. 263/2006. In particular, following activities were carried out:

- implementation of the Risk Appetite Framework ("RAF");
- implementation of the identification- and evaluation process for major transactions ("MT"), with the subsequent definition of the related policy;
- activities referred to the new second-level control scopes on loan portfolio, on the correct classification of position, on the adequacy of non performing receivables write-downs and on the efficacy of recovery processes.

The risk typologies to be monitored within RAF, as well as the related indicators, are basically related to six risk profiles: solvency, profitability, credit risk, market risk, interest rate risk, liquidity risk. For all the selected indicators, a quantitative thresholds system has been defined, articulated in terms of risk appetite (target), risk tolerance (minimal value able to ensure the capacity respect even under stress conditions), risk capacity (regulatory minimum level) and risk profile (current situation of the Group in relation with the related indicator).

Within the scope of a specific Policy as approved by the Board of Directors, mechanisms have also been defined, which regulate the RAF process governance in terms of update, review, monitoring and escalation.

Within the scope of the activities related to ICAAP reporting, and in accordance with the RAF provisions, the risks have also been identified, to which the Group is exposed, in relation with its activities typologies and reference markets: a map of the risks and their related assessment procedures (quantitative in presence of capital absorptions measuring methodologies, qualitative when related to organisational controls) has therefore been defined.

Following is the map of the Group's risks:

- credit and counterparty risk
- market risk:
- operational risk;

- concentration risk;
- interest rate risk (in relation with the banking book);
- liquidity risk;
- real-estate risk;
- residual risk;
- risk arising from securitisation transactions;
- strategic risk;
- reputational risk;
- country risk;
- transfer risk;
- baseline risk;
- excessive leverage risk.

The internal auto-evaluation analysis related to the capital adequacy, reported to the Supervisory Authority in April 2015, highlighted the Group's equity capacity, both in business ordinary conditions (perspective data at the end of 2015) and under stress situation, in relation with both the only first-pillar risks and considering the additional second-pillar requirements (interest rate risk, concentration risk, property risk). In relation with the elements which emerged, the Group's ICAAP process appears substantially adequate to the size-class, as defined by regulations, and to the operational environment of the Group itself.

Please refer to the Pillar 3 documentation as at 31/12/2014 for more detailed information on the strategies and the assessment, management and control procedures of the different risks impacting on the Group's activities, and also on the organisational and procedural solutions adopted by the Group in order to ensure a sound and prudent management able to combine the corporate profitability with both a coherent risk-taking and operations based on transparency and fairness criteria.

2. SCOPE OF APPLICATION

QUALITATIVE DISCLOSURE - Art. 436 CRR

The scope of application if this document involves the perimeter of the Banca Carige Banking Group. The Banking Group includes the subsidiaries which undertake banking-, financial and instrumental activities. The subsidiaries which undertake different activities are included within the consolidation scope of the statutory financial statement prepared in compliance with IAS/IFRS principles, but are excluded from the scope of application of this information. As a result of the disposal of the insurance companies, the differences between the statutory consolidated financial statement and the prudential consolidated financial statement only remain in the profit and loss account data, whilst the balance sheet data are in line.

As regards operations, the subsidiaries can be divided into banking (Banca Carige SpA, Banca Carige Italia SpA, Cassa di Risparmio di Savona SpA, Cassa di Risparmio di Carrara SpA, Banca del Monte di Lucca SpA, Banca Cesare Ponti SpA), consumer credit (Creditis Servizi Finanziari SpA) and trust companies (Centro Fiduciario SpA), special purpose vehicles for securitisation transactions (Argo Mortgage 2 Srl), special purpose vehicles for the issue of covered bonds (Carige Covered Bond Srl and Carige Covered Bond 2 Srl), and real estate companies (Columbus Carige Immobiliare SpA, Immobiliare Carisa Srl).

The special purpose vehicles Argo Mortgage 2, Carige Covered Bond and Carige Covered Bond 2 were consolidated using the line-by-line method.

With regard to the securitisation of Banca Carige's performing loans carried out by Argo Mortgage 2 in 2004, as the transaction does not fully satisfy the conditions of the substantial transfer to third parties of related risks and rewards, consolidation was carried out on the basis of the company's segregated assets.

As regards factoring aimed at the issue of covered bonds, receivables have not been de-recognised from the financial statements of the respective assignors as they provide the substantial retention of all connected risks and rewards.

QUANTITATIVE DISCLOSURE - Art. 436 CRR

2.1 Consolidation scope as at 30 June 2015

Scope of consolidation relevant for prudential and financial reporting purposes

Name of the companies	Operating Offices	Registered Office	Ownership relationship		Treatment	
			Held by	Shareholding (%)	in the financial statement	in the prudential reports
A. Companies						
A.1 Consolidated line-by-line						
Banking Group						
1. Banca CARIGE SpA	Genoa	Genoa				
2. Banca CARIGE Italia SpA	Genoa	Genoa	A1.1	100.00	full consolidated	full consolidated
3. Cassa di Risparmio di Savona SpA	Savona	Savona	A1.1	100.00	full consolidated	full consolidated
4. Cassa di Risparmio di Carrara SpA	Carrara	Carrara	A1.1	100.00	full consolidated	full consolidated
5. Banca del Monte Lucca SpA	Lucca	Lucca	A1.1	60.00	full consolidated	full consolidated
6. Banca Cesare Ponti SpA	Milan	Milan	A1.1	100.00	full consolidated	full consolidated
7. Creditis Servizi Finanziari SpA	Genoa	Genoa	A1.1	100.00	full consolidated	full consolidated
8. Centro Fiduciario C.F. SpA	Genoa	Genoa	A1.1	76.95	full consolidated	full consolidated
			A1.3	20.00	full consolidated	full consolidated
9. Argo Mortgage 2 Srl	Genoa	Genoa	A1.1	60.00	full consolidated	full consolidated
10. Carige Covered Bond Srl	Genoa	Genoa	A1.1	60.00	full consolidated	full consolidated
11. Carige Covered Bond 2 Srl	Genoa	Genoa	A1.1	60.00	full consolidated	full consolidated
12. Columbus Carige Immobiliare SpA	Genoa	Genoa	A1.1	100.00	full consolidated	full consolidated
13. Immobiliare Carisa Srl	Savona	Savona	A1.3	100.00	full consolidated	full consolidated

The consolidation scope, relevant for accounting purposes, is changed as compared with the one as at 31 December 2014, following the disposal - finalised on 5 June 2015 - of the entire share capital held in the subsidiaries Carige Assicurazioni SpA and Carige Vita Nuova SpA. This sale also led to the exit from the consolidation scope relevant for accounting purposes of the companies Dafne Immobiliare Srl, I.H. Roma Srl and Assi 90 Srl, being controlled by the companies disposed of.

Furthermore, notice is given that the equity investments held in Cassa di Risparmio di Savona and Cassa di Risparmio di Carrara have been increased from 95.90% and 90.00% respectively to 100%, as a consequence of the contributions made at the time of the paid share capital increase, excluding option rights, reserved to Fondazione Agostino de Mari Cassa di Risparmio di Savona and Fondazione Cassa di Risparmio di Carrara.

Furthermore, in comparison with 31 December 2014, as a consequence of the decision of the Board of Directors taken on 30 June 2015 on not considering Banca Cesare Ponti S.p.A. in the asset held for sale anymore - confirming the same within the Banca Carige Group - Banca Cesare Ponti SpA is not classified among the assets held for disposal as at 30 June 2015 anymore.
On the contrary, the consumer credit company Creditis Servizi Finanziari SpA remains classified as asset held for disposal, and the related negotiations for its sale are continuing.

It is specified that no legal impediment exists, which could hinder the transfer of capital resources or funds within the Group.

3. OWN FUNDS

QUALITATIVE DISCLOSURE - Art. 437 CRR

Own funds have been determined according to the new harmonised regulation for banks and investment companies contained in CRR and in CRD IV, which transpose in the European Union the standards defined by the Basel Committee on bank supervision. Account was also taken of the provisions issued by the Bank of Italy with its Circulars 285/2013 and 283/2013 and relative updates, with particular focus on the exercise of national discretions.

Specifically, transitory provisions on own capitals (see Second Part, Chapter 14, Section II, of Circular letter no. 285), set out that banks are eligible to keep a prudential filter on unrealized profits and losses related to exposures to central governments and classified as "Available-for-sale assets", until the adoption in Europe of IFRS 9 standard, which will supersede IAS 39 on financial instruments (see Section II, par. 2, last paragraph).

This faculty was exercised by the Group within the terms set, via notice sent to the Bank of Italy.

Schedule of the capital instruments characteristics

The following tables are structured on the basis of the schedules contained in the Commission Implementing Regulation (EU) no. 1423 dated 20 December 2013, which establishes the implementing technical standards concerning the information on the Own Funds requirements for entities, in accordance with Regulation no. 575/2013 issued by the European Parliament and the Council.

Specifically, Annex II of the aforementioned Implementing Regulation establishes a specific model for the *disclosure* of the main characteristics of capital instruments.

1. Common Equity Tier 1 (CET1)

The Common Equity Tier 1 prior to the application of prudential filters is made of the following elements, positive or negative:

- share capital
- share premium reserve
- reserves, net of the negative ones
- own-issue shares in portfolio;
- other accumulated income statement elements

- minority interests

CET1 prudential filters are made of the following elements:

- cash flow hedge
- gains on own financial liabilities, evaluated at their *fair value* due to own credit rating
- gains on *fair value* arising from own credit risk related to derivative liabilities
- regulatory value adjustments

Deductions from CET1 are constituted by:

- goodwill
- other intangible assets
- deferred tax assets based on future profitability and not arising from temporary differences, net of the related tax liabilities
- Other negative elements

Impacts on CET1 due to transitional system are added to the aforementioned elements.

2. Additional Tier 1 Capital (AT1)

Additional Tier 1 Capital is made of:

- Paid-up capital (savings shares)
- Share premium on savings shares
- AT1 instruments subject to transitional provisions (*grandfathering*)
- Impacts on AT1 due to transitional system

The AT1 also comprehends the minority interests share which is taken into consideration in accordance with transitional provisions.

Below are the main characteristics of Additional Tier 1 Capital instruments, included.

Model based on the main characteristics of capital instruments (1)		
1	Issuer:	Banca Carige S.p.A
2	Unique identifier (e.g.CUSIP, ISIN or Bloomberg identifier for private placements)	XS0400411681
3	Legislation applicable to the instrument	Italian and English
	Regulatory treatment	
4	CRR transitional provisions	Additional Tier 1 EUR 48 million have been reclassified as Tier 2 Capital
5	CRR post transitional provisions	Non eligible
6	Eligible at the level of individual insititution/(sub-)consolidation / of individual institution and of (sub-) conslidation	Individual institution and consolidated
	Instrument type (types must be specified for each jurisdiction)	Bond art. 51 and 484 CRR
8	amount recognised in regulatory capital (millions of €, at the most recent reporting reference date)	160
9	Instrument nominal amount	EUR 160,000,000;
9a	Issue price:	100
9b	Repurchase Price	100
10	Accounting classification	Liabilities - amortised cost
11	Original Issue Date	04/12/2008
12	irredeemable or at maturity	irredeemable
13	Original Maturity Date	Undated
14	Early repayment, at the discretion of the issuer and subject to prior approval by the Supervisory Authority	YES
15	Date of the voluntary early repayment, dates of the possible early repayment and repayment amount	04/12/2018 at par value; it is also foreseen an early repayment, related to tax and regulatory events
16	as appropriate, successive dates of early repayment	on a quarterly basis, on 4/3, 4/6, 4/9 and 4/12 of each year starting from 04/12/2018
	Coupon/dividends	
17	Fixed or variable Dividends/coupons	Fixed, then variable
18	Coupon interest rate, and possible related index	8.338% until 04/12/2018; thereafter, Euribor 3-month + 550 bps
19	Presence of a "dividend stopper" mechanism	No
20a	Fully voluntary, partly voluntary or mandatory (in terms of time)	Fully voluntary
20b	Fully voluntary, partly voluntary or mandatory (in terms of amount)	Fully voluntary
21	Presence of a "step up" or other redemption incentive	YES
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, triggering event(s)	N/A
25	If convertible, in whole or in part	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or voluntary conversion	N/A
28	If convertible. specify the instrument type in which the conversion is possible	N/A
29	If convertible, specify the issuer of the instrument in which it will be converted	N/A
30	Devaluation mechanisms *(write down)*	N/A
31	In case of a devaluation mechanism *(write down),* triggering event(s)	N/A
32	In case of devaluation *(write down), total or partial devaluation*	N/A
33	In case of devaluation *(write down),* permanent or temporary devaluation	N/A
34	In case of a temporary *devaluation (write down)* description of the revaluation mechanism	N/A
35	Position in the subordination hierarchy in case of liquidation (specify the type of the senior instrument)	Upper Tier II
36	Non-compliant characteristics of the instruments that are benefiting from the transitional provisions	YES
37	In affirmative case, specify the non-compliant characteristics	Non-compliance with Art. 52 - CRR, letters g) and n)
(1) "N/A" if the information shall not be applied		

3. Tier 2 capital (T2).

Tier 2 Capital is made of:

- Own T2 instruments
- T2 instruments subject to transitional provisions (*grandfathering*)
- Impacts on T2 due to transitional system

The T2 also comprehends the minority interests share which are included in accordance with transitional provisions. Below are the main characteristics of Tier 2 Capital instruments, taken into consideration.

Model based on the main characteristics of capital instruments (1)		
1	Issuer:	Banca Carige S.p.A
2	Unique identifier (e.g.CUSIP, ISIN or Bloomberg identifier for private placements)	IT0004429137
3	Legislation applicable to the instrument	Italian
	Regulatory treatment	
4	CRR transitional provisions	Tier 2 Capital
5	CRR post transitional provisions	Tier 2 Capital
6	Eligible at the level of individual insititution/(sub-)consolidation / of individual institution and of (sub-) conso- lidation	Individual institution and consolidated
	Instrument type (types must be specified for each jurisdiction)	Bond art. 62 CRR
8	amount recognised in regulatory capital (millions of €, at the most recent reporting reference date)	95 repurchases and amortisations
9	Instrument nominal amount	EUR 150,000,000;
9a	Issue price:	100
9b	Repurchase Price	100
10	Accounting classification	Liabilities - amortised cost
11	Original Issue Date	29/12/2008
12	irredeemable or at maturity	At maturity
13	Original Maturity Date	29/12/2018
14	Early repayment, at the discretion of the issuer and subject to prior approval by the Supervisory Authority	No
15	Date of the voluntary early repayment, dates of the possible early repayment and repayment amount	N/A
16	as appropriate, successive dates of early repayment	N/A
	Coupon/dividends	
17	Fixed or variable Dividends/coupons	Variable
18	Coupon interest rate, and possible related index	3-month Euribor + annual 200 bps spread
19	Presence of a "dividend stopper" mechanism	No
20a	Fully voluntary, partly voluntary or mandatory (in terms of time)	Mandatory
20b	Fully voluntary, partly voluntary or mandatory (in terms of amount)	Mandatory
21	Presence of a "step up" or other redemption incentive	No
22	Non-cumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, triggering event(s)	N/A
25	If convertible, in whole or in part	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or voluntary conversion	N/A
28	If convertible. specify the instrument type in which the conversion is possible	N/A
29	If convertible, specify the issuer of the instrument in which it will be converted	N/A
30	Devaluation mechanisms *(write down)*	N/A
31	In case of a devaluation mechanism *(write down),* triggering event(s)	N/A
32	In case of devaluation *(write down), total or partial devaluation*	N/A
33	In case of devaluation *(write down),* permanent or temporary devaluation	N/A
34	In case of a temporary *devaluation (write down)* description of the revaluation mechanism	N/A
35	Position in the subordination hierarchy in case of liquidation (specify the type of the senior instrument)	Lower Tier II
36	Non-compliant characteristics of the instruments that are benefiting from the transitional provisions	NO
37	In affirmative case, specify the non-compliant characteristics	-
(1) "N/A" if the information shall not be applied		

Model based on the main characteristics of capital instruments (1)		
1	Issuer:	BANCA CARIGE SpA
2	Unique identifier (e.g.CUSIP, ISIN or Bloomberg identifier for private placements)	XS0437305179
3	Legislation applicable to the instrument	English - Italian
	Regulatory treatment	
4	CRR transitional provisions	Tier 2 Capital
5	CRR post transitional provisions	Tier 2 Capital
6	Eligible at the level of individual insititution/(sub-) consolidation / of individual institution and of (sub-) consolidation	Individual institution and consolidated
	Instrument type (types must be specified for each jurisdiction)	Bond art. 62 CRR
8	amount recognised in regulatory capital (millions of €, at the most recent reporting reference date)	20 amortisation
9	Instrument nominal amount	EUR 100,000,000;
9a	Issue price:	100
9b	Repurchase Price	100
10	Accounting classification	Liabilities - amortised cost
11	Original Issue Date	29/06/2009
12	irredeemable or at maturity	AT MATURITY
13	Original Maturity Date	29/06/2016
14	Early repayment, at the discretion of the issuer and subject to prior approval by the Supervisory Authority	No
15	Date of the voluntary early repayment, dates of the possible early repayment and repayment amount	N/A
16	as appropriate, successive dates of early repayment	N/A
	Coupon/dividends	
17	Fixed or variable Dividends/coupons	fixed
18	Coupon interest rate, and possible related index	6.14%
19	Presence of a "dividend stopper" mechanism	NO
20a	Fully voluntary, partly voluntary or mandatory (in terms of time)	MANDATORY
20b	Fully voluntary, partly voluntary or mandatory (in terms of amount)	MANDATORY
21	Presence of a "step up" or other redemption incentive	NO
22	Non-cumulative or cumulative	N/A
23	Convertible or non-convertible	Non-convertible
24	If convertible, triggering event(s)	N/A
25	If convertible, in whole or in part	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or voluntary conversion	N/A
28	If convertible. specify the instrument type in which the conversion is possible	N/A
29	If convertible, specify the issuer of the instrument in which it will be converted	N/A
30	Devaluation mechanisms *(write down)*	N/A
31	In case of a devaluation mechanism *(write down),* triggering event(s)	N/A
32	In case of devaluation *(write down), total or partial devaluation*	N/A
33	In case of devaluation *(write down),* permanent or temporary devaluation	N/A
34	In case of a temporary *devaluation (write down)* description of the revaluation mechanism	N/A
35	Position in the subordination hierarchy in case of liquidation (specify the type of the senior instrument)	Senior
36	Non-compliant characteristics of the instruments that are benefiting from the transitional provisions	NO
37	In affirmative case, specify the non-compliant characteristics	-
(1) "N/A" if the information shall not be applied		

Model based on the main characteristics of capital instruments (1)		
1	Issuer:	BANCA CARIGE SpA
2	Unique identifier (e.g.CUSIP, ISIN or Bloomberg identifier for private placements)	XS0524141057
3	Legislation applicable to the instrument	English - Italian
	Regulatory treatment	
4	CRR transitional provisions	Tier 2 Capital
5	CRR post transitional provisions	Tier 2 Capital
6	Eligible at the level of individual insititution/(sub-)consolidation / of individual institution and of (sub-) consolidation	Individual institution and consolidated
	Instrument type (types must be specified for each jurisdiction)	Bond art. 62 CRR
8	amount recognised in regulatory capital (millions of €, at the most recent reporting reference date)	8 amortisation
9	Instrument nominal amount	EUR 20,000,000;
9a	Issue price:	100
9b	Repurchase Price	100
10	Accounting classification	Liabilities - amortised cost
11	Original Issue Date	30/06/2010
12	irredeemable or at maturity	AT MATURITY
13	Original Maturity Date	30/06/2017
14	Early repayment, at the discretion of the issuer and subject to prior approval by the Supervisory Authority	No
15	Date of the voluntary early repayment, dates of the possible early repayment and repayment amount	N/A
16	as appropriate, successive dates of early repayment	N/A
	Coupon/dividends	
17	Fixed or variable Dividends/coupons	fixed
18	Coupon interest rate, and possible related index	5.70%
19	Presence of a "dividend stopper" mechanism	No
20a	Fully voluntary, partly voluntary or mandatory (in terms of time)	MANDATORY
20b	Fully voluntary, partly voluntary or mandatory (in terms of amount)	MANDATORY
21	Presence of a "step up" or other redemption incentive	NO
22	Non-cumulative or cumulative	N/A
23	Convertible or non-convertible	Non-convertible
24	If convertible, triggering event(s)	N/A
25	If convertible, in whole or in part	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or voluntary conversion	N/A
28	If convertible. specify the instrument type in which the conversion is possible	N/A
29	If convertible, specify the issuer of the instrument in which it will be converted	N/A
30	Devaluation mechanisms *(write down)*	N/A
31	In case of a devaluation mechanism *(write down),* triggering event(s)	N/A
32	In case of devaluation *(write down), total or partial devaluation*	N/A
33	In case of devaluation *(write down),* permanent or temporary devaluation	N/A
34	In case of a temporary *devaluation (write down)* description of the revaluation mechanism	N/A
35	Position in the subordination hierarchy in case of liquidation (specify the type of the senior instrument)	Senior
36	Non-compliant characteristics of the instruments that are benefiting from the transitional provisions	NO
37	In affirmative case, specify the non-compliant characteristics	-
(1) "N/A" if the information shall not be applied		

Model based on the main characteristics of capital instruments (1)		
1	Issuer:	BANCA CARIGE SpA
2	Unique identifier (e.g.CUSIP, ISIN or Bloomberg identifier for private placements)	XS0542283097
3	Legislation applicable to the instrument	English - Italian
	Regulatory treatment	
4	CRR transitional provisions	Tier 2 Capital
5	CRR post transitional provisions	Tier 2 Capital
6	Eligible at the level of individual insititution/(sub-)consolidation / of individual institution and of (sub-) consolidation	Individual institution and consolidated
	Instrument type (types must be specified for each jurisdiction)	Bond art. 62 CRR
8	amount recognised in regulatory capital (millions of €, at the most recent reporting reference date)	50
9	Instrument nominal amount	EUR 50,000,000;
9a	Issue price:	100
9b	Repurchase Price	100
10	Accounting classification	Liabilities - amortised cost
11	Original Issue Date	17/09/2010
12	irredeemable or at maturity	AT MATURITY
13	Original Maturity Date	17/09/2020
14	Early repayment, at the discretion of the issuer and subject to prior approval by the Supervisory Authority	No
15	Date of the voluntary early repayment, dates of the possible early repayment and repayment amount	N/A
16	as appropriate, successive dates of early repayment	N/A
	Coupon/dividends	
17	Fixed or variable Dividends/coupons	fixed
18	Coupon interest rate, and possible related index	5.70%
19	Presence of a "dividend stopper" mechanism	N/A
20a	Fully voluntary, partly voluntary or mandatory (in terms of time)	MANDATORY
20b	Fully voluntary, partly voluntary or mandatory (in terms of amount)	MANDATORY
21	Presence of a "step up" or other redemption incentive	No
22	Non-cumulative or cumulative	N/A
23	Convertible or non-convertible	Non-convertible
24	If convertible, triggering event(s)	N/A
25	If convertible, in whole or in part	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or voluntary conversion	N/A
28	If convertible. specify the instrument type in which the conversion is possible	N/A
29	If convertible, specify the issuer of the instrument in which it will be converted	N/A
30	Devaluation mechanisms *(write down)*	N/A
31	In case of a devaluation mechanism *(write down),* triggering event(s)	N/A
32	In case of devaluation *(write down), total or partial devaluation*	N/A
33	In case of devaluation *(write down),* permanent or temporary devaluation	N/A
34	In case of a temporary *devaluation (write down)* description of the revaluation mechanism	N/A
35	Position in the subordination hierarchy in case of liquidation (specify the type of the senior instrument)	Senior
36	Non-compliant characteristics of the instruments that are benefiting from the transitional provisions	NO
37	In affirmative case, specify the non-compliant characteristics	-
(1) "N/A" if the information shall not be applied		

Model based on the main characteristics of capital instruments (1)		
1	Issuer:	BANCA CARIGE SpA
2	Unique identifier (e.g.CUSIP, ISIN or Bloomberg identifier for private placements)	XS0570270370
3	Legislation applicable to the instrument	English - Italian
	Regulatory treatment	
4	CRR transitional provisions	Tier 2 Capital
5	CRR post transitional provisions	Tier 2 Capital
6	Eligible at the level of individual insititution/(sub-)consolidation / of individual institution and of (sub-) consolidation	Individual institution and consolidated
	Instrument type (types must be specified for each jurisdiction)	Bond art. 62 CRR
8	amount recognised in regulatory capital (millions of €, at the most recent reporting reference date)	200
9	Instrument nominal amount	EUR 200,000,000;
9a	Issue price:	100
9b	Repurchase Price	100
10	Accounting classification	Liabilities - amortised cost
11	Original Issue Date	20/12/2010
12	irredeemable or at maturity	AT MATURITY
13	Original Maturity Date	20/12/2020
14	Early repayment, at the discretion of the issuer and subject to prior approval by the Supervisory Authority	No
15	Date of the voluntary early repayment, dates of the possible early repayment and repayment amount	N/A
16	as appropriate, successive dates of early repayment	N/A
	Coupon/dividends	N/A
17	Fixed or variable Dividends/coupons	fixed
18	Coupon interest rate, and possible related index	7.321%
19	Presence of a "dividend stopper" mechanism	N/A
20a	Fully voluntary, partly voluntary or mandatory (in terms of time)	MANDATORY
20b	Fully voluntary, partly voluntary or mandatory (in terms of amount)	MANDATORY
21	Presence of a "step up" or other redemption incentive	No
22	Non-cumulative or cumulative	N/A
23	Convertible or non-convertible	Non-convertible
24	If convertible, triggering event(s)	N/A
25	If convertible, in whole or in part	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or voluntary conversion	N/A
28	If convertible. specify the instrument type in which the conversion is possible	N/A
29	If convertible, specify the issuer of the instrument in which it will be converted	N/A
30	Devaluation mechanisms *(write down)*	N/A
31	In case of a devaluation mechanism *(write down),* triggering event(s)	N/A
32	In case of devaluation *(write down), total or partial devaluation*	N/A
33	In case of devaluation *(write down),* permanent or temporary devaluation	N/A
34	In case of a temporary *devaluation (write down)* description of the revaluation mechanism	N/A
35	Position in the subordination hierarchy in case of liquidation (specify the type of the senior instrument)	Senior
36	Non-compliant characteristics of the instruments that are benefiting from the transitional provisions	NO
37	In affirmative case, specify the non-compliant characteristics	-
(1) "N/A" if the information shall not be applied		

Tier 2 Capital instrument, subject to transitional provisions (*grandfathering*) has following characteristics:

Model based on the main characteristics of capital instruments (1)		
1	Issuer:	BANCA CARIGE SpA
2	Unique identifier (e.g.CUSIP, ISIN or Bloomberg identifier for private placements)	XS0256396697
3	Legislation applicable to the instrument	English - Italian
	Regulatory treatment	
4	CRR transitional provisions	Tier 2 Capital
5	CRR post transitional provisions	Non eligible
6	Eligible at the level of individual insititution/(sub-)consolidation / of individual institution and of (sub-) consolidation	Individual institution and consolidated
	Instrument type (types must be specified for each jurisdiction)	Bond art. 62 and 484 CRR
8	amount recognised in regulatory capital (millions of €, at the most recent reporting reference date)	61 repurchases and amortisations
9	Instrument nominal amount	EUR 500,000,000;
9a	Issue price:	99.86
9b	Repurchase Price	100
10	Accounting classification	Liabilities - amortised cost
11	Original Issue Date	07/06/2006
12	irredeemable or at maturity	AT MATURITY
13	Original Maturity Date	07/06/2016
14	Early repayment, at the discretion of the issuer and subject to prior approval by the Supervisory Authority	YES
15	Date of the voluntary early repayment, dates of the possible early repayment and repayment amount	7/6/2011 at par value; it is also foreseen an early repayment, related to tax events
16	as appropriate, successive dates of early repayment	on a quarterly basis, at par value, on 7/3, 7/6, 7/9 and 7/12 of each year
	Coupon/dividends	
17	Fixed or variable Dividends/coupons	Variable
18	Coupon interest rate, and possible related index	COUPONS INDEXED EURIBOR 3-MONTH + 102 bps
19	Presence of a "dividend stopper" mechanism	NO
20a	Fully voluntary, partly voluntary or mandatory (in terms of time)	MANDATORY
20b	Fully voluntary, partly voluntary or mandatory (in terms of amount)	MANDATORY
21	Presence of a "step up" or other redemption incentive	NO
22	Non-cumulative or cumulative	N/A
23	Convertible or non-convertible	Non-convertible
24	If convertible, triggering event(s)	N/A
25	If convertible, in whole or in part	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or voluntary conversion	N/A
28	If convertible. specify the instrument type in which the conversion is possible	N/A
29	If convertible, specify the issuer of the instrument in which it will be converted	N/A
30	Devaluation mechanisms *(write down)*	N/A
31	In case of a devaluation mechanism *(write down)*, triggering event(s)	N/A
32	In case of devaluation *(write down), total or partial devaluation*	N/A
33	In case of devaluation *(write down)*, permanent or temporary devaluation	N/A
34	In case of a temporary *devaluation (write down)* description of the revaluation mechanism	N/A
35	Position in the subordination hierarchy in case of liquidation (specify the type of the senior instrument)	Senior
36	Non-compliant characteristics of the instruments that are benefiting from the transitional provisions	YES
37	In affirmative case, specify the non-compliant characteristics	Non compliance with CRR art. 63 - letter (h)
(1) "N/A" if the information shall not be applied		

It has to be noted that in T2 *grandfathering* are also included EUR 48 millions of AT1 instrument not included in Additional Tier 1

QUANTITATIVE DISCLOSURE - Art. 437 / 492 CRR

3.1 Composition of Own Funds as at 30 June 2015

	Total 30/06/2015
A. Common Equity Tier 1 (CET1) prior to the application of prudential filters	2,590,891
of which CET1 instruments subject to transitional provisions.	12,208
B. Tier 1 prudential filters (+/-)	92,774
C. CET1 before deductions and transitional arrangement effects	2,683,665
D. Items to be deducted from Tier 1	-210,484
E. Transitional arrangement - Impact on CET1 (+/-), including minority interests subject to transitional provisions	58,801
F. Total Common Equity Tier 1 (CET1) (C-D+/-E)	2,531,982
G. Additional Tier 1 (AT1) before deductions and transitional arrangement effects	112,684
of which AT1 instruments subject to transitional provisions	112,000
H. Items to be deducted from Additional Tier 1	-
I. Transitional arrangement - Impact on AT1 (+/-) including instruments issued by subsidiaries and included in AT1 due to transitional provisions	1,334
L. Additional Tier 1 capital (AT1) (G-H+/-I)	114,018
M. Common Equity Tier 2 (T2) before deductions and transitional arrangement effects	481,202
of which T2 instruments subject to transitional provisions	108,680
N. Items to be deducted from Tier 2	-
O. Transitional arrangement - Impact on T2 (+/-) including instruments issued by subsidiaries and included in T2 due to transitional provisions	8,685
P. Total Tier 2 (T2) (M-N+/-O)	489,887
Q. Total own funds (F+L+P)	3,135,887

The equity of the Groupbenefits from the successful outcome of the EUR 850 million capital increases completed at the end of June, from the restructuring of the *minorities* held in Cassa di Risparmio di Savona SpA and Cassa di Risparmio di Carrara SpA, which have been repurchased with a capital increase reserved to the shareholder Foundations, and from the disposal of the Insurance Group finalised on 5 June 2015.

Capital losses sterilised on debt securities issued by central governments of countries members of the European Union, included in the "Available-for-sale assets" portfolio, amount to EUR 14.7 million. If the aforementioned option shouldn't have been adopted, CET1 would have decreased by EUR 5.9 millions, and AT1 by EUR 8.8 millions.

It should be noted that, as a consequence of the disposal of the companies belonging to the Insurance Group (Carige Vita Nuova SpA, Carige Assicurazioni SpA, Assi 90 Srl, Dafne Immobiliare Srl and I.H. Roma Srl), the consolidation scope adopted for the drafting of the half-year financial report as at 30 June 2015 coincides with the consolidation scope adopted for prudential purposes.

3.2 RECONCILIATION TABLE BETWEEN THE PRUDENTIAL BALANCE SHEET ITEMS USED FOR THE CALCULATION OF BOTH THE OWN FUNDS AND THE REGULATORY OWN FUNDS

Assets	30/06/2015 Prudential perimeter	Impact on CET1	Impact on AT1	Impact on T2	Total impact Own funds
130. Intangible assets	126,979	(126,979)			(126,979)
of which:					-
goodwill	77,087	(77,087)			(77,087)
140. Tax assets	2,128,273	(37,405)			(37,405)
a) current	1,235,651				-
b) deferred	892,622	(37,405)			(37,405)
pursuant to Law 214/2011	630,652				-
150. Non-current assets and groups of assets held for sale	550,472	(1,098)	-	-	(1,098)
of which other intangible assets	1,098	(1,098)			(1,098)
Total Assets	30,803,598	(165,482)	-	-	(165,482)

Liabilities and Shareholders' Equity	30/06/2015 Prudential perimeter	Impact on CET1	Impact on AT1	Impact on T2	Total impact Own funds
30. Debt securities in issue	7,301,922		112,000	481,202	593,202
140. Revaluation reserves:	(209,082)	(80,661)	(72)	7,627	(73,106)
financial assets available for sale (*)	10,598	10,121	(72)	7,627	17,676
Cash-flow hedges	(128,898)	-			-
net actuarial losses (*)	(91,989)	(91,989)			(91,989)
shareholdings carried at equity	1,207	1,207			1,207
170. Reserves	19,033	19,033			19,033
180. Share premium reserve	204,170	204,120	50		204,170
190. Share capital	2,580,819	2,580,185	634		2,580,819
200. Treasury shares (-)	(15,572)	(15,572)			(15,572)
210. Minority interests (+/-)	36,003	26,483	1,406	1,058	28,947
220. Net income (loss) (+/-)	16,681	-			-
Total Liabilities and Shareholders' Equity	30,803,598	2,733,588	114,018	489,887	3,337,493

Other accounting elements related to Own Funds	Impact on CET1	Impact on AT1	Impact on T2	Total impact Own funds
changes in own credit standing	(31,340)			(31,340)
Regulatory value adjustments	(4,784)			(4,784)
Other accounting elements related to Own Funds	(36,124)	-	-	(36,124)
TOTAL OF OWN FUNDS	2,531,982	114,018	489,887	3,135,887

(*) including the related "of which" of the reserves on assets held for sale

TRANSITORY MODEL FOR PUBLISHING INFORMATION ON OWN FUNDS

	Common Equity Tier 1: instruments and reserves	(A) AMOUNT AT THE INFORMATION DATE	(B) Reference art. of EU Regulation no. 575/2013	(C) AMOUNTS SUBJECT TO PRE-EU REGULATION NO. 575/2013 TREATMENT, TREATMENT OR RESIDUAL AMOUNT REQUIRED BY EU REGULATION NO. 575/2013
1	Capital instruments and related share premium reserves	2,784,305	26 (1), 27, 28, 29, EBA List 26 (3)	
	of which: tier 1 instruments	2,784,305	EBA List 26 (3)	
2	Retained profits	-849,075	26 (1) (c)	
3	Other accumulate elements of the Comprehensive Income Statement (together with other reserves, including profits and losses not realised under the framework of the applicable accounting rules)	659,026	26 (1)	
5	Minority interests (amount allowed in the consolidated Common Equity Tier 1)	26,483	84, 479, 480,	14,275
6	Common Equity Tier 1 (CET1), before the regulatory corrections	2,620,738		
Common Equity Tier 1 (CET1): regulatory corrections				
7	Additional value adjustments (negative amount)	-4,784	34, 105	
8	Non tangible assets (net of the related tax liabilities) (negative amount)	-128,077	36, (1) (b), 37, 472, (4)	
10	Deferred tax activities based on the future profitability, excluding those arising from temporary differences (net of tax liabilities, in which the conditions set forth by art. 38 are met (3)) (negative amount)	-30,001	36 (1) (c), 38, 472 (5)	45,002
11	Fair value reserves, related to profits and losses generated by cash flow hedges	128,898	33 (a)	
14	Profits or losses on liabilities, evaluated at fair value, generated by creditworthiness evolution	-31,340	33 (b)	
16	Common Equity Tier 1 Own Instruments, directly or indirectly held by the institution (negative amount)	-15,572	36 (1) (f), 42, 472 (8)	

26	Regulatory corrections, to be applied to Common Equity Tier 1, in relation to the amounts subject to pre-CRR treatment	-7,403		
26a	Regulatory correction related to unrealised profits or losses in accordance with arts. 467 and 468	-476		
	of which: unrealised net profits on debt securities issued by institution different from Central Administrations belonging to EU	71	467	
	of which: unrealised net profits on equity securities	-15,253	467	
	of which: unrealised net losses on debt securities issued by Central Administrations belonging to EU	14,706		
28	Total regulatory corrections on Common Equity Tier 1	-88,756		
29	Common Equity Tier 1 (CET1)	2,531,982		
Additional Common Equity Tier 1: instruments				
30	Capital instruments and related share premium reserves	684	51, 52	
31	of which: classified as net equity in accordance with the applicable accounting discipline	684		
33	Amount of the eligible elements as per art. 484 (4) and their related share premium reserved, subject to phase out from Additional Tier 1	112,000	486 (3)	
34	Eligible Common Equity Tier 1 included in consolidated Additional Tier 1 (including minority interest not included in Line 5) issued by subsidiaries and held by third parties	1,406	85, 86, 480,	1,406
35	of which: instruments issued by subsidiaries subject to phase out	1,406	486 (3)	
36	Additional Tier 1 before the regulatory corrections	114,090		
Additional Tier 1: regulatory corrections				
41c	Amount to be deducted from-, or to be added to, Additional Tier 1 in relation to the additional filters an deductions foreseen by the pre-CRR treatment	-72	467, 468, 481,	-72
43	Total regulatory corrections on Additional Tier 1	-72		
44	Additional Tier 1	114,018		
45	Common Equity Tier 1 (T1=CET1+AT1)	2,646,000		

Tier 2 (T2): instruments				
46	Capital instruments and related share premium reserves	382,516	62, 63	
47	Amount of the eligible elements as per art. 484 (5) and their related share premium reserved, subject to phase out from Additional Tier 2	108,680	486 (4)	
48	Eligible own funds instruments included in consolidated Additional Tier 2 (including minority interest and Additional Tier 1 instruments not included in Line 5 nor in Line 34) issued by subsidiaries and held by third parties	1,058	87, 88, 480,	1,058
49	of which: instruments issued by subsidiaries subject to phase out	1,058	486 (4)	
51	Common Equity Tier 2 (T2), before the regulatory corrections	492,254		
Common Equity Tier 2 (T2): regulatory corrections				
52	Common Equity Tier 2 Own Instruments, directly or indirectly held by the institution, and subordinated loans (negative amount)	-9,995	63 (b) (i), 66 (a), 67, 477 (2)	
56c	Amount to be deducted from-, or to be added to, Common Equity Tier 2 in relation to the additional filters an deductions foreseen by the pre-CRR treatment	7,627	467, 468, 481	7,627
	of which: unrealised profits on AFS securities subject to additional national filter	7,627	467	
57	Total regulatory corrections on Common Equity Tier 2 (T2)	-2,368		
58	Common Equity Tier 2 (T2)	489,887		
59	Total Capital (TC=T1+T2)	3,135,887		
	Risk-weighted assets			
	of which: elements not deducted from Common Equity Tier 1 (EU regulation no. 575/2013), residual amounts: risk weighted exposures on non-significant investments in own funds of other operators in the financial sector	50,784	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	
	of which: elements not deducted from Common Equity Tier 1 (EU regulation no. 575/2013), residual amounts: DTA based on future profitability, and arising from temporary differences	467,675		
60	Total of risk-weighted assets	20,714,501		

Ratios and capital reserves				
61	Common Equity Tier 1 (as a percentage of the risk exposure amount)	12.2%	92 (2) (a), 465	
62	Common Equity Tier 1 (as a percentage of the risk exposure amount)	12.8%	92 (2) (b), 465	
63	Totale Equity (as a percentage of the risk exposure amount)	15.1%	92 (2) (c)	
64	Specific institution's equity reserve requirement (requirement related to Common Equity Tier 1, in accordance with art. 92 (1) (a)), requirements of capital conservation buffer, of countercyclical capital buffer, of capital reserve against systemic risk, of capital reserve pertaining to systemic relevance institutions (G-ICS or O-ICS reserve), (as a percentage of risk exposure amount)	7.0%	CRD 128, 129, 130	
65	of which: requirement of capital conservation buffer	2.5%		
68	Common Equity Tier 1 available for reserves (as a percentage of the risk exposure amount)	4.3%	CRD 128	
Ratios and capital reserves				
72	Equity of operators in the financial sector, directly or indirectly held, when the institution has not a significant investment in these subjects (amount lower than 10% threshold and net of eligible short positions)	57,677	36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)	
75	Deferred tax activities arising from temporary differences (amount lower than 10%, net of the related tax liabilities, in which the conditions set forth by art. 38 are met (3)) (negative amount)	187,070	36 (1) (c), 38, 48, 470, 472 (5)	
Capital instruments subject to phasing out (only applicable between 1 January 2013 and 1 January 2022)				
82	Current ceiling on Additional Tier 1 instruments subject to phase out	112,000	484 (4), 486 (3) & (5)	
83	Amount excluded from Additional Tier 1 with regard to the ceiling (ceiling overshoot after maturities and redemptions)	48,000	485 (4), 486 (3) & (5)	
84	Current ceiling on Additional Tier 2 instruments subject to phase out	232,071	484 (5), 486 (4) & (5)	

4. CAPITAL REQUIREMENTS

QUALITATIVE DISCLOSURE - Art. 438 CRR

The Group's strategic objectives include the strengthening of its capital position and the mitigation of its risk profiles, identifying a pathway of gradual return to profitability, under conditions of equity balance, with capitalisation objectives coherent with the specific consolidated prudential requirement of Banca Carige, as indicated by the European Central Bank ("ECB"): Common Equity Tier 1 Ratio (CET1r) equal to 11.5%.

This approach, formalised within the RAF process, lead to the identification - with reference to 2015 - of a *risk appetite* quantified, in accordance with prudential regulations of both First and Second Pillars, in CET1r equal to 12.00%

Moreover, a minimum *risk tolerance* has been identified, equal to a CET1r of 11.5% which coincides with the capitalisation target as defined by the ECB in the scope of the Comprehensive Assessment, within the Supervisory Review and Evaluation Process (SREP).

QUANTITATIVE DISCLOSURE - Art. 438 / 445 CRR

The capital ratios as at 30 June 2015 more than outweigh the minimum requirements provided for by the regulations in force at the reference date:

- CET1 Ratio: equal to 12.2%, as compared with a minimum level of 7% (4.5% + *Capital Conservation Buffer* "CCB" equal to 2.5%);
- Tier 1 Ratio: equal to 12.8%, as compared with a minimum level of 8.00% (5.5% + 2.5% CCB);
- Total Capital Ratio: equal to 15.1%, as compared with a minimum level of 10.5% (8% + 2.5% CCB);

Capital ratios benefit from the *minorities* repurchases in Cassa di Risparmio di Savona SpA and Cassa di Risparmio di Carrara SpA, which have been acquired to a capital increase reserved to shareholder Foundations, from the disposal of the insurance companies completed on last 5 June and from the positive outcome of the EUR 850 millions capital increase, entirely completed at the end of June.

Particularly, the CET1 Ratio equal to 12.2% is higher than the *target* level identified by the ECB which, in authorising the Bank to implement the *Capital Plan* presented on 5 November 2014, imposed specific obligations concerning additional own funds on a consolidated level, envisaging the achieving of a CET1 Ratio equal to 11.5% within the end of July 2015 and the prohibition to distribute dividends.

CAPITAL REQUIREMENTS AND SUPERVISORY RATIOS

Type of risk	Non-Weighted amounts	Weighted amounts	REQUIREMENT
REGULATORY CAPITAL REQUIREMENTS	32,916,292	19,101,748	1,528,140
1. Credit and counterparty risk			
Central administrations and central banks	7,369,805	1,087,688	87,015
Entities	2,718,427	566,355	45,308
Adm. Regional and local authorities	597,410	122,449	9,796
Multilateral development banks,			
Public sector bodies	408,757	408,752	32,700
Companies	6,233,649	6,007,820	480,626
Retail exposures.	2,484,444	1,606,946	128,556
Exposures guaranteed by real estate properties	7,038,732	2,610,865	208,869
Exposures in default conditions	4,318,115	5,267,222	421,378
High-risk exposures	7,999	11,999	960
Short-term exposures towards companies			
Exposures towards UCI	10,758	10,758	861
Equity instruments	453,334	453,334	36,267
Other positions	1,261,132	941,832	75,347
Elements representing positions vs securitisation	13,729	5,728	458
2. CVA risk (standard method)			5,378
3. Market risks (standard methodology)			2,097
generic risk - debt securities			2,065
generic risk - equity securities			4
specific risk - debt securities			24
specific risk - equity securities			4
specific risk - securitisations			-
position risk on OEIC units			-
generic risk on gamma and vega factors			0
exchange risk			-
4. Operating risk (base method)			121,545
5. Other prudential requirements			-
6. Total regulatory requirements			1,657,160
REGULATORY RATIOS			
Risk-weighted assets			20,714,501
Common Equity Tier 1/Risk-weighted assets (Common Equity Tier 1 capital ratio)			12.2%
C.2 Tier 1 capital / Risk-weighted assets (Tier 1 capital ratio)			12.8%
Own funds/Risk-weighted assets (Total capital ratio)			15.1%

5. CREDIT RISK

The Carige Group determines the requirement through the Standard method which, essentially, takes into account the weighting of the credit exposures according to their inclusion in one of the supervisory portfolios, as defined in relation with either the beneficiary of the loans or the transaction completed with the customer, to which the Basel Committee recognises homogeneous risk profiles; Standard method also envisages different weightings, based on the ratings expressed by (External Credit Assessment Institutions, ECAI), specifically authorised by the Supervisory Authority.

In view of the above, the following is an update of the composition of risk activities as at 30 June 2015, with the detailed creditworthiness ranking associated with the rating assigned by Moody's.

STANDARDISED METHODOLOGY
ON AND OFF BALANCE SHEET RISK ASSETS

PORTFOLIO	EAD
Central administrations and central banks	**7,369,805**
Credit quality rating class 3	5,240,763
Not rated	2,129,042
Entities	**2,718,427**
Credit quality rating class 1	1,521
Credit quality rating class 2	186,791
Credit quality rating class 3	9,179
Credit quality rating class 4-5	33,600
Not rated	2,487,336
Adm. Regional and local authorities	**597,410**
Public sector bodies	**408,757**
Companies	**6,233,649**
Credit quality rating class 2	58,377
Credit quality rating class 3-4	4,494
Credit quality rating class 5-6	11,286
Not rated	6,159,493

Retail exposures.	2,484,444
Exposures guaranteed by real estate properties	7,038,732
Exposures in default conditions	4,318,115
High-risk exposures	7,999
Other exposures	1,261,132
Exposures towards UCI	10,758
Elements representing positions vs securitisation	13,729
Equity instruments	453,334
TOTAL	32,916,292

With reference to the exposures towards Central Governments and Central Banks, it has to be noted that credit quality step 3 shows investments in Italian government bonds, to which the supervisory regulation assigns a 0% weighting, regardless of the one associated to the Issuing Country's rating.

For further information on the risk evolution related to the credit intermediation activity of the Group, please refer to the Half-Year Financial Report as at 30 June 2015.

ENCUMBERED AND UNENCUMBERED ASSETS

Transaction for which the Group binds part of its financial activities, or received collateral, refer to following cases:

- reverse repos on securities;
- securitisation agreements; collateral used as a guarantee for the fair value of derivative contracts, assets pledged as a guarantee for funding subsidised rate transactions with the European Investment Bank and the Cassa Depositi e Prestiti SpA, securities used to warrant issued bank drafts.
- collateral pledged with Cassa di Compensazione e Garanzia (Central Counterpart Clearing) as a condition of accessing its services;
- refinancing transactions (T-LTRO) with ECB;
- assets underlying the securitisation not deleted from Assets;
- assets included in "cover pools" used to warrant covered bond issues.

Receivables, which represent about 81% of the Group's assets (see 'Template A' below), are used to warrant following operations:

- issues of covered bonds on the market;
- retained covered bonds and senior securities, related to the securitisation, pledged as a guarantee for T-LTRO;
- "ABACO"[1] loans pledged as a guarantee for T-LTRO;
- loans received from the European Investment Bank (EIB) and from Cassa Depositi e Prestiti (CDP);
- deposits placed as guarantee of the fair value of non-listed derivative contracts.

Besides, 19% of the Group's pledged assets (see 'Template A' below) is made up of owned securities, pledged to guarantee following operations:

- Payables for reverse repos;
- T-LTRO;
- bank drafts issued by the Parent Company;
- funding received from the European Investment Bank (EIB);
- collaterals pledged with Cassa di Compensazione e Garanzia (Central Counterpart Clearing) as a condition of accessing its services;

Collaterals received by the Group (see 'Template B' below) are related to securities received as guarantee for repos transactions, and subsequently re-pledged.

Within the "Other assets" item (see 'Template A' below), equal to EUR 21.2 billion, the assets not immediately committable - related to deferred tax assets, tangible- and non-tangible assets, assets for derivative contracts - amount to about EUR 2.4 billion (equal to 11.3% of the total).

Evolution of encumbered assets in the first half of 2015

[1] Acronym of Collateralised Banking Assets (Attivi Bancari Collateralizzati), instrument preparatory for funding activities, studied for managing lending pools and securities sold in guarantee to the Bank of Italy, as foreseen by ECB regulations.

As the semester's main event, it should be remembered that in June 2015 Banca Carige took part in the auction related to the financing program at ECB (T-LTRO) for a total of EUR 160 millions.
The contraction of the committed assets amount as at 30 June 2015, compared to the end of 2014 financial year, is mainly due to own securities used in securities repos.

Over-collateralisation

Excluding the securities and the loans which had been established as a guarantee for T-LTRO, as at 30 June 2015, the remaining eligible securities and loans included in the "pool account" with the Bank of Italy amount to about EUR 1 billion.

Within the two Covered Bond programmes, the rating agencies request an additional portfolio part, which has to be held as collateral for the covered bank bonds issued in order to ensure an appropriate level of rating (over-collateralisation). As a matter of fact, when assigning a rating the agencies define a level of asset percentage[2] (through which the transferred portfolio is weighted). The value of the weighted portfolio, which is also influenced by the possible devaluation/revaluation of the asset pledged as collateral for both the transferred loans and the same loans' performance, must be increased by any cash reserve existing in the vehicle, and decreased by the loan reserves requested by the rating agencies as a collateral for set off[3], commingling[4] and negative carry risks, as well as by the amount of the still existing covered bank bonds. The Programme's "credit support" is thereby obtained, which provides an indication of the actual overcollateralisation level.

In the context of the securitisation transaction, the rating agencies request a "credit enhancement", constituted by cash reserves agreed during the structuring phase of the transaction.

Information disclosure on encumbered/unencumbered assets

Following information refers to the actual data as at 30 June 2015, and has been drawn up in accordance with the guidelines issued by EBA as a consequence of the CRR provisions (Art. 433).

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[2] The asset percentage currently used in OBG1 Programme is equal to 80.0%, while the one used in OBG2 Programme equals 75.8%.

[3] Risk that the vehicle could not receive, in whole or in part, the revenues deriving from the loans repayment caused by the compensation of the receivables claimed by the assigned debtors towards the related transferring banks.

[4] Risk that the vehicle could not receive, in whole or in part, the loans repayment instalments already collected by the transferring banks in their role as servicer but still forwarded to the vehicle as a consequence of the servicer being subject to insolvency procedures.

Template A-Assets

		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		010	040	060	090
010	Assets of the reporting institution	7,515,997,398		23,287,600,621	
030	Equity instruments	-	-	377,501,737	377,501,737
040	Debt securities	1,444,406,450	1,444,415,508	1,723,326,170	1,723,774,181
120	Other assets	6,071,590,948		21,186,772,714	

Amounts in €

Template B-Collateral received

		Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
		010	040
130	Collateral received by the reporting institution	317,180,529	1,512,648,443
150	Equity instruments	-	-
160	Debt securities	317,180,529	1,512,648,443
230	Other collateral received	-	-
240	Own debt securities issued other than own covered bonds or ABSs	-	1,767,209,598

Amounts in €

Template C-Encumbered assets/collateral received and associated liabilities

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
		010	030
010	Carrying amount of selected financial liabilities	5,646,262,888	7,665,158,696

Amounts in €

6. LEVERAGE

The Carige Group monitors leverage in accordance to the provisions of UE Regulation 575/2013 and Bank of Italy's Circular 285/2013, quarterly informing the Supervisory Authority the elements useful for the calculation, i.e. Common Equity Tier 1 (equal to the sum of Tier 1 Capital and Additional Tier 1 Capital) and a measurement of the global exposure which includes on- and off-balance sheet items. It has to be remembered, moreover, that at today no regulatory minimum level has been identified: Art. 511 of UE Regulation 575/2013 requires the European Commission to present to the European Parliament and the Council, within 31 October 2016, a report on the impact and the effectiveness of the leverage ratio, with a possible legislative proposal aimed to identify a minimum requirement.

LEVERAGE RATIO

	30/06/2015
Tier 1 Capital (phase-in) (a1)	2,646,000
Tier 1 Capital (fully phased) (a2)	2,473,866
Exposure value (phase-in) (b1)	33,578,383
Exposure value (fully phased) (b2)	33,533,452
Leverage ratio (phase-in) (a1/b1)	**7.88%**
Leverage ratio (fully phased) (a2/b2)	**7.38%**

DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ARTICLE 154 BIS, PARAGRAPH 2 OF LEGISLATIVE DECREE No. 58/1998 (THE CONSOLIDATED LAW ON FINANCE)

I the undersigned Luca Caviglia, in my capacity as Manager responsible for preparing the Company's financial reports of Banca Carige SpA,

declare

that the accounting information contained in the document "Pillar 3 - Disclosure by insitutions – Figures as at 30/6/2015", corresponds to the document results, books and accounting records.

Genoa, 4 August 2015

The Manager responsible for preparing
the Company's financial reports
Luca Caviglia

This document has been translated into the English language solely for the convenience of international readers.
It has been signed on the Italian original version.