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## PRESS RELEASE

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### **SUCCESSFUL COMPLETION OF CAPITAL STRENGTHENING AND DERISKING BANCA CARIGE WILL RETURN TO ORDINARY ADMINISTRATION BY THE END OF JANUARY 2020**

- **COMPLETION OF EUR 700 MLN CAPITAL INCREASE**
- **SUBSCRIPTION FOR EUR 200 MLN WORTH OF SUBORDINATED TIER 2 BONDS**
- **ASSIGNMENT OF FREE SHARES UNDERWAY**
- **DISPOSAL OF NPE PORTFOLIO COMPLETED (EUR 2.8 BN IN GBV)**
- **CONVENING OF ORDINARY SHAREHOLDERS' MEETING FOR 31 JANUARY 2020 (WITH CONCURRENT EXTENSION OF TEMPORARY ADMINISTRATION UNTIL MEETING DATE)**

*Genoa, 20 December 2019* – Banca Carige is pleased to announce today's completion of the comprehensive Capital Strengthening and Derisking transaction that was announced by the Temporary Administrators on 9 August and approved by the Extraordinary Shareholders' Meeting on 20 September 2019; the EUR 700 mln Capital Increase, has been fully subscribed for, through the issue of 700,000,000,000 new ordinary shares of the Bank, allocated as follows:

- (i) a first tranche of EUR 313.2 mln was subscribed for by the Voluntary Intervention Scheme of the Italian Interbank Deposit Protection Fund (VIS), as an offset against the receivables

arising from the subordinated bonds “Banca Carige S.p.A. 2018-2028 Tasso Fisso Tier II” held by VIS for a corresponding nominal amount;

(ii) a second tranche of EUR 63 mln was subscribed for by Cassa Centrale Banca (CCB);

(iii) a third tranche of EUR 85 mln was subscribed for by the shareholders (whom this tranche was reserved for) who were shareholders of the Bank prior to the Offering start date for an amount of EUR 22,845,540.88 mln<sup>1</sup> and by the Interbank Deposit Protection Fund (FITD) for an amount of EUR 62,154,459.12 mln as part of the guarantee it had pledged on the unsubscribed portion of the third tranche;

(iv) a fourth tranche of EUR 238.8 mln was subscribed for by FITD.

As envisaged under the Capital Strengthening plan and set out in the Terms and Conditions, the free “Warrants - Banca Carige S.p.A. 2020-2022” were assigned to Beneficiary Shareholders other than VIS, FITD and CCB, at a ratio of 1 (one) Warrant for every 4 (four) Shares subscribed for and issued as part of the Capital Increase.

Under the Bank’s Capital Strengthening transaction, EUR 200 mln worth of Tier 2 subordinated bonds -entirely subscribed for by leading institutional investors- were likewise issued and settled today.

After completion of the Capital Strengthening effort, giving effect to the Framework Agreement entered into by FITD, VIS, CCB and Carige, VIS surrendered part of the shares arising from subscription of the first tranche of the Capital Increase (for an overall amount of EUR 10 mln) to the Bank which has instructed the crediting of the shares to the intermediaries’ accounts on 23 December 2019, for them to be assigned -on the terms and by the deadlines laid out in the Note for free share assignment published on the Bank's website on 30 August 2019- to the shareholders who were shareholders of the Bank prior to the date when the Offering was launched and attended the Shareholders' Meeting of 20 September 2019.

Banca Carige confirms that the 10% free-float defined by Borsa Italiana S.p.A. as the threshold required for readmission to trading has been exceeded.

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<sup>1</sup> With respect to the information provided in the press release of 13 December 2019, shares that were subscribed for on a pre-emption basis were added to the amount subscribed for by shareholders who were shareholders of the Bank prior to the start date of the Offering.

As a further integral part of the Capital Strengthening and turnaround of the Bank, the non-performing loan disposal to AMCO - Asset Management Company was finalised under the terms and conditions of the Prospectus, enabling the achievement of a radical derisking of the Group's assets.

The disposal consists in the non-recourse purchase by AMCO of an NPL portfolio of approximately EUR 2.8 bn in Gross Book Value against payment of a price of about EUR 1 bn, 60% of which is accounted for by exposures classified as unlikely to pay ("UTP"), including a few major single names, and the remaining part by bad loans.

As set out in the Prospectus with reference to the Conditions Precedent to be resolved, AMCO, on the one hand, and Credito Fondiario, on the other, have entered into a Servicing Agreement implementing the Offer to the Servicer under terms and conditions that are in line with the Servicing Agreement.

Banca Carige was assisted in the entire capital strengthening effort by law firm Studio Gatti Pavesi Bianchi as legal advisor, in the assessment of strategic alternatives by UBS Europe SE, acting as sole financial advisor, and by Boston Consulting Group as industrial advisor.

Further to the successful completion of the Capital Strengthening and derisking transaction and after authorisation was issued by the European Central Bank today pursuant to art. 72, para. 6, of Legislative Decree no. 385/93 as later amended, Banca Carige announces that the Ordinary Shareholders' Meeting is convened to be held in one call at the Tower Genova Airport - Hotel & Conference Center, Via Pionieri ed Aviatori d'Italia 44, Genoa, on Friday, 31 January 2020, at 10.30 a.m. to resolve upon the following agenda:

1. Election of the Board of Directors (including its Chair and Deputy Chair), subject to prior determination of the number of Board members, pursuant to Article 2364 of the Italian Civil Code and Article 18 of the Articles of Association. Related and ensuing resolutions.
2. Determination of Directors' remuneration
3. Election of the Board of Statutory Auditors and its Chair. Related and ensuing resolutions.
4. Determination of Statutory Auditors' remuneration.

The Shareholders' Meeting supporting documents (including the Temporary Administrators' Reports for the Shareholders' Meeting) will be made available, under the terms and through the means set out by regulations in force, at the Bank's registered office (in Genoa, Via Cassa di Risparmio 15, Affari

Societari e di Gruppo), on the authorised storage portal “e-Market-STORAGE” and on the corporate website [www.gruppocarige.it](http://www.gruppocarige.it), under Governance/Shareholders’ Meetings.

The European Central Bank has accordingly notified its decision to extend the Bank’s period of Temporary Administration to 31 January 2020.

Effective 1 February 2020, the mandate of the Temporary Administrators and of the members of the Surveillance Committee, appointed by the ECB on 2 January 2019, will draw to a close having they completed all steps that were functional for the Bank’s turnaround and reinstatement of its ordinary administration bodies.

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Pursuant to art. 85-bis of Consob Regulation no.11971/99, notice is given of the new composition of the Bank’s fully subscribed and paid-in share capital, following the Capital Increase (resolved upon by the Shareholders Meeting on 20 September 2019), which was executed today with subscription and payment of 700,000,000,000 new ordinary shares, for an overall amount of EUR 700,000,000.00 of which EUR 70 mln as share capital and EUR 630 mln as share premium.

Banca Carige’s share capital will therefore amount to EUR 1,915,163,696 divided into 755,265,881,015 shares with no indication of par value, of which 755,265,855,473 ordinary shares and 25,542 convertible savings shares.

Reported below is the current composition of share capital with evidence of the previous share capital structure:

	New Share Capital (Shares with no indication of par value)  (certification is currently being filed with the Genoa Companies’ Register)		Previous share capital (Shares with no indication of par value)	
	EUR	No. of shares	EUR	No. of shares
Total				
of which:				
Ordinary shares (regular dividend entitlement)	1,915,163,631.23	755,265,855,473	1,845,162,843.23	55,265,855,473
Convertible Saving Shares (regular dividend entitlement)	64.77	25,542	852.77	25,542

The certification under art. 2444 of the Italian Civil Code and the amended Articles of Association were filed with the Genoa Companies' Register today.

The amended Articles of Association will be made available at the Bank's registered office, on the corporate website [www.gruppocarige.it](http://www.gruppocarige.it) (Governance - Company documents), on the authorised storage portal 'Info' ([www.info.it](http://www.info.it)) and through all other means allowed by applicable regulations in force.

Terms in capital letters used in this press release shall have the meaning ascribed to them in the Prospectus published on 3 December 2019.

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They represent the subjective views of the management of the Company and are based on significant assumptions. Industry experts, business analysts or other persons may disagree with these views, assumptions and judgments, including without limitation the management's view of the market and the prospects for the Company. Any forward-looking statements in this announcement are subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause the Company's actual results and performance to differ materially from any expected future results or performance expressed or implied by any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. To the extent applicable, the industry and market data contained in this announcement has come from official or thirdparty sources. 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