

GRUPPO BANCA CARIGE

**Results as at 31 December 2018**

Genoa, 27 February 2019

# Agenda

- 1** **Highlights**
- 2** **4Q18 results**
- 3** **Asset quality**
- 4** **Liquidity**
- 5** **Annexes**

## 4Q18: the most significant events

- Guidelines for Strategic Plan preparation laid down
- New Capital Conservation Plan submitted to the Supervisory Authorities
- Engagement of UBS as financial advisor to explore potential alliances
- Disposal of Unlikely-To-Pay (UTP) exposures for an amount of EUR 366 mln in Gross Book Value (GBV)<sup>(1)</sup>
- Subordinated Tier2 bond issuance, of which EUR 320 mln underwritten by the Voluntary Intervention Scheme (VIS) of the Interbank Deposit Protection Fund (FITD) and Banco di Desio e della Brianza
- Successful completion of a securitised disposal of a bad loan portfolio for a GBV of EUR 964mln, with guarantee applied for from the Italian Government (“GACS”)
- Agreement reached with Chenavari on closing of Creditis disposal by 1Q19
- Proposal for a Capital Increase up to EUR 400 mln rejected by the Shareholders’ Meeting of 22/12/2018
- Share capital reduced due to losses, as approved by the Extraordinary Shareholders' Meeting of 22/12/2018
- 3Q18 results approved in November, factoring in the effects from the extensive review of the loan book which had also been inspected by the ECB in the previous months

(1) Gross Book Value

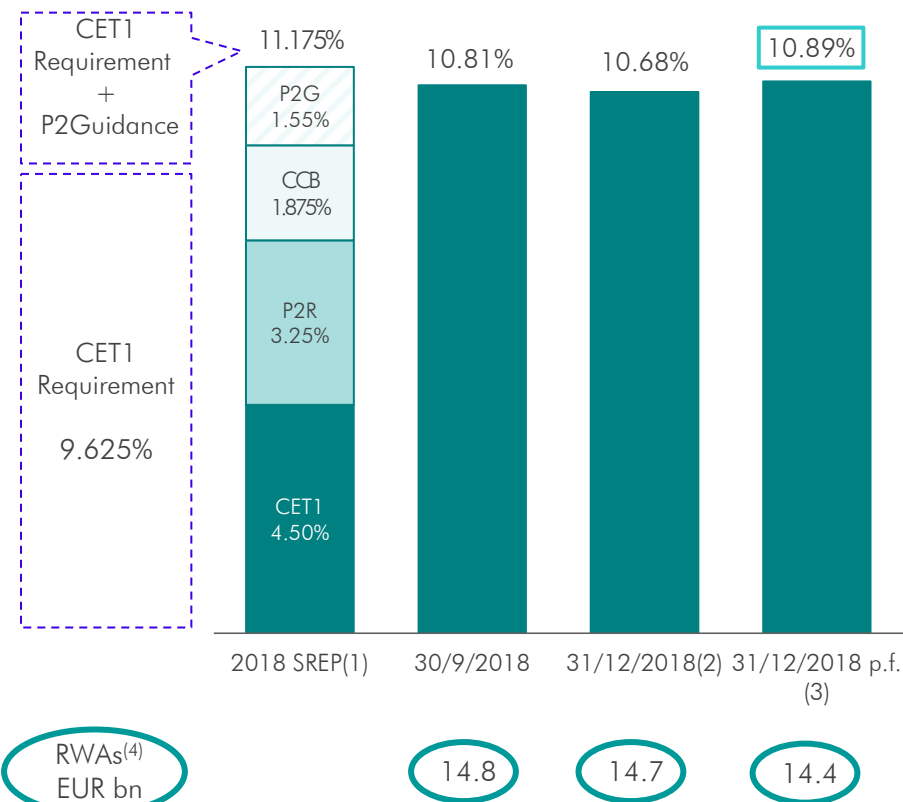
# FY18: reclassified income statement

Amounts in EUR/ mln

RECLASSIFIED INCOME STATEMENT	12M 2018	12M 2017	Change	
			absolute	%
Net interest income	226.6	233.6	(7.0)	(3.0)
Net fee and commission income	230.8	239.2	(8.4)	(3.5)
Core trading <sup>(1)</sup>	18.4	18.3	0.1	0.3
Other operating income <sup>(2)</sup>	13.2	25.3	(12.1)	(47.8)
<b>NET CORE OPERATING INCOME</b>	<b>489.1</b>	<b>516.5</b>	<b>(27.4)</b>	<b>(5.3)</b>
Core personnel expenses <sup>(3)</sup>	(278.6)	(297.3)	18.6	(6.3)
Net adjustments to/recoveries on core property and equipment, and on intangible assets <sup>(4)</sup>	(17.8)	(36.4)	18.6	(51.0)
Core administrative expenses <sup>(5)</sup>	(161.8)	(175.1)	13.3	(7.6)
<b>CORE OPERATING EXPENSE</b>	<b>(458.2)</b>	<b>(508.8)</b>	<b>50.6</b>	<b>(9.9)</b>
<b>GROSS OPERATING PROFIT</b>	<b>30.9</b>	<b>7.7</b>	<b>23.1</b>	<b>299.3</b>
Net losses/recoveries on impairment of loans to banks and customers <sup>(6)</sup>	(257.0)	(427.5)	170.5	(39.9)
Profits (losses) on disposal or repurchase of loans	(63.5)	(321.5)	258.0	(80.3)
Net losses/recoveries on impairment of other financial assets <sup>(7)</sup>	(0.0)	1.8	(1.8)	(102.2)
<b>NET OPERATING PROFIT</b>	<b>(289.6)</b>	<b>(739.5)</b>	<b>449.9</b>	<b>(60.8)</b>
Non-core trading <sup>(8)</sup>	(3.7)	221.5	(225.2)	(101.7)
Profits (losses) on equity investments and on disposal of investements <sup>(9)</sup>	66.5	95.2	(28.7)	(30.1)
Early retirement costs <sup>(10)</sup>	(1.7)	(61.5)	59.8	(97.3)
Non-core administrative expenses <sup>(11)</sup>	(10.2)	(10.4)	0.1	(1.2)
Net provisions for risks and charges	(41.7)	(24.2)	(17.4)	72.0
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante)	(21.5)	(41.1)	19.7	(47.9)
DTA fees	(13.9)	(13.9)	0.0	(0.2)
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>(315.6)</b>	<b>(588.7)</b>	<b>273.1</b>	<b>(46.4)</b>
Taxes	19.8	169.3	(149.5)	(88.3)
Profit (loss) after tax from discontinued operations	20.9	26.1	(5.2)	(19.8)
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>(275.0)</b>	<b>(393.4)</b>	<b>118.4</b>	<b>(30.1)</b>
Non-controlling interests	(2.1)	(4.9)	2.8	(56.8)
<b>NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>(272.8)</b>	<b>(388.4)</b>	<b>115.6</b>	<b>(29.8)</b>

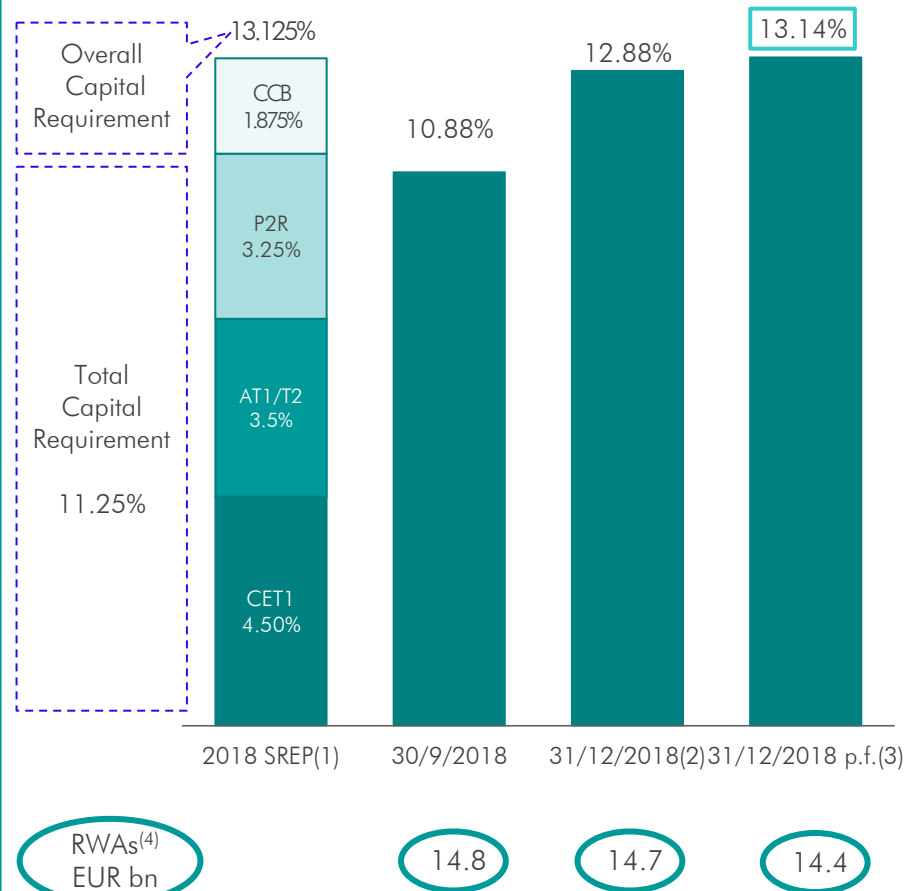
## Phased-in CET 1 Ratio

%



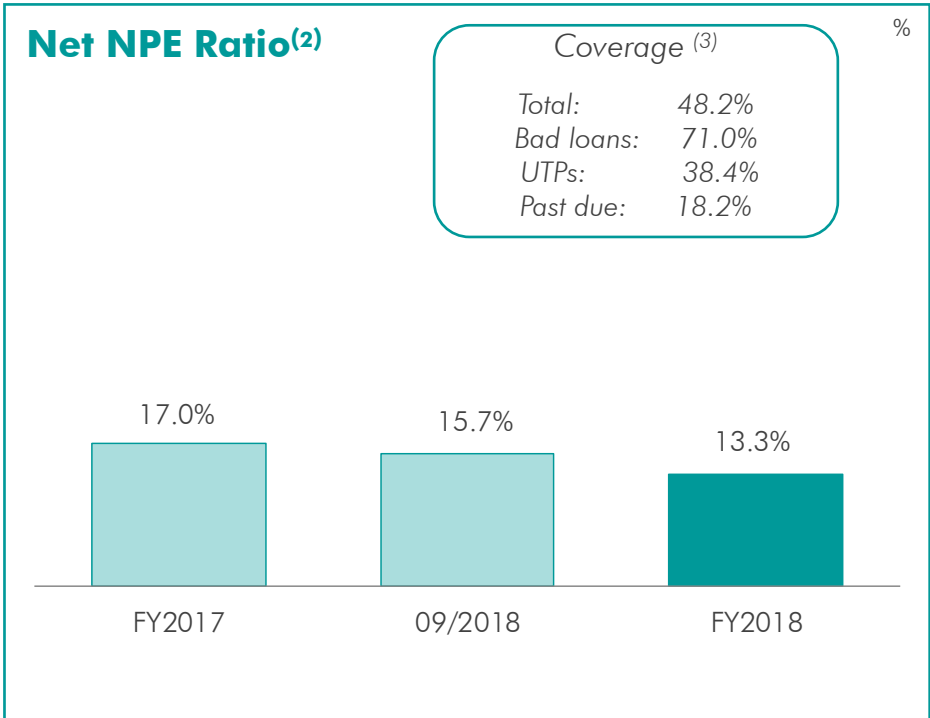
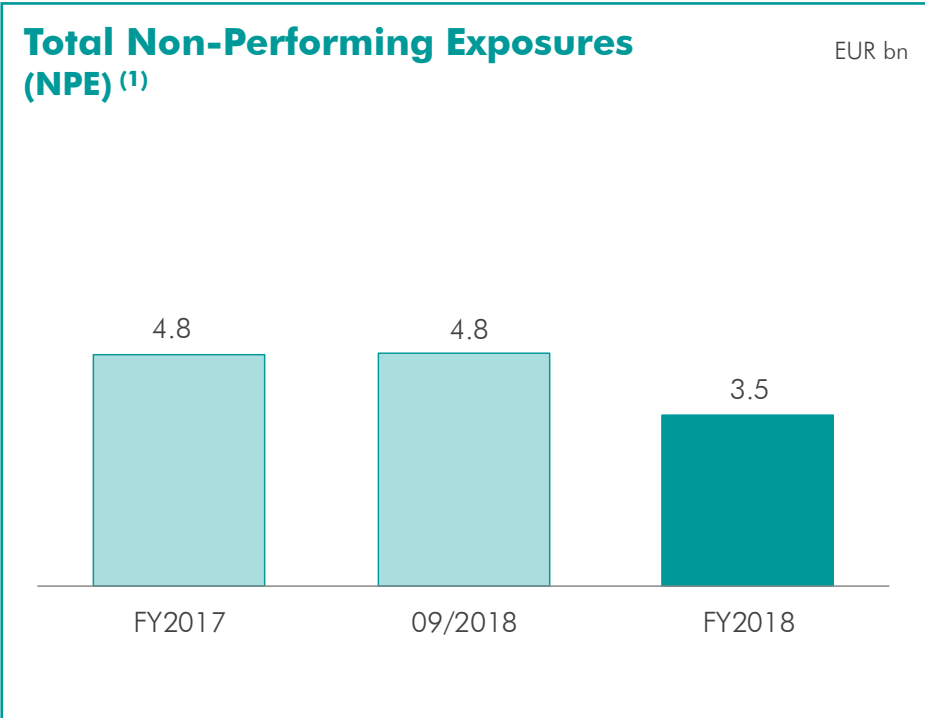
## Phased-in TC Ratio

%



- (1) Supervisory Review and Evaluation Process
- (2) Operational estimates
- (3) Ratio calculated pro-forma after RWA release, in early 2019, following completion of two NPE disposals carried out in 4Q18
- (4) Risk Weighted Assets – operational estimates

# Credit Quality



NPE portfolio deleveraged from EUR 4.8 bn to EUR 3.5 bn (EUR 1.9 bn, net of provisions); net NPE ratio of 13.3% (gross ratio of 22.0%)

NPE portfolio now consisting mainly of UTPs (EUR 2.5 bn vs. EUR 1 bn bad loans)

High coverage for the three clusters

(1) Intended as the sum of Bad loans, Unlikely-to-Pay and Past Due exposures

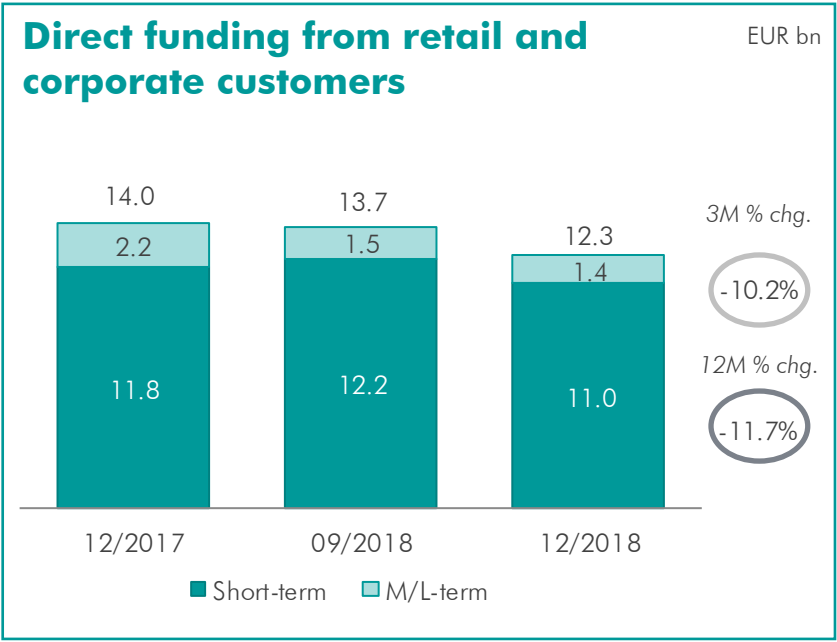
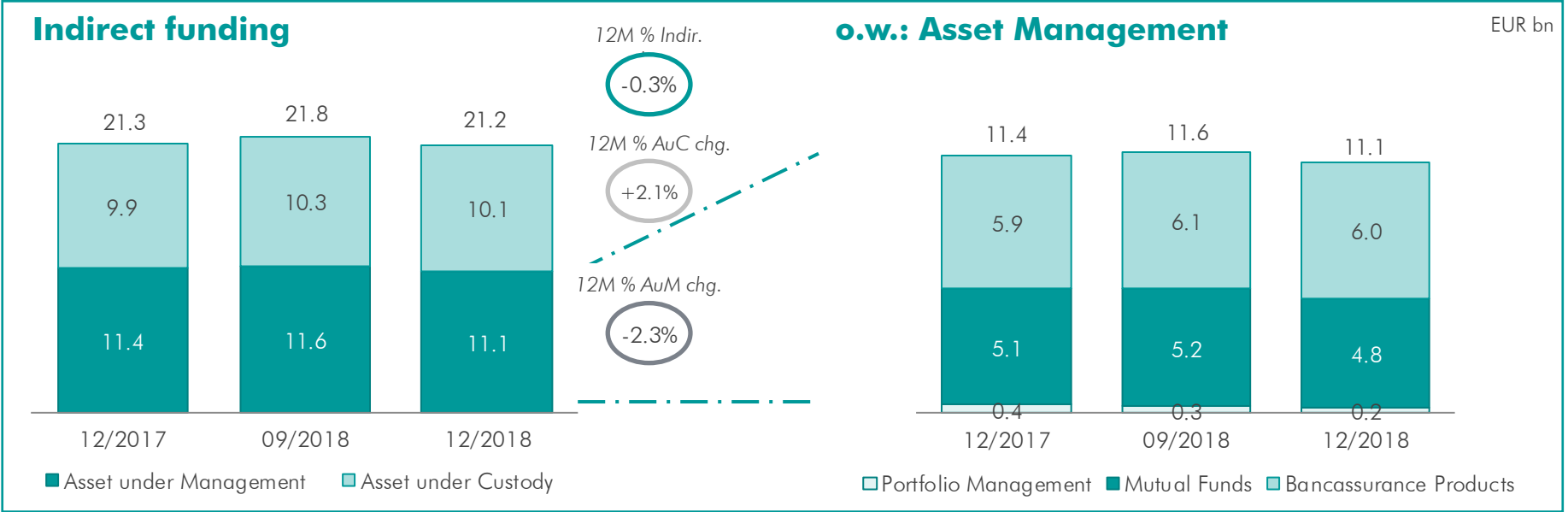
(2) Calculated as the ratio of NPEs (Bad loans, Unlikely-to-Pay and Past Due exposures) to Income Statement item 40(b), net of debt securities at amortised cost

(3) Including write-offs

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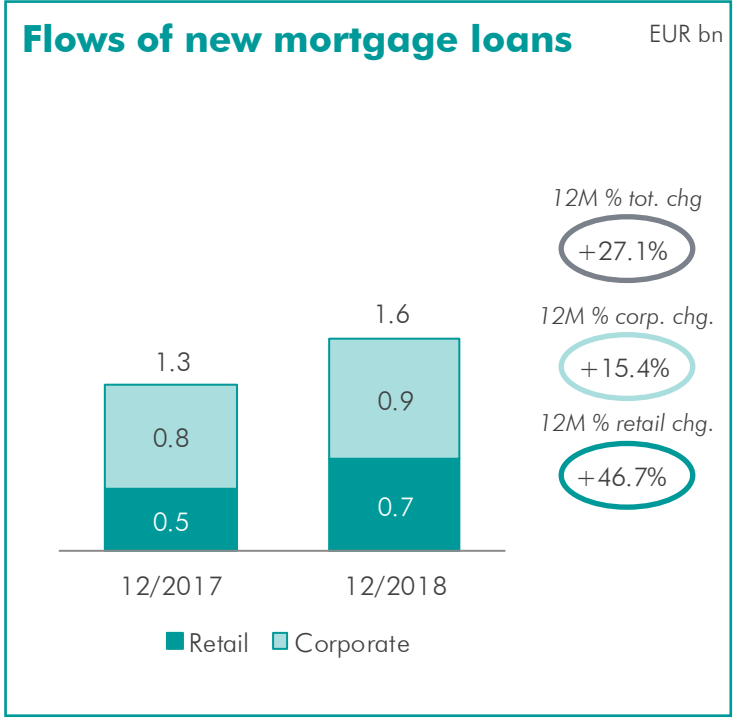
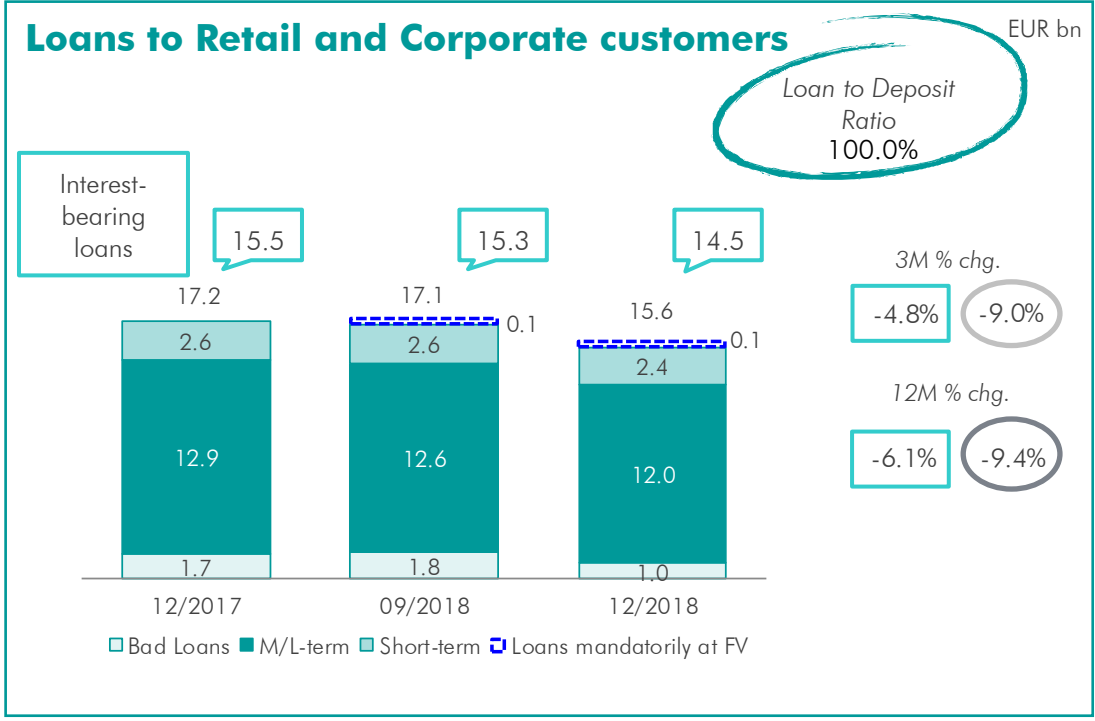
# Funding from customers



A downturn in direct funding was registered in the last quarter, whereas indirect funding remained essentially stable Y/Y (-0.3%): the increase in Assets under Custody (+2.1%) almost entirely offsets the decrease in Assets under Management (-2.3%)



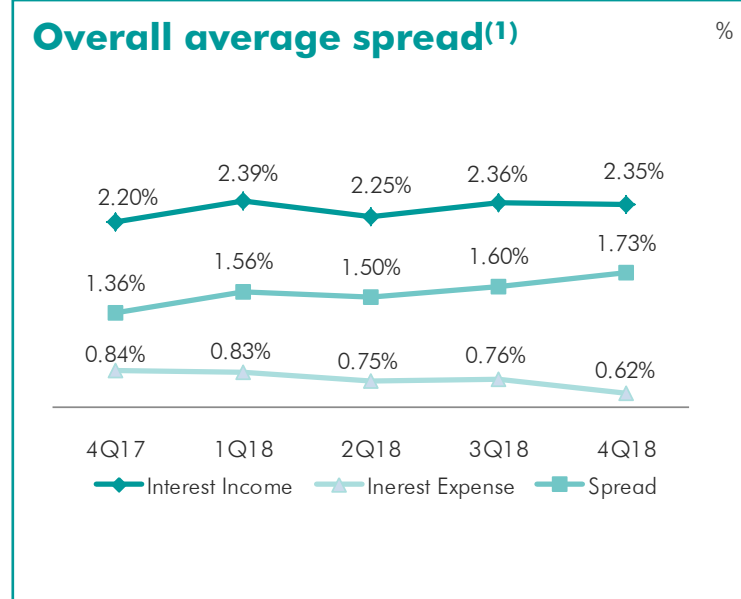
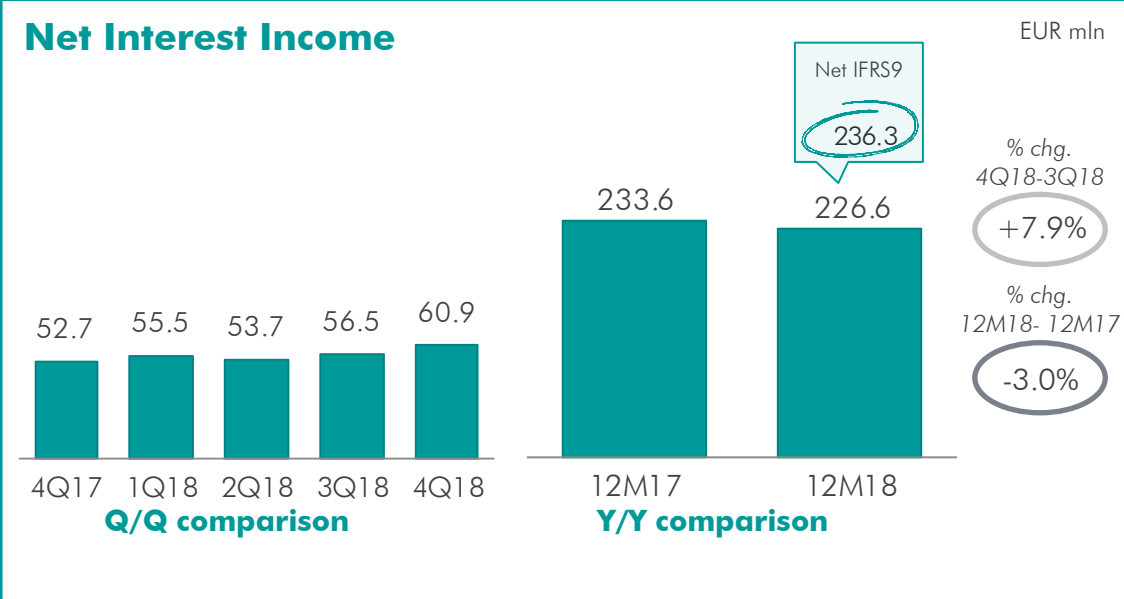
# Loans to customers



The stock of loans shows a contraction as a result of continued derisking and sustained financial balance. Net of bad loans (interest-bearing loans), the decline is more moderate (-6.1% Y/Y)

New mortgage loans granted during the year: +27.1% (+15.4% to corporate customers and +46.7% to retail customers)

# Net Interest Income



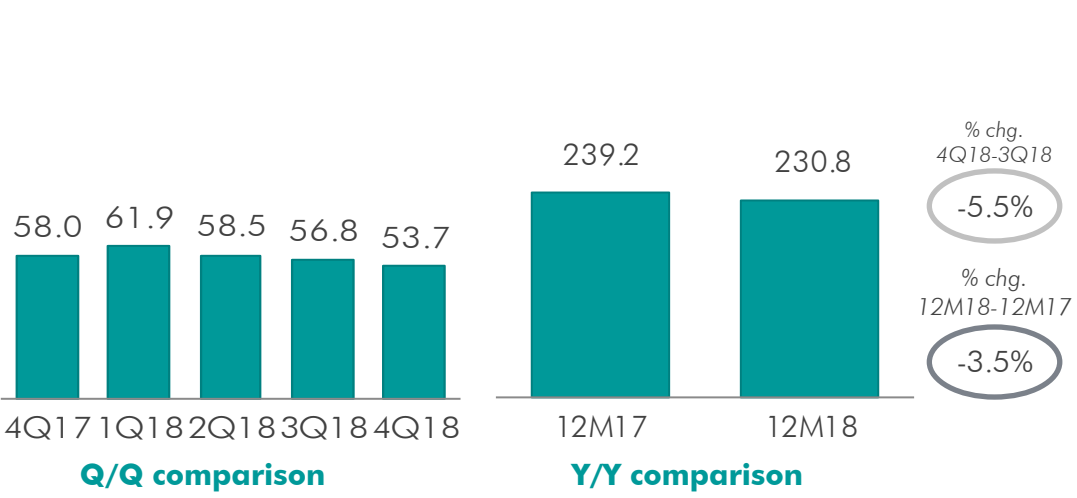
7.9% growth Q/Q, partly as a result of a Covered Bond issuance coming to maturity in October 2018. Net of this, the last quarter is essentially in line with Q3, although it includes interest paid for one month on the EUR 320 mln subordinated debt issued on 30 November 2018

(1) Does not include inter-bank market and financial instruments

# Commissions and trading

## Net fee and commission income

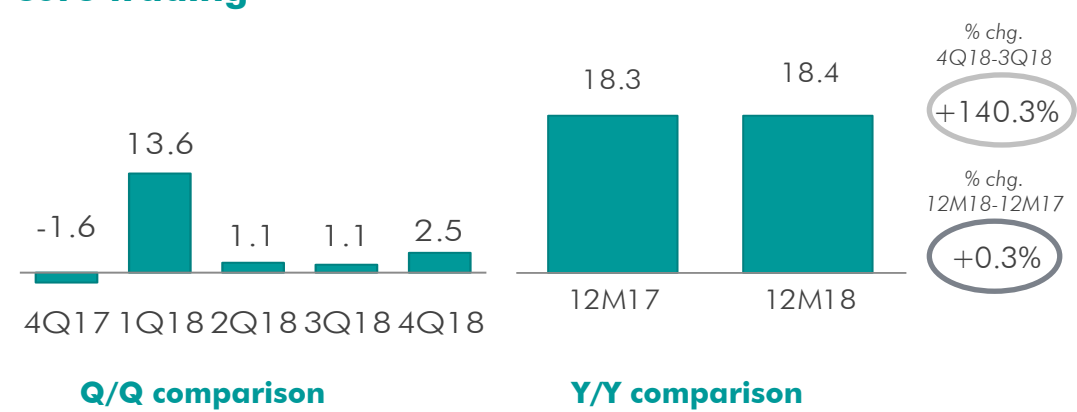
EUR mln



Decrease in fees and commissions on collection and payment services (disposal of the Merchant Acquiring business) and higher commissions paid to Credito Fondiario for NPE servicing. Slight increase in fee and commission income on portfolio management, trading and investment advisory

## Core trading<sup>(1)</sup>

EUR mln



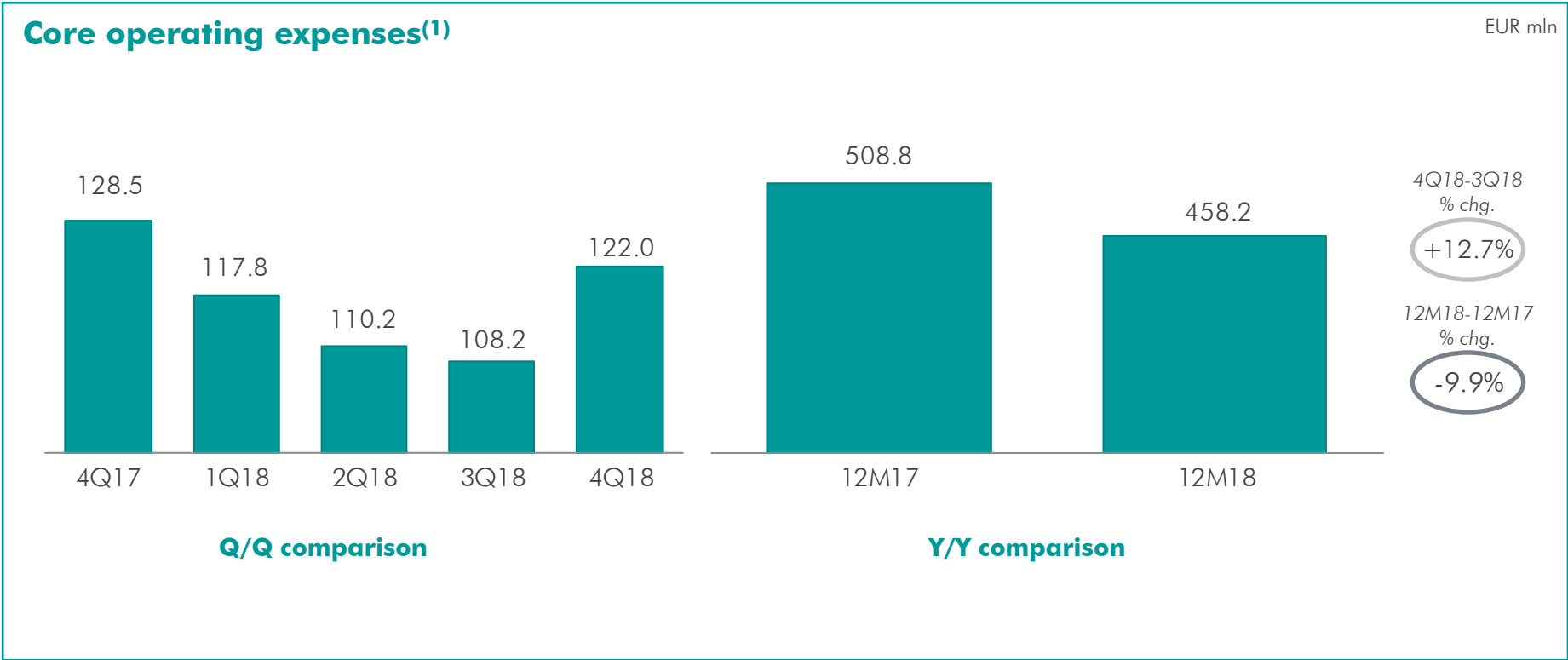
Positive Y/Y contribution of core trading (EUR 18.4 mln, in line with 2017)

2.4   -2.7   -3.1   -0.7   Net OCI reserve<sup>(2)</sup>

(1) Includes Income Statement items 70, 80, 90, 100 (excluding 100(a)) and 110 (for the securities component only) net of non-recurring items

(2) Other Comprehensive Income – end-of-period

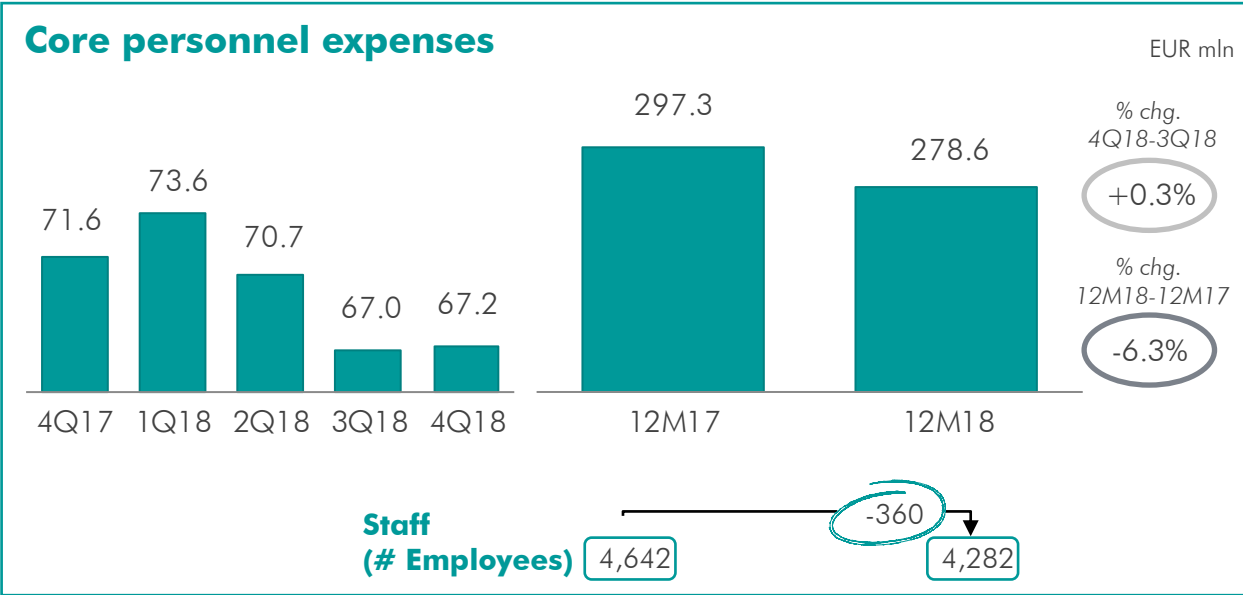
# Cost management



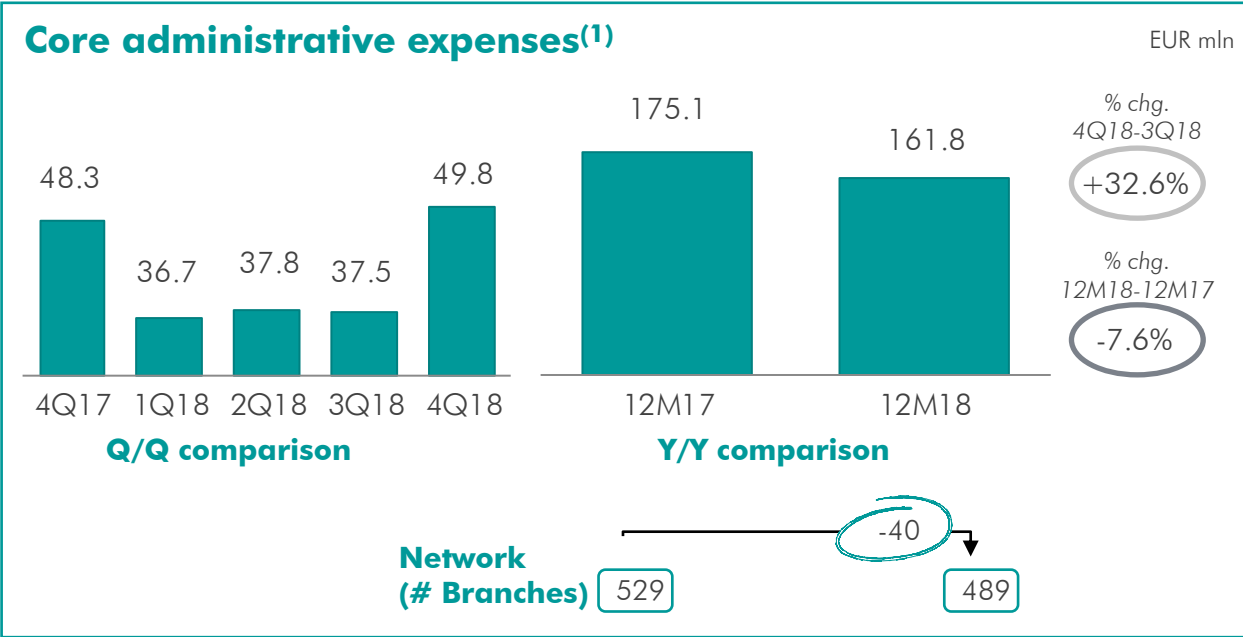
Sharp reduction in the cost base: although Q4 was weighed down by seasonal effects, core operating expenses amounted to EUR 458.2 mln, down significantly compared to both 4Q2017 (-5.1%) and FY17 (-9.9%)

(1) Core operating expenses include personnel expenses, net adjustments to/recoveries on property, equipment and intangible assets, and core administrative expenses (see annexed reclassified Income Statement) net of non-recurring items (operational data), contributions and other banking system charges, DTA fees and tax recoveries

# Core expenses



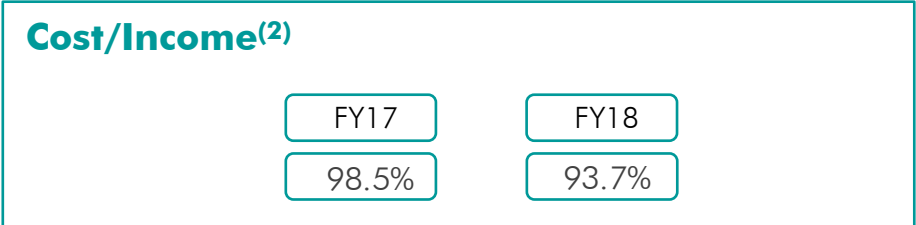
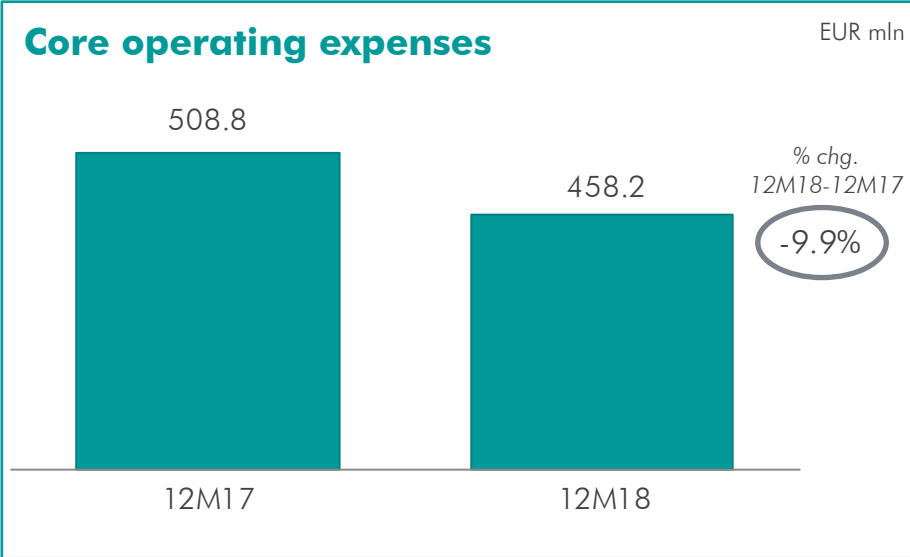
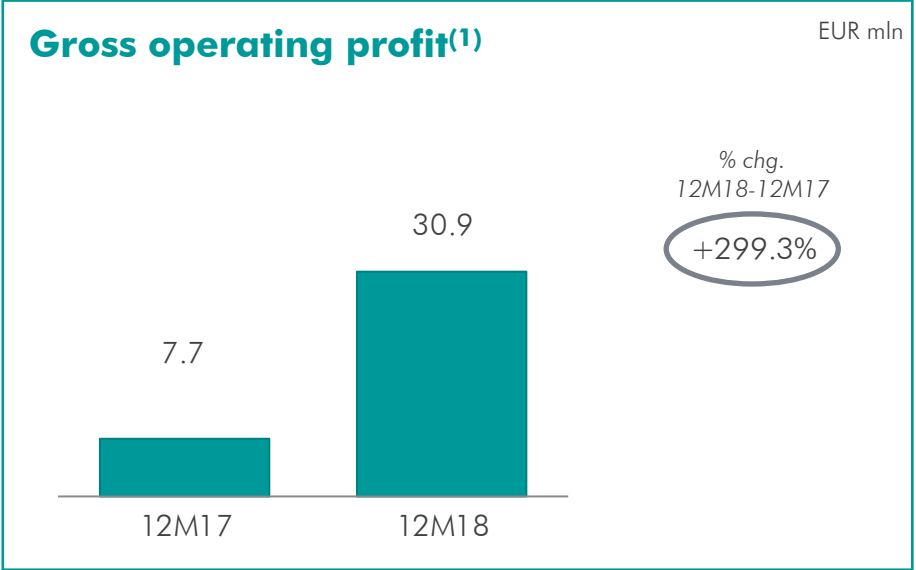
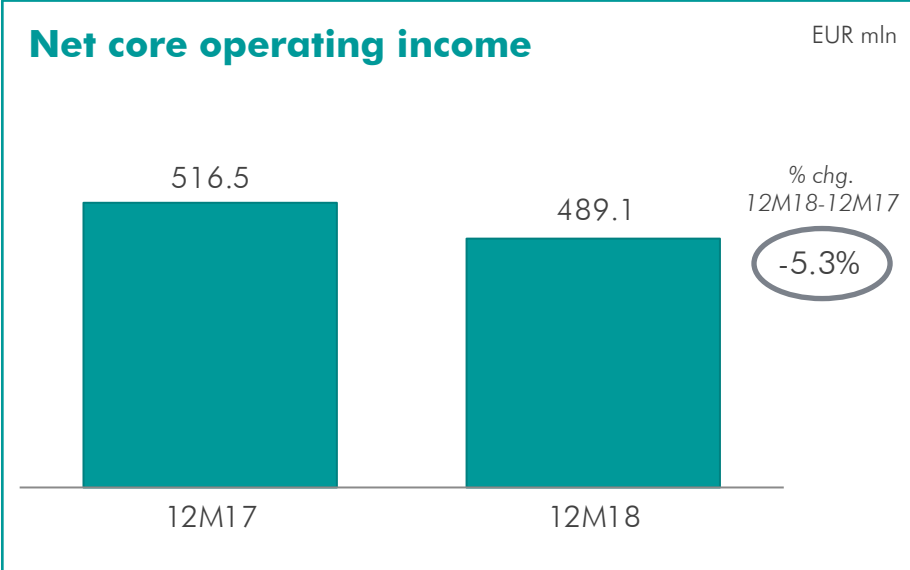
Personnel expenses were down, as a result of the 360 headcount reduction (business disposals and early retirement agreements) and labour cost curbing measures set out in the trade union agreement of 16 December 2017



A decrease was also observed in other core administrative expenses (-7.6% in the 12 months)

(1) Income Statement item 190(b) (former 180(b)) net of contributions and other banking system charges (SRF and DGS), DTA fees, tax recoveries and non-recurring items associated with one-off transactions carried out during the period (with the latter being operational data) This item was normalised for an overall amount of EUR 65.4 mln in 2017 and of EUR 45.5 mln in 2018

# Operating profit



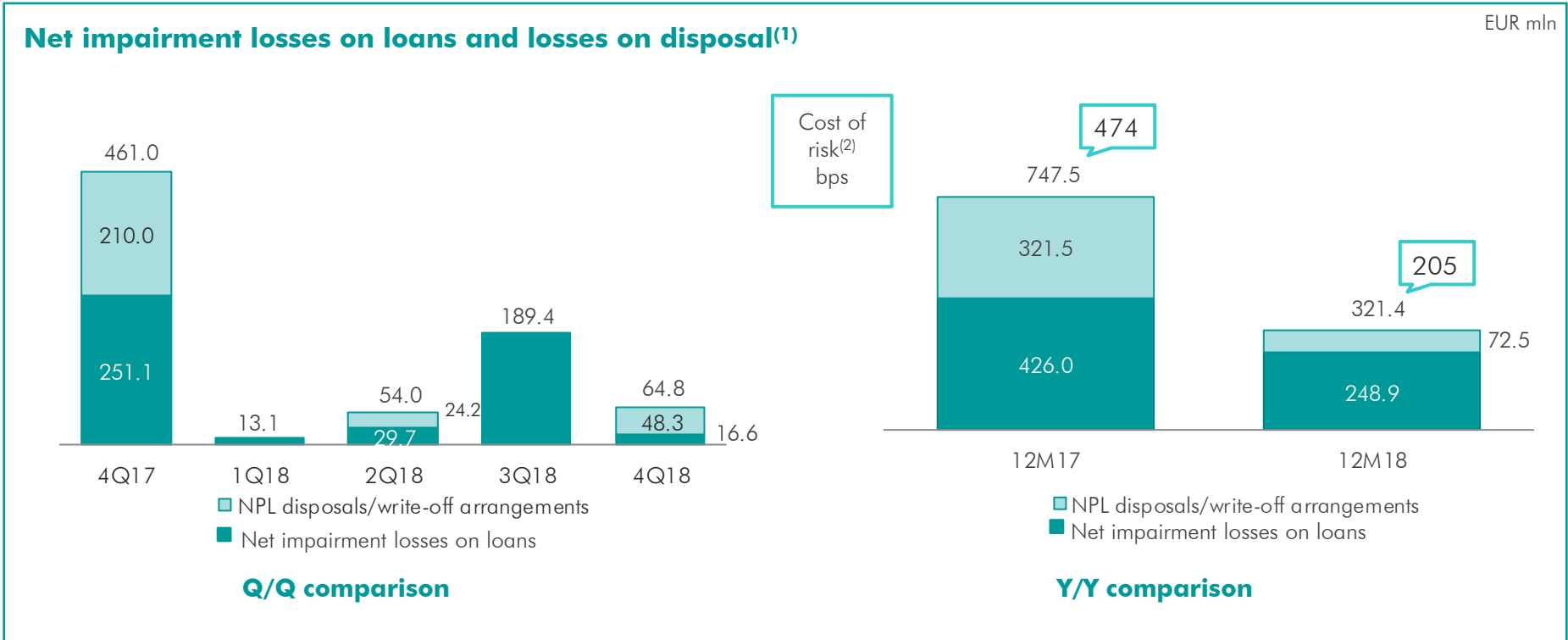
Gross Operating Profit on an uptrend compared to FY17 on the back of the strong cost-curbing actions that offset the decrease in revenues

Cost/income ratio at 93.7% (91.9% net of IFRS9 impact on NII), down compared to FY17 (98.5%)

(1) Net core operating income - Core operating expenses Net core operating income includes Net Interest Income, Net Fees and Commissions, Core Income from 'Finance' (Income Statement items 70, 80, 90, 100, excluding 100(a) and 110, for the securities component only, net of non-recurring items) and other operating income (see annexed reclassified Income Statement).

(2) Core operating expenses/Net core operating income. Net core operating income includes Net Interest Income, Net Fees and Commissions, Core Income from 'Finance' (Income Statement items 70, 80, 90, 100, excluding 100(a) and 110, for the securities component only, net of non-recurring items) and other operating income (see annexed reclassified Income Statement)

# Cost of risk



FY18 cost of credit at 205 bps (159 bps normalised for disposals/write-offs), down compared to FY17 cost of 474 bps (270 bps normalised for disposals/write-offs)

The financial year, and more specifically 3Q18, reflects the results of the ECB's extensive credit file review

(1) Income statement items 130(a) net of impairment losses on loans to banks, 100a and, for 2018, 110 (for the loans component only) and 140; as at 31/12/2018, EUR 298.2 mln net of IFRS9 impact.

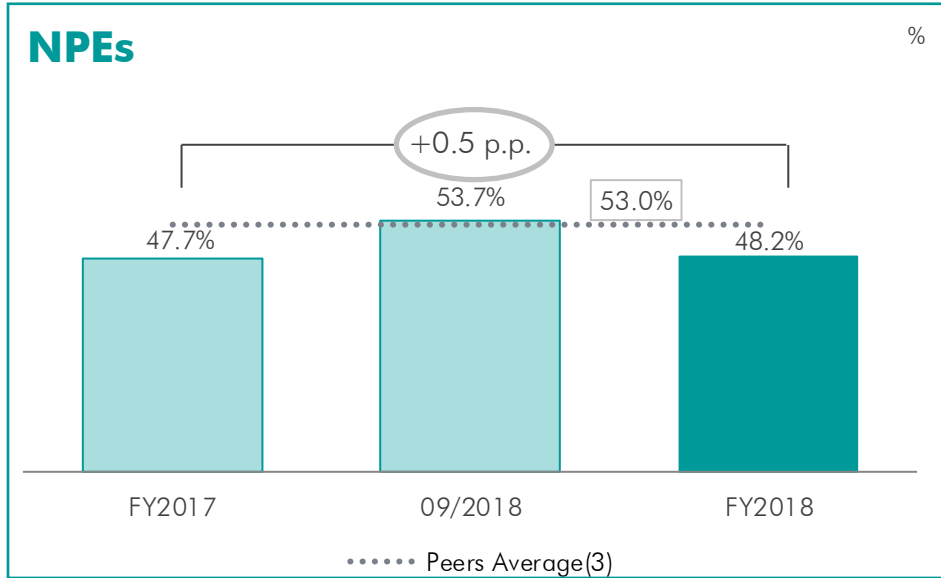
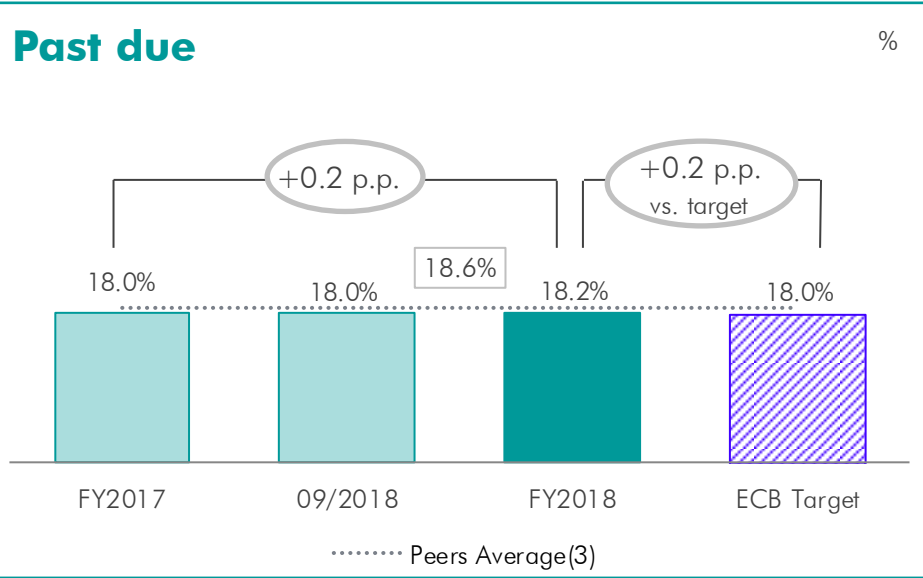
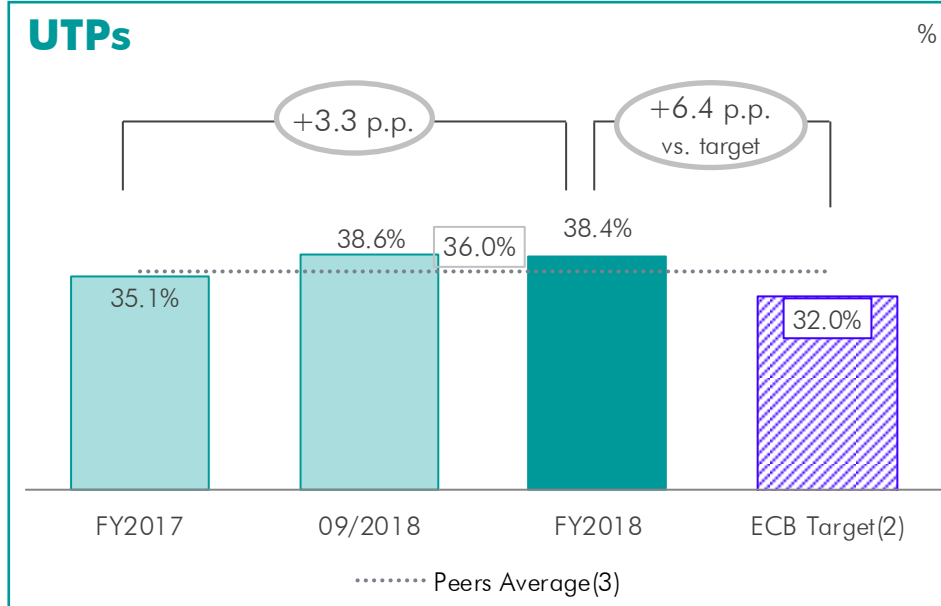
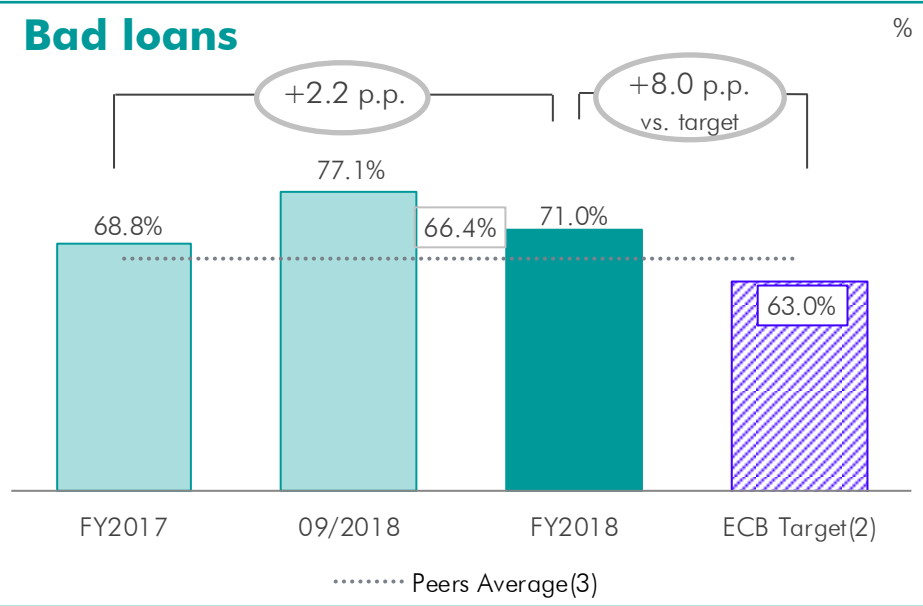
(2) Sum of Income statement items 130(a) net of loss provisions on loans to banks, 100a and, for 2018, 110 (for the loans component only) and 140 on net loans to customers; as at 31/12/2018, 177 bps net of IFRS9 impact. Cost of risk includes the effects from recalibration of the model for assessing the likelihood of the disposal of an NPE portfolio, as set out in the 2019/23 Strategic Plan approved by the Temporary Administrators.

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# Coverage<sup>(1)</sup>

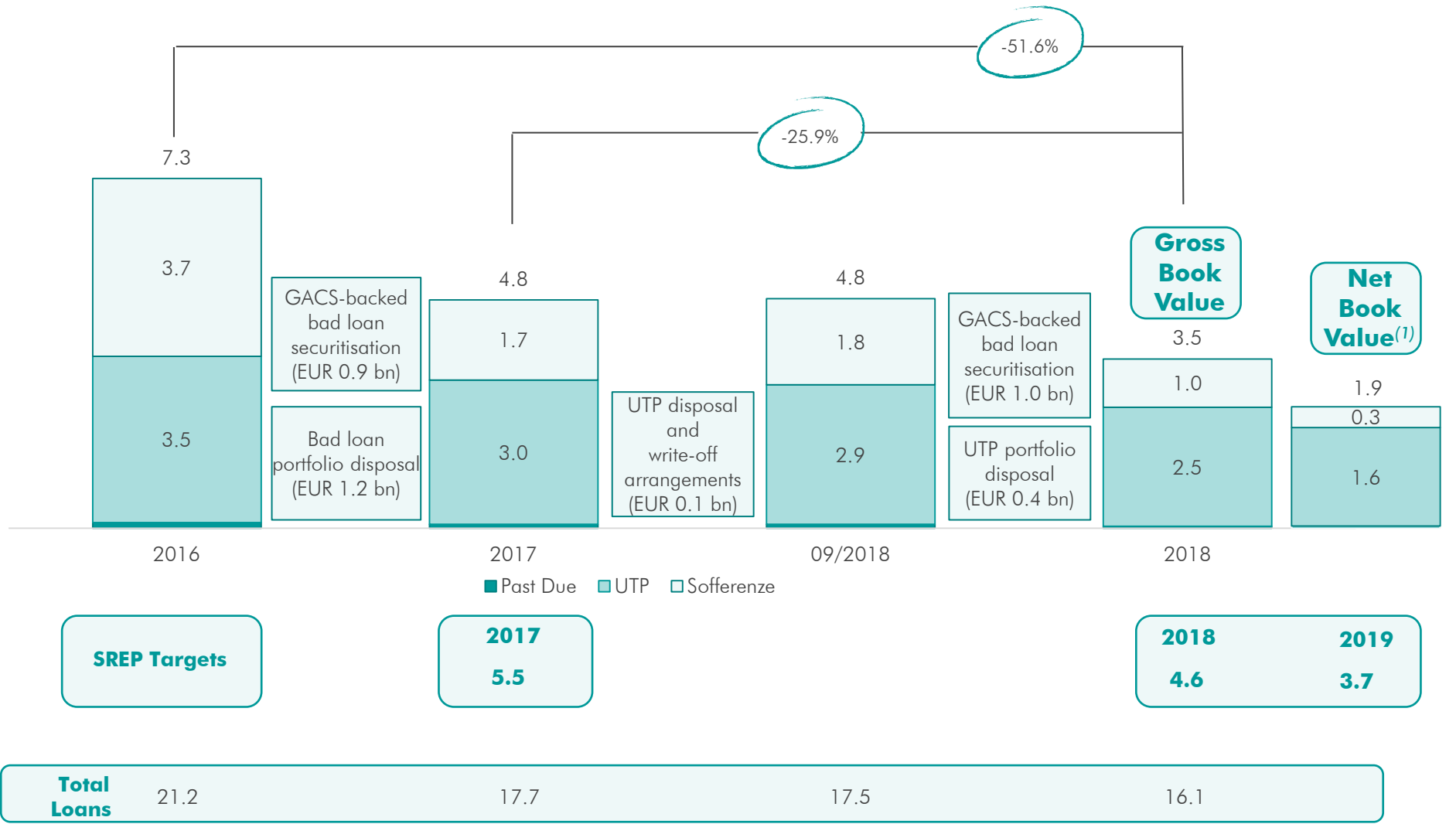


(1) Including write-offs.  
 (2) Including write-offs. Targets assigned with SREP letter dated 13 December 2016  
 (3) Source: 3Q18 report (UCG, ISP, MPS, UBI, BBPM, BPER, Credem, POPSO and Creval), excluding write-offs.

# Derisking process

## Trend in NPEs GBV

EUR bn



(1) Net Book Value

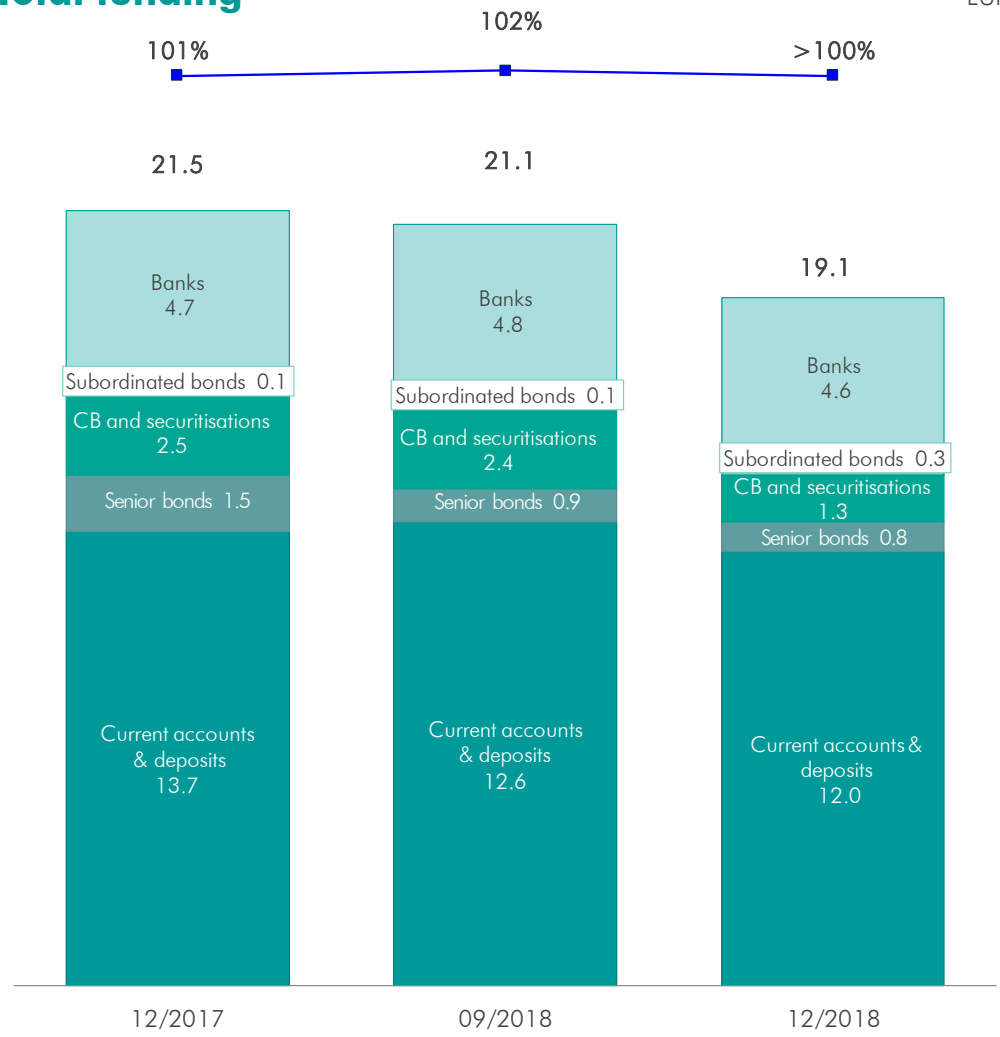
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# Liquidity position

## Total funding

EUR bn



Cost of Funding<sup>(3)</sup> 1.12%

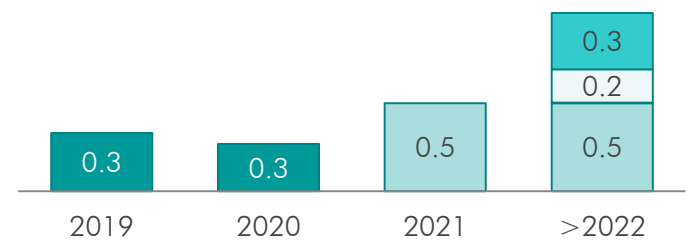
NSFR 1.03%

0.83%

(3) Average rate on average amount of deposits

## Bond maturity ladder<sup>1</sup>

EUR bn

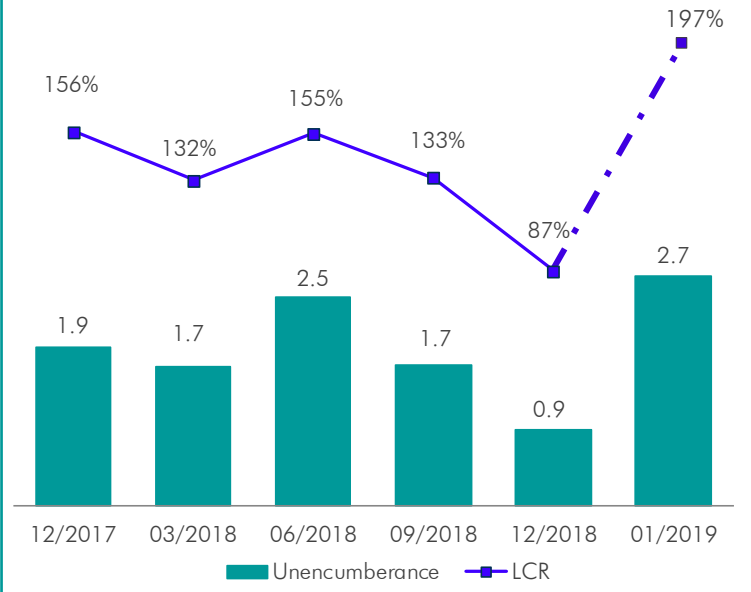


Legend: Covered Bonds (light blue), Retail (dark blue), Senior (grey), Tier2 sub. bond<sup>(2)</sup> (teal)

(1) As at 31/12/2018; excluding TLTRO2 (EUR 3.5 bn, coming to maturity in 2020 and 2021); excluding Italian government guaranteed bond issues (EUR 2.0 bn, coming to maturity in 2020)  
 (2) Underwritten by the Voluntary Intervention Scheme of FITD and Banco di Desio e della Brianza

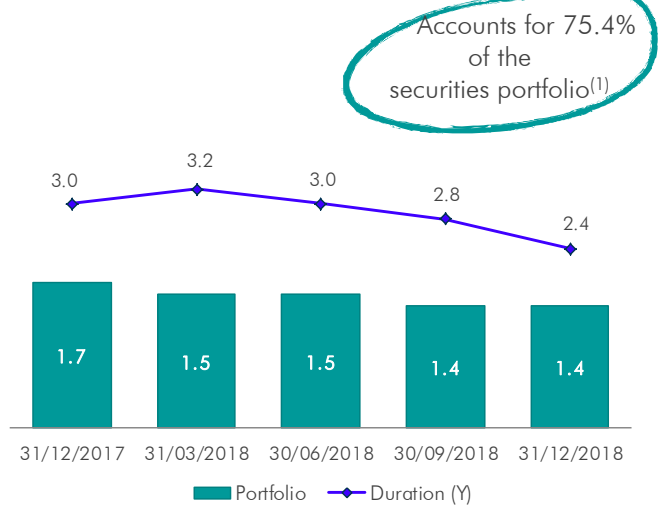
## Unencumbered assets

EUR bn

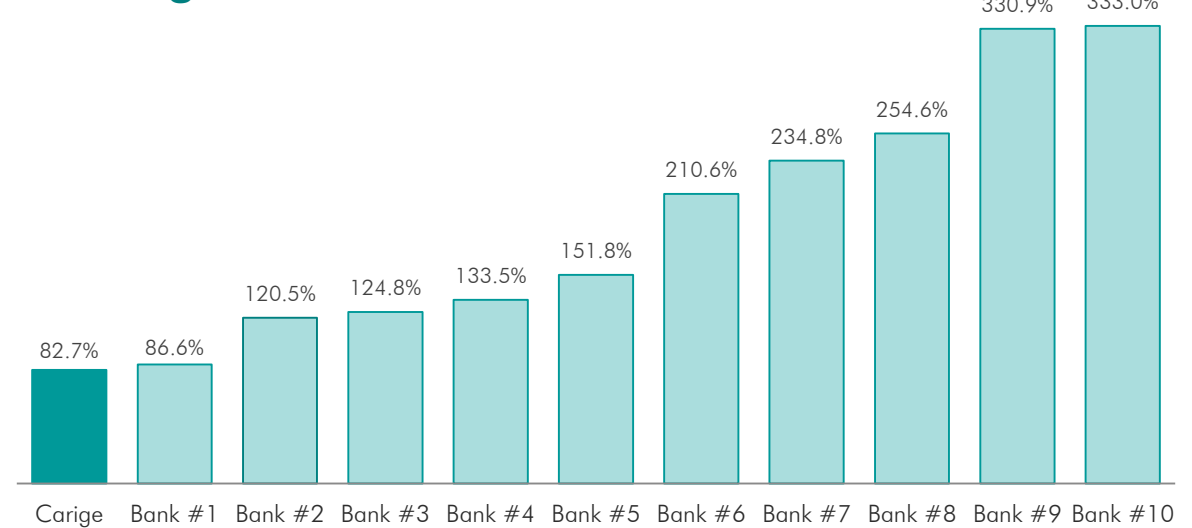


# Conservative risk profile

## Government bond portfolio and duration



## Italian government bonds/CET1<sup>2</sup>

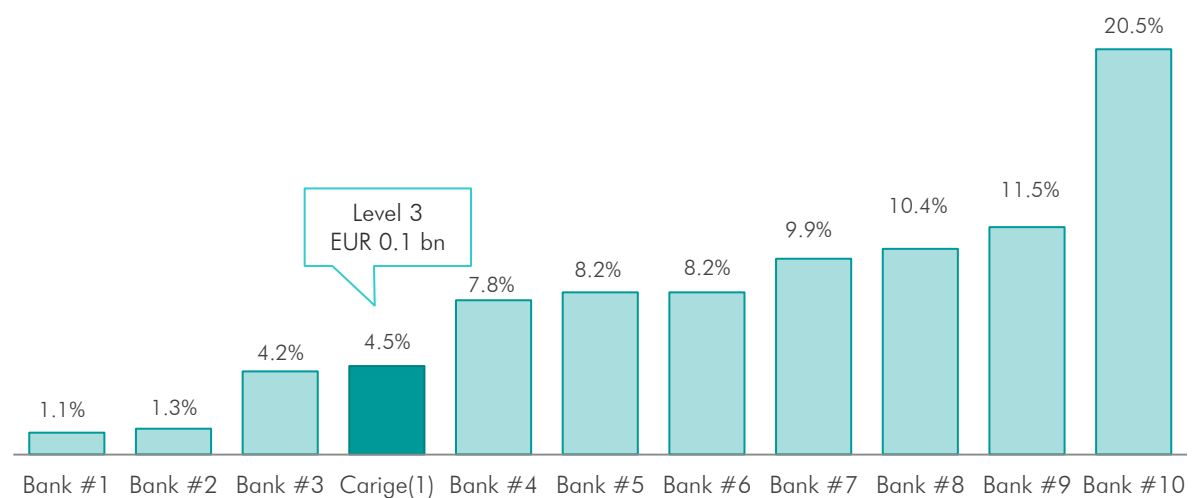


Portfolio risk remains low both in sizing and duration.  
Negligible share of "level 3" assets

High sensitivity of NII<sup>(4)</sup> to interest rate increase:

- rates up 1% → ~ +43 mln NII
- rates down 1% → ~ -37 mln NII

## "Level 3" assets as a share of CET1<sup>(3)</sup>



(1) Net of the equity investment in the Bank of Italy  
 (2) Source: FY18 reports (Carige), 3Q18 reports (UCG (1H18 sovereign), ISP, MPS, UBI, BBPM, BPER, Credem, POPSO and Creval), 1H18 report (CR Parma)  
 (3) Source: FY18 data (Carige, "Level 3 assets" as at 30/09/2018), 1H18 reports (UCG, ISP, MPS, UBI, BBPM, BPER, Credem, POPSO, Creval and CRParma); "Level 3 assets" net of loans  
 (4) Sensitivity as at 31/12/2018, operational estimate

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Note: The Income Statement figures for 12M18 are not fully comparable with those for prior periods as a result of the adoption, in 2018, of IFRS 9 and the fifth update of the Bank of Italy Circular no. 262. More specifically, some components of the original item 'net losses/recoveries on impairment of loans and other financial assets' were booked to interest income (with a negative EUR 9.7 mln impact on net interest income in the twelve-month period) and to reversals/provisions for risks and charges (with a positive EUR 21.3 mln impact in the twelve-month period).

- (1) Includes Income Statement items 70, 80, 90, 100 (excluding 100(a) and (110) (for the component relating to securities) net of non-recurring items
- (2) Income statement item 230 (former 220) net of tax recoveries
- (3) Income Statement item 190a (former 180(a)) net of non-recurring items (early retirement costs, operational data)
- (4) Income Statement items 210 and 220 (former 200 and 210) net of non-recurring items
- (5) Income Statement item 190(b) (former 180(b)) net of contributions and other banking system charges (SRF and DGS), DTA fees, tax recoveries and non-recurring items associated with one-off transactions carried out during the period (with the latter being operational data)
- (6) Includes Income Statement item 130(a) and, for 2018, item 110 (for loan component only) and item 140
- (7) Income Statement items 130(b) (former 130(b) and 130(d)) net of certain banking system charges (Voluntary scheme and Atlante Fund)
- (8) Fair value adjustment of financial assets arising from securitisation
- (9) Income Statement items 250 and 280 (former 240 and 270)
- (10) Operational data
- (11) Non-recurring administrative expenses associated with one-off transactions carried out during the period (operational data)

# Reclassified Consolidated Income Statement - quarterly trend

Amounts in EUR/mln

<b>RECLASSIFIED INCOME STATEMENT</b>	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
Net interest income	60.9	56.5	53.7	55.5	52.7	59.9	58.4	62.6
Net fee and commission income	53.7	56.8	58.5	61.9	58.0	59.1	60.3	61.8
Core trading <sup>(1)</sup>	2.5	1.1	1.1	13.6	(1.6)	1.2	3.2	15.5
Other operating income <sup>(2)</sup>	(0.9)	5.8	4.0	4.4	5.0	5.9	6.5	8.0
<b>NET CORE OPERATING INCOME</b>	<b>116.2</b>	<b>120.1</b>	<b>117.4</b>	<b>135.4</b>	<b>114.1</b>	<b>126.1</b>	<b>128.5</b>	<b>147.8</b>
Core personnel expenses <sup>(3)</sup>	(67.2)	(67.0)	(70.7)	(73.6)	(71.6)	(74.0)	(73.6)	(78.1)
Net adjustments to/recoveries on core property and equipment, and on intangible assets <sup>(4)</sup>	(5.0)	(3.7)	(1.7)	(7.4)	(8.6)	(8.1)	(10.0)	(9.6)
Core administrative expenses <sup>(5)</sup>	(49.8)	(37.5)	(37.8)	(36.7)	(48.3)	(38.2)	(46.2)	(42.4)
<b>CORE OPERATING EXPENSE</b>	<b>(122.0)</b>	<b>(108.2)</b>	<b>(110.2)</b>	<b>(117.8)</b>	<b>(128.5)</b>	<b>(120.3)</b>	<b>(129.8)</b>	<b>(130.1)</b>
<b>GROSS OPERATING PROFIT</b>	<b>(5.8)</b>	<b>11.9</b>	<b>7.1</b>	<b>17.7</b>	<b>(14.4)</b>	<b>5.8</b>	<b>(1.3)</b>	<b>17.7</b>
Net losses on impairment of loans to banks and customers <sup>(6)</sup>	(20.9)	(189.8)	(33.2)	(13.1)	(252.4)	42.3	(141.9)	(75.6)
Profits (losses) on disposal or repurchase of financial assets at amortised cost	(44.0)	0.4	(19.9)	-	(210.0)	(111.5)	-	-
Net losses/recoveries on impairment of other financial assets <sup>(7)</sup>	0.0	(0.0)	0.0	(0.0)	(1.3)	3.5	(4.6)	4.2
<b>NET OPERATING PROFIT</b>	<b>(70.6)</b>	<b>(177.6)</b>	<b>(46.0)</b>	<b>4.6</b>	<b>(478.1)</b>	<b>(59.9)</b>	<b>(147.8)</b>	<b>(53.6)</b>
Non-core trading <sup>(8)</sup>	1.9	(5.5)	-	-	221.5	-	-	-
Profits (losses) on equity investments and on disposal of investements <sup>(9)</sup>	1.2	27.2	36.7	1.4	89.4	0.0	4.9	0.9
Early retirement costs <sup>(10)</sup>	-	(0.7)	(1.0)	-	(61.5)	-	-	-
Non-core administrative expenses <sup>(11)</sup>	(6.0)	(0.4)	(2.0)	(1.8)	(6.7)	(0.4)	(3.3)	-
Non-recurring adjustments to/recoveries on property and equipment and intangible assets	-	-	-	-	(14.9)	-	-	-
Net provisions for risks and charges	(11.9)	(2.6)	(30.4)	3.2	(1.5)	(5.4)	(16.3)	(1.0)
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante)	0.9	(10.9)	(3.1)	(8.4)	(4.7)	(18.3)	(7.2)	(11.0)
DTA fees	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>(88.0)</b>	<b>(173.9)</b>	<b>(49.2)</b>	<b>(4.5)</b>	<b>(259.9)</b>	<b>(87.5)</b>	<b>(173.1)</b>	<b>(68.2)</b>
Taxes	3.4	(2.2)	15.2	3.4	73.8	24.9	49.9	20.8
Profit (loss) after tax from discontinued operations	(1.6)	7.5	7.5	7.5	7.2	6.6	6.0	6.3
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>(86.2)</b>	<b>(168.6)</b>	<b>(26.6)</b>	<b>6.4</b>	<b>(179.0)</b>	<b>(56.0)</b>	<b>(117.2)</b>	<b>(41.2)</b>
Non-controlling interests	(2.3)	(0.2)	0.3	(0.0)	(1.0)	(0.5)	(3.4)	(0.1)
<b>NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>(83.9)</b>	<b>(168.4)</b>	<b>(26.9)</b>	<b>6.4</b>	<b>(178.0)</b>	<b>(55.5)</b>	<b>(113.8)</b>	<b>(41.1)</b>

Note: The Income Statement figures for 12M18 are not fully comparable with those for prior periods as a result of the adoption, in 2018, of IFRS 9 and the fifth update of the Bank of Italy Circular no. 262.

More specifically, some components of the original item 'net losses/recoveries on impairment of loans and other financial assets' were booked to interest income (with a negative EUR 9.7 mln impact on net interest income in the twelve-month period) and to reversals/provisions for risks and charges (with a positive EUR 21.3 mln impact in the twelve-month period).

- (1) Includes Income Statement items 70, 80, 90, 100 (excluding 100(a) and 110 (for the component relating to securities) net of non-recurring items (LME for 2017)
- (2) Income statement item 230 (former 220) net of tax recoveries
- (3) Income Statement item 190a (former 180(a)) net of non-recurring items (early retirement costs, operational data)
- (4) Income Statement items 210 and 220 (former 200 and 210) net of non-recurring items
- (5) Income Statement item 190(b) (former 180(b)) net of contributions and other banking system charges (SRF and DGS), DTA fees, tax recoveries and non-recurring items associated with one-off transactions carried out during the period (with the latter being operational data)
- (6) Includes Income Statement item 130(a) and, for 2018, item 110 (for loan component only) and item 140
- (7) Income Statement items 130(b) (former 130(b) and 130(d)) net of certain banking system charges (Voluntary scheme and Atlante Fund)
- (8) Fair value adjustment of financial assets arising from securitisation for 2018 and LME for 2017
- (9) Income Statement items 250 and 280 (former 240 and 270)
- (10) Operational data
- (11) Non-recurring administrative expenses associated with one-off transactions carried out during the period (operational data)



# Credit quality

EUR mln

31/12/2018

Loans	Gross	%	Loan losses	Net	%	Coverage	Coverage including write-offs
Bad loans	1,009.8	6.3%	679.7	330.1	2.3%	67.3%	71.0%
Unlikely to pay	2,497.3	15.5%	943.3	1,554.0	10.8%	37.8%	38.4%
Past Due	40.7	0.3%	7.3	33.3	0.2%	18.0%	18.2%
<b>Non-performing loans</b>	<b>3,547.7</b>	<b>22.0%</b>	<b>1,630.3</b>	<b>1,917.4</b>	<b>13.3%</b>	<b>46.0%</b>	<b>48.2%</b>
Performing loans	12,588.1	78.0%	112.4	12,475.8	86.7%	0.9%	0.9%
<b>Total loans<sup>(1)</sup> to customers</b>	<b>16,135.9</b>	<b>100.0%</b>	<b>1,742.7</b>	<b>14,393.2</b>	<b>100.0%</b>	<b>10.8%</b>	<b>11.6%</b>

Coverage remained high for the three exposure clusters, while average coverage was affected by the NPE portfolio mix, currently tilting towards UTPs. The Bank's coverage of the performing portfolio remains higher than peers' average, despite its steady growth in quality

30/9/2018

31/12/2017

Loans	Gross	%	Loan losses	Net	%	Coverage	Regional peer <sup>(2)</sup>	Gross	%	Loan losses	Net	%	Coverage
Bad loans	1,805.7	10.3%	1,340.7	465.0	3.1%	74.2%	65.4%	1,677.9	9.5%	1,077.6	600.3	3.9%	64.2%
Unlikely to pay	2,925.3	16.7%	1,126.4	1,798.9	12.1%	38.5%	34.5%	3,027.0	17.1%	1,053.3	1,973.7	12.7%	34.8%
Past Due	84.1	0.5%	15.1	68.9	0.5%	18.0%	16.1%	80.7	0.5%	14.5	66.2	0.4%	18.0%
<b>Non-performing loans</b>	<b>4,815.1</b>	<b>27.5%</b>	<b>2,482.2</b>	<b>2,332.8</b>	<b>15.7%</b>	<b>51.6%</b>	<b>51.3%</b>	<b>4,785.6</b>	<b>27.0%</b>	<b>2,145.4</b>	<b>2,640.2</b>	<b>17.0%</b>	<b>44.8%</b>
Performing loans	12,666.4	72.5%	116.3	12,550.1	84.3%	0.9%	0.6%	12,948.4	73.0%	79.0	12,869.5	83.0%	0.6%
<b>Total loans to customers<sup>(1)</sup></b>	<b>17,481.4</b>	<b>100.0%</b>	<b>2,598.5</b>	<b>14,882.9</b>	<b>100.0%</b>	<b>14.9%</b>	<b>7.6%</b>	<b>17,734.0</b>	<b>100.0%</b>	<b>2,224.3</b>	<b>15,509.7</b>	<b>100.0%</b>	<b>12.5%</b>

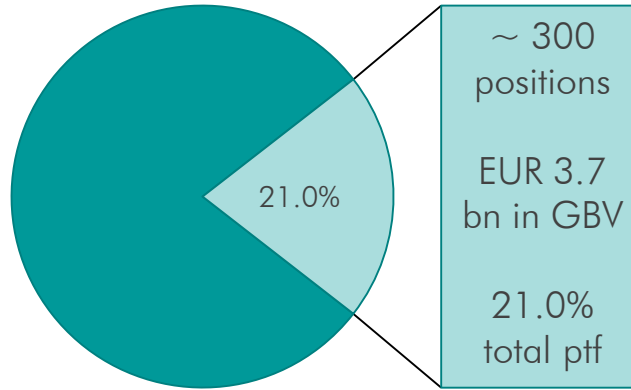
(1) Income Statement item 40(b), net of debt securities at amortised cost for 2018 and debt securities classified as L&R for 2017

(2) Source: unweighted average of 3Q18 data (BBPM, UBI, MPS, BPER, Credem, POPSO and Creval)

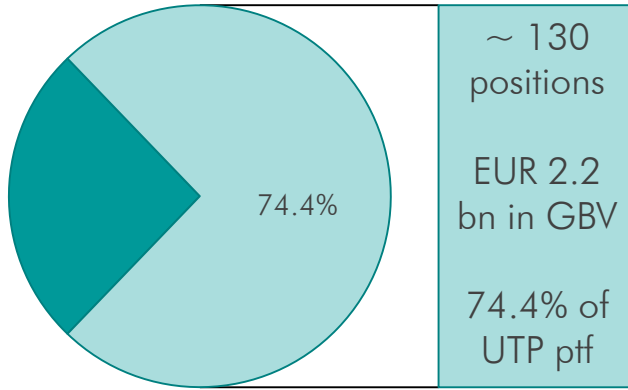
# Loan book clean-up<sup>(1)</sup>

## Credit file review<sup>(1)</sup>

### Total loan book



### o.w. UTP portfolio



■ Credit file review

%  
The extensive review of the loan book, which was also inspected by the ECB, covered ~300 exposures with a GBV of EUR 3.7 bn  
~EUR 1.1 bn of performing loans (8.5%<sup>1</sup> of the performing portfolio)  
~EUR 2.6 bn of non-performing exposures (53.9%<sup>(1)</sup> of the non-performing portfolio)  
o.w. ~EUR 2.2 bn in UTPs (74.4%<sup>(1)</sup> UTP portfolio)

(1) Figures as at 30/09/2018

# Disclaimer

*The manager responsible for preparing Banca Carige's financial reports, Mr. Mauro Mangani, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the underlying documentary evidence, books and accounting records.*

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

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