

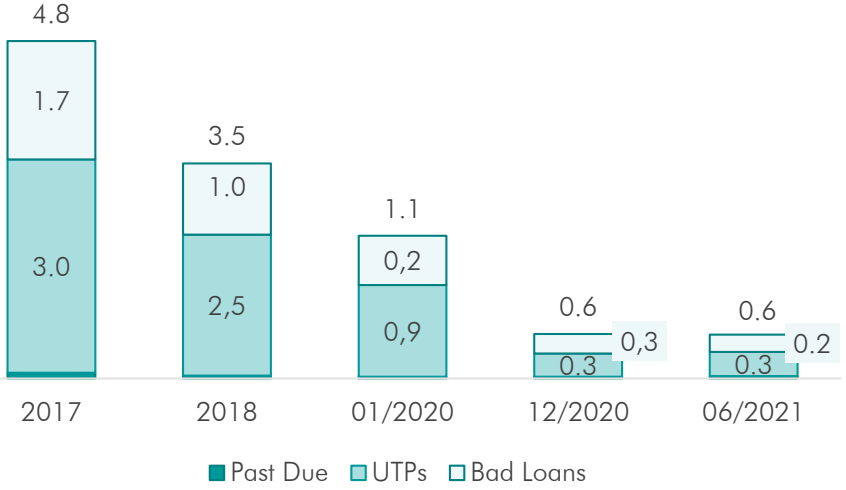
Agenda

- 1 Highlights
- 2 **Asset quality**
- 3 Capital and liquidity
- 4 Results as at 30 June
- 5 Annexes

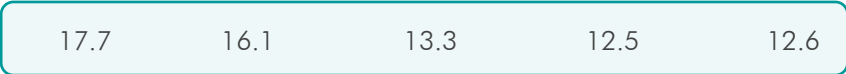
Derisking process

Trend in NPEs GBV

EUR bn

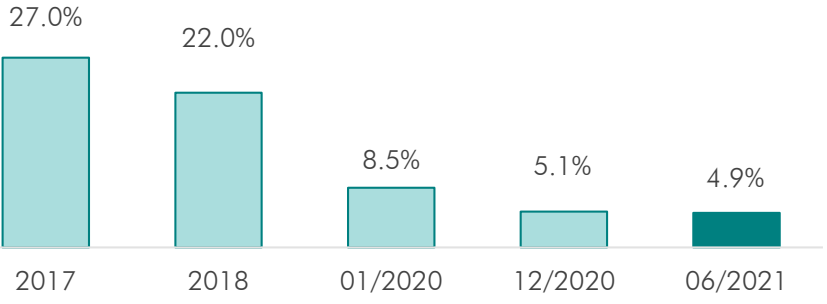


Total gross loans



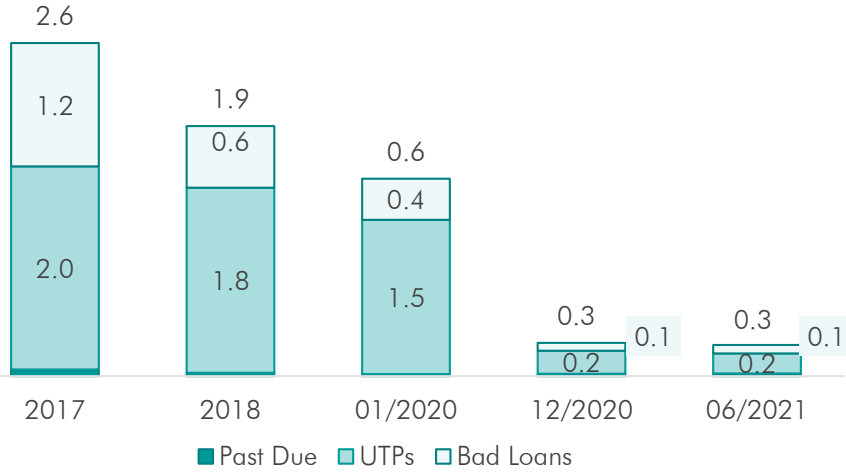
Gross NPE ratio

%

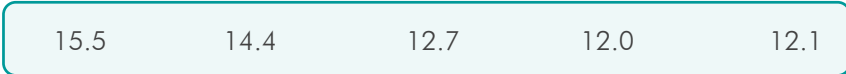


Trend in NPEs NBV

EUR bn

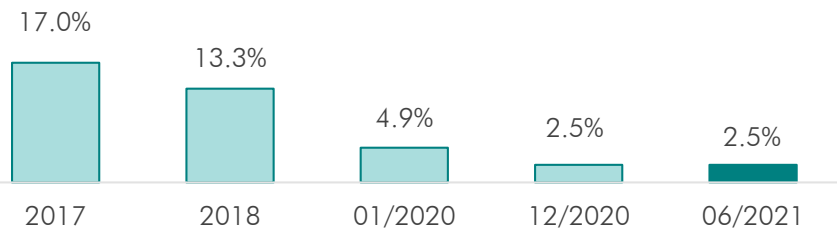


Total net loans



Net NPE ratio

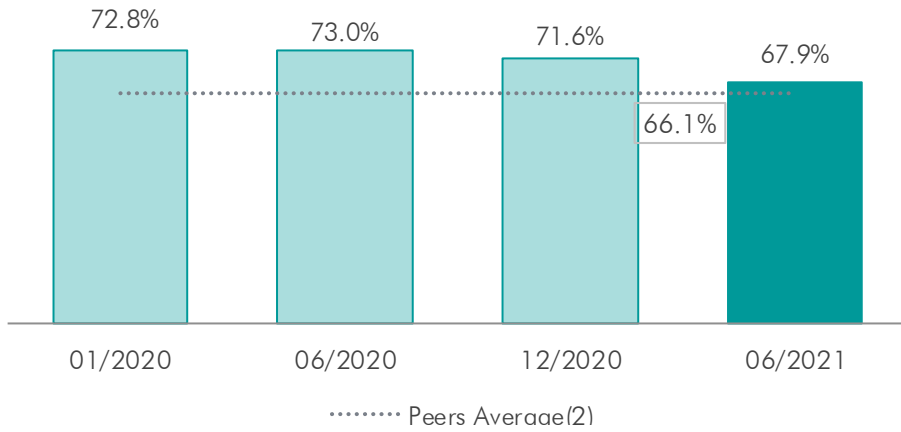
%



Coverage⁽¹⁾

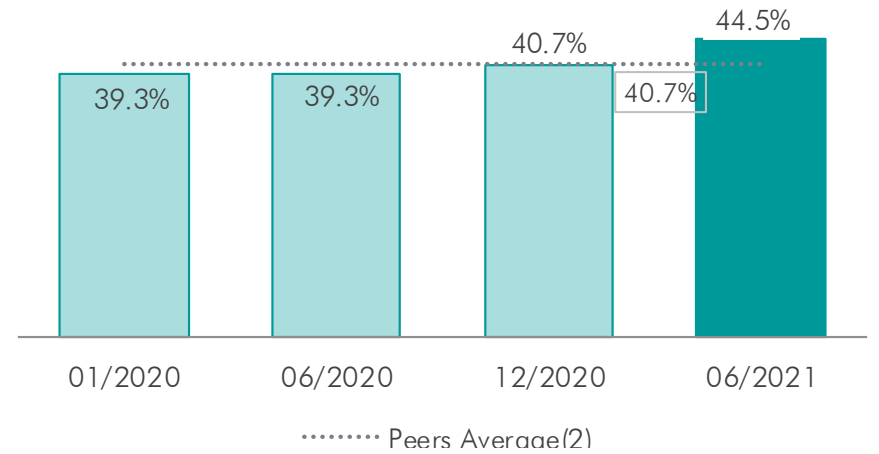
Bad loans

%



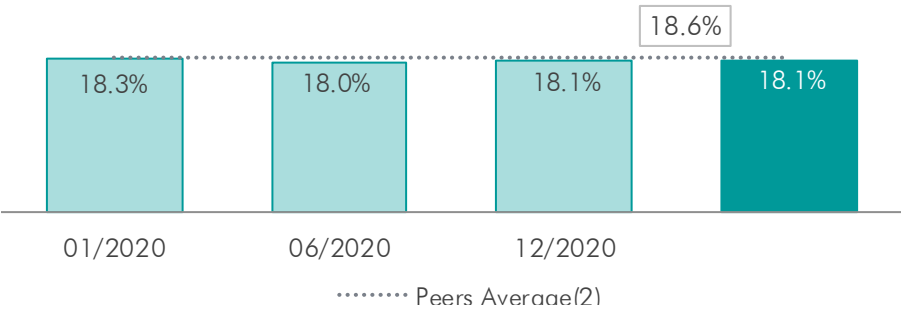
UTPs

%



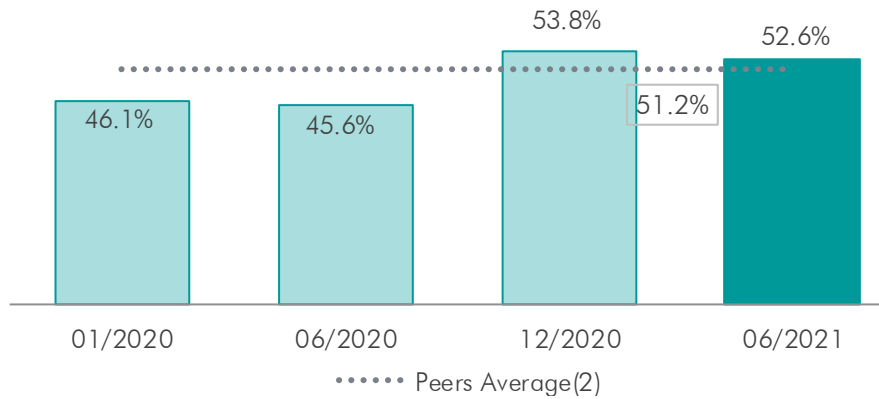
Past due

%



NPEs

%



(1) Including write-offs

(2) Source: 1Q21 reports (UCG, ISP, MPS, BBPM, BPER, Credem, POPSO and Creval), FY20 report (CA Italia); excluding write-offs

Credit quality

EUR mln

	30/06/2021						
Loans	Gross	%	Loan losses	Net	%	Coverage	Coverage including write-offs
Bad loans	243.9	1.9%	160.9	83.1	0.7%	66.0%	67.9%
Unlikely to pay	344.5	2.7%	151.3	193.2	1.6%	43.9%	44.5%
Past Due	33.3	0.3%	6.0	27.3	0.2%	18.1%	18.1%
Non-performing loans	621.8	4.9%	318.2	303.6	2.5%	51.2%	52.6%
Performing loans	11,946.0	95.1%	112.5	11,833.5	97.5%	0.9%	0.9%
Total loans⁽¹⁾ to customers	12,567.8	100.0%	430.7	12,137.1	100.0%	3.4%	3.6%

	31/03/2021							31/12/2020					
Loans	Gross	%	Loan losses	Net	%	Coverage	Regional peers ⁽²⁾	Gross	%	Loan losses	Net	%	Coverage
Bad loans	240.5	1.9%	160.6	79.9	0.7%	66.8%	65.3%	277.8	2.2%	194.5	83.4	0.7%	70.0%
Unlikely to pay	327.9	2.6%	135.1	192.8	1.6%	41.2%	39.4%	329.9	2.6%	132.0	197.9	1.6%	40.0%
Past Due	44.5	0.4%	8.0	36.5	0.3%	18.0%	16.4%	24.3	0.2%	4.4	19.9	0.2%	18.0%
Non-performing loans	612.9	4.9%	303.7	309.2	2.5%	49.6%	50.4%	632.0	5.1%	330.8	301.2	2.5%	52.3%
Performing loans	11,985.5	95.1%	122.6	11,862.9	97.5%	1.0%	0.5%	11,859.9	94.9%	124.9	11,735.0	97.5%	1.1%
Total loans to customers⁽¹⁾	12,598.4	100.0%	426.4	12,172.0	100.0%	3.4%	3.4%	12,491.9	100.0%	455.7	12,036.2	100.0%	3.6%

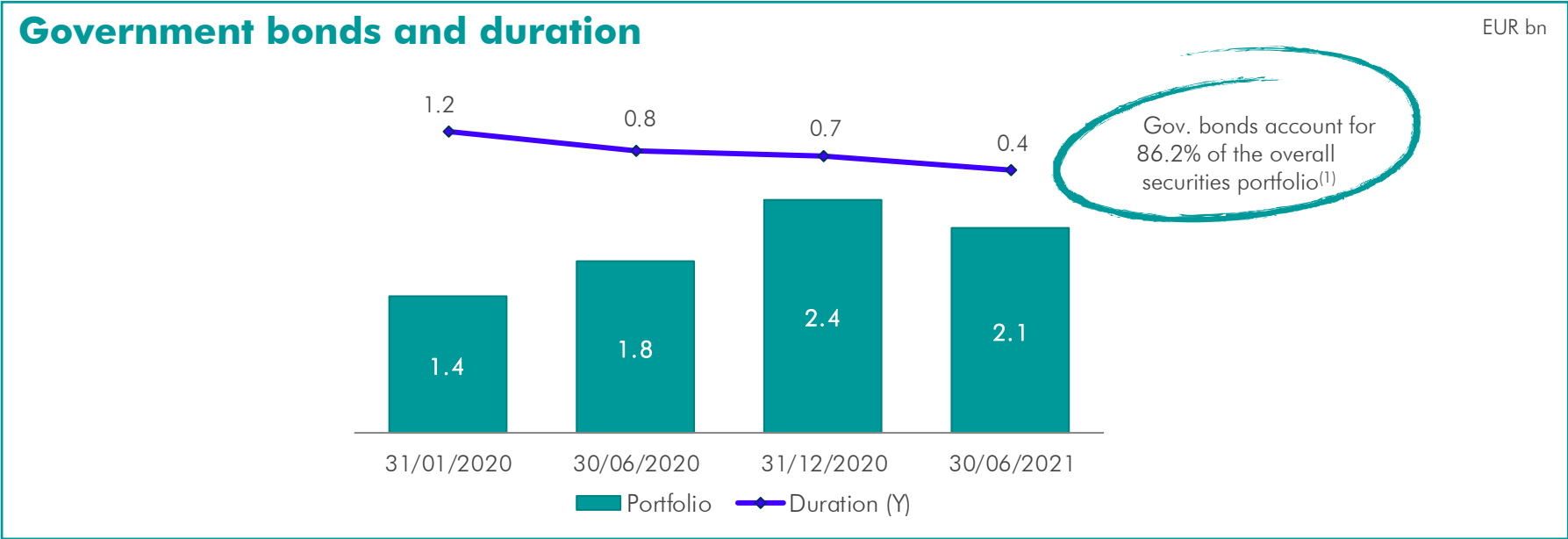
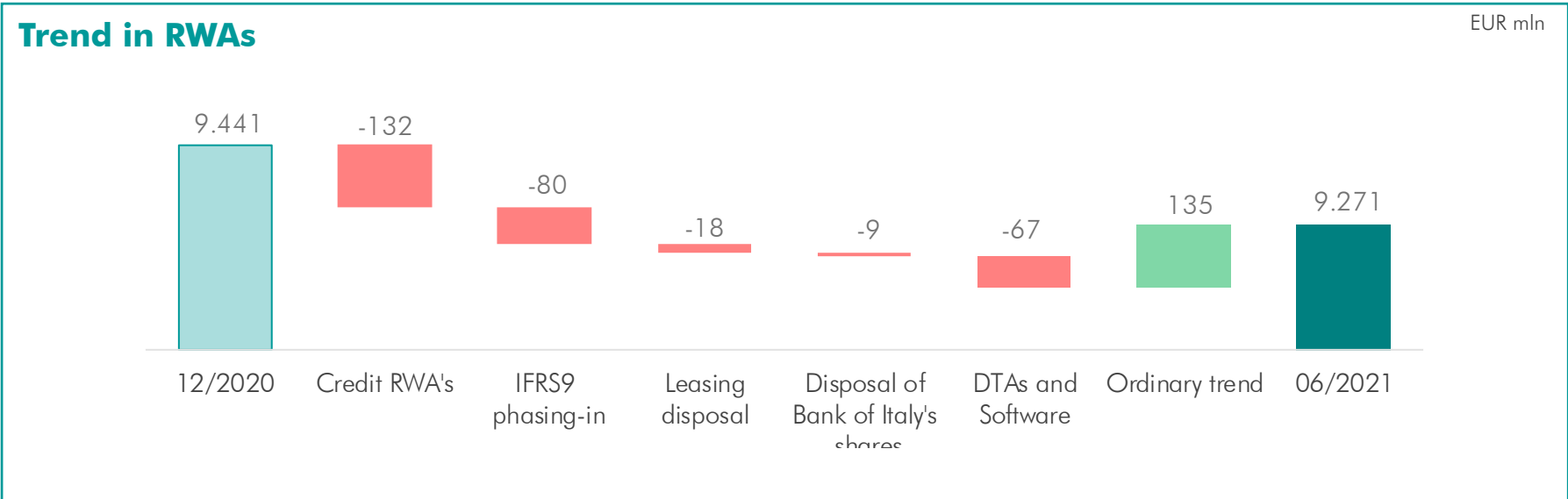
(1) Balance Sheet Item 40(b) net of debt securities measured at amortised cost

(2) Source: unweighted average of 1Q20 data (BBPM, MPS, BPER, Credem, POPSO, Creval); FY20 data (CA Italia)

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Trend in RWAs and securities portfolio

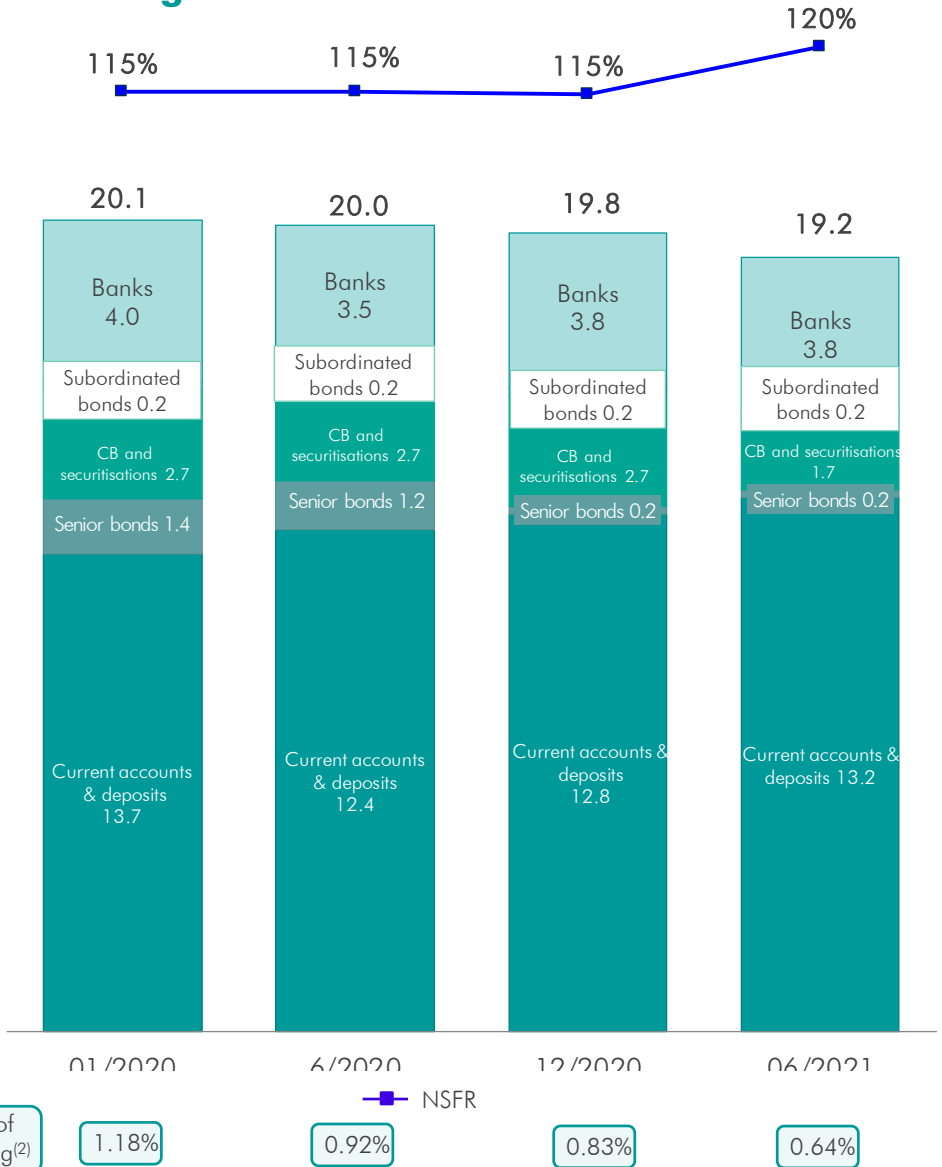


(1) Net of the equity investment in the Bank of Italy

Liquidity position

Total funding

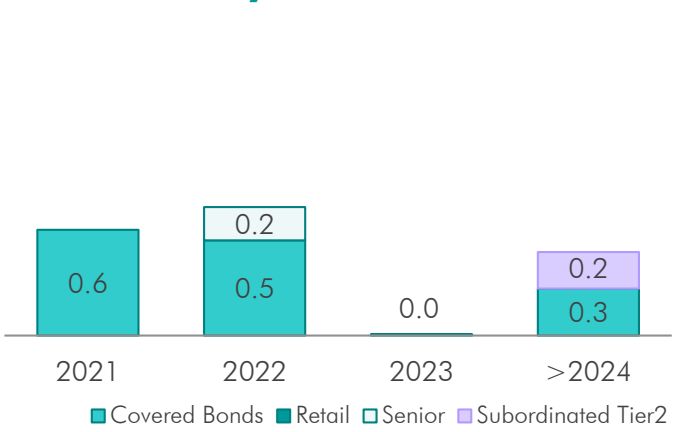
EUR bn



(2) Average rate on average amount of deposits

Bond maturity ladder⁽¹⁾

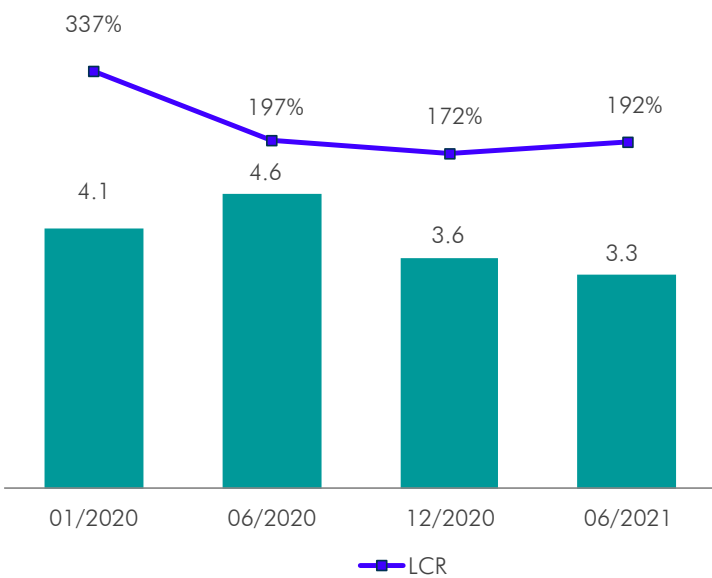
EUR bn



(1) Excluding TLTRO3 (EUR 3.5 bn coming to maturity in 2023) and retained bond issues - as at 30/06/2021

Counterbalancing Capacity

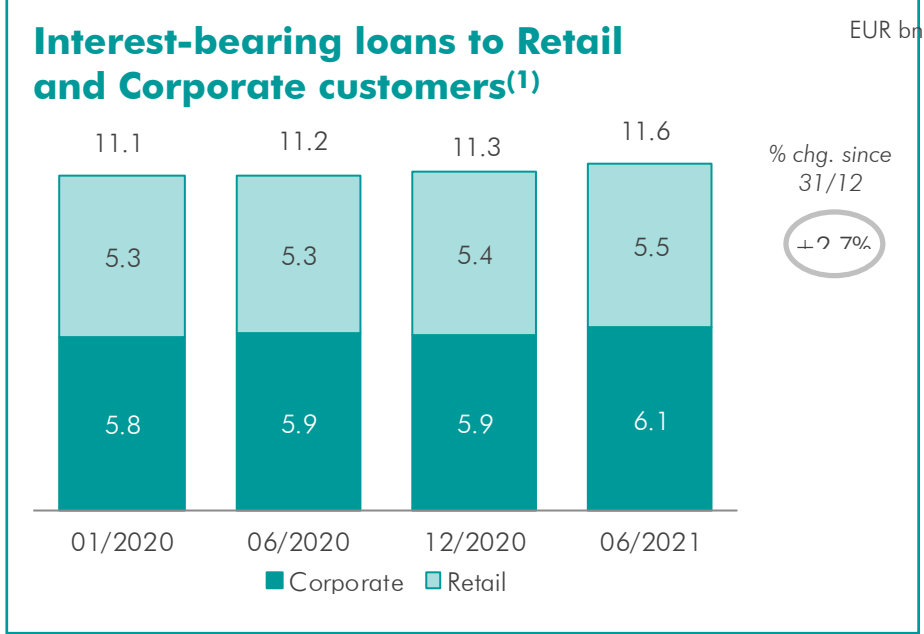
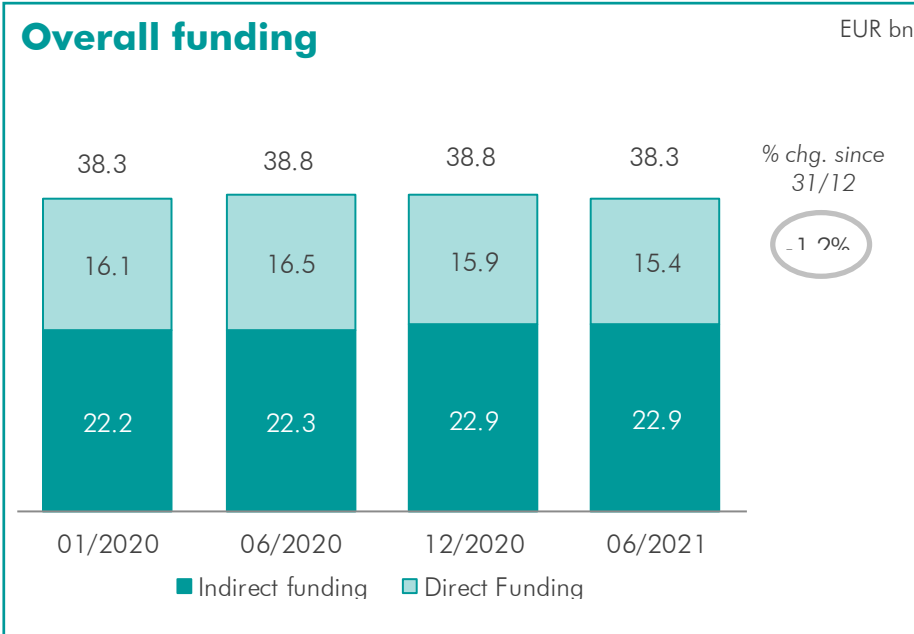
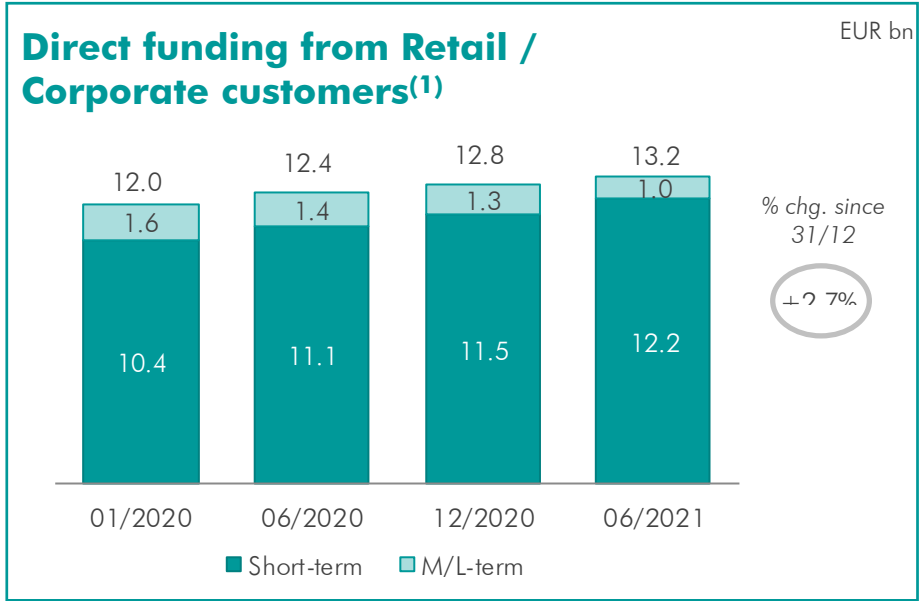
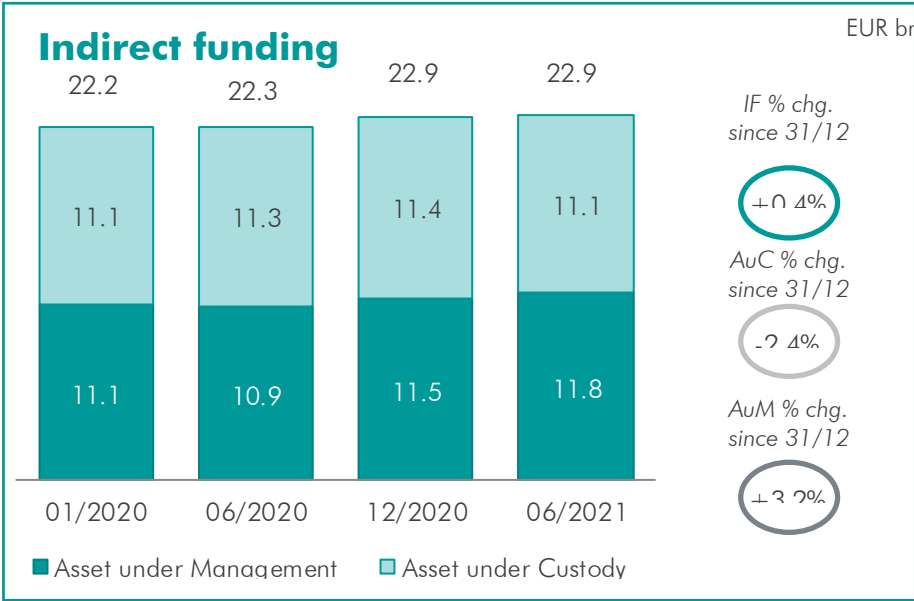
EUR bn



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Funding and lending with customers

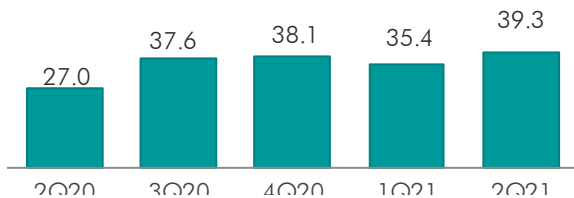


(1) Operational data

Income and Expenses

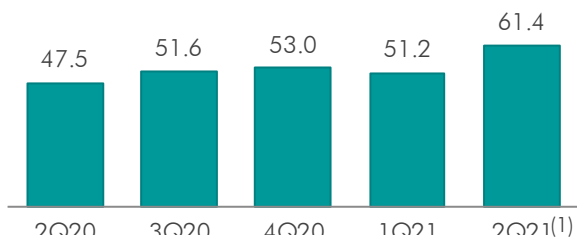
Net Interest Income

EUR mln



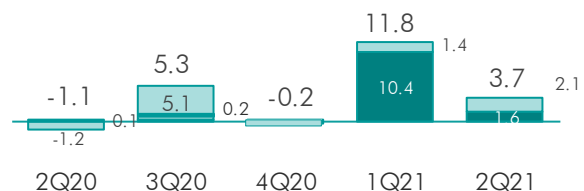
% chg.
2Q21-1Q21
+11.1%

Net fee and commission income⁽¹⁾



% chg.
2Q21-1Q21
+19.8%

Dividends and core trading⁽²⁾

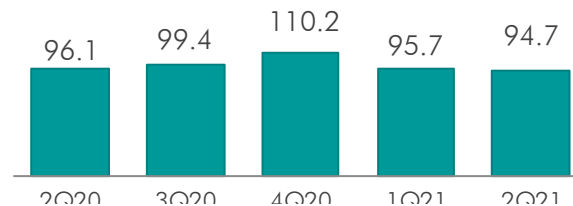


% chg.
2Q21-1Q21
-69.0%

■ Dividends ■ Net profit (loss) from core trading

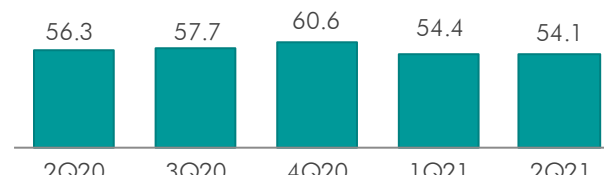
Operating expenses⁽³⁾

EUR mln



% chg.
2Q21-1Q21
-1.1%

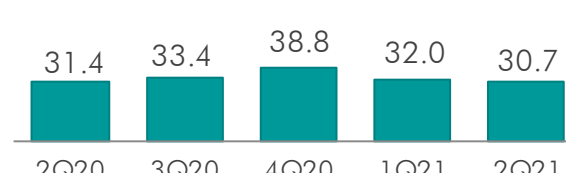
Personnel expenses⁽⁴⁾



% chg.
2Q21-1Q21
-0.6%



Administrative expenses⁽⁵⁾



% chg.
2Q21-1Q21
-3.9%



*31/12/2020

- (1) 2Q21 figures include non-recurring items (around 6 mln) for the placement of third-party products
- (2) Includes Income Statement items 70, 80, 90, 100(a) (for the securities component only), 100(b), 100(c) and 110 (for the securities component only) net of non-recurring items
- (3) Operating expenses include personnel and administrative expenses, as indicated below, and net adjustments to/recoveries on property, equipment and intangible assets net of

- non-recurring items
- (4) Item 190(a) net of early-retirement costs
- (5) Income Statement item 190(b) net of banking system charges (SRF and DGS), DTA fees, tax recoveries and Strategic Plan charges related to one-off transactions carried out during the period (operational data in the latter case)

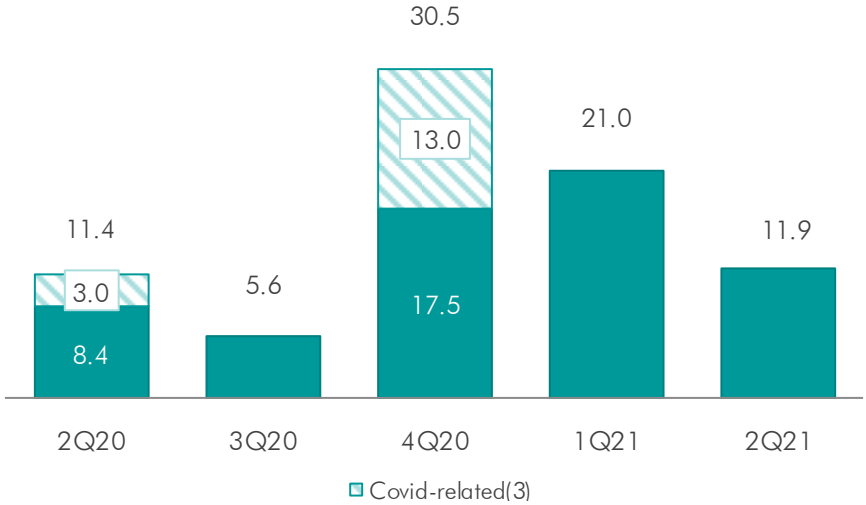
Cost of risk

EUR mln

Net impairment losses on loans and losses on disposal⁽¹⁾

Annualised cost of credit⁽²⁾ bps

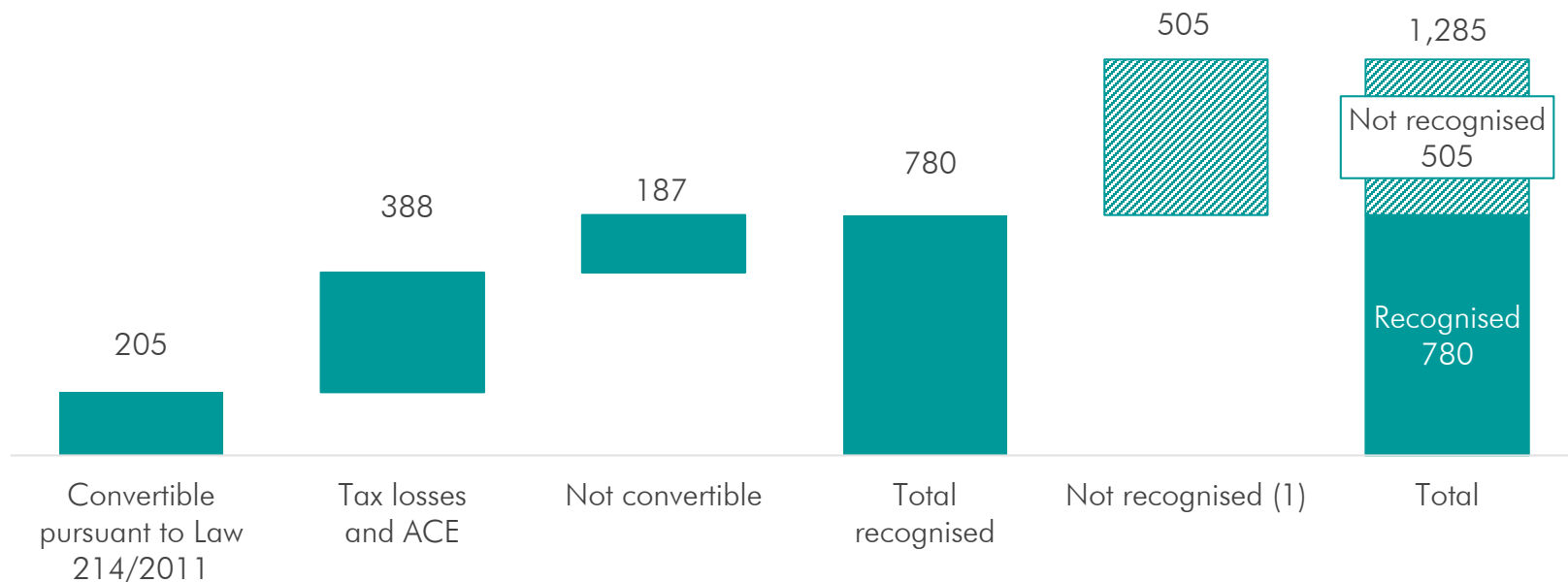
5.1



(1) Income Statement items 130(a) for the loans to customers component only, 100 (a) (for the loans component only, net of profits on the disposal of performing loans) and 140
 (2) Sum of Income statement items 130(a) for the loans to customers component only, 100(a) (for the loans component only, net of profits on the disposal of performing loans) and 140 on net loans to customers (net of securities measured at amortised cost)
 (3) Operational data

Breakdown - June 2021

EUR
mln



Prudential treatment

100% weighted

Deducted from own funds

250% weighted and deducted if in excess of deductibles

In continuity with prior periods, EUR 14 mln new DTAs based on future taxable profits were not recognised in the financial statements as at 30 June 2021

(1) In the event of a business combination, such DTAs could be recognised again in the financial statements, in view of different prospects for future income and in light of the provisions for conversion into tax credits under law No. 178/2020

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Reclassified Consolidated Income Statement

Amounts in EUR/mln

RECLASSIFIED INCOME STATEMENT	6M 2021	5M 2020	Change	
			absolute	%
Net interest income	74.7	47.9	26.9	56.1
Net fee and commission income	112.6	82.2	30.5	37.1
Dividends and similar income	12.0	10.6	1.4	13.1
Net profit (loss) from core trading activities ⁽¹⁾	3.5	1.6	1.9	...
Other core operating income/expense ⁽²⁾	0.6	6.4	(5.8)	(90.6)
OPERATING INCOME	203.5	148.7	54.8	36.9
Personnel expenses net of early retirement costs ⁽³⁾	(108.5)	(96.4)	(12.1)	12.5
Net adjustments to/recoveries on core property and equipment, and on intangible assets ⁽⁴⁾	(19.2)	(14.0)	(5.2)	36.9
Core administrative expenses ⁽⁵⁾	(62.7)	(50.1)	(12.5)	25.0
OPERATING EXPENSE	(190.4)	(160.6)	(29.8)	18.6
GROSS OPERATING PROFIT	13.0	(12.0)	25.0	...
Net losses/recoveries on impairment of loans to banks and customers ⁽⁶⁾	(43.5)	(54.6)	11.2	(20.4)
Profits (losses) on disposal or repurchase of financial assets at amortised cost ⁽⁷⁾	0.8	-	0.8	...
Net losses/recoveries on impairment of other financial assets ⁽⁸⁾	(0.0)	(0.1)	0.1	(70.7)
NET OPERATING PROFIT	(29.7)	(66.7)	37.0	(55.5)
Net profit (loss) from non-core trading ⁽⁹⁾	2.1	7.7	(5.5)	(72.5)
Other non-core operating income/expense ⁽¹⁰⁾	(1.4)	-	(1.4)	...
Profits (losses) on equity investments and on disposal of investements ⁽¹¹⁾	6.9	0.9	5.9	...
Early retirement costs ⁽¹²⁾	-	0.1	(0.1)	(100.0)
Strategic plan charges relating to non-recurring items ⁽¹³⁾	(0.2)	(0.2)	0.0	(9.7)
Non-recurring net adjustments to/recoveries on property and equipment, and on intangible assets	-	(4.8)	4.8	(100.0)
Net provisions for risks and charges ⁽¹⁴⁾	(4.4)	(6.2)	1.8	(29.7)
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante)	(13.6)	(11.2)	(2.4)	21.1
DTA fees	(7.0)	(5.8)	(1.3)	22.2
PROFIT (LOSS) BEFORE TAX	(47.2)	(86.2)	39.0	(45.2)
Taxes	(2.9)	(11.9)	9.0	(75.6)
Profit (loss) after tax from discontinued operations	-	0.0	(0.0)	(100.0)
NET PROFIT (LOSS) FOR THE PERIOD	(50.1)	(98.1)	48.0	(48.9)
Non-controlling interests	(0.2)	(0.3)	0.1	(23.8)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	(49.9)	(97.8)	47.9	(49.0)

- (1) Includes Income Statement items 80, 90, 100(a) (for the component relating to securities only), 100(b), 100(c) and 110 (for the component relating to securities only) net of non-core items
- (2) Income statement item 230 net of tax recoveries and other non-core operating income/expense
- (3) Income Statement item 190(a) net of non-recurring items (early retirement costs, operational data)
- (4) Income Statement items 210 and 220 net of non-recurring items
- (5) Income Statement item 190(b) net of contributions and other banking system charges (SRF and DGS), DTA fees, tax recoveries and Business plan charges, associated with the one-off transactions carried out during the period (with the latter being operational data)
- (6) Includes Income Statement item 130(a), item 110 (for loan component only) and item 140
- (7) Income Statement item 100(a) (for the loans component only), net of the component now now recognised under Non-core operating income/expense
- (8) Income Statement items 130(b)
- (9) Fair value adjustment of financial assets arising from securitisation and, for the 1Q20, from capital gains on disposal of HTC securities
- (10) Income Statement item 230 for the part of non-core operating income/expense. In the fourth quarter of 2020, the item also came to include the profits on disposal of financial assets at amortised cost, for the performing loans component only (recognised under item 100a in the Consolidated Income Statement)
- (11) Income Statement items 250 and 280
- (12) Operational data
- (13) Non-recurring expenses, in connection with one-off transactions carried out during the period (operational data)
- (14) Income Statement item 200, stripped of Strategic Plan charges relating to non-recurring items

Reclassified Consolidated Income Statement

Quarterly Trend

Amounts in EUR/mln

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	2Q21	1Q21	4Q20	3Q20	2Q20
Net interest income	39.3	35.4	38.1	37.6	27.0
Net fee and commission income	61.4	51.2	53.0	51.6	47.5
Dividends and similar income	1.6	10.4	0.0	0.2	0.1
Net profit (loss) from core trading ⁽¹⁾	2.1	1.4	(0.2)	5.1	(1.2)
Other core operating income/expense ⁽²⁾	1.5	(0.9)	1.6	3.9	3.9
OPERATING INCOME	105.9	97.6	92.6	98.4	77.3
Personnel expenses net of early-retirement costs ⁽³⁾	(54.1)	(54.4)	(60.6)	(57.7)	(56.3)
Recurring net adjustments to/recoveries on property and equipment, and intangible assets ⁽⁴⁾	(9.9)	(9.3)	(10.9)	(8.4)	(8.4)
Recurring administrative expenses ⁽⁵⁾	(30.7)	(32.0)	(38.8)	(33.4)	(31.4)
OPERATING EXPENSE	(94.7)	(95.7)	(110.2)	(99.4)	(96.1)
GROSS OPERATING PROFIT (LOSS)	11.2	1.8	(17.6)	(1.1)	(18.8)
Net losses/recoveries on impairment of loans to banks and customers ⁽⁶⁾	(18.3)	(25.2)	(26.6)	(4.0)	(12.0)
Profits (losses) on disposal or repurchase of financial assets at amortised cost ⁽⁷⁾	0.6	0.2	0.1	0.7	-
Net losses/recoveries on impairment of other financial assets ⁽⁸⁾	(0.1)	0.0	(0.0)	(0.0)	(0.1)
NET OPERATING PROFIT (LOSS)	(6.5)	(23.2)	(44.2)	(4.4)	(30.9)
Net profit (loss) from non-core trading ⁽⁹⁾	1.5	0.6	10.7	1.6	1.5
Other non-core operating income/expense ⁽¹⁰⁾	-	(1.4)	23.0	-	-
Profits (losses) on equity investments and disposal of investements ⁽¹¹⁾	3.5	3.4	(0.1)	3.9	7.8
Early retirement costs ⁽¹²⁾	-	-	(2.9)	-	-
Strategic Plan charges relating to non-recurring items ⁽¹³⁾	(0.1)	(0.1)	1.0	(0.0)	(0.2)
Non-recurring net adjustments to/ recoveries on property and equipment and intangible assets	-	-	(14.3)	-	(4.8)
Net provisions for risks and charges ⁽¹⁴⁾	(2.8)	(1.6)	(21.9)	(5.5)	(6.3)
Contributions and other banking system charges (SRF, DGS, Voluntary scheme and Atlante)	(3.4)	(10.3)	(3.7)	(11.1)	(2.7)
DTA fees	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)
PROFIT (LOSS) BEFORE TAX	(11.2)	(36.0)	(55.9)	(19.0)	(39.1)
Taxes	1.3	(4.2)	(74.3)	(5.4)	(3.3)
Profit (loss) after tax from discontinued operations	-	-	(0.0)	-	-
NET PROFIT (LOSS) FOR THE PERIOD	(9.9)	(40.2)	(130.2)	(24.4)	(42.5)
Non-controlling interests	0.2	(0.5)	(0.4)	(0.3)	0.2
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	(10.1)	(39.7)	(129.8)	(24.1)	(42.7)

- (1) Includes Income Statement items 80, 90, 100(a) (for the component relating to securities only), 100(b), 100(c) and 110 (for the component relating to securities only) net of non-core items
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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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