



Preliminary Consolidated Results as at 31 December 2015

12 February 2016

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The manager responsible for preparing the company's financial reports of Banca CARIGE S.p.A., Mr. Luca Caviglia, 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 document results, books and accounting records.

It is noted that the Bank has classified, measured and presented data relating to discontinued operations (Insurance Group) according to the provisions of IFRS 5. Further to the resolutions adopted by the Board of Directors on 30 June 2015 and 3 December 2015, Banca Cesare Ponti and Creditis have ceased to be classified under groups of assets held for sale. In order to take account of changes made to groups of assets held for sale and to allow for a like-for-like comparison, comparative data contained in this presentation referring to previous periods have consequently been restated, as necessary and even where not provided for by the afore-mentioned accounting standard.

Note: due to rounding off, the sum of some separate figures may differ from their respective aggregate amounts; the percentage variation is calculated from data not rounded off.



- **Highlights**

- **FY 2015 Preliminary Consolidated Results**

Turnaround in line with Business Plan

2014: FIRST PHASE OF TURNAROUND

- ✓ Risk profile reduction
- ✓ Branch network rationalisation (36 branches closed)
- ✓ 2014-2018 Business Plan
- ✓ EUR 800 mln Capital Increase
- ✓ Trade Union Agreement
- ✓ Early repayment of LTRO & Participation in T-LTRO programme
- ✓ New organisational and governance model
New Management Team
- ✓ Signing of Insurance Companies Disposal
- ✓ Re-opening of retail bond issuance programme
- ✓ Comprehensive Assessment Results and Capital Plan

2015: SECOND PHASE OF TURNAROUND

- 2015-2019 Business Plan ✓ 19/03/2015 approved
- Closing of Insurance Companies Disposal ✓ 5/06/2015
- EUR 850 mln Capital Increase ✓ 2/07/2015 completed
- Closure of 15 branches out of 45 (as per BP) ✓ 30/06/2015
- Cost Excellence Programme: EUR 6.8 mln defined at steady state ✓ 31/12/2015
- Return to wholesale debt mkt (EUR 500 mln Covered Bond issuance) ✓ 19/10/2015 placement
- Unification of Market Areas (12 to 8) ✓ 5/10/2015
- Roll-out of new advisory service model ✓ 20/10/2015 completed
- Merger by absorption of CRS and CRC ✓ 13/12/2015 completed
- Hub&Spoke Model:
Roll-out of first batch (119 branches) ⚠ Roll-out 2nd batch in January (150)
Roll-out completion in 1H16 (337)
- Strategic re-focusing of Banca Cesare Ponti and Creditis ⚠ Role of Group's Private Banking & Consumer Credit Companies
- ⚠ New customer segmentation model
- ⚠ Back-office and IT Unit efficiency improvement

2014

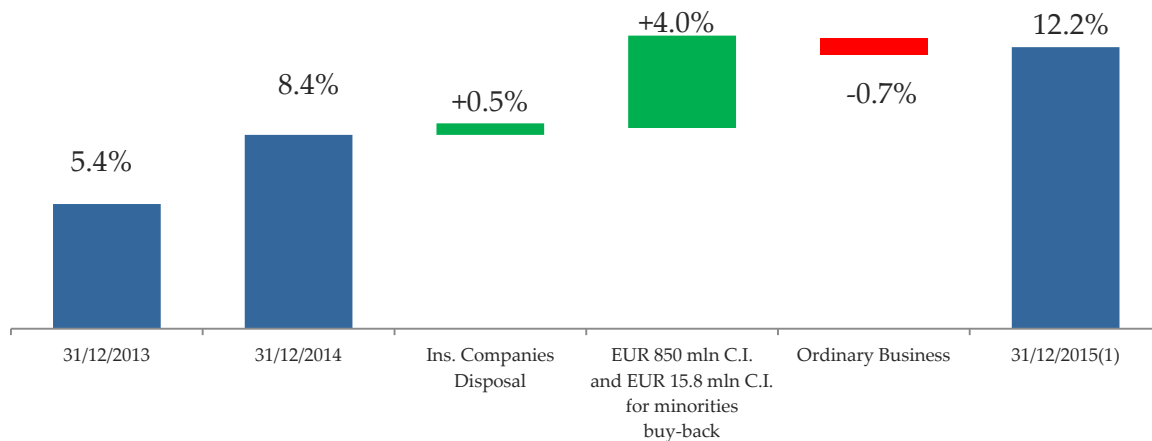
2015

Securing the Group

Improving efficiency

Commercial momentum

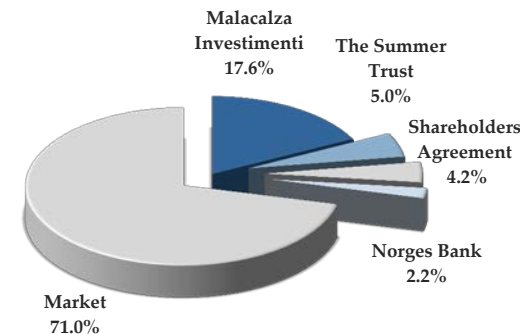
CET1 RATIO PHASED-IN



RWA **21.6** **20.5** **20.0** € bn

- CET1 ratio among the highest in the Italian Banking System and above the SREP target
- As part of the SREP decision taken in November 2015, the ECB lowered Banca Carige's target ratio to 11.25%, from the previous 11.5%
- The new target level might be further reviewed following a structural reduction of the proportion of non-performing loans in the lending portfolio
- RWA calculation does not include positive impacts from the use of AIRB models, which are not validated yet

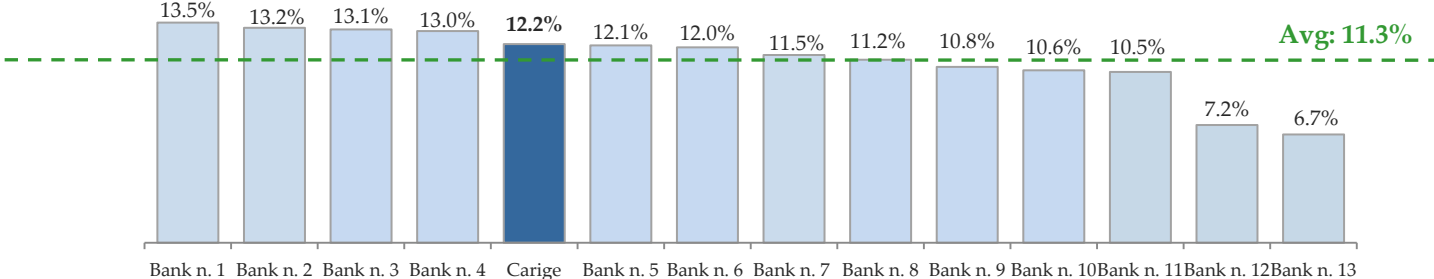
MAIN SHAREHOLDERS



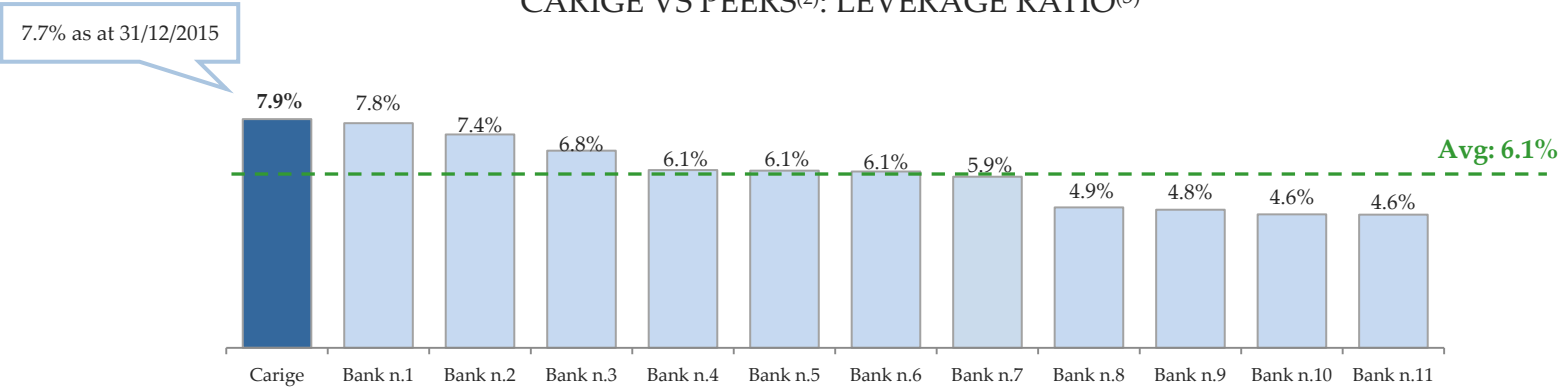
- 'Malacalza Investimenti' Company increased its stake up to 17.6%
- Fondazione Carige reduced its stake to less than 2% of the Group's share capital, binding its equity interest to a Shareholders' Agreement with the 'Malacalza Investimenti' Company
- Coop Liguria, Talea, Fondazione CR Savona and Fondazione CR Carrara entered into a Shareholders' Agreement on 4.2% of the Group's capital

(1) Ratio estimated on the basis of operational data, pending official reporting

CARIGE VS PEERS⁽¹⁾: CET1 RATIO PHASED-IN



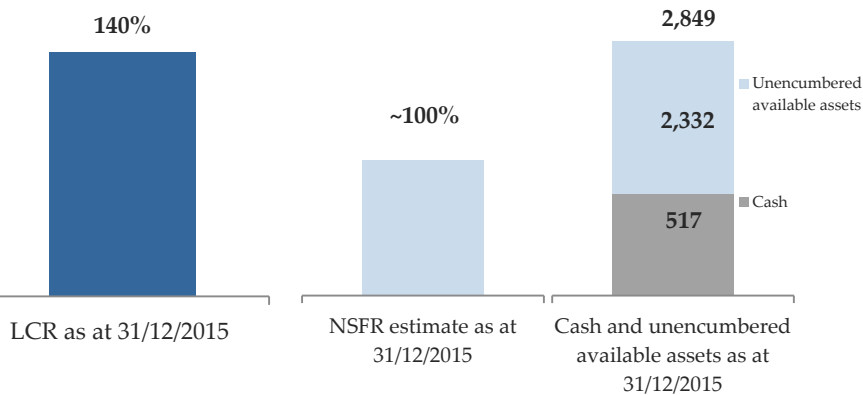
CARIGE VS PEERS⁽²⁾: LEVERAGE RATIO⁽³⁾



(1) Source: FY15 Company Reports and Financial Statements (UCI, ISP, MPS, UBI, BP, BPER, BPM, Credem, POPSO, BPVi, Veneto Banca, Creval, Banco Desio)
 (2) Trasparenza Exercise ECB (1H15)
 (3) Leverage ratio calculated as Tier1 capital to overall exposure (including off-balance sheet items)

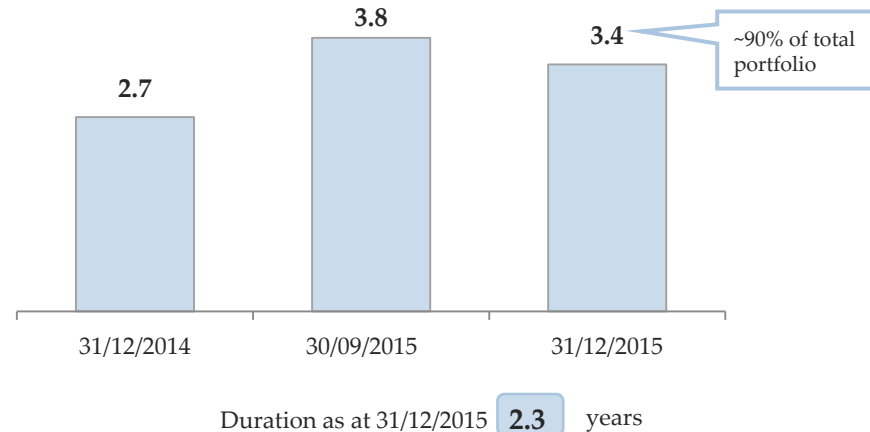
LIQUIDITY

%, € mln



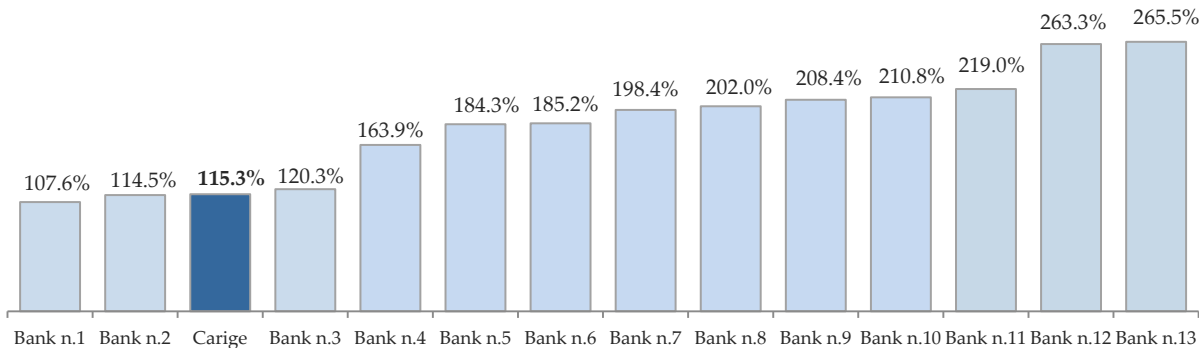
ITALIAN GOVERNMENT BONDS PORTFOLIO

€ bn



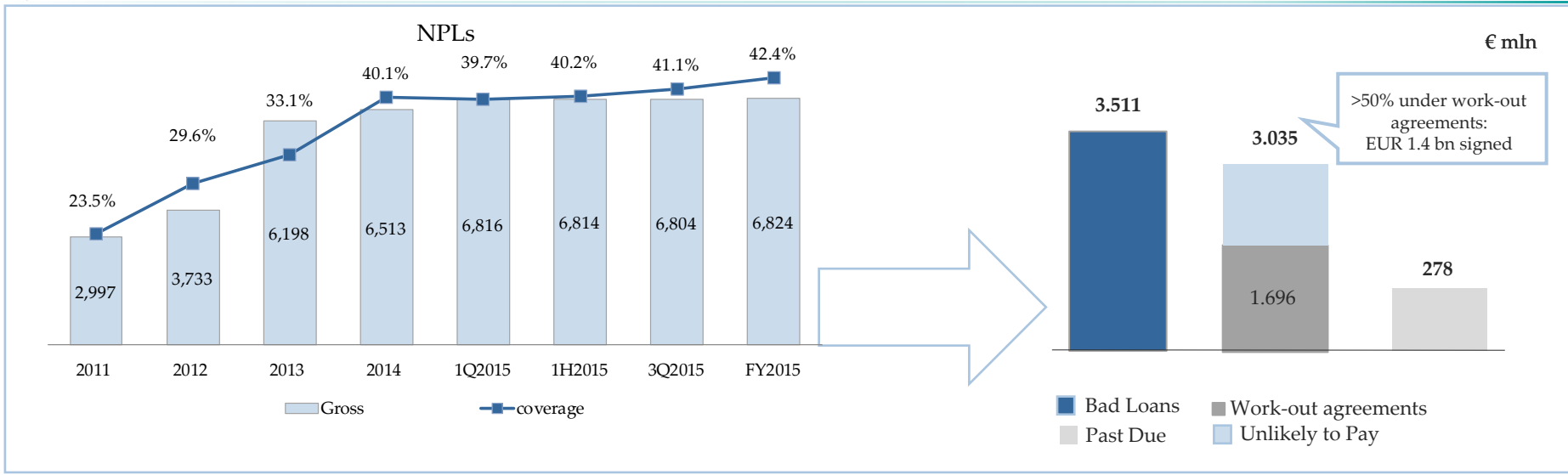
CARIGE VS PEERS⁽¹⁾

ITALIAN GOVERNMENT BONDS/REGULATORY CAPITAL

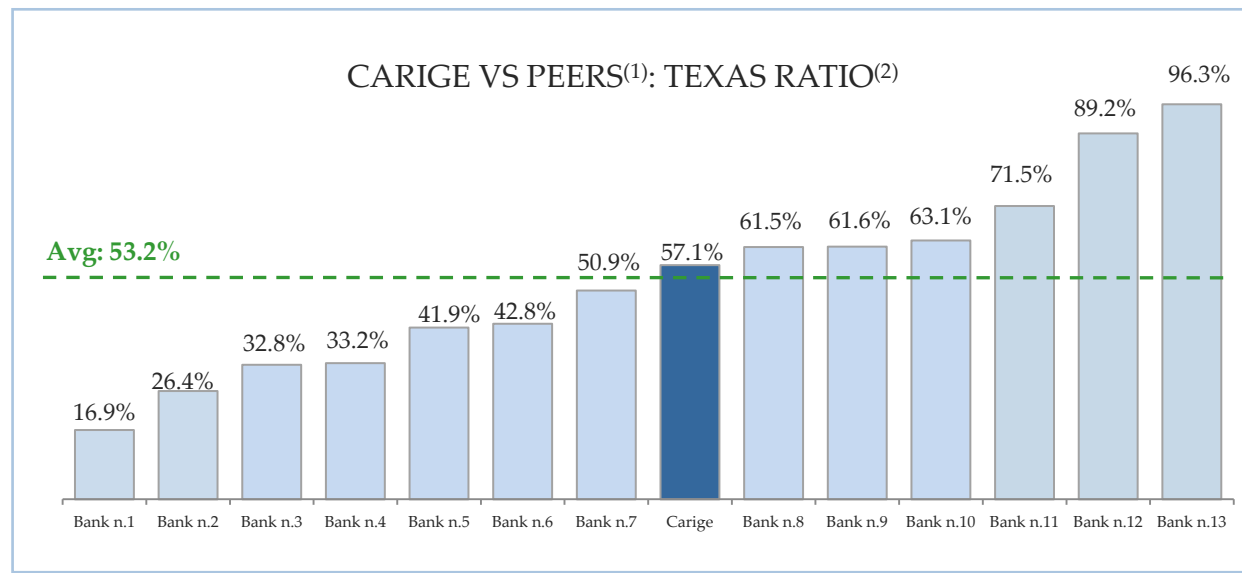


- Liquidity ratios above the regulatory targets
- Liquidity Coverage Ratio equal to 140%, higher than the 90% SREP requirement
- EUR 2.8 bn cash and unencumbered available assets as at 31/12/2015
- The placement of EUR 500 mln worth of covered bonds in October marks the Group's return to the wholesale market
- Very low weight of securities portfolio on total assets
- T-LTRO funding equal to EUR 2.3 bn

(1) Source: Company Reports and Financial Statements from other banking groups (3Q15) - BP Vicenza (1H15) - Carige (FY15)



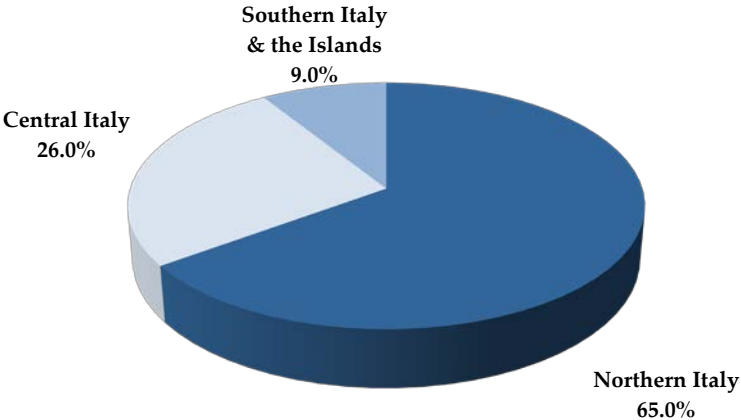
- Signing of work-out agreements for ~EUR 1.4 bn worth of exposures (out of EUR 1.7 bn approved)
- Coverage of NPLs (42.4%) and Bad Loans (60.4%) among the highest for regional banks



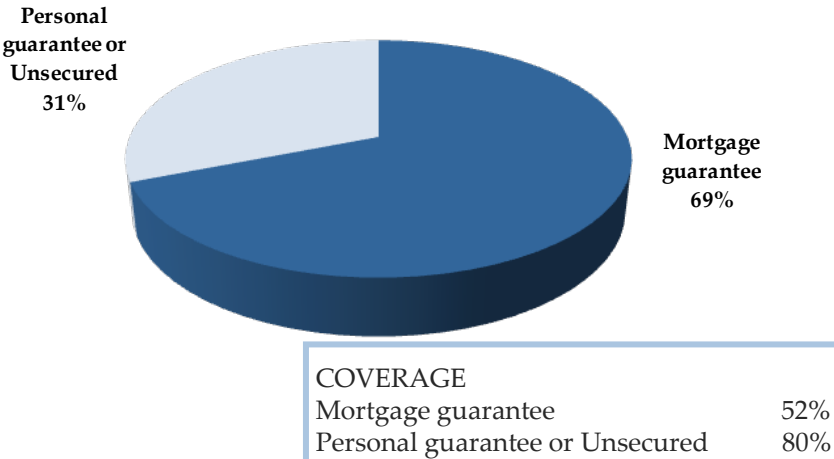
(1) Source: Company Reports and Financial Statements from other banking groups (3Q15) - BP Vicenza (1H15) - Carige (FY15)
 (2) Texas ratio calculated as net Bad Loans to net tangible equity (excluding goodwill)

Diversified and covered Bad Loans portfolio

BAD LOANS: BREAKDOWN BY GEOGRAPHICAL AREA

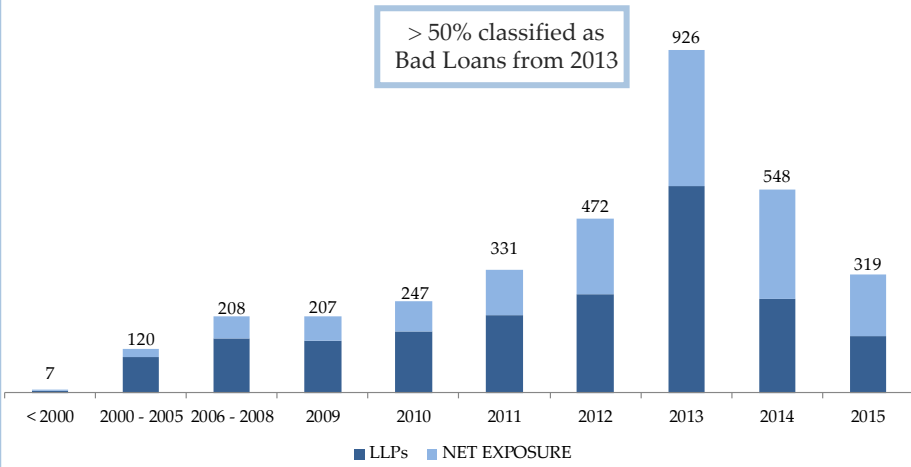


BAD LOANS: BREAKDOWN BY TYPE OF GUARANTEE

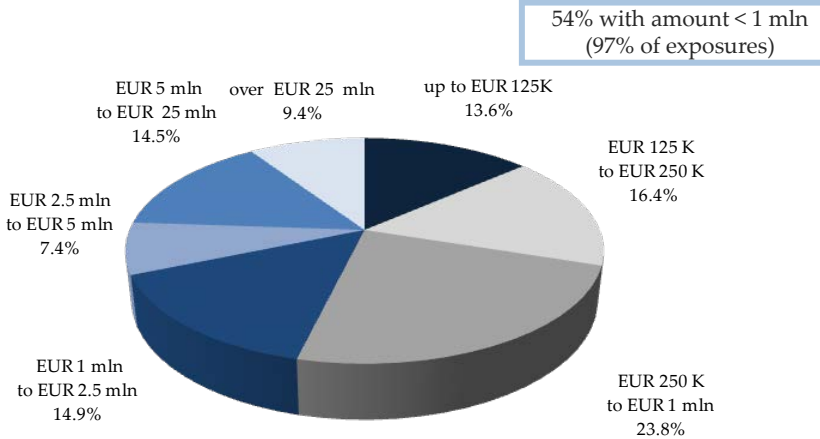


BAD LOANS: BREAKDOWN BY VINTAGE

€ mln



BAD LOANS: BREAKDOWN BY AMOUNT OF EXPOSURE



Analysis carried out on figures as at 30/9/2015

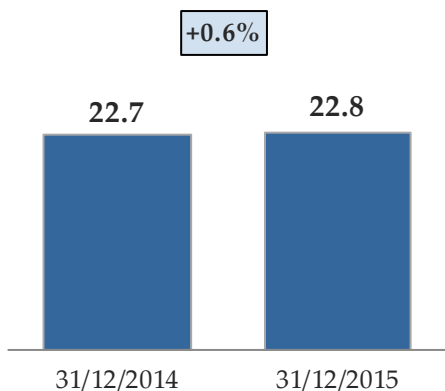


- **Highlights**

- **FY 2015 Preliminary Consolidated Results**

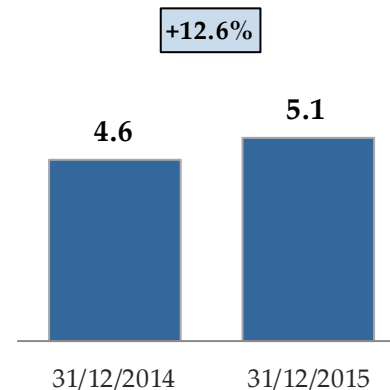
RETAIL LOANS TO CUSTOMERS

€ bn



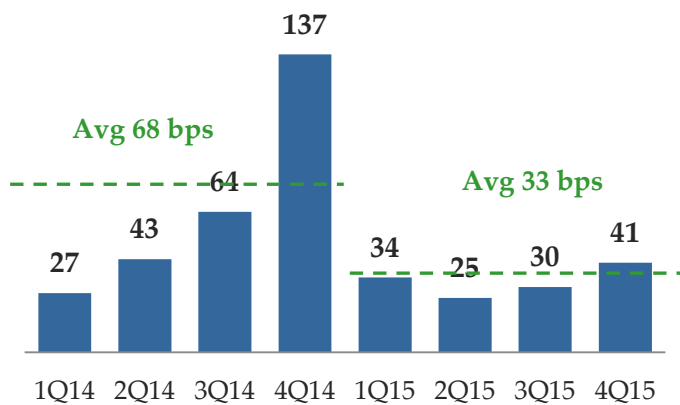
BANCASSURANCE PRODUCTS

€ bn



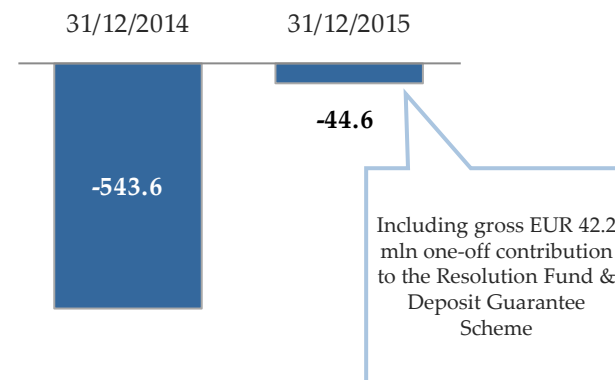
COST OF CREDIT

bps



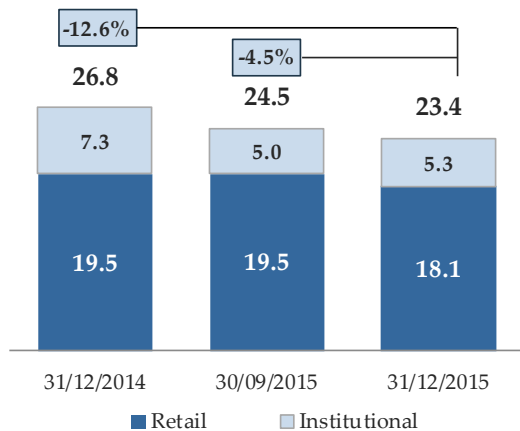
NET RESULT

€ mln



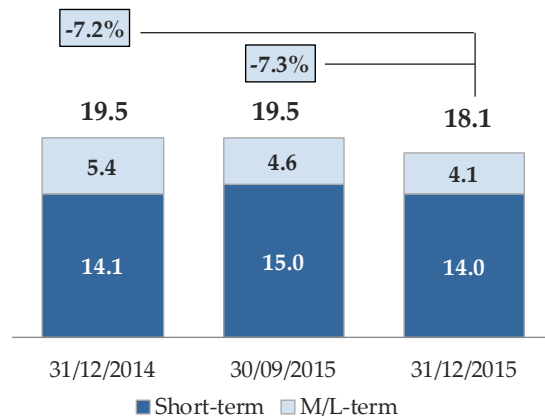
€ bn

DIRECT FUNDING

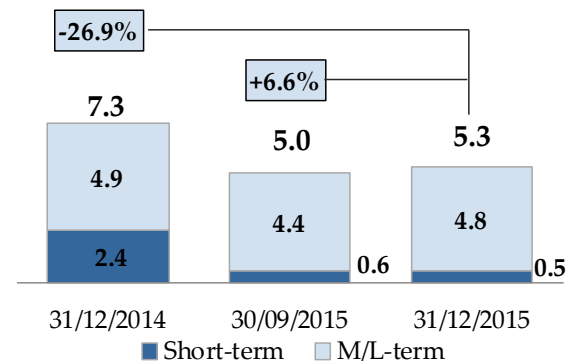


o.w.:

RETAIL

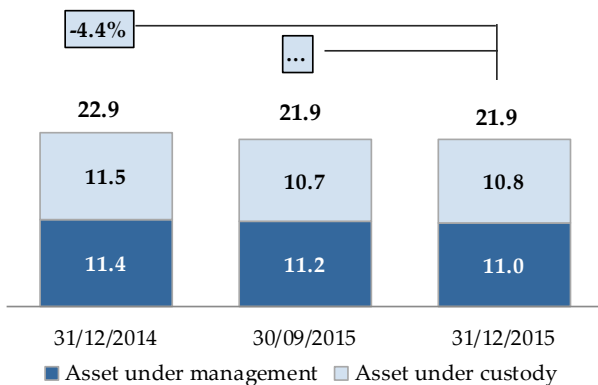


INSTITUTIONAL



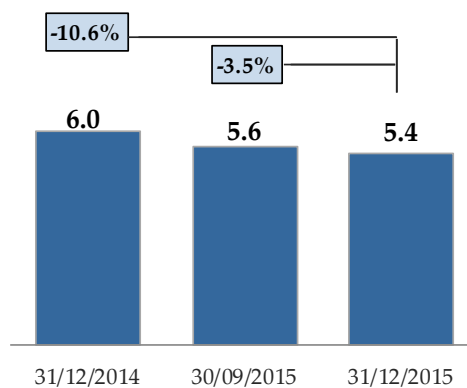
- Retail direct funding (net of institutional) was down EUR 1.4 bn in 4Q15 and, in particular, short-term funding was down EUR 1 bn - mainly as a result of the downturn in corporate customers' deposits - also following the measures undertaken by the Group in order to limit the cost of funding
- In 2015 - following maturities and repurchases on retail bonds for ~EUR 1.9 bn - new subscriptions amounted to ~EUR 0.8 bn, with EUR 1.1 bn net outflows

INDIRECT FUNDING

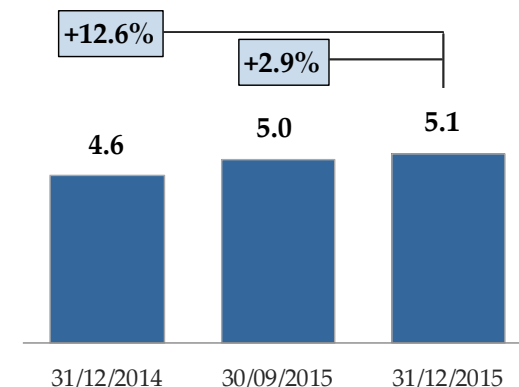


o.w.:

MUTUAL FUNDS



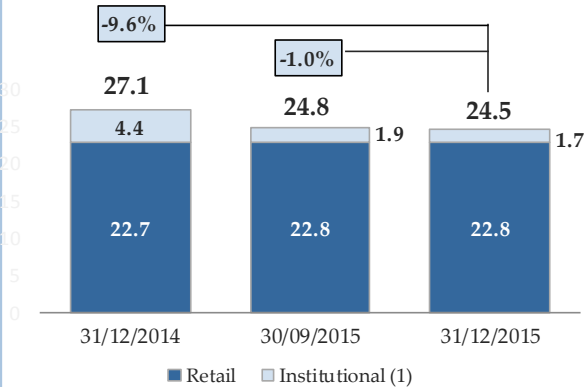
BANCASSURANCE PRODUCTS



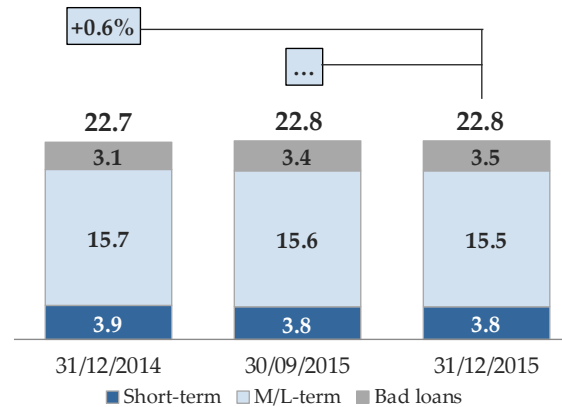
€ bn

- The Group's indirect funding results reflected the negative performance of Banca Cesare Ponti, which saw a ~EUR 1bn reduction in indirect funding from end-2014 figures. The 2016 - 2020 Business Plan - approved in October 2014 - foresees a strategic re-focusing of Banca Cesare Ponti as the Group's Private Banking Company
- As part of Asset Management:
 - mutual funds amounted to EUR 5.4 bn, down EUR 0.6 bn since early 2015
 - bancassurance products amounted to EUR 5.1 bn (+EUR 0.6 bn in 2015) with EUR 695 mln net inflows of premiums underwritten
 - asset under management amounted to EUR 0.5 bn in December 2015 (-EUR 0.2 bn Y/Y)
- Asset Under Custody from retail customers amounted to EUR 5.6 bn
- These performances ensured compliance with the distribution agreements signed with Arca SGR and Apollo Management Holdings. In this latter case, the Group recorded a performance on average above the commitments undertaken

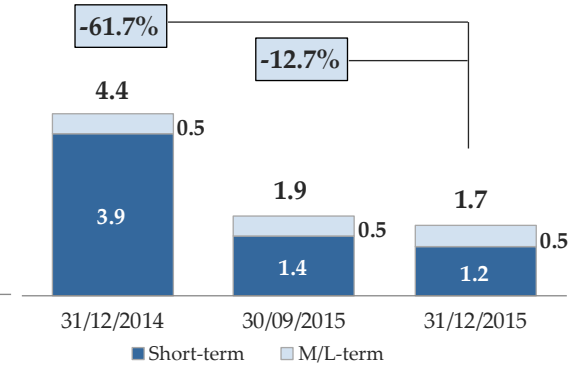
GROSS LOANS



o.w. : CUSTOMER LOANS



INSTITUTIONAL⁽¹⁾



- Customer loans (retail and corporate) remained broadly stable at FY14 levels
- Loans to households amounted to EUR 7.1 bn, of which EUR 408 mln new mortgage loans
- Loans to corporate amounted to EUR 11.7 bn. New mortgage loans amounted to EUR 1.2 bn; the short-term component was up ~EUR 200 mln in 2015

(1) Includes interest-bearing postal bonds, REPOs with financial institutions and other loans

€ mln

o.w. ~ EUR 1.4 bn
under work-out
agreements

Loans	31/12/2015						Coverage	Coverage including write-offs	Coverage Avg. regional peer (1)
	Gross	%	Loan losses	Net	%				
Bad loans	3,510.8	14.3%	2,120.4	1,390.5	6.5%	60.4%	62.6%	52.3%	
Unlikely to pay	3,034.6	12.4%	734.0	2,300.6	10.7%	24.2%	24.2%	22.8%	
Past Due	278.1	1.1%	41.3	236.9	1.1%	14.8%	14.8%	10.8%	
Non-performing loans	6,823.6	27.8%	2,895.7	3,927.9	18.3%	42.4%	44.2%	38.0%	
Performing loans	17,690.3	72.2%	146.2	17,544.1	81.7%	0.8%	0.8%	0.6%	
Total loans to customers	24,513.9	100.0%	3,041.9	21,472.0	100.0%	12.4%	13.2%	7.8%	

Net of REPOs
0.9%

- Stabilisation of NPLs on March 2015 levels
- Signing of work-out agreements for ~EUR 1.4 bn worth of exposures, out of an overall amount of EUR 1.7 bn already approved
- Coverage of NPLs among the highest for regional banks and further up from September 2015

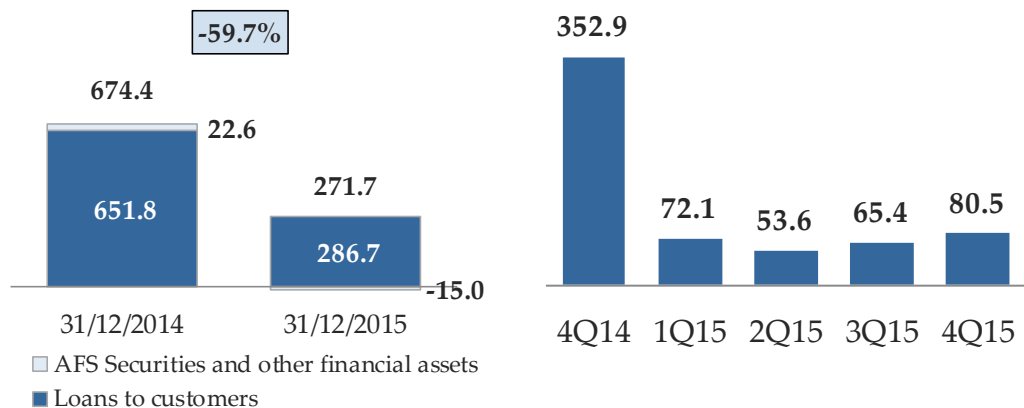
Loans	30/09/2015					
	Gross	%	Loan losses	Net	%	Coverage
Bad loans	3,404.2	13.7%	2,014.9	1,389.3	6.4%	59.2%
Unlikely to pay	3,119.0	12.6%	738.7	2,380.4	10.9%	23.7%
Past Due	280.3	1.1%	40.4	240.0	1.1%	14.4%
Non-performing loans	6,803.6	27.5%	2,794.0	4,009.6	18.4%	41.1%
Performing loans	17,962.4	72.5%	176.1	17,786.2	81.6%	1.0%
Total loans to customers	24,766.0	100.0%	2,970.1	21,795.9	100.0%	12.0%

Loans	31/03/2015					
	Gross	%	Loan losses	Net	%	Coverage
Bad loans	3,192.2	12.5%	1,875.8	1,316.4	5.8%	58.8%
Unlikely to pay	3,445.1	13.5%	805.0	2,640.2	11.7%	23.4%
Past Due	178.7	0.7%	27.6	151.1	0.7%	15.5%
Non-performing loans	6,816.1	26.8%	2,708.4	4,107.7	18.2%	39.7%
Performing loans	18,648.3	73.2%	189.2	18,459.1	81.8%	1.0%
Total loans to customers	25,464.4	100.0%	2,897.6	22,566.8	100.0%	11.4%

(1) Source: unweighted average UBI, Banco Popolare, BPER, BPM, Credem, Veneto Banca, POPSO, Creval, Desio (3Q15) - BPVi (1H15)

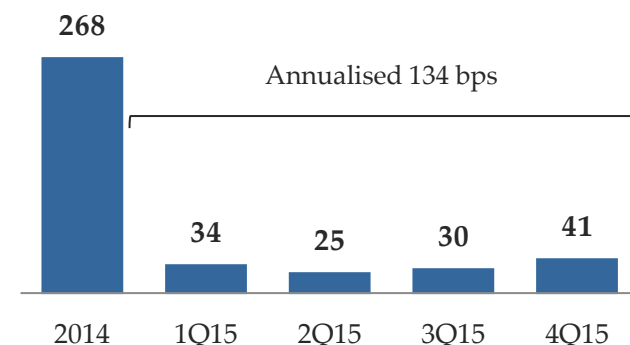
PROVISIONS ON LOANS & OTHER FINANCIAL TRANSACTIONS

€ mln



COST OF CREDIT⁽¹⁾

bps

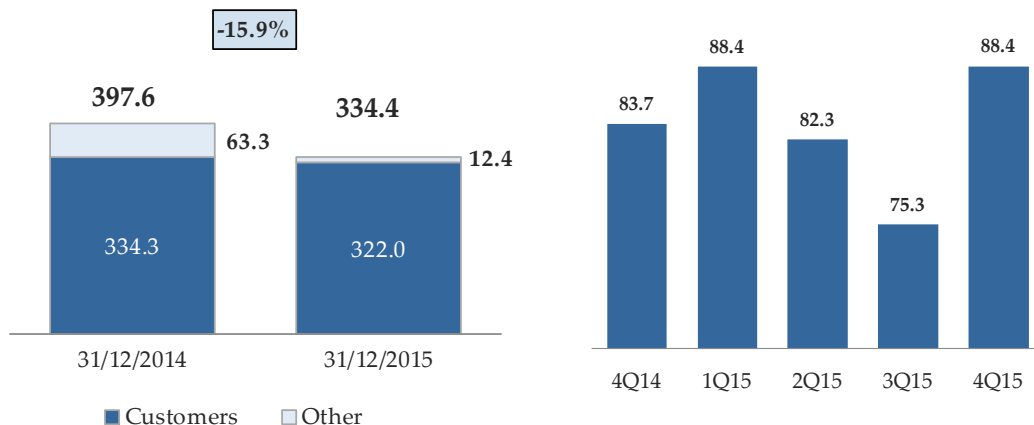


(1) Ratio of cash customer loan LLPs on net loans to customers

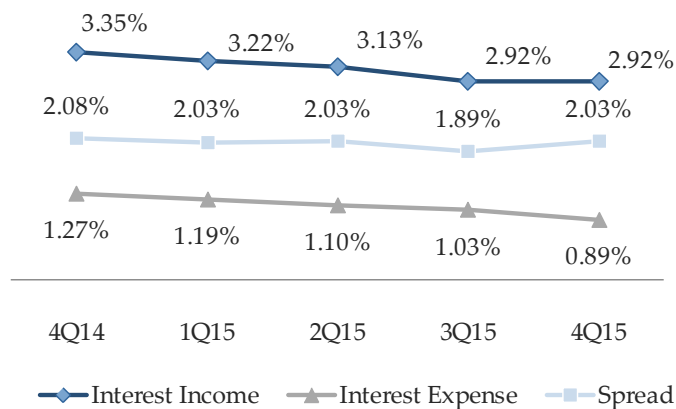
- Loan loss provisions amounted to EUR 271.7 mln, down 60% Y/Y (vs. EUR 674.4 mln in 2014). LLPs in 2014 were affected both by the full inclusion of AQR results, and by the effect of adjustments to processes, methodologies and application parameters for the classification and evaluation of exposures, in light with the observations made by the ECB within the AQR exercise
- Work-out Agreements led to EUR 26 mln additional LLPs and to the EUR 16 mln decrease in NII
- Cost of credit at 134 bps, in line with the Group's Business Plan and Budget forecasts

NET INTEREST INCOME

€ mln



CUSTOMER SPREAD⁽¹⁾



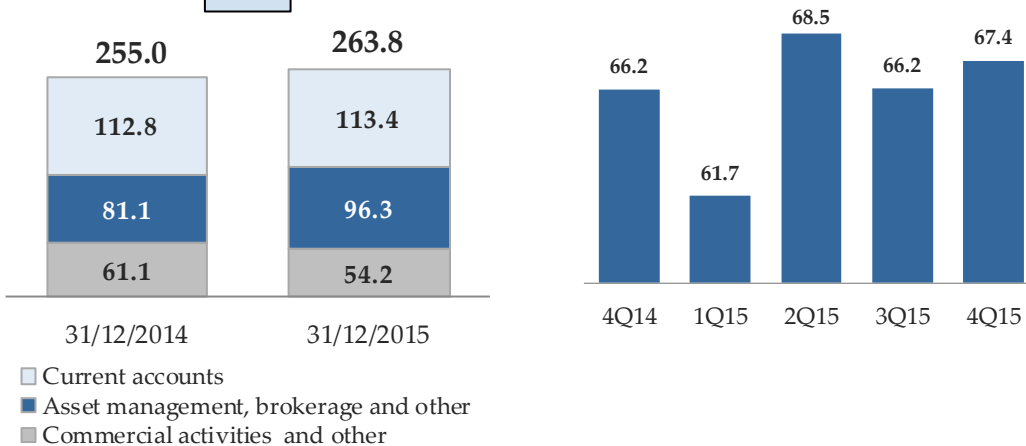
(1) Average end-of-period customer spread referring only to funding/lending via the distribution network

- 4Q15 recorded an increase in Net Interest Income, driven partly by new contractual conditions applied to customers and partly by the offset of hedging derivatives
- Net Interest Income down 15.9% Y/Y, primarily as a result of lower interest-bearing assets related to exposures classified to 'Bad-loan' status in 2014 (-EUR 14.7 mln) in addition to work-out agreements on large-amount exposures classified as 'Unlikely to pay' (- EUR 16.0 mln) and to a lower contribution from the Group's securities portfolio (- EUR 51.8 mln)

NET FEES AND COMMISSIONS

€ mln

+3.5%

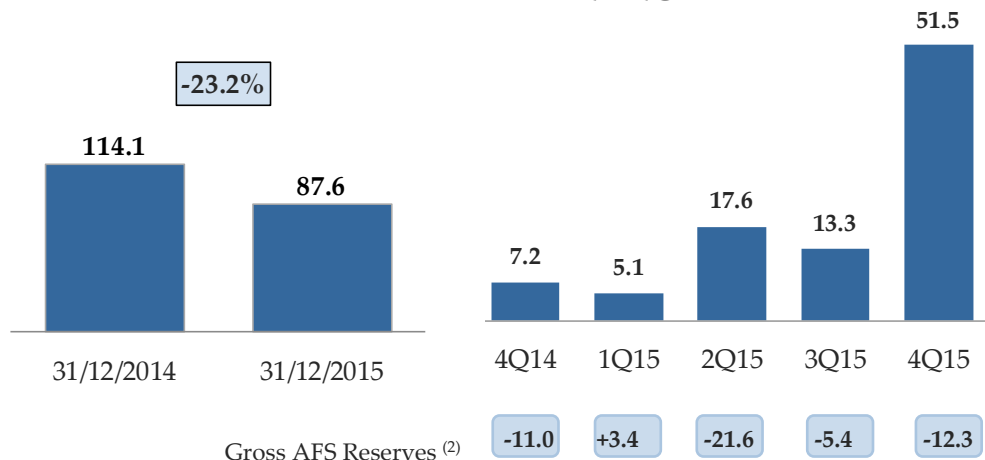


- Net fees and commissions increased by 3.5% Y/Y driven by the increase in commissions from asset management and bancassurance (+EUR 16.2 mln to EUR 70 mln) albeit the decrease in fees on commercial activities (-EUR 6.9 mln to EUR 54.2 mln) led by the contraction in fees on payment services

FINANCE⁽¹⁾

€ mln

-23.2%



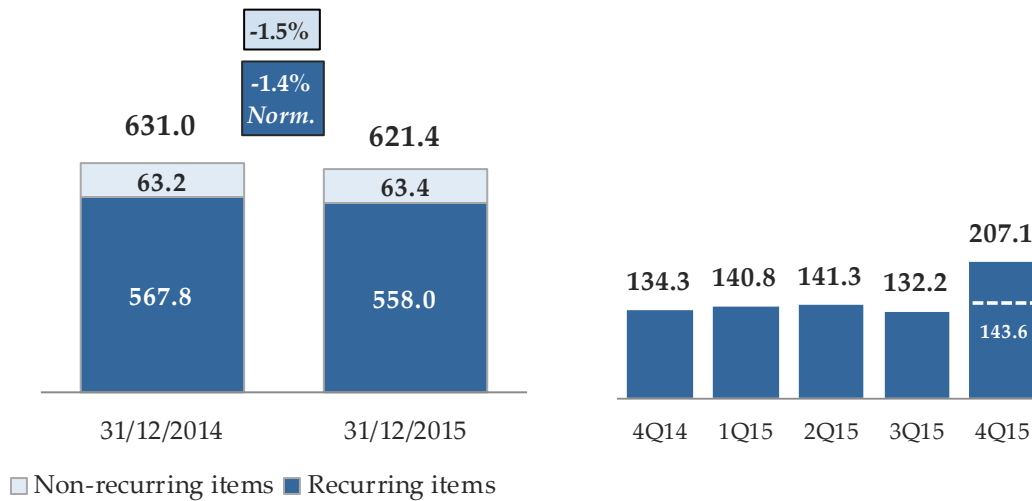
- Income from Finance is a positive EUR 87.6 mln and includes - among non-recurring items - EUR 29.4 mln from the disposal of the 2.2% stake held in ICBPI (Istituto Centrale Banche Popolari Italiane)

(1) Items 70, 80, 90, 100 b, 100 d, 110 of P&L accounts

(2) Operational data

OPERATING COSTS

€ mln



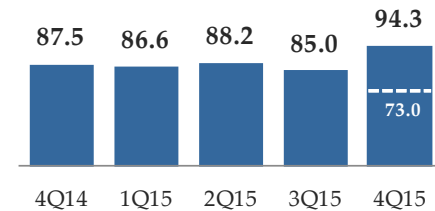
C/I ⁽¹⁾ normalised

73.8%

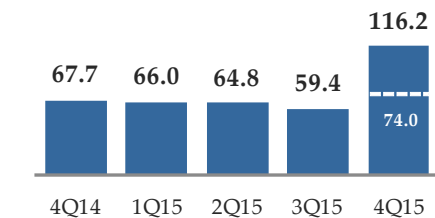
81.4%

o.w.

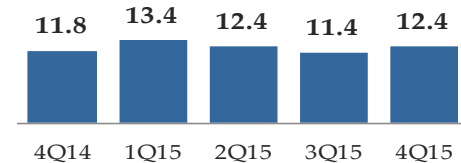
PERSONNEL COSTS



OVERHEAD COSTS



AMORTISATION



- Operating costs (EUR 621.4 mln) down 1.5% Y/Y, with a pro-forma C/I ratio⁽¹⁾ of 81.4% (73.8% in 2014)
- Personnel costs (EUR 354.2 mln) down 15.6% vs. EUR 419.5 mln in 2014 (which included EUR 31.8 mln costs on the back of incentive-based retirement scheme, and EUR 27.6 mln one-off charges). Additional one-off charges for an overall amount of EUR 21.3 mln were incurred in 2015, in relation to legal actions filed against the bank, the acceleration of the incentive-based retirement scheme and the introduction of new welfare measures for female staff
- Overhead costs were up 16.1% Y/Y. However they include the EUR 42.2 mln one-off contribution to the National Resolution Fund and Deposit Guarantee Scheme, related to the rescue of four banks in financial distress in late 2015

(1) Non-recurring items for 2014 totalled EUR 63.2 mln and were mainly related to incentive-based retirement schemes and the remuneration structure review following the new union agreement signed during the year. In 2015, non-recurring items included EUR 21.3 mln in personnel expenses and EUR 42.2 mln in overhead costs.

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Preliminary Consolidated Results as at 31 December 2015

12 February 2016