

CREDEM Group

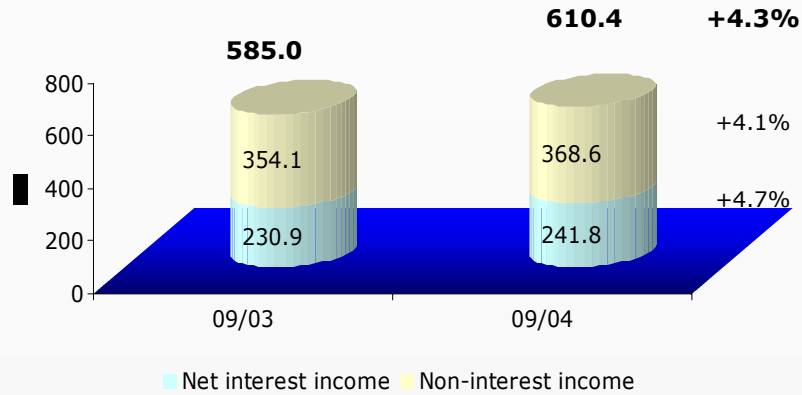
September '04

quarterly

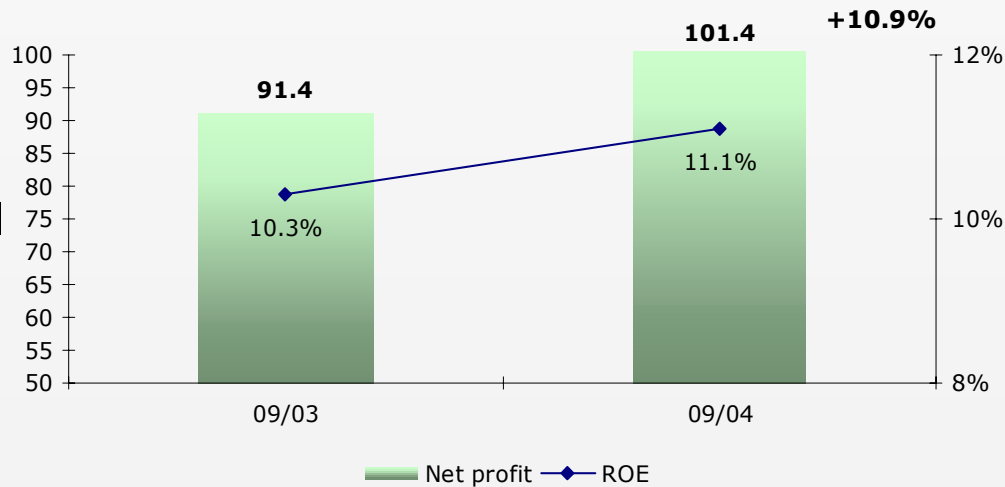
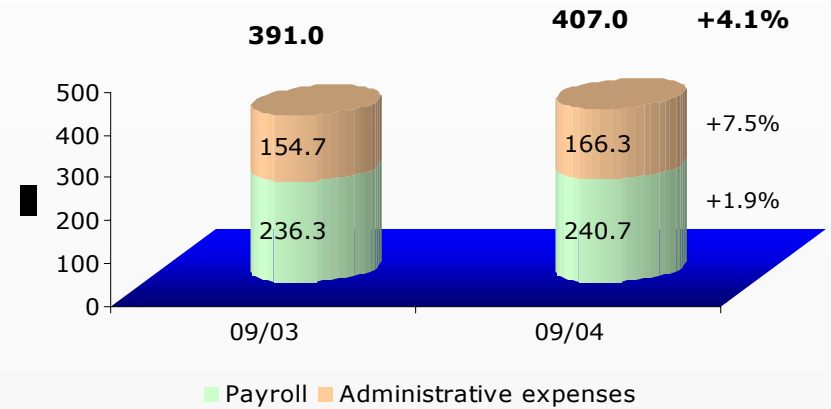
Results

Appendices

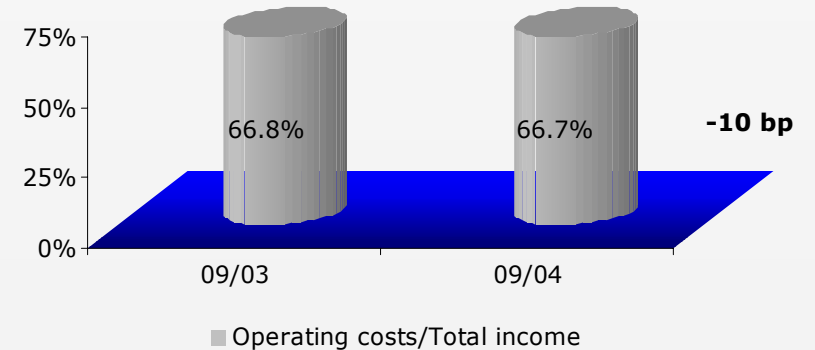
Total income



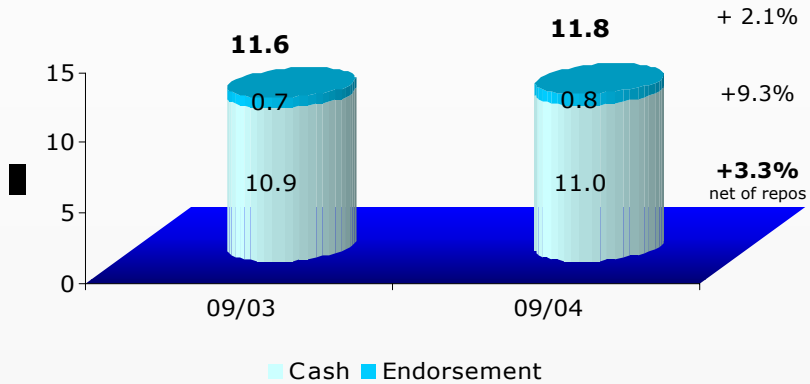
Operating costs



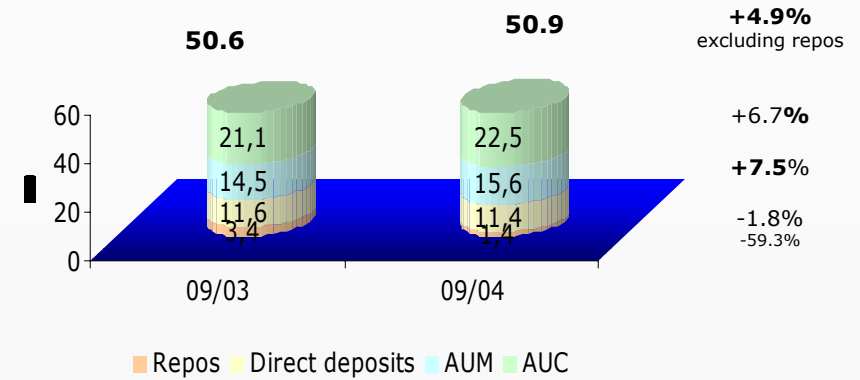
Cost to income



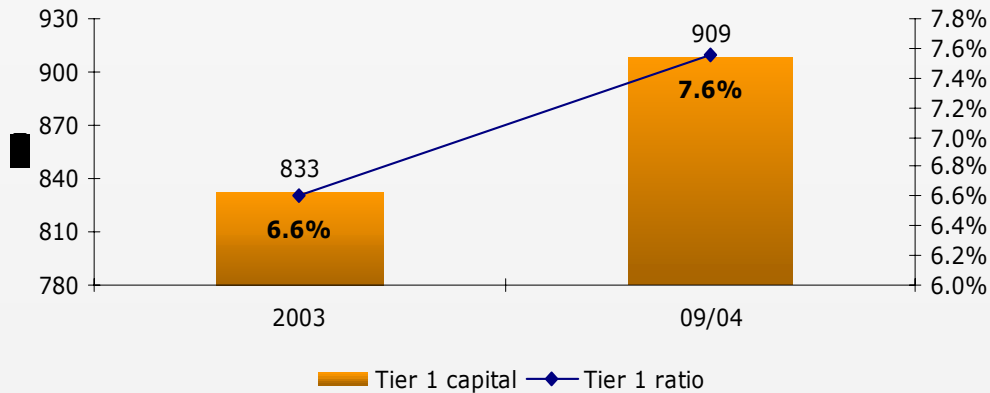
Total direct loans



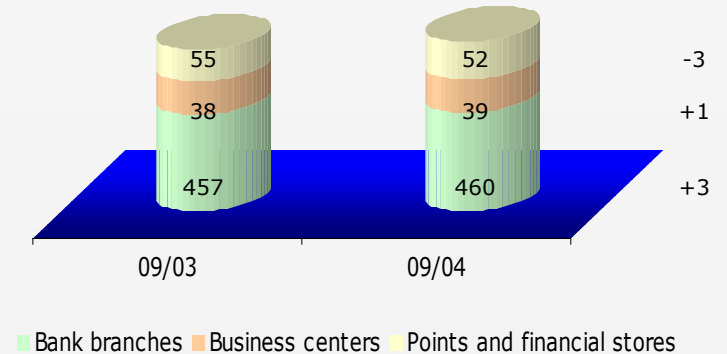
Funding from customers



Equity



Distribution channels



		2003	09/03	09/04
growth	Mkt share fundings	1,60%	1,64%	(*) 1.53%
	Mkt share loans	1,00%	1,00%	(*) 0.98%
	(*) figures as of June 2004			
profitability	ROE	11,1%	10,3%	11,1%
	Net interest income/Total income	38,9%	39,5%	39,6%
	Non-interest income /Total income	61,1%	60,5%	60,4%
efficiency	Operating costs/Total income	66,0%	66,8%	66,7%
	Op. costs +depreciation/Total income	74,5%	75,7%	74,0%
	Operating costs/Non-interest income	1,08	1,10	1,10
loan quality	Net non-performing/Total loans	0,34%	0,22%	0,39%
	Net "problem"/Total loans	0,58%	0,44%	0,66%
equity	TIER I	6,6%	-	7,6%
	TIER total (<i>minimum 8%</i>)	9,0%	-	9,8%
	TIER I capital (€/mn)	833	-	909
	TIER total capital (€/mn)	1.120	-	1.160

pro-forma figures

(€/mn)

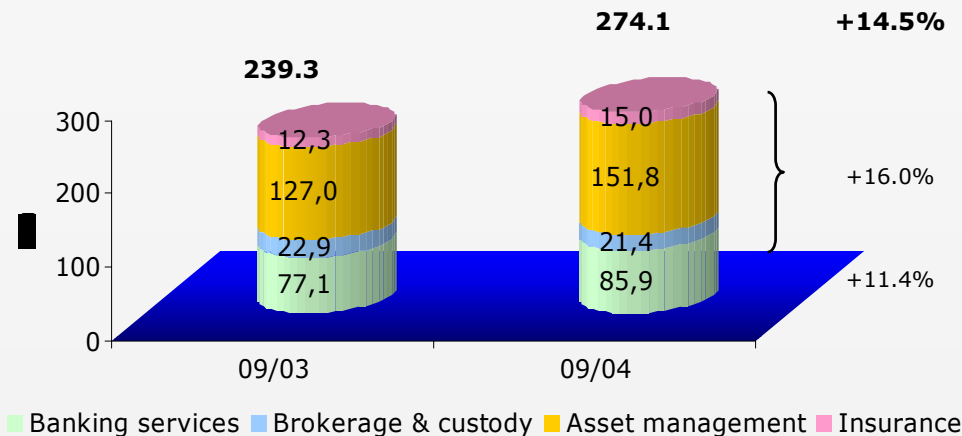
	2003	09/03	09/04	% yoy
Net interest income	307,3	230,9	241,8	4,7%
Commercial spread	2,79%	2,84%	2,70%	-14bp
Net fees and commissions incorr	342,8	239,3	274,1	14,5%
. Of which: management and broke.	233,5	162,2	188,2	16,0%
. Of which: banking services	109,3	77,1	85,9	11,4%
Security & currency trading	91,9	79,1	60,0	-24,1%
. Of which: Abaxbank	41,8	40,3	24,2	-40,0%
. Of which: other companies	50,1	38,8	35,8	-7,7%
Other income and expenses	48,7	35,7	34,5	-3,4%
Non-interest income	483,4	354,1	368,6	4,1%
Total income	790,7	585,0	610,4	4,3%

Total income **+4.3%**.

Net interest income +4.7% year-on-year thanks to steady core volume growth and the gradually stabilizing/improving spread.

Non-interest income was also up by a significant **4.1%**. Note the **14.5% increase** in **net fee and commission income**. "Captive" trading and other revenues stable; Abax's results influenced by market trends and restructuring.

Net fees & commissions breakdown



A determining factor was the **14.5%** increase in total net fee and commission income, which includes:

- commissions from **securities trading** (+**16%**), **asset management** (+**19.5%**) and the **insurance business** (+**22%**)
- fees for **banking services**, +**11.4%**.

pro-forma figures

(€/mn)	2003	09/03	09/04	% yoy
Net income	790,7	585,0	610,4	4,3%
Payroll	-313,5	-236,3	-240,7	1,9%
Administrative expenses	-208,2	-154,7	-166,3	7,5%
Operating costs	-521,7	-391,0	-407,0	4,1%
Gross operating profit	269,0	194,0	203,4	4,8%
Amortization and depreciation	-67,4	-52,1	-44,3	-15,0%
Operating costs	201,6	141,9	159,1	12,1%
Net loan writedowns	-74,7	-18,7	-4,0	-78,6%
Provisions for risks & expenses	-23,0	-0,6	-9,1	n.s.
Net adjustments to equity inves	-0,2	0,0	0,0	n.s.
Extraordinary income (expenses)	13,7	7,0	-3,0	-142,9%
Pre-tax profit	117,4	129,6	143,0	10,3%
Income taxes	-15,9	-34,7	-36,7	5,8%
Minority interests	-5,6	-3,5	-4,9	40,0%
Net profit	95,9	91,4	101,4	10,9%

Gross operating +4.8%

Operatin profit +12.1%

Flexibly managed cost trend, in line with budget.

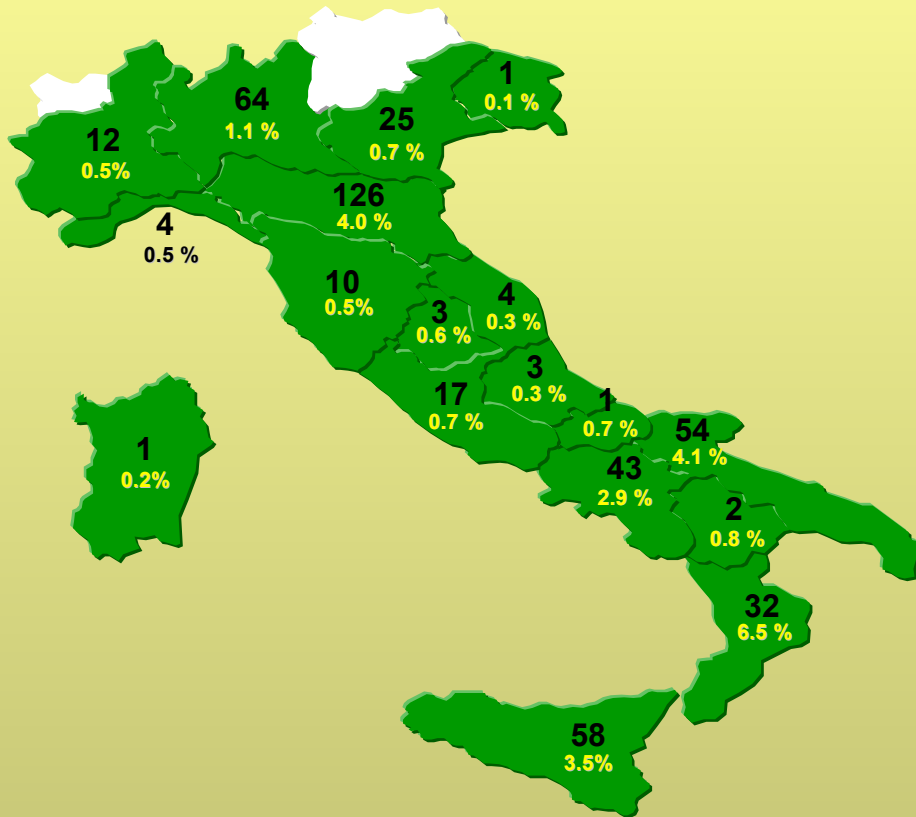
Depreciation down.

EBITDA breakdown (€/mn)	09/03	09/04	% contribution at 9/04
Total income	585.0	610.4	
. Captive	510.1	549.1	90.0%
. Non-captive	74.9	61.3	10.0%
Operating costs	-391.0	-407.0	
. Captive	-333.1	-357.7	87.9%
. Non-captive	-57.9	-49.3	12.1%
EBITDA	194.0	203.4	
. Captive	177.0	191.4	94.1%
. Non-captive	17.0	12.0	5.9%

Company contributions to net profit (€/mn)	09/03	09/04	% contribution at 9/04
Captive companies	83.7	103.7	102.3%
Credembanca (including CredemLux)	75.3	84.6	83.4%
Banca Euromobiliare	-3.2	1.7	1.7%
Euromobiliare A.M. SGR	4.0	6.6	6.5%
Credemleasing	7.1	9.1	9.0%
Other	0.5	1.7	1.7%
Non-captive companies	7.7	-2.3	-2.3%
Euromobiliare SIM	5.8	8.4	8.3%
Abaxbank	1.4	-11.6	-11.4%
Euromobiliare Corporate F.	-1.0	-0.8	-0.8%
B.ca Euromobiliare Suisse	1.5	1.7	
Total	91.4	101.4	

94% of gross operating income generated by “**captive**” companies corresponding to the group's core business; these earnings ensure **continuity** and stability over time.

no. of CREDEM Group branches and market share



Distribution structure	2003	09/03	09/04
Credembanca and others	440	434	438
B.ca Euromobiliare	22	23	22
Bank branches	462	457	460
Business centres	38	38	39
Points and financial stores	54	55	52

Human resources	2003	09/03	09/04
Banca Euromobiliare advisors	372	407	372
Credem advisors	521	488	512
Advisors with mandates	893	895	884
<i>Personal Financial Managers</i>	231	213	221
<i>Total</i>	1.124	1.108	1.105
Credem Group employees	4.961	4.926	5.022

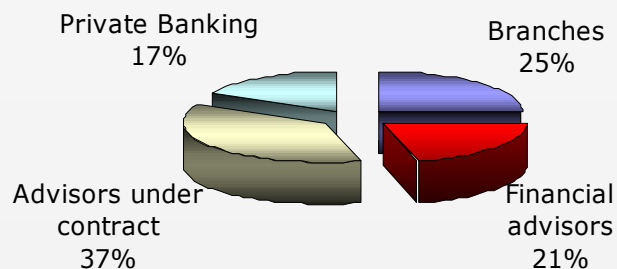
(€/mn)

Breakdown of customer funding	2003	09/03	09/04	% yoy
Deposits	6.991	7.091	7.345	3,6%
Bonds	4.601	4.514	4.046	-10,4%
Tot. direct excluding repos	11.592	11.605	11.391	-1,8%
Repos	2.862	3.387	1.379	-59,3%
Direct customer fundings	14.454	14.992	12.770	-14,8%
Portfolio management	2.229	2.092	3.003	43,5%
Mutual funds and SICAVs	10.788	10.644	10.455	-1,8%
Hedge funds	80	67	115	71,6%
Insurance	1.569	1.497	1.821	21,6%
Other	161	165	159	-3,6%
AUM	14.827	14.465	15.553	7,5%
AUC	21.586	21.125	22.541	6,7%
Indirect customer fundings	36.413	35.590	38.094	7,0%
Tot. customer funding exc. repos	48.005	47.195	49.485	4,9%
Total customer funding	50.867	50.582	50.864	0,6%
Indirect institutional funding	2.164	3.425	187	-94,5%
Total funding	53.031	54.007	51.051	-5,5%

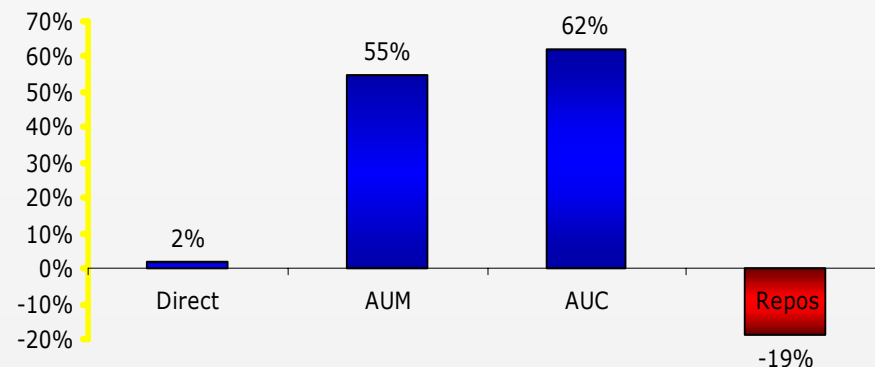
Net inflows as of September '04 were over €1 billion, mainly in AUM and AUC.

Total customer deposits grew by just under **5%** year-on-year, not counting repo transactions; **assets under management (+7.5%)** did well thanks to an ever broader product range, especially in **discretionary accounts (+43.5%)** and **insurance products (+21.6%)**.

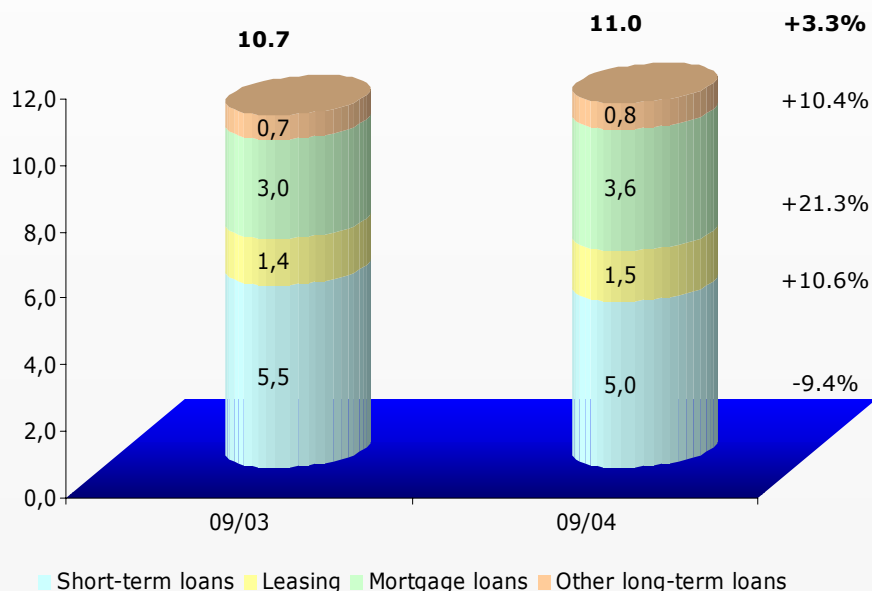
Net inflows by channel



Net inflows by product



Cash loans by type
(net of repos)



Customer loans up by >3% (>7% in terms of average liquid capital).

•Far more impressive is the average-capital comparison for the types of customer representing our core business:

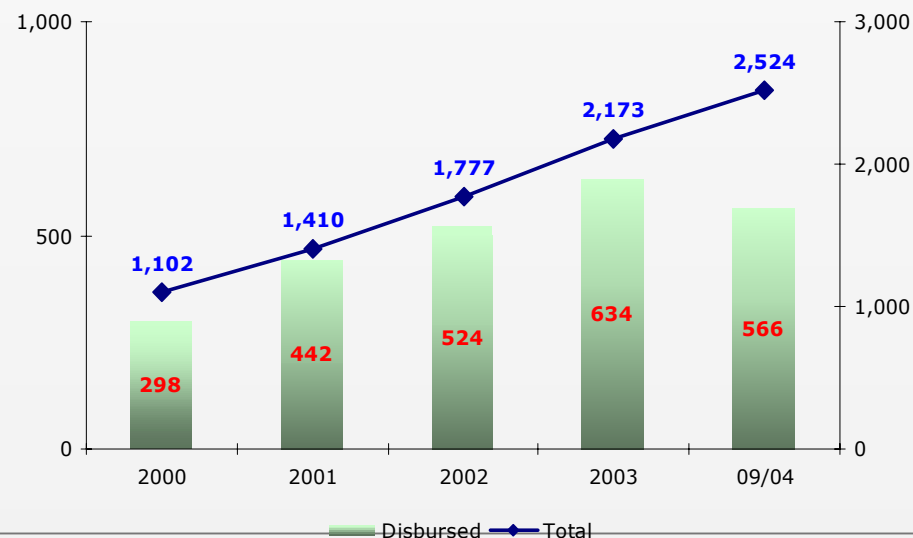
- retail +19.6%**
- small business +20.2%**
- SMEs +14.7%**

Two especially lively sectors were:

- leasing**, with €456 million in new business (+3.3%)
- home mortgage loans** ("Presticasa"), with a stock of about €2.5 bn (+23%) and new business during the first nine months of 566 mn (+27%).

Loan quality consistently high: ratio of net non-performing to total loans **0.39%**, **basically unchanged since December '03**.

Home mortgage loans
31,000 loans since 2000
avg. amount financed: €80,000



Customer loans

(€/mn)	2003	09/03	09/04	% yoy
Cash loans	11,052	10,657	11,005	3.3%
. Short-term	5,568	5,514	4,998	-9.4%
. Long-term	5,484	5,143	6,007	16.8%
Repos	99	216	43	-80.1%
Total cash loans	11,151	10,873	11,048	1.6%
Endorsement credits	712	700	765	9.3%
Total direct loans	11,863	11,573	11,813	2.1%

CREDEM - Gross customer loans

(€/mn)

Breakdown by business unit	2003	09/03	09/04	% yoy
short-term	3.678	3.610	2.718	-24,7%
long-term	435	397	446	12,3%
non-performing	59	5	64	n.s.
Total Corporate BU	4.172	4.013	3.227	-19,6%
short-term	1.521	1.397	1.579	13,0%
long-term	3.271	3.092	3.758	21,5%
non-performing	22	21	25	20,0%
Total Retail BU	4.814	4.510	5.362	18,9%
Intercompany	1.421	1.509	1.658	9,9%
Total gross customer loans	10.407	10.032	10.247	2,2%

Borrowers and their sectors highly diversified: the top **20 corporate borrowers** (in terms of utilization) make up just **5.1%** of total loans.

Highly reliable, tested internal rating system and centralized decision-making powers (84%).

Growth still rapid for CREDEM's strategic customer groups: Private, Small Business and SMEs.

The repositioning taking place in corporate banking has not hurt that sector's earnings.

Top 20 borrowers

(Corporate - €/mn)

Total utilization
% of direct loans
Internal rating
Average utilization
Minimum utilization
Maximum utilization

2003	09/04
1,400	599
11.9%	5.1%
normal	normal
70	30
30	1.3
159	125

Breakdown of loans by rating

(%)

Normal risk
Under observation
Problem loans

2003	09/04
94.5	95.0
4.7	4.1
0.8	0.9

Market risk (€/mn)	2002	2003	09/04
V.A.R. banking and trading book (99% . 10 days)			
Credembanca			
. Average	1.2	2.8	1.9
. Maximum	3.0	4.8	3.7
Abaxbank			
. Average	2.6	2.3	1.1
. Maximum	9.6	3.9	1.9
Other companies - overall risk	1.6	1.7	1.4

Market risk management mostly pertains to Credembanca and Abaxbank.

Overall risks are modest and fairly stable over time.

Results

Appendices

Agreement between 226 shareholders

Main investors
Maramotti family
Pictet Cie
Savioli heirs
Fincorrad
Allianz Subalpina

%sul c.s.
35.5%
4.9%
2.9%
2.1%
1.7%

More than 2,900 investors

72.4%

27.6%

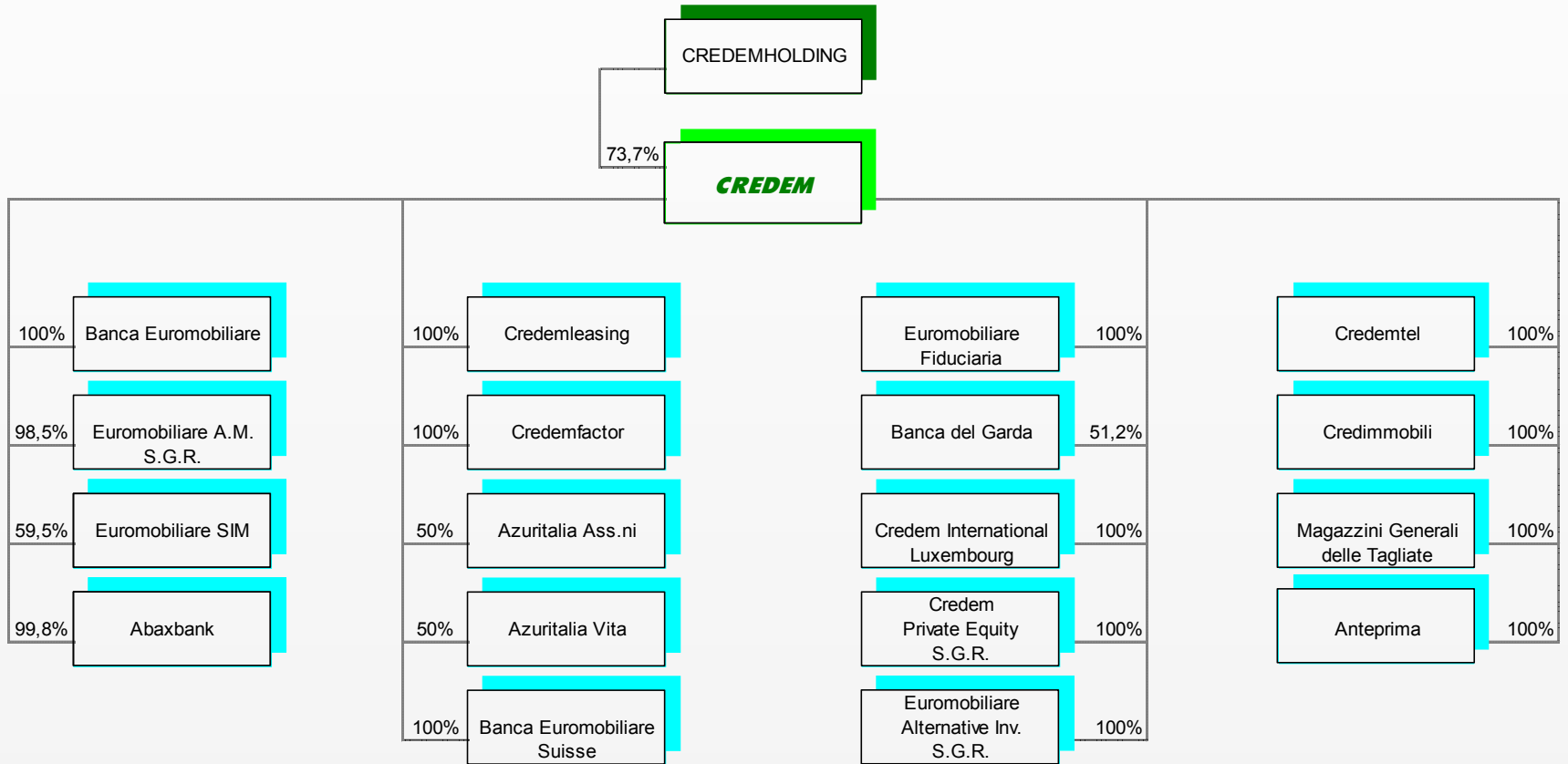
CREDEMHOLDING

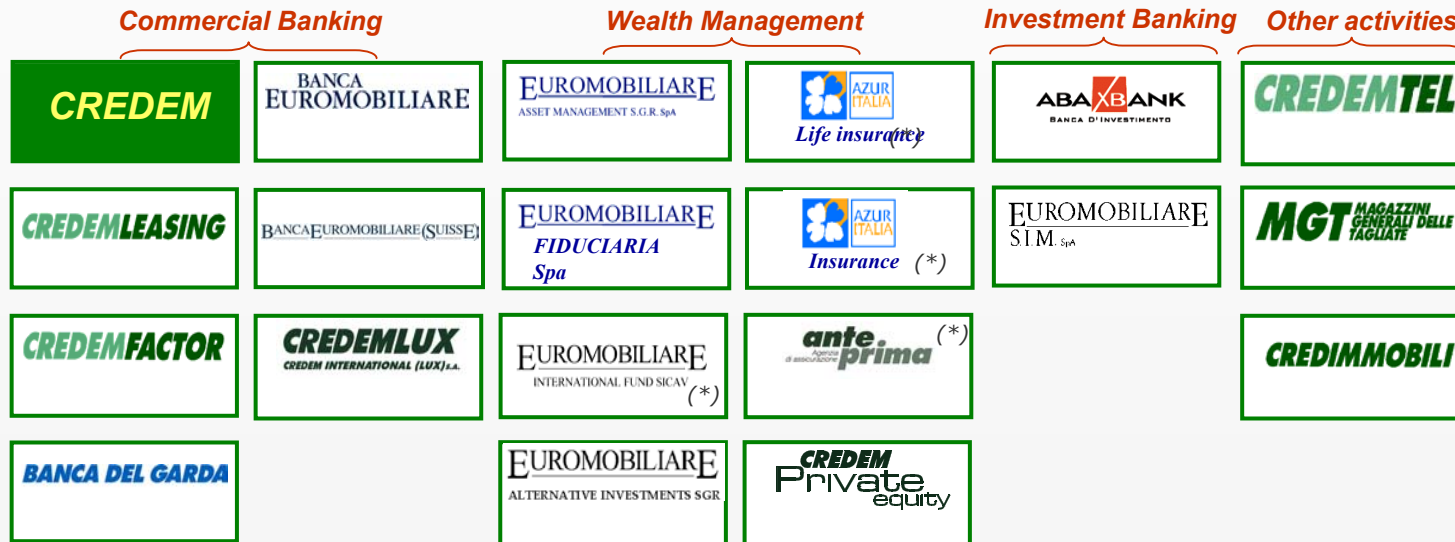


73.7%

26.3%

CREDEM





(*) companies outside the banking group