

CREDEM Group

'03 results

Milan, March 31st, 2004

Track Record

'03 Results

Outlook for '04

Appendices

14th largest banking group in Italy

11th largest in asset management

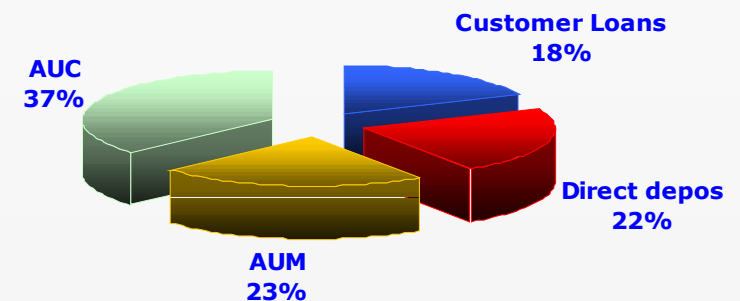
**700,000 customers and 65 billion
in total business**

**500 branches and corporate
centres, 5,000 employees**

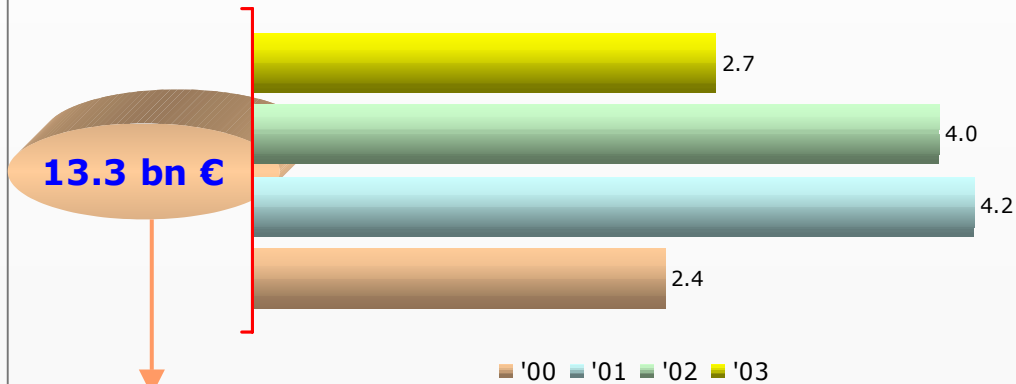
**20 companies covering all
financial sectors**

**Listed since '97 (*Midex*),
market cap 1.6 billion**

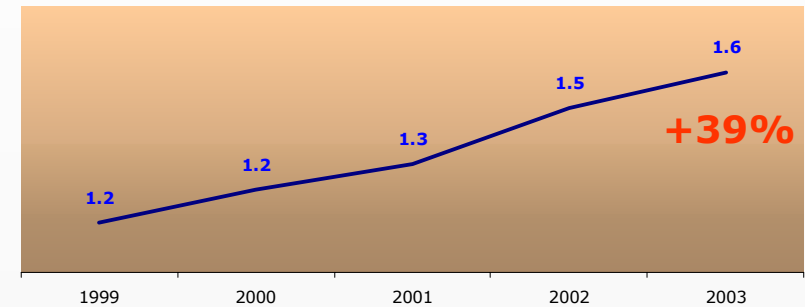
Total Business



New Business track record '00 / '03

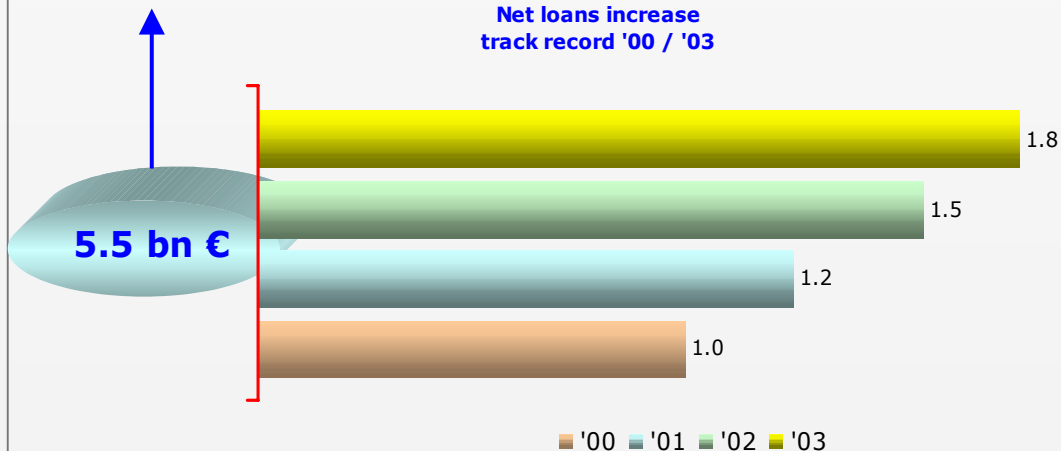


Mkt Share Total Deposits & Collections

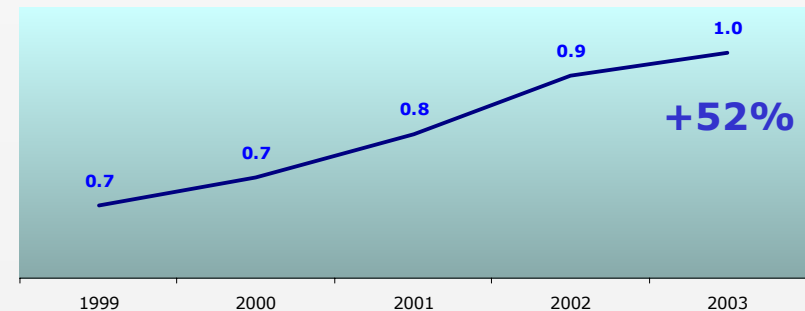


Total customer business has increased by more than 50%

Net loans increase track record '00 / '03



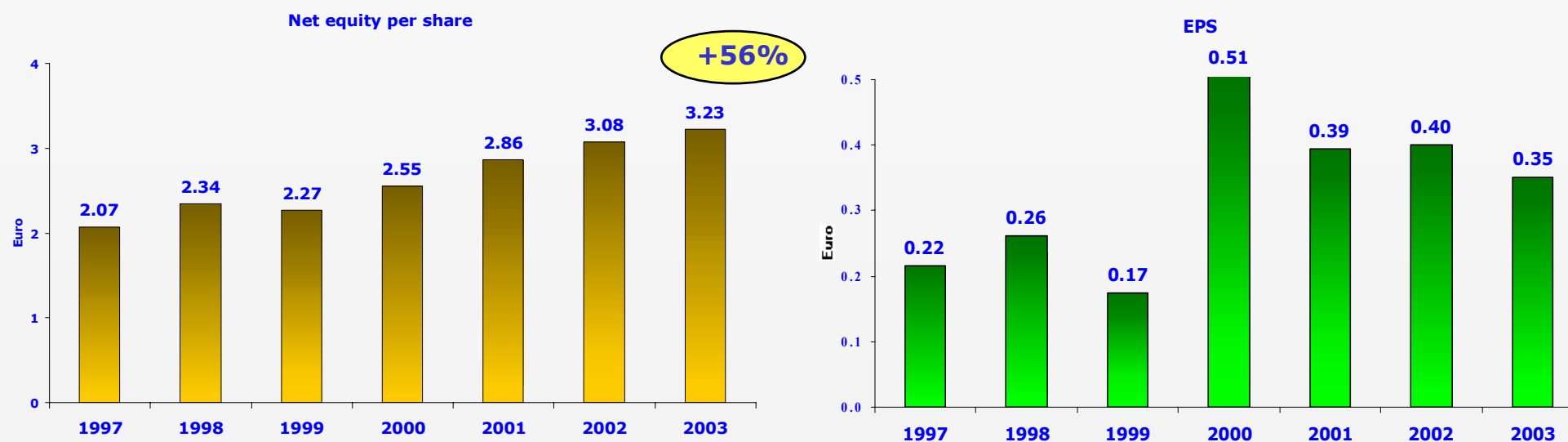
Mkt Share Customer Loans



	1997	1998	1999	2000	2001	2002	2003
No. shares (/000)	225,839	253,408	265,464	270,679	272,537	273,309	274,350
Net equity/share	2.07	2.34	2.27	2.55	2.86	3.08	3.23
EPS	0.22	0.26	0.17	0.51	0.39	0.40	0.35
ROE	11.6%	13.5%	8.5%	21.3%	14.6%	13.5%	11.1%
Dividend/share	0.08	0.10	0.12	0.18	0.20	0.20	0.20
Payout ratio	39.2%	37.9%	68.6%	35.3%	50.8%	50.0%	57.1%

Consistently high creation of value over time

Balanced growth in equity and dividend per share



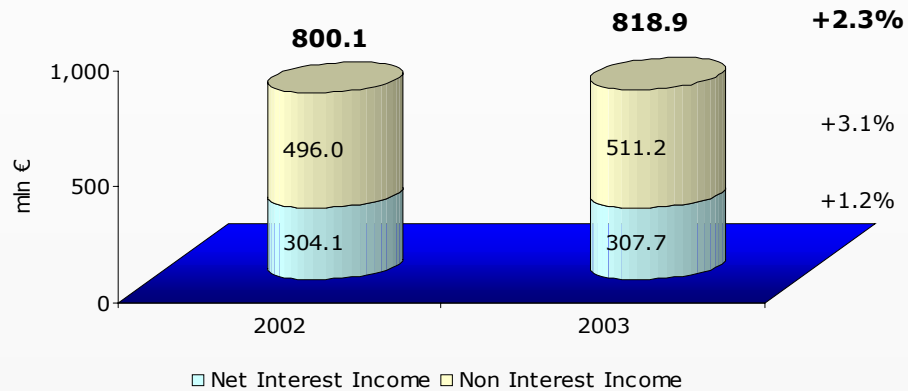
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'03 Results

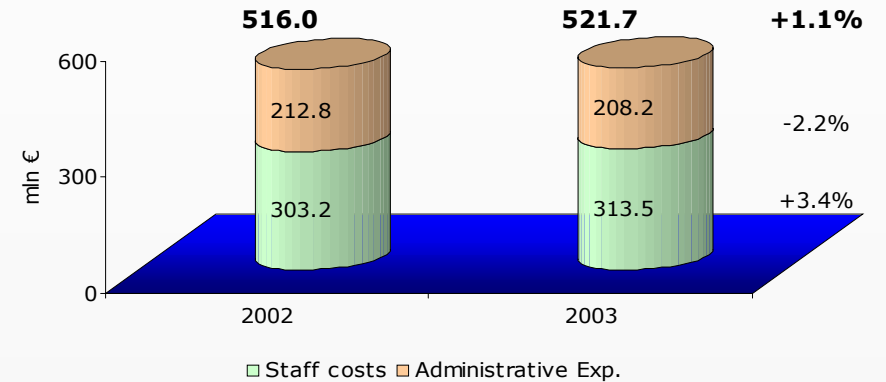
Outlook for '04

Appendices

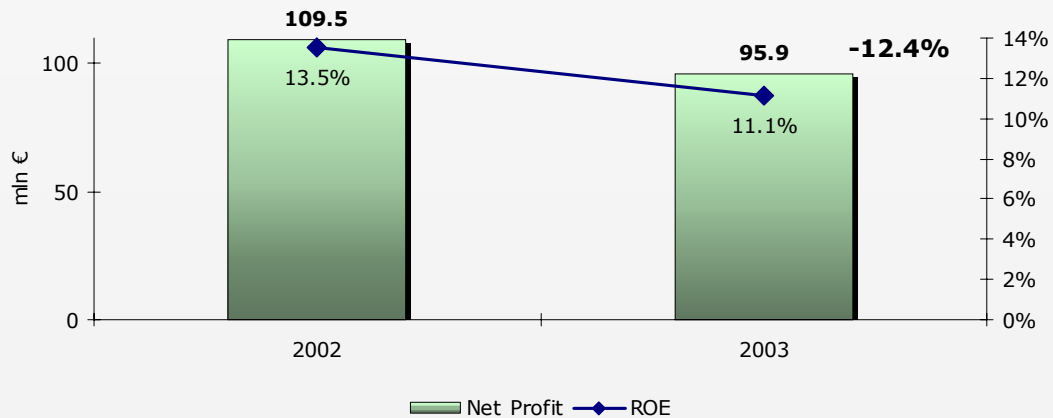
Total Income



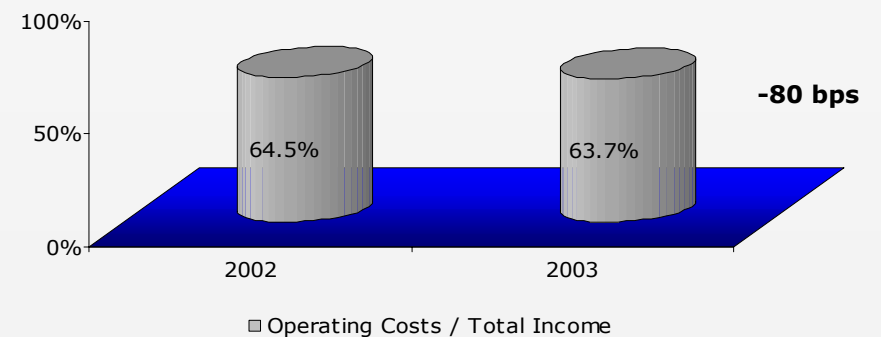
Operating Costs



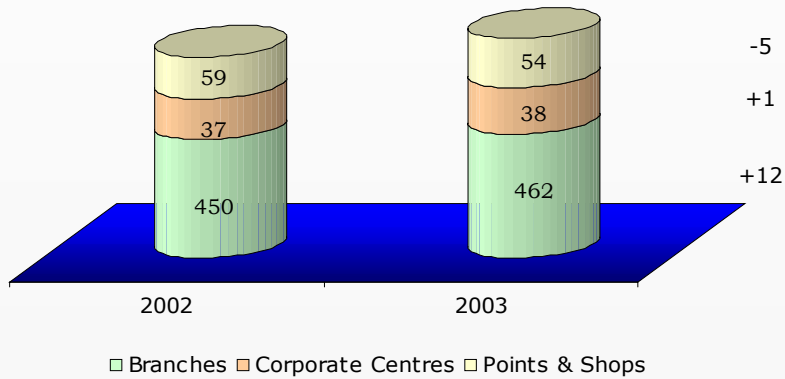
Profitability



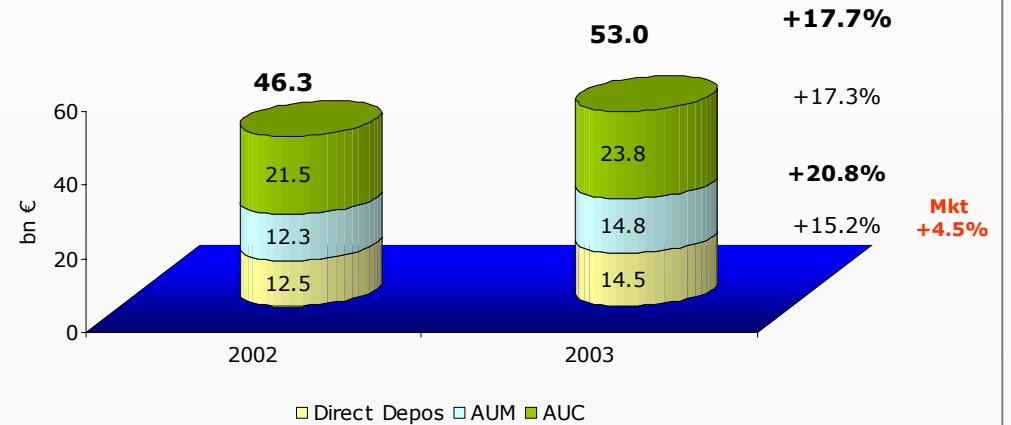
Cost to income



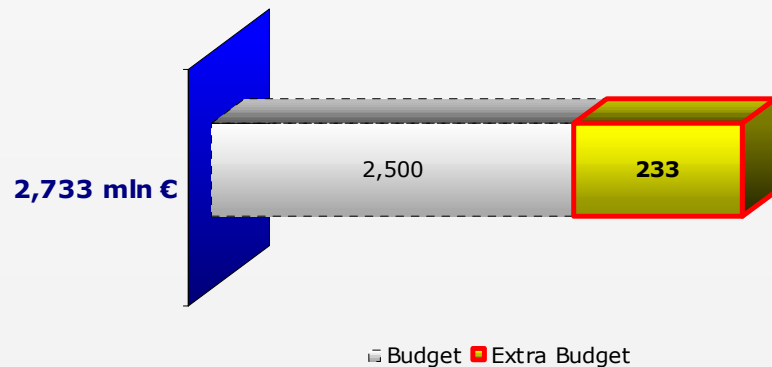
Distribution channels



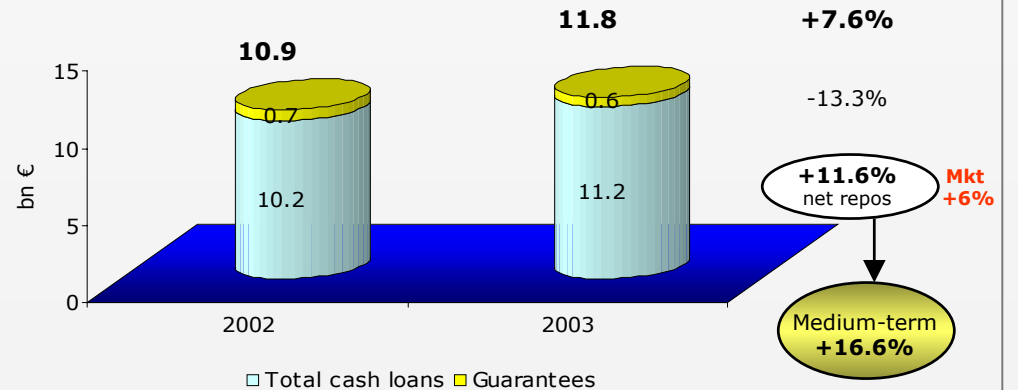
Deposits & Collections



New Business 2003



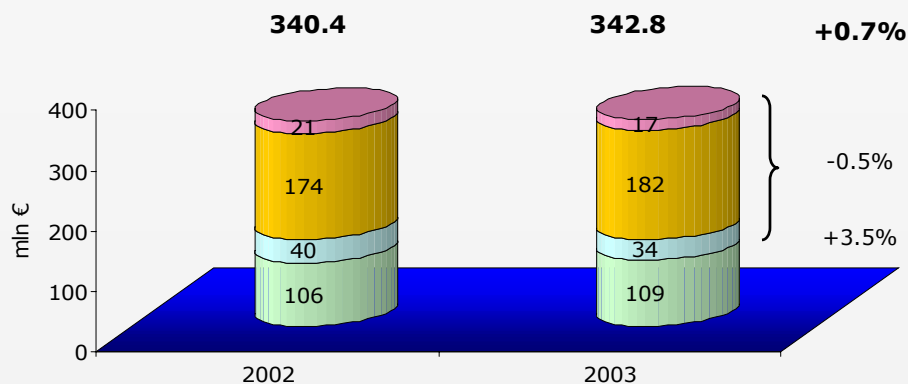
Customer Loans



		2002	2003
growth	MS deposits	1.50%	1.60%
	MS loans	0.95%	1.00%
profitability	ROE	13.5%	11.1%
	Net Interest income / Total income	38.0%	37.6%
	Non-interest income / Total income	62.0%	62.4%
efficiency	Operating costs / Total income	64.5%	63.7%
	Operating costs + depr. / Total income	74.1%	71.9%
	Operating costs / non-interest income	1.04	1.02
credit quality	NPL ratio	0.16%	0.34%
	Net "substandard" loans / Net loans	0.35%	0.58%
capital adequacy	TIER I	7.2%	6.6%
	TIER total (<i>minimum supervisory level 8%</i>)	8.4%	9.0%
	TIER I capital	(mln €) 781	833
	TIER total capital	(mln €) 910	1,120

(mln €)	2002	2003	% yoy
Net interest income	304.1	307.7	1.2%
Spread	3.27%	2.79%	-48bp
Net commissions	340.4	342.8	0.7%
. of which "management & brokerage"	234.8	233.5	-0.6%
. of which "banking services"	105.6	109.3	3.5%
Securities and currency trading	107.8	119.7	11.0%
. of which "Abaxbank"	81.4	52.6	-35.4%
. of which "other companies"	26.4	67.1	154.2%
Other income and expenses	47.8	48.7	1.9%
Non-interest income	496.0	511.2	3.1%
Total income	800.1	818.9	2.3%

Breakdown Net Commissions



■ Banking services ■ Securities broker. & custody ■ Management ■ Insurance products

Net interest income improved by 1.2% due to the combined effect of the 48bp reduction in spreads and significant volume growth.

Non-interest income saw strong growth of **3.1%**.

- The *trading* area, which grew by 11%, accounted for slightly less than 1/4 of this result. Abaxbank confirmed its ability, in absolute terms, to generate significant revenues (53 mln) despite the devaluation of corporate bonds. The contribution of other companies is also important, particularly with reference to Credembanca; revenue went from 26 mln to roughly 67 mln.

- Net commission income improved by nearly a full percent; commission on securities remained stable due to **+4.3%** increase in **management fees**, correcting the downward trend seen in 2002. The 3.5% increase in commissions for the banking area is also significant and confirms recent growth rates.

(mln €)	2002	2003	% yoy
Total income	800.1	818.9	2.3%
Payroll costs	-303.2	-313.5	3.4%
Administrative expenses	-212.8	-208.2	-2.2%
Operating costs	-516.0	-521.7	1.1%
Gross operating profit	284.1	297.2	4.6%
Depreciation & Amortisation	-76.8	-67.4	-12.2%
Operating profit	207.3	229.8	10.9%
Net loan adjustments	-27.8	-74.7	168.5%
. "current"	-27.8	-19.8	-28.8%
. "Parmalat"	0.0	-54.9	n.s.
Provisions for risks & charges	-4.5	-23.0	n.s.
Net adjustments on eq. invest.	0.2	-0.2	n.s.
Extraordinary income/(charges)	21.3	13.7	-35.7%
Pre-tax profit	196.5	145.6	-25.9%
Income taxes	-84.2	-44.1	-47.6%
Minority interests	-2.8	-5.6	100.0%
Net profit	109.5	95.9	-12.4%

Gross operating profit +4.6%

Operating profit +10.9%

Flexible cost management based on expected return: limited increase in operating costs (+1.1%);

Extraordinary income down by more than 1/3.

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Extraordinary income/(charges)	21.3	13.7	-35.7%
Book profit before tax	196.5	145.6	-25.9%
Normalisation			
Extraordinary provisions	-1.5	24.9	
Gain on sale of equity investme	-22.9	-0.9	
Writedown of Parmalat loans		54.9	
Total normalisation adjustment:	-24.4	78.9	
Normalised profit before tax	172.1	224.5	30.5%

The normalisation of pre-tax profit completely **inverts** the **scenario**, which is now more realistic and consistent with the positive trend seen in operating profit.

Breakdown gross operating profit (GOP) (mln €)	2002	2003	contribution % at 12/03
Total Income	800.1	818.9	
. Captive	669.3	718.4	87.7%
. Non captive	130.8	100.5	12.3%
Operating costs	-516.0	-521.7	
. Captive	-442.5	-449.8	86.2%
. Non captive	-73.5	-71.9	13.8%
GOP	284.1	297.2	
. Captive	226.8	268.6	90.4%
. Non captive	57.3	28.6	9.6%

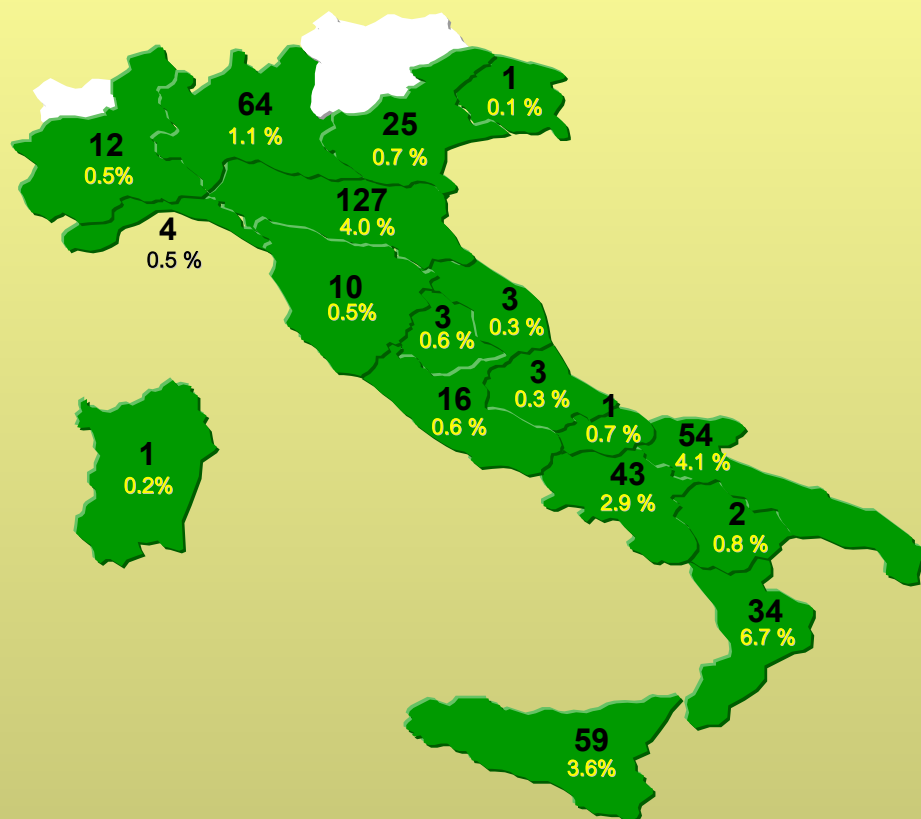
Contribution to net profit by company (mln €)	2002	2003	contribution % at 12/03
"Captive" companies	80.0	106.3	110.8%
Credembanca (including CredemLux)	71.0	70.4	73.4%
Banca Euromobiliare	-4.0	-1.6	-1.7%
Euromobiliare A.M. SGR	5.1	6.5	6.8%
Credemleasing	5.7	8.3	8.7%
Other companies and adjustments	2.2	22.7	23.7%
"Non-captive" companies	29.5	-10.4	-10.8%
Euromobiliare SIM	8.7	8.6	9.0%
Abaxbank	22.0	-19.5	-20.3%
Euromobiliare Corporate F.	-1.2	0.5	0.5%
Total	109.5	95.9	

The diversification of Group business has guaranteed high levels of profitability despite economic uncertainty, and has also made it possible to absorb the impact of a number of extraordinary events related largely to the defaults concerning a number of Italian industrial groups.

More than **90%** of gross operating profit (80% in 2002 and 78% in 2001) was generated by **"captive"** companies involved in the Group's core business. These revenues provide **continuity** and stability over time.

The net result of Credembanca totally absorbed the impact of Parmalat.

CREDEM Group branches and market share



Distribution structure	2002	2003
Credembanca and others	429	440
B.ca Euromobiliare	21	22
Branches	450	462
Corporate Centres	37	38
CredemPoints	24	27
Fin. Banca Euro shops	35	27

Personnel and other resources	2002	2003
FA Banca Euromobiliare	410	372
FA Credem	385	521
FA with mandate	795	893
FA employees	212	231
Total FA	1,007	1,124
Credem Group employees	4,863	4,961
- Credembanca	4,049	4,139
- central functions	25%	24%
- commercial functions	75%	76%

(mln €)

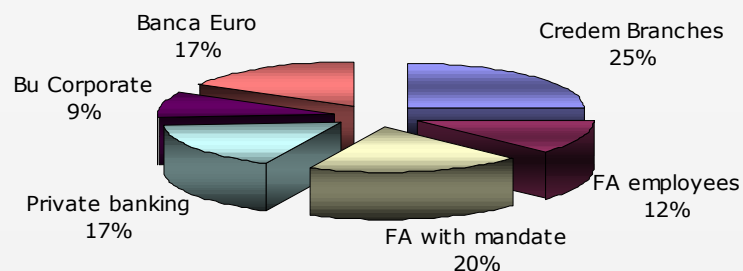
Breakdown of deposits	2002	2003	% yoy	
Deposits	6,135	6,991	14.0%	
Bonds	3,676	4,601	25.2%	
Total direct w/o Repos	9,811	11,592	18.2%	
Repos	2,736	2,862	4.6%	
Total direct deposits	12,547	14,454	15.2%	
Discretionary accounts	1,762	2,229	26.5%	
Mutual funds and Sicav	8,995	10,868	20.8%	
Insurance products	1,344	1,569	16.7%	without
Other	175	161	-8.0%	institutional
Total AUM	12,276	14,827	20.8%	effect
Total AUC	21,478	23,750	10.6%	17.3%
Total indirect deposits (ctv)	33,754	38,577	14.3%	18.7%
Total deposits & collections	46,301	53,031	14.5%	17.7%

Favourable performance in **net inflows** (2.7 billion compared to an expected 2.5 billion). Efficiency of all distribution channels.

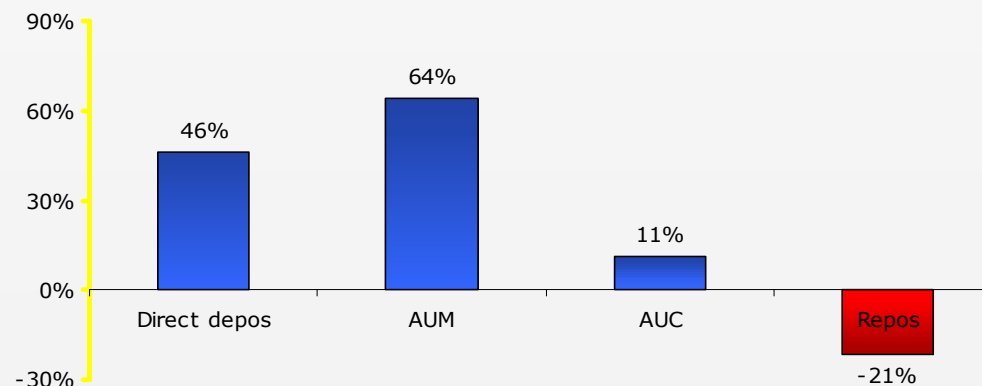
The public's preference for short-term, low-risk investments, which continues today, is supporting a growth in direct deposits that exceeds the market average, favouring deposits and current accounts, as well as ordinary and subordinated bonds.

The range of flexible products together with the strength of all distribution channels contributed to directing **more customer assets towards asset management (+20.8%)**.

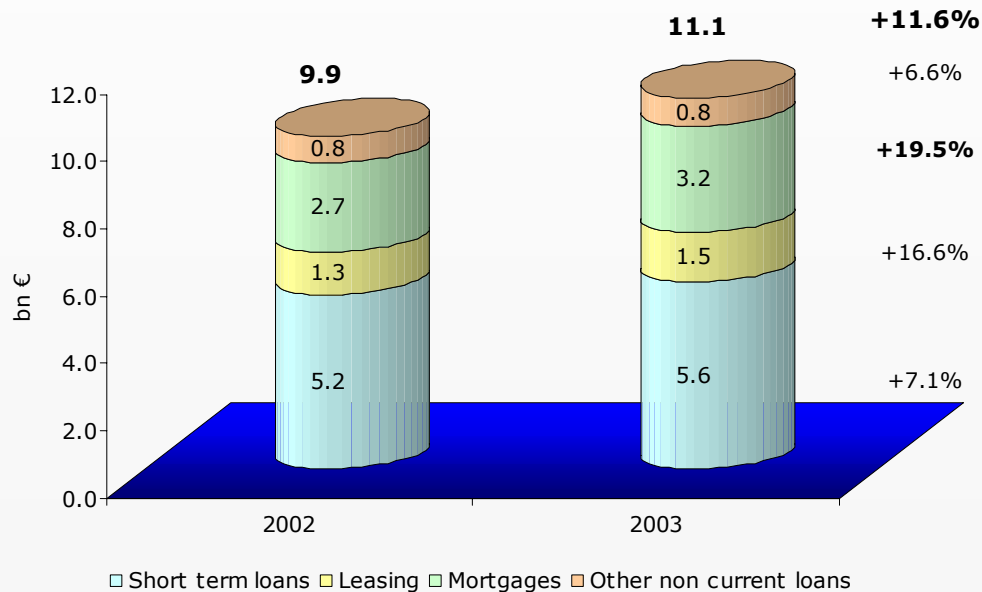
New Business by Channel



New Business by Product



Cash Loans by type
(net of Repo)

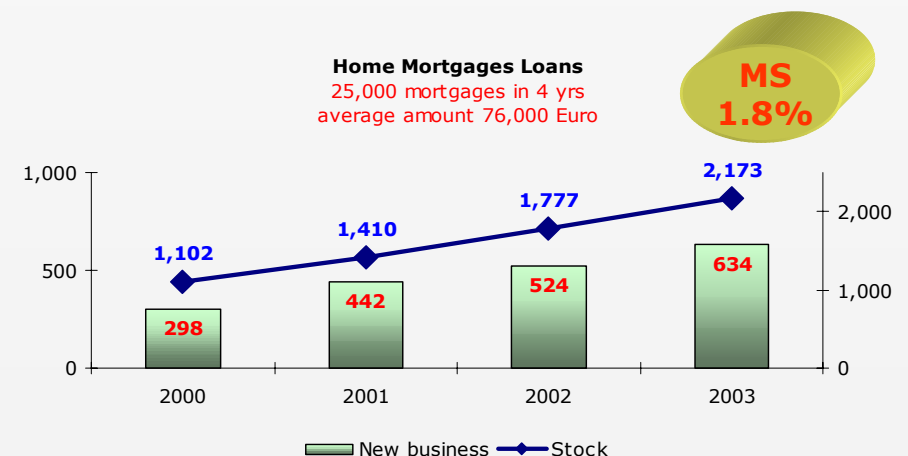


The significant growth in lending of 11.6% (**+20% based on average principal**) was equally divided over all business segments.

Of particular importance were the contributions of:

- **Leasing** (600 million in new business for a total stock value of 1.4 billion);
- **Mortgages loans**, which increased by roughly 20% overall, and **home mortgage loans** in particular (2.2 bln in total stock, +22.3%, and new business of 635 mln, +21%).

(mln €)	2002	2003	% yoy
Customers loans	9,903	11,052	11.6%
. short-term	5,199	5,568	7.1%
. medium-to-long term	4,704	5,484	16.6%
Repo	314	99	n.s.
Total cash loans	10,217	11,151	9.1%
Guarantees	731	634	-13.3%
Total direct loans	10,948	11,785	7.6%



Credembanca - Gross customer loans

(mln €)

Breakdown by Business Unit	2002	2003	% yoy
short-term	3,510	3,678	4.8%
medium-term	392	435	11.0%
non-performing	4	59	
Total Corporate BU	3,906	4,172	6.8%
short-term	1,189	1,521	27.9%
medium-term	2,740	3,271	19.4%
non-performing	18	22	
Total Retail BU	3,947	4,814	22.0%
Other customer loans	1,261	1,421	12.7%
Total gross customer loans	9,114	10,407	14.2%

The rate of loan growth has been **balanced:**

- between **Corporate** (*which also increased by more than 20% based on average principal*) and **Retail**, as a result of the intensive efforts of the dedicated business units;
- and both short-term and medium-to-long term loans.

Top 20 borrowers

(corporate € mln)

	2002	2003
Total use	1,320	1,399
Incidence of direct loans	12%	11.9%
Average internal rating	normal	normal
Average use	66	70
Minimum use	30	30
Maximum use	153	159

Loan distribution by rating

(in percent)

	2002	2003
Normal risk	95.3	94.5
Watch-list loans	3.9	4.7
Problematic loans	0.8	0.8

Powers of approval

(as a percentage "Approved")

	2002	2003
Districts	12.3	12.4
Corporate centres	2.6	3.5
Business Units	18.6	23.8
HQ offices	66.5	60.3

Growth hasn't affected asset quality

Lending performance (%)

	01	02	03
Market share	0.8	0.9	1.0
Lending growth rate	17.1	24.1	20.0
Net non-performing loans	0.1	0.2	0.3
Net non-performing market share	0.0	0.1	0.2
Net non-performing loans - System	2.2	2.2	2.2

High level of diversification by sector and by borrower: the 20 largest borrowers make up just 11.9% of total loans.

Highly reliable tested internal rating system and centralized powers of approval: more than 84% of loans are approved by central functions that have no contact with customers.

Credit quality confirmed by the trend in loan collections related to the securitisation in 2000 of non-performing loans. February 2004 collections of €126 mln compared to a scheduled 80 mln, roughly 40 mln more net. Senior tranche (was 100 mln) to be repaid in its entirety as of April 2004 rather than the expected April 2009.

The repayment plan has begun on the junior tranche (81 mln) acquired by Credembanca.

Securitisation - ratings

	2000	2001	2002	2003
Fitch	A +			AA -
Standard & Poors'	A +			AAA

Market risks (mln €)

VaR banking and trading book

(99% . 10 days)

Credembanca

. average

. maximum

2002

2003

1.2

2.8

3.0

4.8

Abaxbank

. average

. maximum

2.6

2.3

9.6

3.9

Other companies - overall risk

1.6

1.7

Interest-rate risk (mln €)

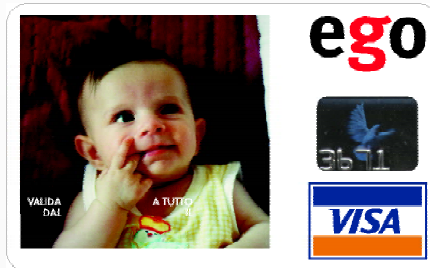
Banking book - shift 1%

2.2

7.0

Market risk is primarily focused on Credembanca and Abaxbank.

Overall, risk is limited and without particular changes from one period to the next.



- The number of cards in circulation has exceeded 115,000 (80,000 at the end of 2002) with a usage rate of around 78%. Also significant is the balance of revolving credit which has reached €19 million. The card personalisation program has offered the possibility of 30 different solutions. With regard to partnerships, the initiative with Colgate is particularly innovative. Pre-paid and gold cards were also launched during the year.



- There are roughly 600 subagents already involved in this project which includes the recent creation of this multi-firm insurance agency, specialized in the distribution of "health - life - protection" products. During the year, important agency contracts have been signed with leading companies from outside the Group. These agreements are expected to increase in 2004.

**Private
Banking**

- The analysis and planning phase was completed in 2003. The methods of customer segmentation were refined, and the level of specialisation and personalisation of the product range was increased. The new Group Private Investment Centre was made operational with three new wealth management lines. The resources available to the private bankers were also strengthened.

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Distribution structure	2003	2004 E
Credembanca and others	440	445
B.ca Euromobiliare	22	22
Branches	462	467
Corporate centres	38	39
CredemPoints	27	30
Fin. Banca Euro shops	27	21

- “Flexible” distribution policy based on the financial performance of the Group.

New branches (+12) opened primarily in the north of the country, accompanied by closures in a number of low potential areas (-7).

Increase in personnel aimed entirely at strengthening the network and staffing the new openings. Central staff stable in absolute terms.

Personnel and other resources	2003	2004 E
FA Banca Euromobiliare	372	340
FA Credem	521	636
FA with mandate	893	976
FA employees	231	231
Total FA	1,124	1,207
Credem Group employees	4,961	5,075
. Credembanca	4,139	4,239
- central functions	24%	24%
- commercial functions	76%	76%

- Banca Euromobiliare is to consolidate commercial growth and concentrate on improving FA standing, rather than increasing their number.

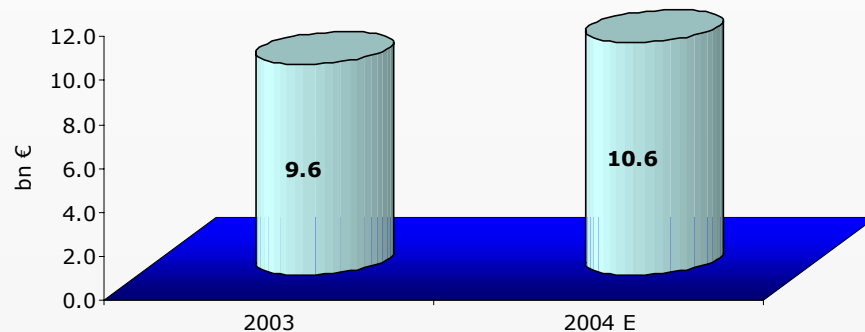
Net inflows

(mln €)

	2003	2004 E
Credembanca	2,277	1,500
Banca Euromobiliare	456	300
Total	2,733	1,800

- Net inflows directed towards higher value added managed products (more than 50%).

Customer loans (a.p.)

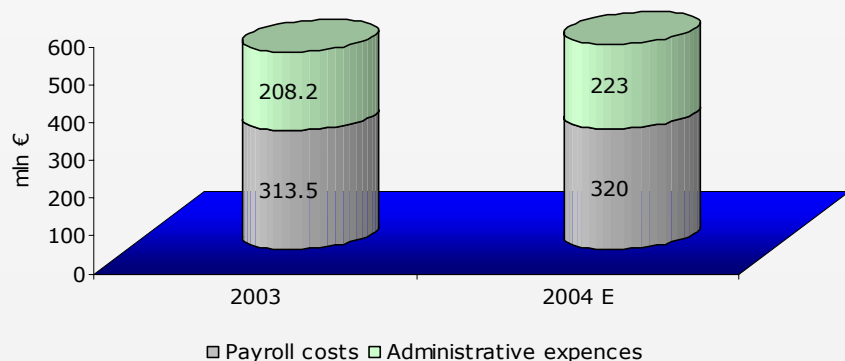


- Growth in lending of roughly €1 bn based on average principal (9-10%), of which around 50-60% is medium-to-long term financing.

- The BU Retail is to further develop home mortgage loans and intensify small-business activities.

- The BU Corporate is to confirm actions already in progress increasing focus on medium size Corporate customers.

Operating costs



- Operating costs are expected to grow by roughly 4%.

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Information about the Group:

- Capital structure
- Group structure
- Business areas
- Focus on key companies

Pact of 226 shareholders

Main shareholders
Maramotti family
Pictet Cie
Eredi Savioli
Fincorrad
Allianz Subalpina

	% held
Maramotti family	35.5%
Pictet Cie	4.9%
Eredi Savioli	2.9%
Fincorrad	2.1%
Allianz Subalpina	1.7%

72.4%

CREDEMHOLDING

> 2,900 shareholders

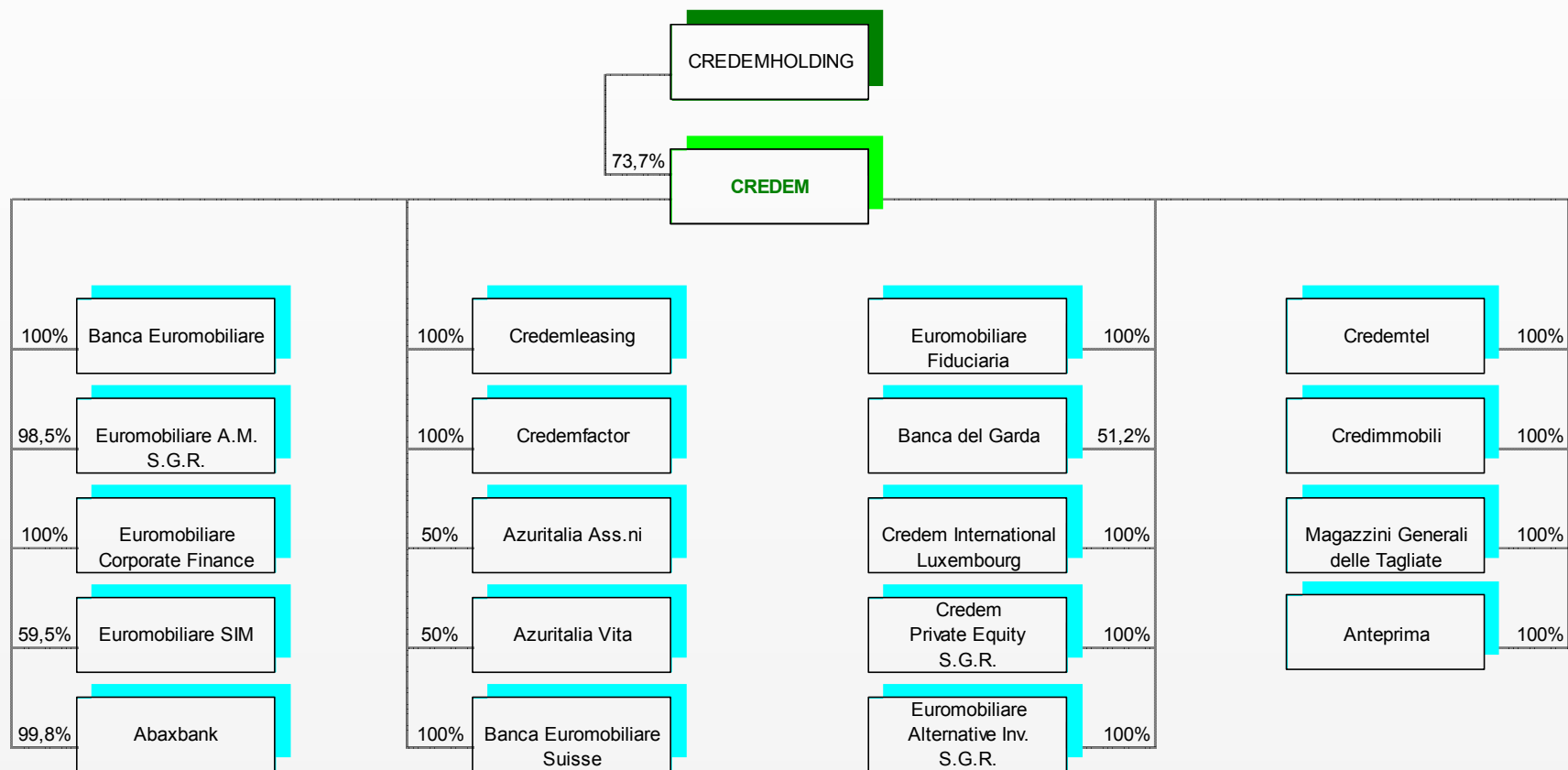
27.6%

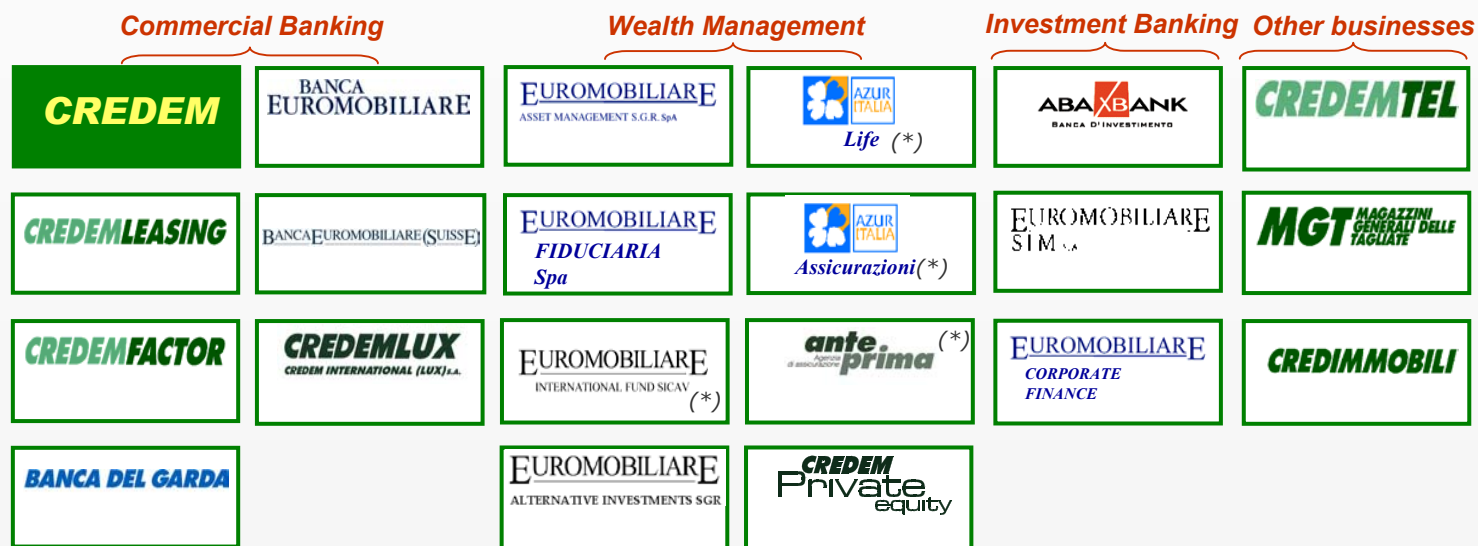


73.7%

26.3%

CREDEM





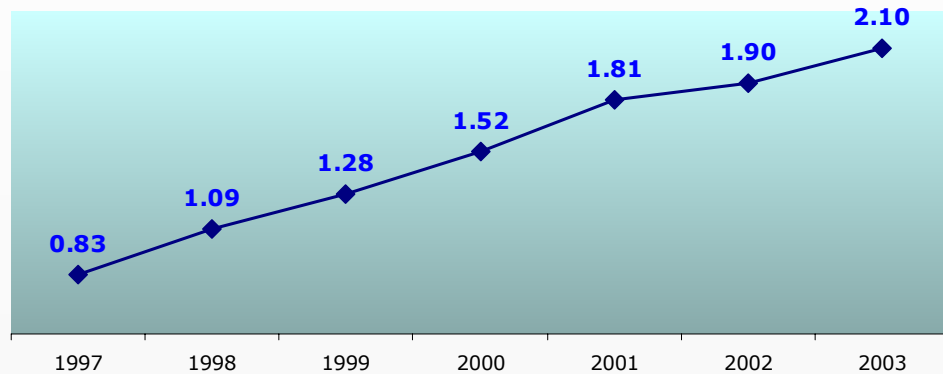
(*) companies not included within the Banking Group

P&L summary

(thousands of €)

	2002	2003	% yoy
Net management fees	15,222	15,671	3.0%
Net performance fees	688	3,931	471.2%
Other commissions	1,422	1,886	32.7%
Total net fees & commissions	17,332	21,488	24.0%
Gross operating profit	9,373	11,790	25.8%
Net profit	5,190	6,655	28.2%

Market Share



More than **€10.7 bn** in assets managed for an increase of around **20%** (+9.2% for the system).

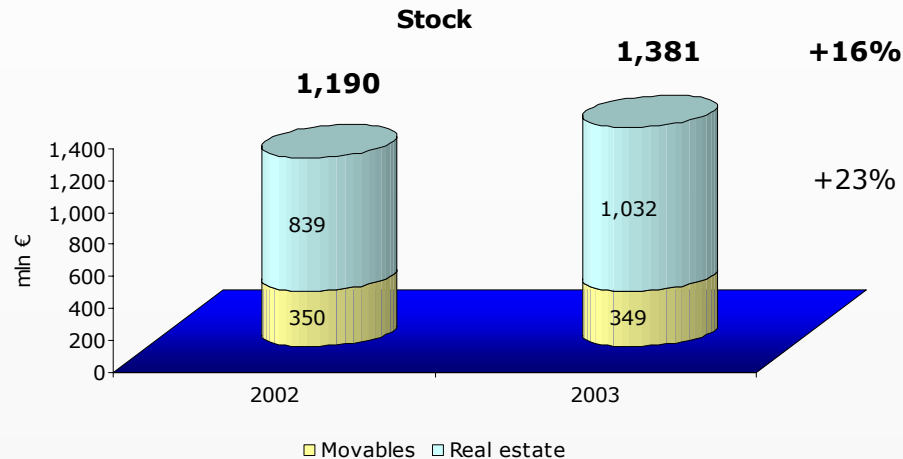
New business in 2003 of roughly **€1.5 bn** (0.5 bn in 2002), around 6% of total market volumes.

Key Players

COMPANY	New business mln € 2003
Sanpaolo-IMI	5,616
Banche Popolari Unite	2,920
Anima	2,231
C.R. Firenze Gest. Int.	1,633
CREDEM Group	1,491
Monte Paschi di Siena	1,449
B.ca Lombarda	1,306
Antonv. Abn Amro Inv	1,191
B.ca Pop Lodi	1,121
B.ca Pop VR e NO	1,096
Uncredito Italiano	1,050
Mediolanum	1,045
Azimut	765
B.ca Pop. Milano	577
RAS	151
BNL	73
Arca SGR	-135
Fineco - Capitalia	-545
Deutsche Bank	-1,464
Intesabci	-1,555
SYSTEM	25,293

New business 2002 -6,501

(Source: Assogestioni)



With roughly 12,000 contracts in place and a stock of €1.4 billion in loans (**MS 2.1%** approx.), Credemleasing is the 19th largest Italian firm in the industry.

Its rate of growth is higher than the market average and contributes significantly to Group asset growth.

A focused commercial strategy and the broadening of its product range have driven to a strong acceleration of financial performance.

Credit quality confirms an excellent level. Bad debt is at a very modest 0.09%.

Profitability is progressing well with a net profit of approximately € 6 million.

(mln €)	2002	2003	% yoy
Movables	219	191	-12.7%
Real estate	444	411	-7.4%
Financings	663	602	-9.2%
MS Financings	1.76%	1.90%	8.0%
MS Stock	1.87%	2.07%	10.7%
Net NPLs & WL/loans	0.08%	0.23%	
Bad debt	0.02%	0.09%	

Mkt
-16%

P&L

(mln €)

	2002	2003	% yoy
Commercial profit	16.7	20.3	21%
Gross operating profit	10.2	14.6	43%
Net profit (financial)	2.6	5.7	123%

Operational data

P&L summary

(thousands of €)

	2002	2003	% yoy
Net interest income	4,208	3,698	-12.1%
Non-interest income	32,149	34,619	7.7%
Total income	36,357	38,317	5.4%
Operating costs	-32,039	-32,345	1.0%
Gross operating profit	4,318	5,972	38.3%
Net profit	-4,345	-3,903	10.2%

- Customer assets at the end of 2003 amounted to €5.6 bn (+14%) of which 66% in AUM.

- 372 Financial advisors (-36).

- 86 Private bankers (-16).

A stock broker focused on the Italian equity market with three business lines :

- Stock brokerage**
- Financial analysis**
- Equity capital markets**

- Brokerage activities intensified in European and North American markets in order to further broaden the services offered
- Equity research dept. composed of 12 analysts, voted one of the best financial analysis teams in Italy
- Strong equity placing power with institutional investors

Summary data

(mln €)	2002	2003	% yoy
Volume	46,346	79,253	71.0%
Market share	3.6%	5.9%	63.9%
Total revenues	44.6	41.7	-6.5%
Net profit	14.6	14.5	-0.7%
ROE	39.8%	39.5%	



Thomson Extel Suvey

	<i>Ranking</i>	<i>Category</i>
2003	2°	Country analysis
	4°	Small-Mid Cap
2002	1°	Country analysis
	2°	Small-Mid Cap
2001	2°	Country analysis
2000	1°	Country analysis
	1°	Banking & Telcoms



Institutional Investor

	<i>Ranking</i>	<i>Category</i>
2004	3°	Italian Research Team
2003	4°	Italian Research Team
2002	3°	Italian Research Team

Reuters-Tempest

	<i>Ranking</i>	<i>Category</i>
2001	1°	Italian Larger Company
	1°	Italian Smaller Company

- Research coverage of 98% of the market cap of the Italian Stock Exchange
- Analysis focused both on Mib30 companies (45% of notes issued) and small & mid cap (55% of notes issued)



Lombard

	<i>Ranking</i>	<i>Category</i>
2002	1°	Research Team
2001	1°	Research Team



Global Investor

	<i>Ranking</i>	<i>Category</i>
2002	1°	Research on Italian Equity Market
2001	1°	Research on Italian Equity Market

Investment bank focused exclusively on the Italian market with two areas of business:

• **Investment Banking Division** (equity e debt origination, M&A/Advisory, securitisation, loan syndacation)

• **Financial Market Division** (equity sales & trading, risk arbitrage, equity derivatives, interest rate derivatives, foreign exchange and derivatives, fixed income trading, treasury, alternative investment product, portfolio management products)

Total income came in at € 52.7 million (-35.3%), due primarily to high levels of precautionary write-downs and losses on securities, as well as to a change in the accounting rules used to value a number of structured products.

Other factors contributed to the net result: a significant adjustment of loans and extraordinary charges related to 2001 and 2002, following the change in accounting rules mentioned above.

P&L summary

(mln €)

	2002	2003	% yoy
Total income	81.4	52.6	-35.4%
Operating costs	-49.4	-49.0	-0.8%
Net profit	20.1	-19.5	n.s.