

CREDEM Group

IQ '05 results

may 2005

Italy's 14th largest banking group

Italy's 12th largest asset manager

700,000 customers and over €64 billion in total business

About 500 branches and business centres; 5,000 employees

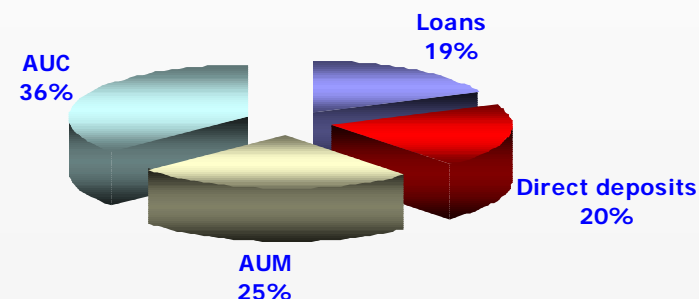
19 companies operating in all areas of finance

Listed since '97 (*Midex*), cap. between €2.4 and €2.5 billion

Confirmation from main rating agencies

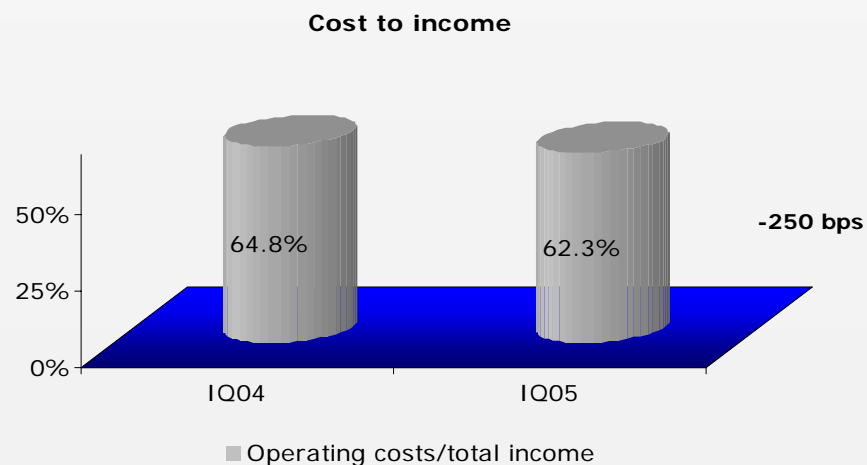
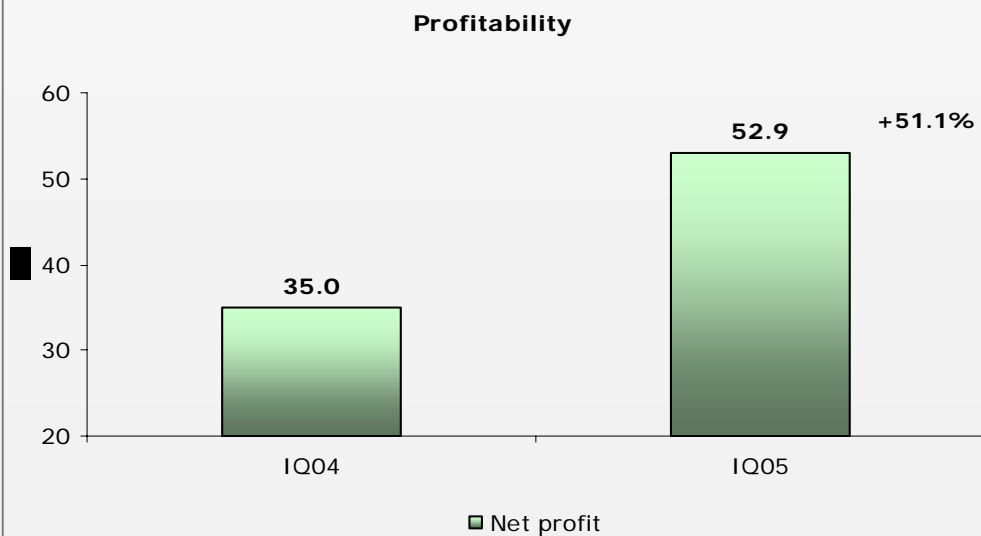
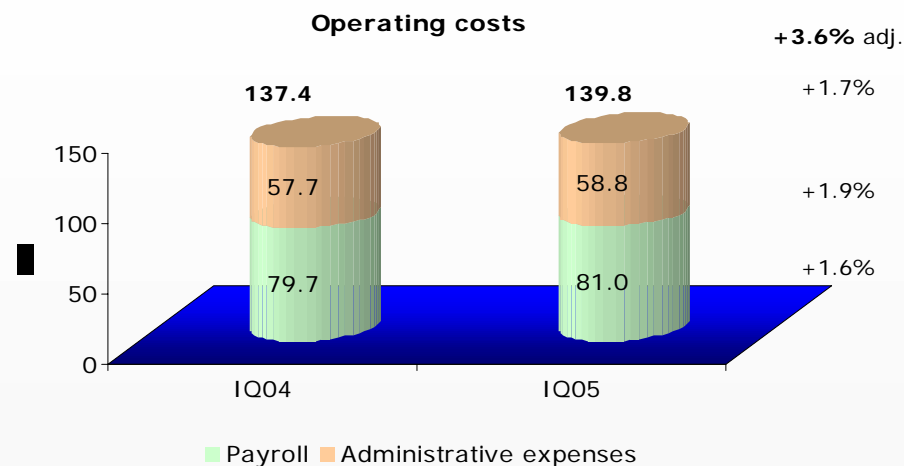
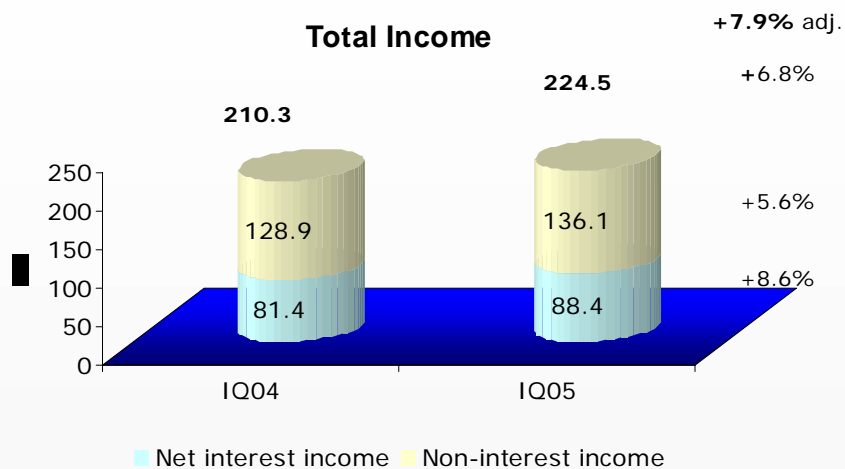
- Fitch: A / stable / F1
- S & P: A- / stable / A-2

Total Business with customers



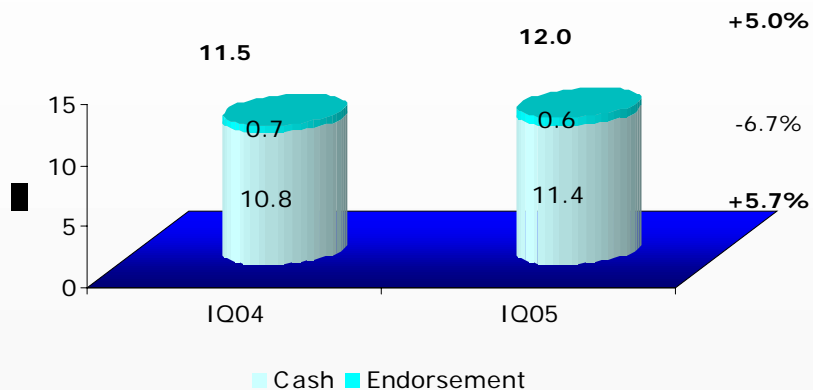
IQ '05 Results

Appendices



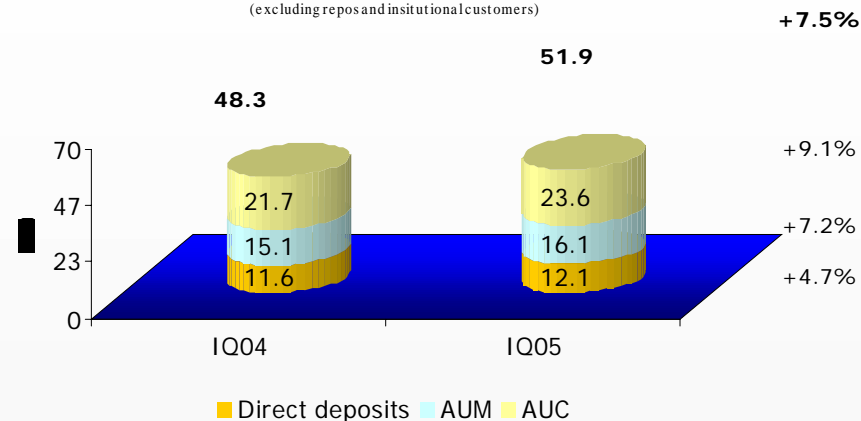
Total direct loans

(net of repos)

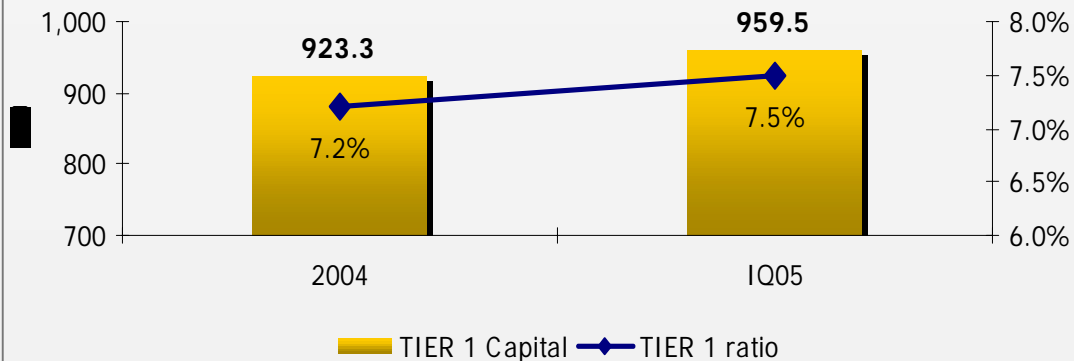


Funding from customers

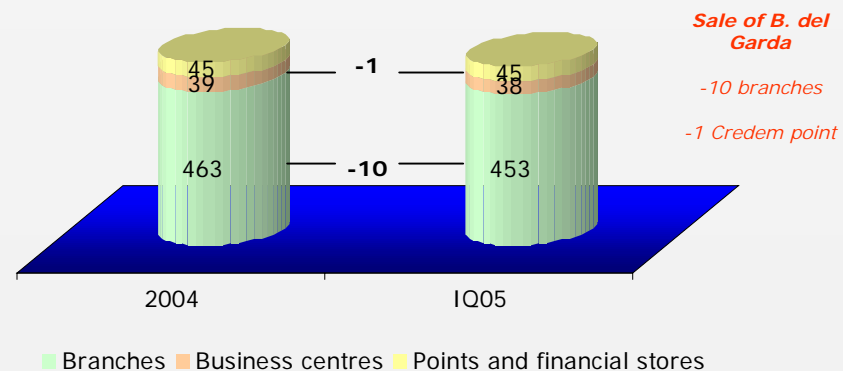
(excluding repos and insititutional customers)



Equity



Distribution channels



		2003	2004	IQ05
growth	Market share funding	1.54%	1.53%	** 1,53%
	Market share loans	1.00%	0.98%	** 0,98%
	**= data as of dicembre 2004			
profitability	ROE	11.1%	14.2%	n.s.
	Net interest income / total income	38.9%	38.9%	39.4%
	Non-interest income / total income	61.1%	61.1%	60.6%
efficiency	operating costs / total income	66.0%	65.8%	62.3%
	op. costs + depreciation / total income	74.5%	73.2%	67.2%
	operating costs / non-interest income	1.08	1.08	1.03
loan quality	net non-performing / total loans	0.34%	0.28%	0.21%
	net "problem" / total loans	0.58%	0.51%	0.39%
equity	TIER 1	6.6%	7.2%	7.5%
	TIER total (minimum 8%)	9.0%	9.9%	10.1%
	TIER I capital	(mn €) 833	923	959
	TIER total capital	(mn €) 1,120	1,262	1,288

(mn €)	2004	IQ04	IQ05	% yoy
Net interest income	323.8	81.4	88.4	8.6%
Commercial spread	2.73%	2.69%	2.93%	+20 bps
Net fee and commission income	376.2	92.9	93.7	0.9%
. Of which "management and brokerag	253.5	65.1	63.3	-2.8%
. of which "banking services"	122.7	27.8	30.4	9.4%
Trading and forex	81	24.0	27.4	14.2%
. of which "Abaxbank"	31.9	12.7	12.7	0.0%
. of which "other companies"	49.1	11.3	14.7	30.1%
Other income and expenses	51.3	12.0	15.0	25.0%
Non-interest income	508.5	128.9	136.1	5.6%
Total income	832.3	210.3	224.5	6.8%
<i>Total income adjusted for Banca del Garda sale</i>	<i>823.8</i>	<i>208.1</i>	<i>224.5</i>	<i>7.9%</i>

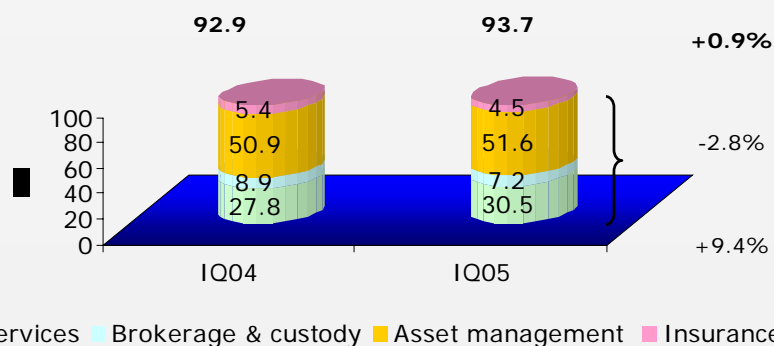
Net interest income improved by 8.6%

The strong focus on core "segments" resulted in a sharp increase of commercial spread (+20 bps).

Non-interest income went up by a significant 5.6%

In particular, net management fees grew by 1.4% and banking services and fees for banking services went up by more than 9%. Trading contribution was also significant.

Net fee & commission breakdown



The total income restated for the exit of Banca del Garda from the consolidation area, increases by 7.9%

(mn €)	2004	IQ04	IQ05	% yoy
Total income	832.3	210.3	224.5	6.8%
Payroll	-324.9	-79.7	-81.0	1.6%
Administrative expenses	-222.8	-57.7	-58.8	1.9%
Operating costs	-547.7	-137.4	-139.8	1.7%
<i>Operating costs adjusted for Banca del Garda sale</i>	<i>-540.7</i>	<i>-134.9</i>	<i>-139.8</i>	3.6%
Gross operating profit	284.6	72.9	84.7	16.2%
<i>Gross operating profit adjusted for Banca del Garda sale</i>	<i>283.1</i>	<i>73.2</i>	<i>84.7</i>	15.7%
Amortization & depreciation	-61.7	-15.1	-11.3	-25.2%
Net operating profit	222.9	57.8	73.4	27.0%
Net loan writedowns	-8	0.3	-1.9	n.s.
Provisions for risks & expenses	-17	-0.1	-1.2	n.s.
Net adjustments to equity investmen	0	0.0	0.0	n.s.
Extraordinary income	-3.2	-0.3	13.5	n.s.
Pre-tax profit	194.7	57.7	83.8	45.2%
Income taxes	-55.7	-21.8	-28.7	31.7%
Minority interest	-8.8	-0.9	-2.2	144.4%
Net profit	130.2	35.0	52.9	51.1%

Gross Operating Profit +16%

Net operating profit +27%

Flexibly managed cost trend, in line with budget
(+3.6 mn if adjusted for Banca del Garda sale).

Amortization & Depreciation down 8.5%.

Loan writedowns consistent with group's overall
loan quality.

Zero extraordinary income.

Data adjusted for Banca del Garda sale

(mn €)	2004	IQ04	IQ05	% contribution al IQ05
MIN	823.8	208.1	224.5	
. Captive	740.8	183.6	193.8	86.3%
. Non captive	83.0	24.5	30.7	13.7%
COP	-540.7	-134.9	-139.8	
. Captive	-476.8	-118.0	-123.3	88.2%
. Non captive	-63.9	-16.9	-16.5	11.8%
RLG	283.1	73.2	84.7	
. Captive	264	65.6	70.5	83.2%
. Non captive	19.1	7.6	14.2	16.8%

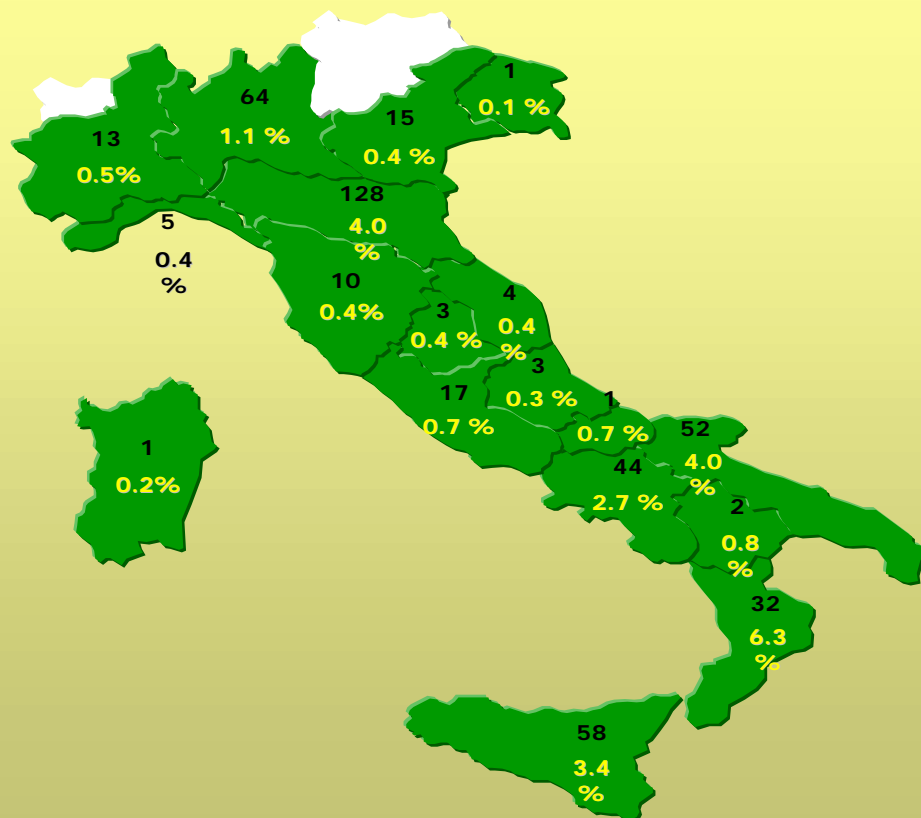
The group's diversified activities and focus on core businesses ensured a steady flow of earnings.

More than **85%** of Gross operating profit was generated by "captive" companies, which are geared towards the most strategic customer bases.

The contribution of "non captive companies" improves significantly.

(mn €)	2004	IQ04	IQ05	contribution al IQ05
Captive companies	130.2	32.7	46.9	88.7%
Credembanca (including CredemLu)	101	24.7	41.8	79.0%
Banca Euromobiliare	2.4	0.3	0.8	1.5%
Euromobiliare A.M. SGR	7.4	2.7	0.9	1.7%
Credemleasing	11.1	2.6	3.2	6.0%
Altre società e rettifiche	8.3	2.4	0.2	0.4%
Non-captive companies	0	2.3	6.0	11.3%
Euromobiliare SIM	12.9	1.6	3.2	6.0%
Abaxbank	-14.7	0.2	1.7	3.2%
B.ca Euromobiliare Suisse	1.8	0.5	1.1	2.1%
Total	130.2	35.0	52.9	

No. Of Credem Group branches and market share



Distribution structure	2003	2004	IQ05
Credembanca and other *	440	441	431
B.ca Euromobiliare	22	22	22
Bank branches	462	463	453
Business centres	38	39	38
CredemPoints	27	24	24
Banca Euro financial stores	22	21	21

Staffing	2003	2004	IQ05
Banca Euromobiliare advisors	372	356	351
Credem advisors	521	508	514
Advisors under contract	893	864	865
Advisors with employee status	231	232	214
Total advisors	1,124	1,096	1,079
Credem Group employees	4,961	4,986	4,952
<i>Which of B.ca Garda</i>		64	-64

*: decrease due to Banca del Garda sale

(mn €) *Data adjusted for Banca del Garda sale*

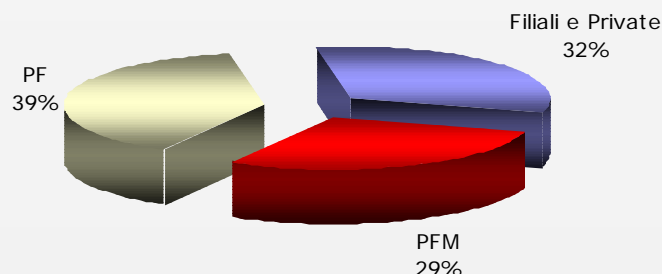
Breakdown of customer funding	2004	IQ04	IQ05	% yoy
Deposits	7,795	7,135	8,070	13.1%
Bonds	3,984	4,417	4,023	-8.9%
Tot. Direct (excluding repos)	11,779	11,552	12,093	4.7%
Portfolio management	3,245	2,412	3,562	47.7%
Mutual funds and Sicav	10,459	10,685	10,448	-2.2%
Hedge funds	114	87	115	n.s.
Insurance	1,842	1,701	1,825	7.3%
Other	164	170	190	11.8%
Total assets under management	15,824	15,055	16,140	7.2%
Assets under custody	22,793	21,663	23,645	9.1%
Inderect customers funding	38,617	36,718	39,785	8.4%
Tot. Cust. funding exc. Repos	50,396	48,270	51,878	7.5%
Repos	1,435	2,865	703	-75.5%
Inderect institutional funding	18	693	174	-74.9%
Total funding	51,849	51,828	52,755	1.8%

In the 1Q05 net inflows were about €175 mn. It was also remarkable the switch from direct deposit and Repos to AUC and AUM for €550 mn.

The public's ongoing preference for short-term, low-risk investments keeps direct sight deposits growing.

Assets under management were up by 7.2%. Distinguished performers within AUM were individual portfolio management (+47.7%) and insurance products (7.3%), which more than offset the slight decline for mutual funds.

Nuova produzione per canale



Data adjusted for Banca del Garda sale

(mn €)	2004	IQ04	IQ05	% yoy
Customers loans	11,403	10,779	11,398	5.7%
Repos	92	248	71	-71.4%
Total cash loans	11,495	11,027	11,469	4.0%
Endorsement credits	612	661	617	-6.7%
Total direct loans	12,107	11,688	12,086	3.4%

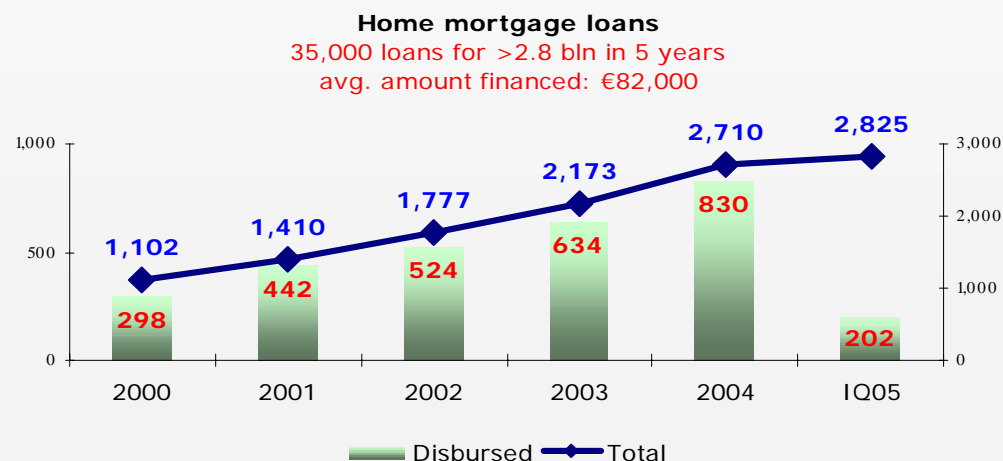
Loans up by 5.7% (+6.6% in terms of average liquid capital).

Outstanding performance by core segments:

- Retail +20%
- Small business +24%

Two particularly lively sectors were:

- Leasing, about €100 million in new disbursements and a balance of €1.6 billion;
- Home Mortgage loans with a balance topping over €2.8 bn (+25%) and disbursements of €202 mn (+29%).



Gross customers loans

(mn €)

Breakdown by business unit

Data adjusted for Banca del Garda sale

	2003	2004	IQ05	% yoy /05-12/03
CORPORATE	5,695	4,899	4,781	-16.0%
. % of total	51	42	41	
- large corporate	2,232	1,420	1,232	-44.8%
- small, medium & large enterprise	3,463	3,479	3,549	2.5%
RETAIL	5,443	6,735	6,820	25.3%
. % of total	49	58	59	
- small business	2,011	2,530	2,563	27.4%
- individual	2,804	3,371	3,406	21.5%
- other	628	834	851	35.5%
TOTAL	11,138	11,634	11,601	4.2%

Loan growth is developing according to plan:

- on a selective basis to Corporate Customers, in light of the goal of boosting mid-corporate and SME assets and reducing the exposure to large corporations. In fact, in just 15 months, the exposure to the large corporation segment decreased from 20% to 10% of group's total loan book.
- significantly in the Retail Sector (growth has been above 20%).

The management and collection of loans securitized in late 2000 continued with success.

- €163 mn collected, vs. a maximum €105 mn forecast;
- senior tranche (ex €100 mn) paid back in full, five years ahead of schedule;
- €14 mn of the junior tranche (ex €81 mn) already paid back in advance.

Market risk (€/mn)	2003	2004	IQ05
V.A.R. banking e trading book (99% . 10 days)			
Credembanca			
. Average	2.8	1.7	1.7
. Maximum	4.8	3.7	2.1
Abaxbank			
. Average	2.3	1.1	1.1
. Maximum	3.9	2.0	1.6
Other companies - overall risk	1.7	1.4	2.0
Interest rate (€/mn)			
Banking book - shift 1%	7.0	9.5	9.3

Market risk management mostly pertains to Credembanca and Abaxbank.

Overall risks are modest and fairly stable over time.

IQ '05 Results

Appendices

**Agreement
between 226
shareholders**

Main investors
Maramotti family
Pictet Cie
Savioli heirs
Fincorrad
Allianz Subalpina

	%sul c.s.
Maramotti family	35.5%
Pictet Cie	4.9%
Savioli heirs	2.9%
Fincorrad	2.1%
Allianz Subalpina	1.7%

72.4%

27.6%

**More than
2,900
investors**

CREDEMHOLDING



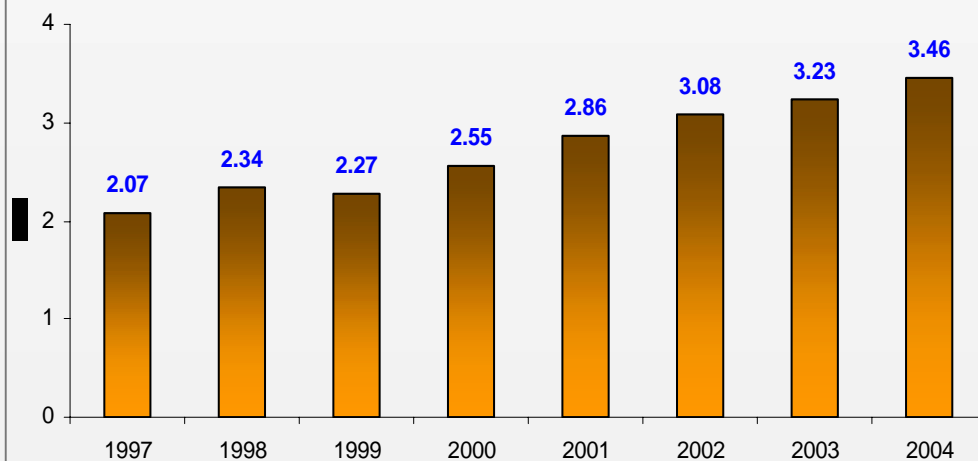
73.0%

27.0%

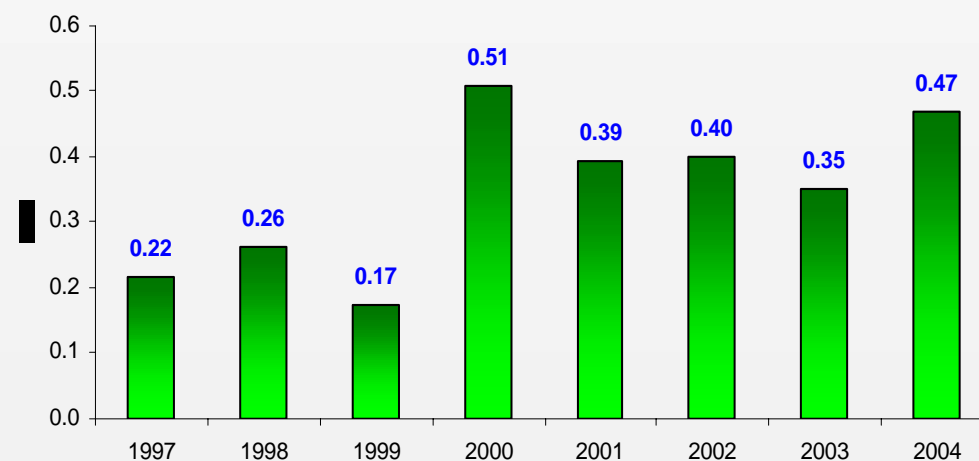
CREDEM

	1997	1998	1999	2000	2001	2002	2003	2004
No. Shares (/000)	225,839	253,408	265,464	270,679	272,537	273,309	274,350	275,417
Net equity per share	2.07	2.34	2.27	2.55	2.86	3.08	3.23	3.46
Earnings per share	0.22	0.26	0.17	0.51	0.39	0.40	0.35	0.47
ROE	11.6%	13.5%	8.5%	21.3%	14.6%	13.5%	11.1%	14.2%
Dividend per share	0.08	0.10	0.12	0.18	0.20	0.20	0.20	0.25
Payout ratio	39.2%	37.9%	68.6%	35.3%	50.8%	50.0%	57.1%	53.2%

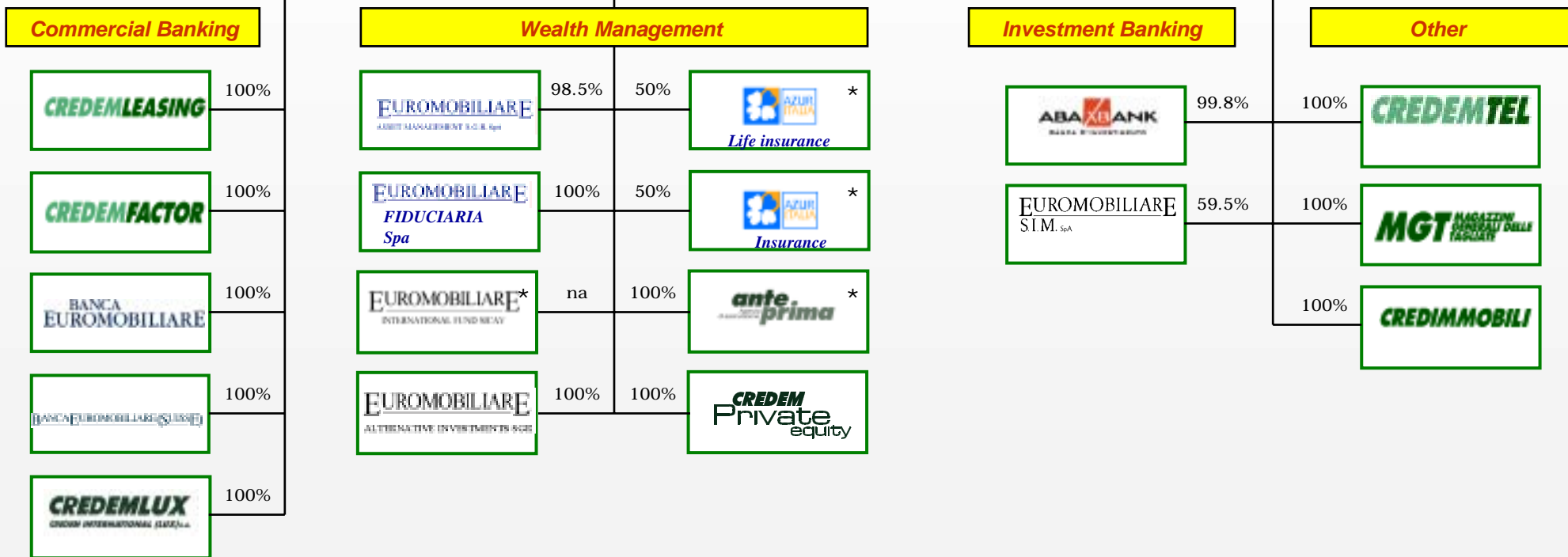
Net equity per share



Earnings per share



CREDEM



* non-consolidated