

CREDEM Group

September '05

IAS/IFRS Compliant

November 2005

Italy's 14th largest banking group

Italy's 12th largest "asset manager"

700,000 customers and about 67 billion in total business

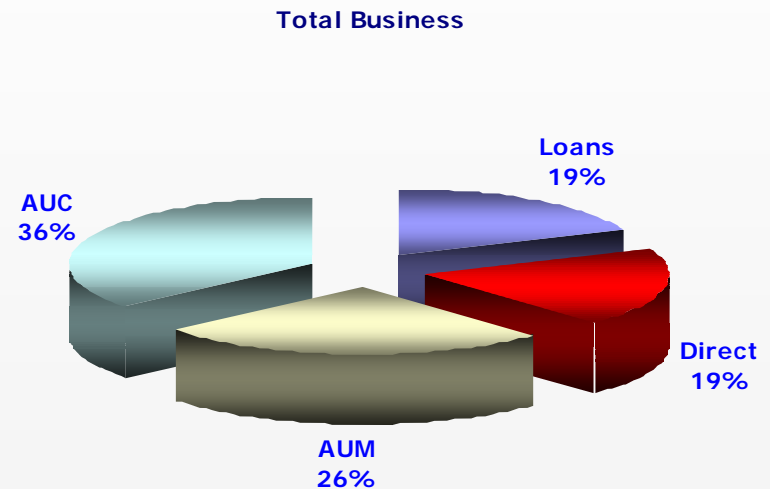
Around 500 branches and business centres with 5,000 employees

19 companies operating in all areas of finance

Listed since '97 (*Midex*) cap. around 2.5 billion

Ratings from primary agencies confirmed.

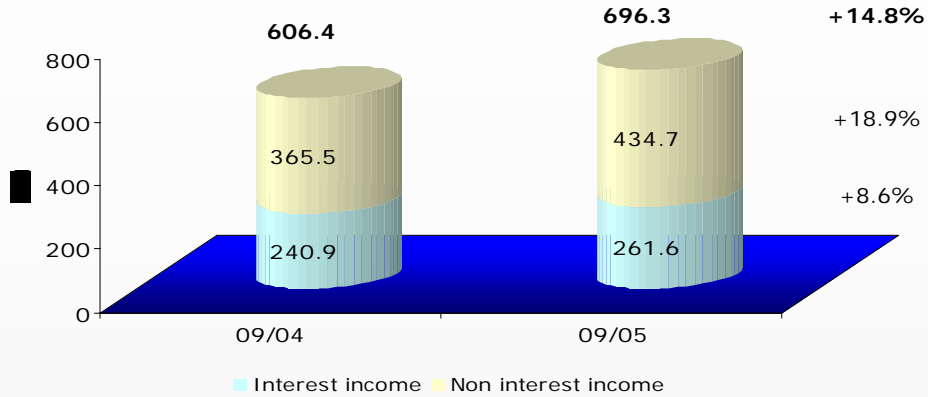
- Fitch: A / stable / F1
- S & P: A- / stable / A-2



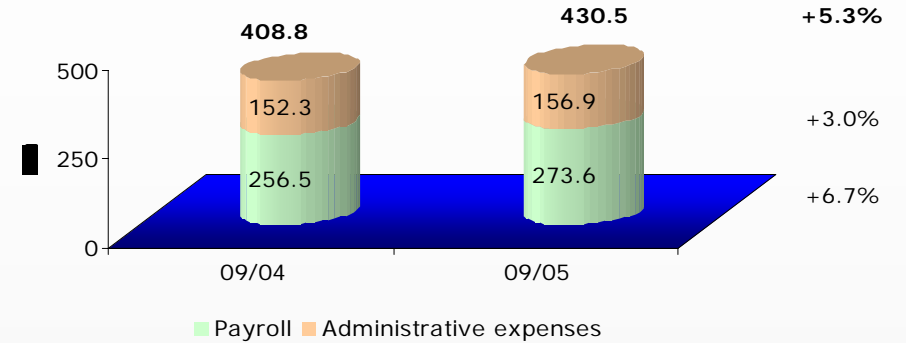
Results

Attachments

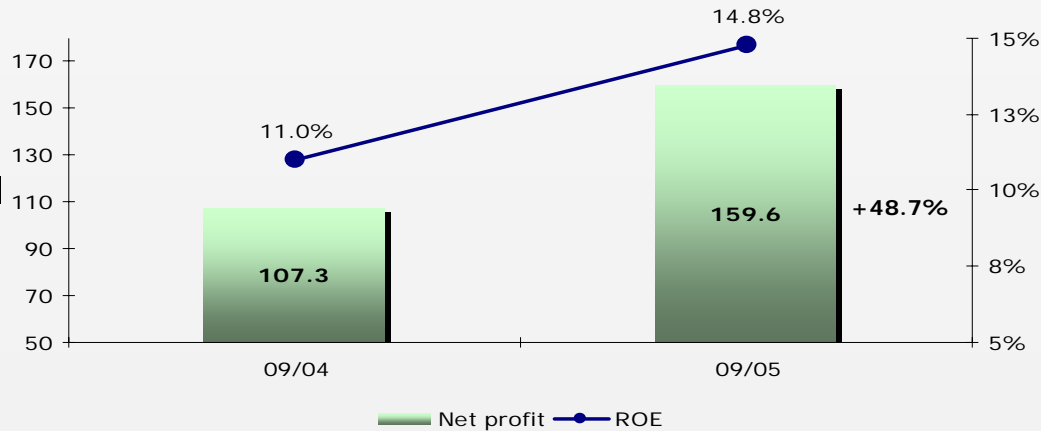
Total Income



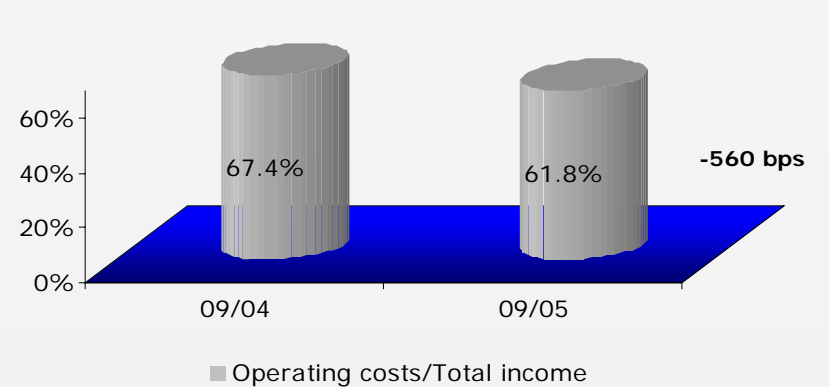
Operating Costs



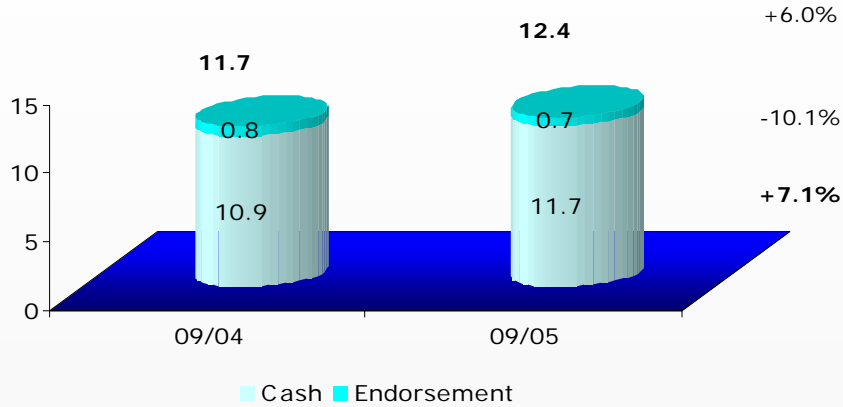
Profitability



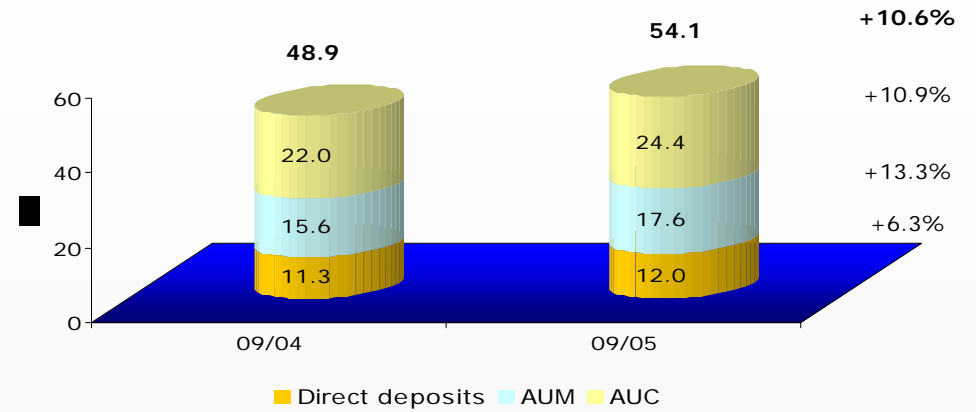
Cost to income



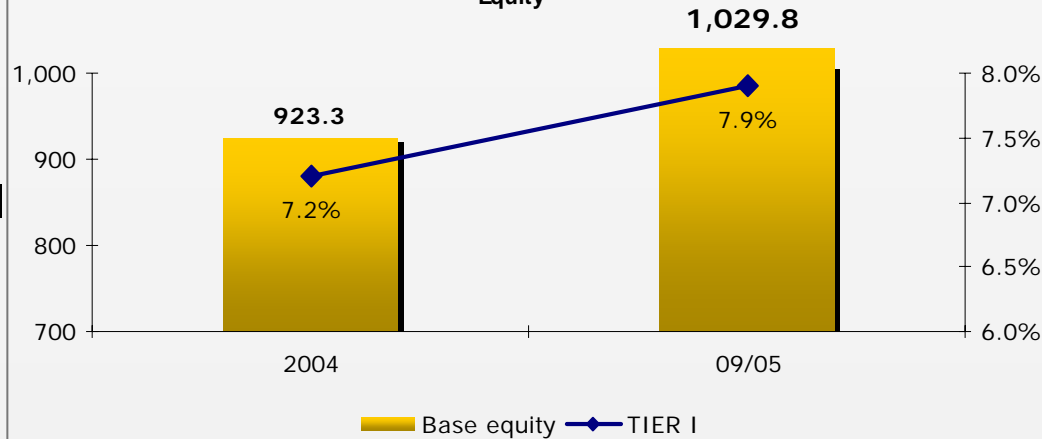
Total direct loans (net of Pct)



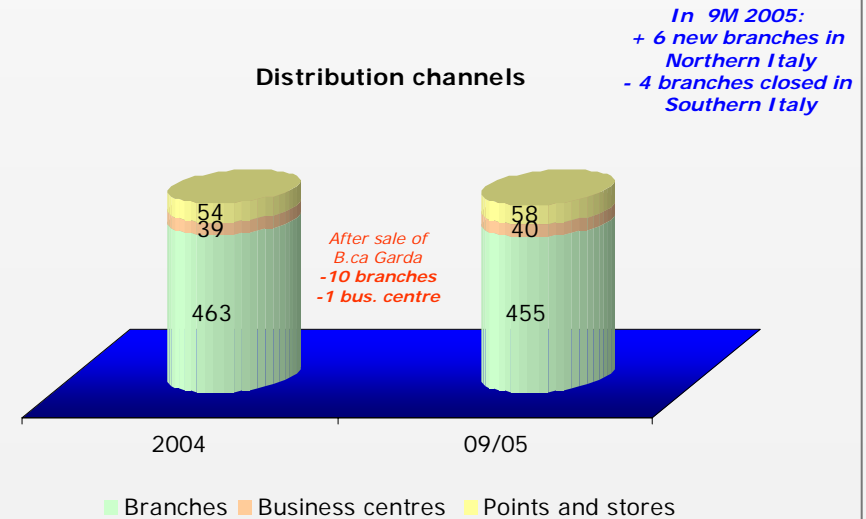
Funding fr customers (excluding "Repos" and "Institutionals")



Equity



Distribution channels



		2004	09/05
growth	Mkt shares funding	1.5%	1,5% (a)
	Mkt share loans	1.0%	1,0% (a)
	(a) = figures at June 2005		
profitability	ROE	14.2%	14,8% (b)
	Net interest income/ Total income	38.8%	37.6%
	Non interest income /Total income	61.2%	62.4%
	(b) = ROE 9M 2005		
efficiency	Operating costs /Total income	66.6%	61.8%
	Operating costs + depreciation / Total income	71.1%	65.3%
	Operating costs / Non interest income	1.08	0.99
loan quality	Net non performing loans /Net loans	0.28%	0.22%
	Net "problem" loans / Net loans	0.51%	0.9% (c)
	(c) = including		
equity	TIER I	7.2%	7.9%
	TIER total (min required by supervisory authorities 8%)	9.9%	10.5%
	TIER I capital (mln €)	923	1,030
	TIER total capital (mln €)	1,262	1,361

(€ mn)	2004	09/04	09/05	% yoy
Net interest income	317.9	240.9	261.6	8.6%
Commercial spread	2.73%	2.70%	2.91%	+21 bps
Net commissions	373.7	274.3	302.0	10.1%
. Of which: "management & broker"	253.5	188.0	210.1	11.8%
. Of which "banking services"	120.2	86.3	91.9	6.5%
Trading and forex	79.6	60.0	90.5	50.8%
. Of which "Abaxbank"	30.8	24.2	33.1	36.8%
. Of which "other companies"	48.8	35.8	57.4	60.3%
Other income and expenses	48.4	31.2	42.2	35.3%
Non-interest income	501.7	365.5	434.7	18.9%
Total income	819.6	606.4	696.3	14.8%

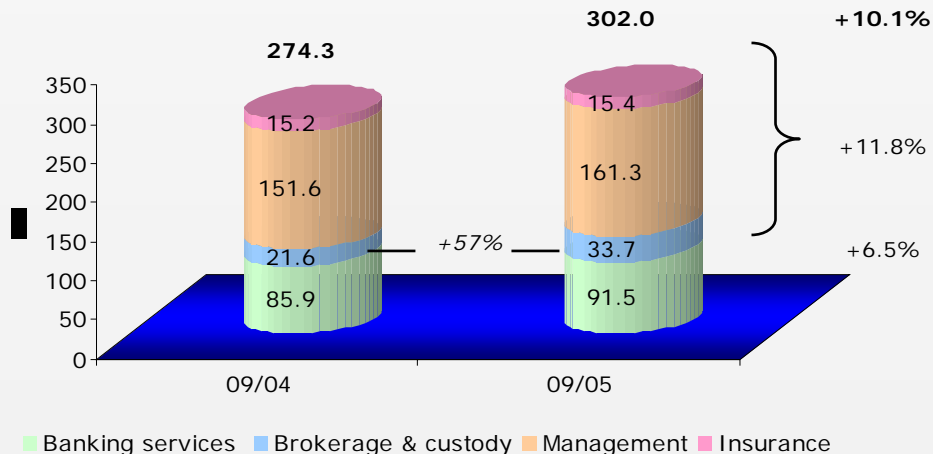
Net interest income has improved by **8.6%**. The strength of the "core" loan sectors is confirmed by the improvement in the spread (+21 bps), equal to more than **8%** on an annualised basis.

Non-interest income is up by a little less than **19%**, confirming the importance of "non-interest" revenue sources for the Group.

Net commissions have grown more than **10%**; broken down as follows, management commissions up 6.4% while commissions from banking services were 6.5% higher. The trend in brokerage and custody is also interesting with revenues climbing 57% YoY. In particular brokerage (+21%) and order collection (+22%) had a positive impact, along with a decrease in commission expenses (-8.5%).

Trading results were up a significant 50.8% and other net income came in at +35.3%.

Breakdown Net Commissions



(mln €)	2004	09/04	09/05	% yoy
Total income	819.6	606.4	696.3	14.8%
Personnel expenses	-326.6	-256.5	-273.6	6.7%
Administrative expenses	-219.5	-152.3	-156.9	3.0%
Operating costs	-546.1	-408.8	-430.5	5.3%
EBITDA	273.5	197.6	265.8	34.5%
Amortisation & depreciation	-36.6	-29.1	-24.3	-16.5%
EBIT	236.9	168.5	241.5	43.3%
Net adjustments to loans	-7.3	-4.0	-11.4	n.s.
Provisions for risks & expenses	-16.5	-7.4	8.9	n.s.
Net adjustments to investments	-0.3	0.2	0.0	n.s.
Income/(expenses) fr sale of equity investm	0.5	-0.5	14.5	n.s.
Extraordinary income /(charges)	-3.6	-5.7	3.2	n.s.
Pre-tax profit	209.7	151.1	256.7	69.9%
Income tax	-60.7	-39.0	-88.3	126.4%
Minority interests	-9.0	-4.8	-8.8	83.3%
Net profit	140.0	107.3	159.6	48.7%

EBITDA + 34.5%

EBIT + 43.3%

Costs “managed” with flexibility and in line with the strategic plan (change at like for like perimeter of 5.7%). Depreciation down by 16%.

“Current” loan write-downs – equal to €3.4 mn in the period – reflect the Group’s loan quality. *The balance sheet figure (-€11.4 mn), is the result of a simple reclassification of risk for €8 mn already posted in the 2004 provisions for risks and charges.*

The income statement also reflects two important extraordinary items:

- € 14.1 million in capital gains from the sale of Banca Garda;
- € 11 million arising from a consolidated tax recalculation.

Breakdown of EBITDA (€/mn)	contribution		
	09/04	09/05	at 09/05
Total Income	606.4	696.3	
. Captive	547.1	605.5	87.0%
. Non captive	59.3	90.8	13.0%
Operating costs	-408.8	-430.5	
. Captive	-361.5	-379.5	88.2%
. Non captive	-47.3	-51.0	11.8%
EBITDA	197.6	265.8	
. Captive	185.6	226.0	85.0%
. Non captive	12.0	39.8	15.0%

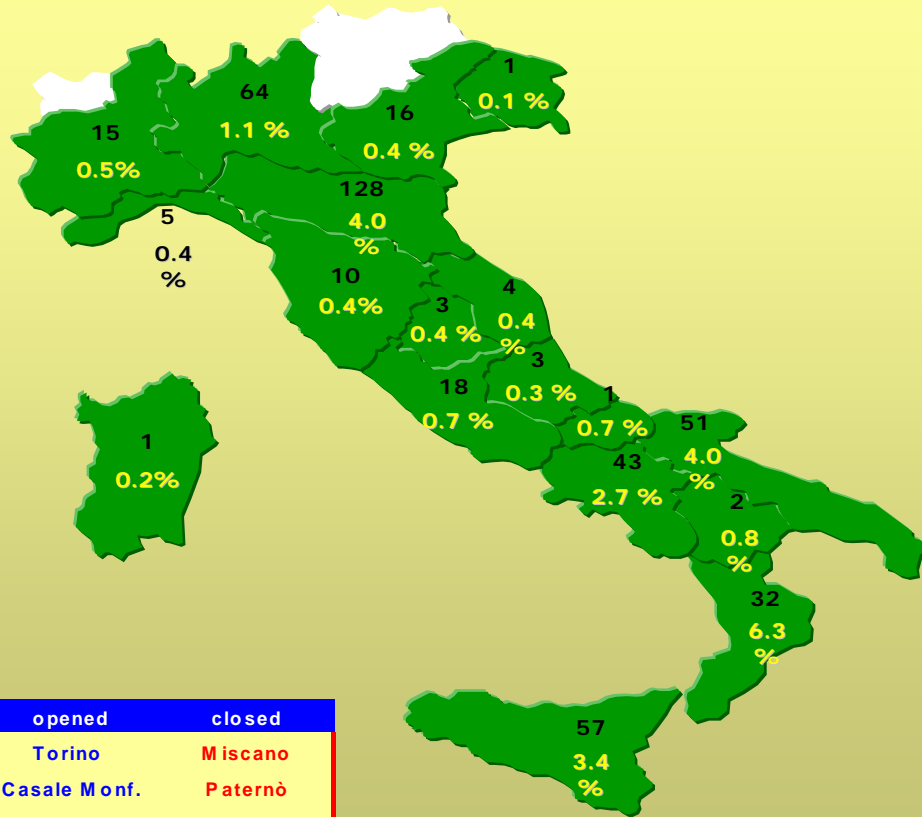
The diversification of the Group's activities and the focus on "core" businesses have helped generate significant profits.

About **85%** of EBITDA has been generated by **captive** companies working with strategic client segments.

The contribution of non-captive companies to net profit has improved significantly.

Company contribution to net profit (mn €)	contribution		
	09/04	09/05	at 09/05
Captive companies	108.5	128.7	80.6%
Credembanca (including CredemLux)	89.6	106.2	66.5%
Banca Euromobiliare	1.2	3.7	2.3%
Euromobiliare A.M. SGR	6.7	4.0	2.5%
Credemleasing	9.0	9.0	5.6%
Other companies & adj	2.0	5.8	3.6%
Non captive companies	-1.2	30.9	19.4%
Euromobiliare SIM	8.4	12.9	8.1%
Abaxbank	-11.4	14.7	9.2%
B.ca Euromobiliare Suisse	1.8	3.3	2.1%
Total	107.3	159.6	

No. Of CREDEM Group branches and market share



opened	closed
Torino	Miscano
Casale Monf.	Paternò
Mestre	S.G. Vesuviano
Roma	Cisternino
Novara	
Forli	

Distribution network	2003	2004	09/05
Credembanca and others	440	441	433
B.ca Euromobiliare	22	22	22
Bank branches	462	463	455
<i>Of which B.ca Garda</i>		10	-10
Business centres	38	39	40
CredemPoints	27	24	24
Banca Euro financial stores	22	30	34

Staffing	2003	2004	09/05
Banca Euromobiliare financial ad'	372	356	333
Credem financial advisors	521	508	514
Financial advisors under contrac	893	864	847
Financial advisors with employee	231	232	216
Total financial advisors	1,124	1,096	1,063
Group employees	4,961	4,986	4,925
<i>Of which B.ca Garda</i>		64	-64

(mn €)

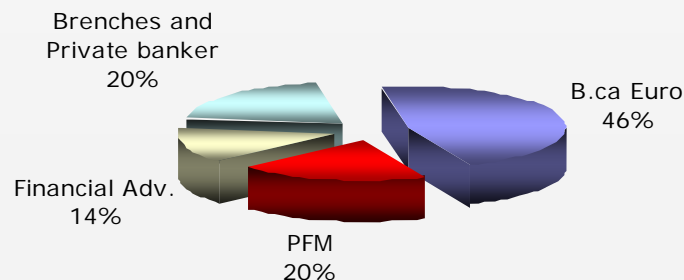
Breakdown of customer funding	2004	09/04	09/05	% yoy
Deposits	7,564	7,076	8,189	15.7%
Bonds	4,228	4,236	3,839	-9.4%
Direct customer funding (net F)	11,792	11,312	12,028	6.3%
Portfolio management	3,245	3,003	4,727	57.4%
Mutual funds and SICAVs	10,529	10,455	10,751	2.8%
Hedge funds	114	115	110	n.s.
Insurance	1,842	1,821	1,863	2.3%
Other	164	159	178	11.9%
Indirect managed funding	15,894	15,553	17,629	13.3%
Indirect administered funding	22,954	22,035	24,426	10.9%
Indirect customer funding (ci)	38,848	37,588	42,055	11.9%
Total customer funding	50,640	48,900	54,083	10.6%
Repos	1,435	1,379	760	-44.9%
Indirect institutional funding	18	693	44	-93.7%
Total funding	52,093	50,972	54,887	7.7%

Business as of the end of September was notable not only for the acceleration in the acquisition of new resources of about €1.3 billion (versus a balance at the end of June equal to €870 mn), but also for the transfer of liquidity (Direct and repos) to the securities (approx. €1.8 bn), 2/3 of which to the “managed” sector.

The general public’s preference for short-term, low-risk investments is still evident and is buoying up the growth in direct “on demand” funding at a rate that is outpacing the market.

“Managed” funding overall has improved by more than 13%. This includes “portfolio management”, with growth of just under 60%.

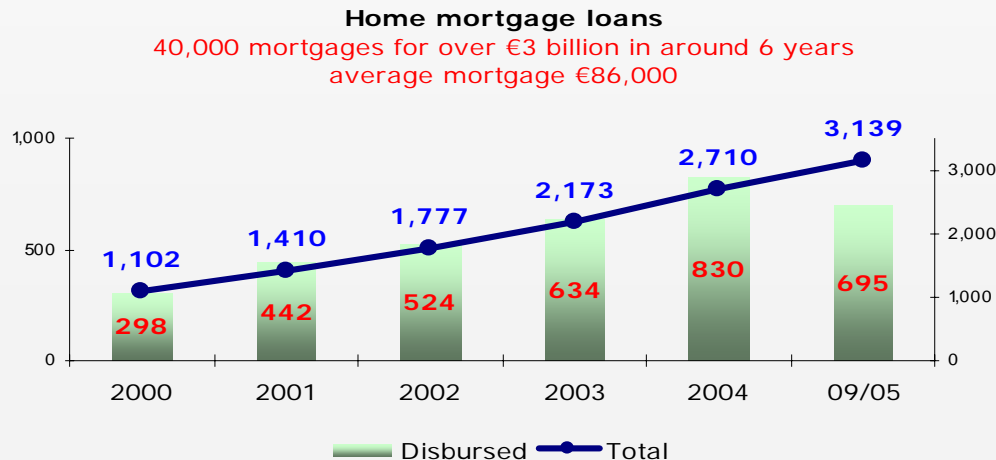
New funding by channel



(mn €)	2004	09/04	09/05	% yoy
Loans to customers	11,449	10,939	11,716	7.1%
Repos	92	248	227	-8.5%
Total cash loans	11,541	11,187	11,943	6.8%
Guarantees	612	765	688	-10.1%
Total direct loans	12,153	11,952	12,631	5.7%

Cash loans have increased overall by more than **7%**.

The growth, sustained by strength in all "core" segments (Private, Small and Middle Corporate), was offset by repositioning activities in the "large" sector, that is close to reaching a new stability. At 30 September, in fact, the first 20 loans represent 4.5% of total loans (12% at the end of 2003 and 5% at the end of 2004).



The growth in medium term loans continued. Of note is the performance of **"Presticasa" mortgages to the household sector** (over €3.1 bn, +25% with new loans of around €700 mn, +23%).

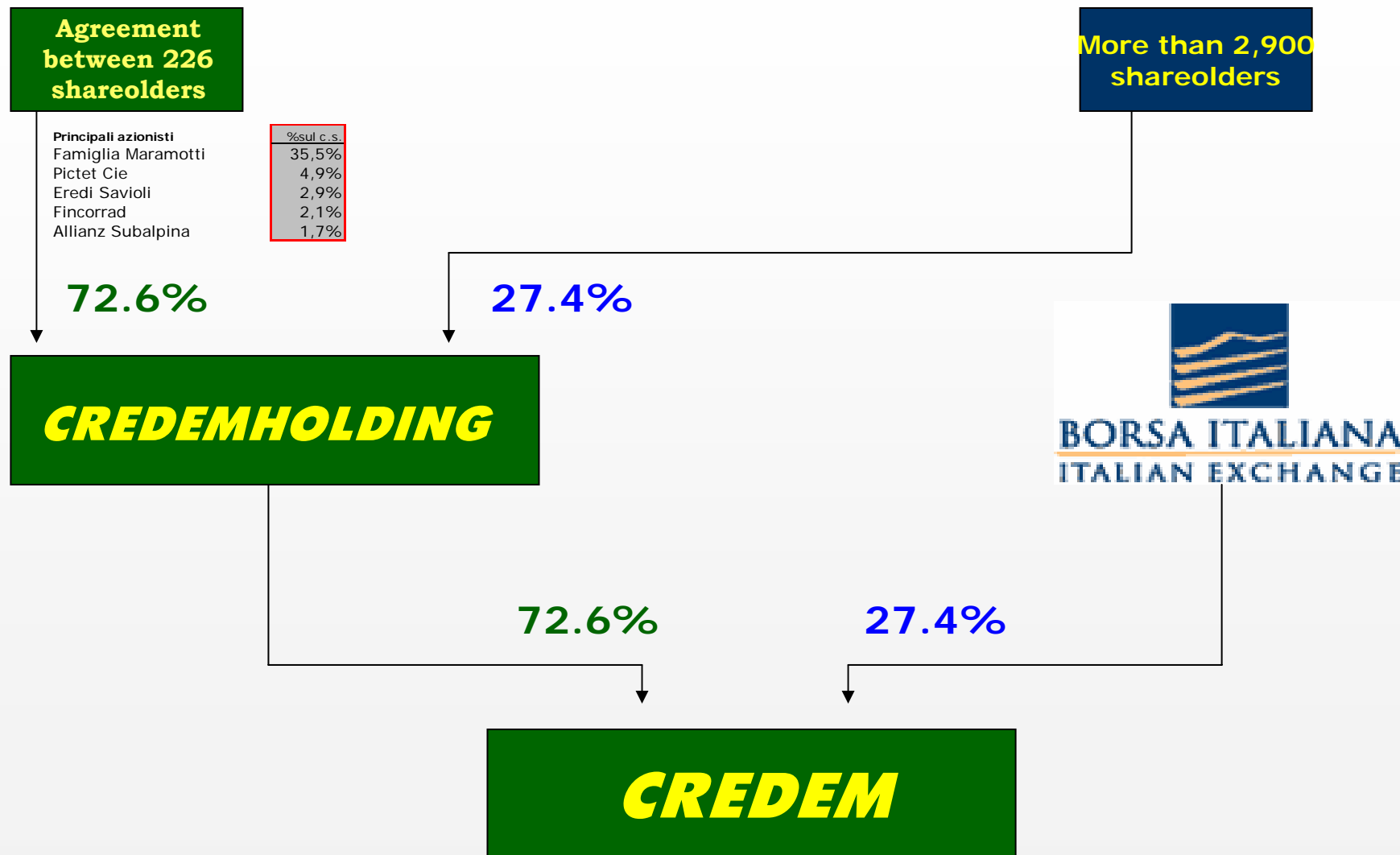
Market risks (€ mn)	2003	2004	09/05
V.A.R. banking and trading book (99%. 10 days)			
Credembanca			
. average	2.8	1.7	1.6
. maximum	4.8	3.7	2.4
Abaxbank			
. average	2.3	1.1	1.1
. maximum	3.9	2.0	2.5
Other companies - total risk	1.7	1.4	1.5
Interest rate risks (mn €)			
Banking book - shift +1%	7.0	9.5	6.2

Control of market risks primarily involves Credembanca and Abaxbank.

On the whole, risks are limited without any particular differences between periods.

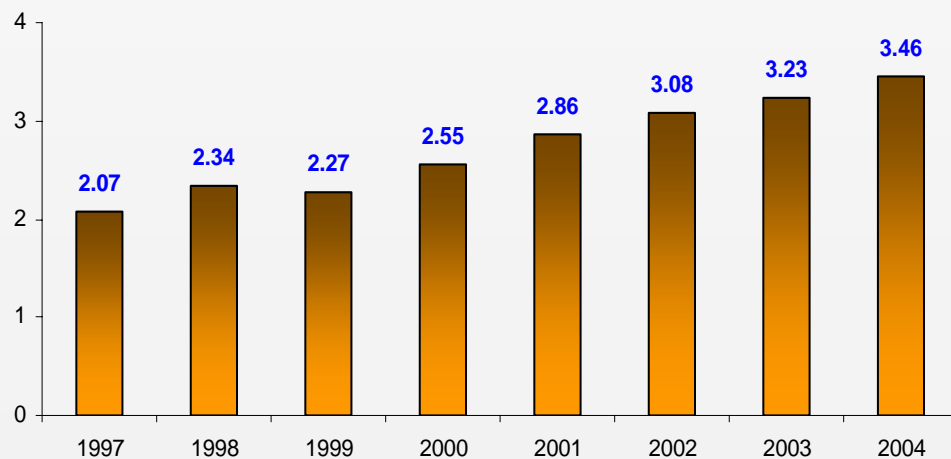
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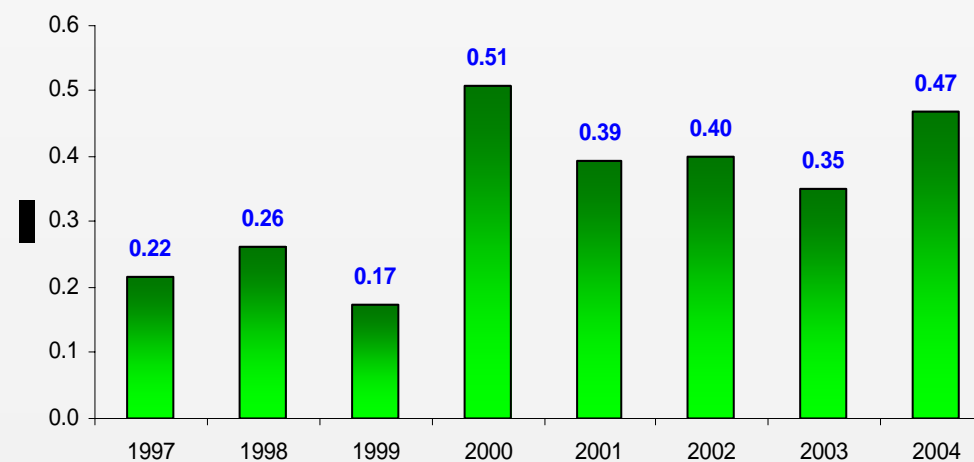


	1997	1998	1999	2000	2001	2002	2003	2004
No. shares (/000)	225.839	253.408	265.464	270.679	272.537	273.309	274.350	275.417
Net equity per share	2,07	2,34	2,27	2,55	2,86	3,08	3,23	3,46
Earnings per share	0,22	0,26	0,17	0,51	0,39	0,40	0,35	0,47
ROE	11,6%	13,5%	8,5%	21,3%	14,6%	13,5%	11,1%	14,2%
Dividend 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%

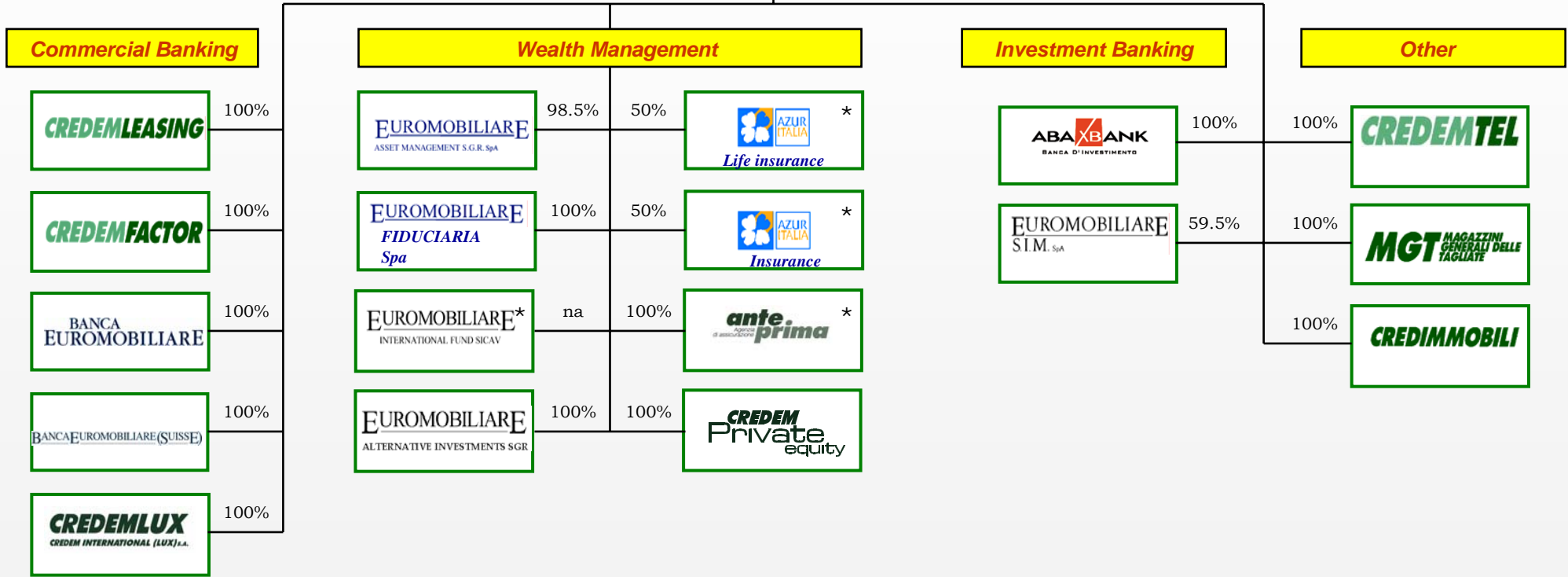
Net Equity per Share



Earnings per share



CREDEM



* Not consolidated