

PRESS RELEASE



BANCA CARIGE HALF YEAR RESULTS 2004: NET PROFIT € 60.1 MILLION

during the first half of 2004 Banca Carige recorded a net profit of €63.4 m (2 pc higher than the previous year's interim result). Following extraordinary regionally-levied business tax charges (IRAP) contained in Legislative decree 168 of July 2004, this total drops to €60.1 m. This figure is net of a written down exposure of around € 81 m following the collapse of the cruise company *Festival Crociere*. Customer deposits rose over 12 months by 6.7 pc to €23.8 bn, whilst lending reached €9.5 bn (+8.8 pc over 30/6/03).

On 9th September 2004 the Board of Directors of Banca Carige SpA chaired by Mr Giovanni Berneschi approved the Half Year Statements 2004, presented by Mr Alfredo Sanguinetto, Carige's General Manager. Pre-tax profit rose 2.1 pc over the previous half year result to 64.3 m. Measures introduced by the Italian government in July relating to regional business tax (abolition of certain tax deductible costs) meant an increased tax charge of around 4.2 m, which brought net profit for the period down to 60.1 m (-4.5 pc in comparison to June 2003).

The positive result for the first half of the year was achieved despite a growth rate for the Italian economy that was below the average recorded for the European Monetary Union as a whole. The continued weakness of the dollar against the euro hit exports. Carige's net profit at 30th June 2004 is particularly encouraging given the size of losses recorded (around 81.1 m) following the collapse of *Festival Crociere*. Several transactions carried out during the first six months of 2004 contributed positively to the overall result. In particular, the securitisation of performing mortgages for a total of 864.5 m followed other successful securitisation operations carried out by the Bank. In fact, during August the rating agency Fitch upgraded its rating from AA to AAA of a tranche of class B securities issued by the SPV Argo Finance One Srl as part of the securitisation at the end of 2000 of non-performing loans. The most recently completed operation generated an excess spread of 61.1 m, recorded in the P&L at 'other operating income'.

Headline results at 30th June 2004 are as follows:

Results at 30/6/04	Absolute value Millions of euros	Percentage variation on 1H 2003
Customer deposits	23,829.1	+6.7
Lending to customers	9,536.1	+8.8
Operating income	167.2	+33.4
Net income	60.1	-4.5

The Carige Group's banks all brought in positive half year results: Cassa di Risparmio di Savona, 5.3m; Banca del Monte di Lucca, 1.8m; Cassa di Risparmio di Carrara, 11.4 m. The Group's insurance companies, Carige Vita Nuova and Carige Assicurazioni, recorded net profits of,

respectively, 1.5 and 1.8 m. In January 2004, Carige Asset Management SGR SpA received official go-ahead to do business; the company was formed in July 2003 to develop autonomously asset management products and services, heighten profitability and cut customer commission charges. Still in its start-up phase, the company's business during the first six months of the year was principally in the form of individual management. More recently, the company has extended its activities into mutual funds.

Strategy

During the first half of the year, Carige's Board of Directors approved the new Group Strategy Plan for 2005-07. The document builds on and extends the strategic aims of autonomy via growth sought over the last 15 years. The Carige Group's primary objective is to maintain its independence and develop its position of strength in the Italian banking and finance industry.

Carige's evolution since the early 1990's has been in three distinct phases: phase one concentrated on strengthening the Bank's financial position; phase two focused on expansion both internally (new branch openings) and externally (acquisitions). Both phases contributed to transforming Carige from a regional bank to a national banking and insurance group.

The Strategic Plan 2005-07 represents the third phase in the evolution of Banca Carige: its aims are rationalisation and increased profitability to support further future growth.

Results

During the first half of the year the Milan share market recorded a gradual recovery. Carige shares outperformed the Milan market's MIBTEL general index with a rise of 9.2 pc over the index average of 5.7 pc. The share also performed well in the Milan banking index, which rose by 1 pc in the first six months of the year.

The P&L for the first half of the year was affected by several significant extraordinary events: the writing off of credits following the collapse of '*Festival Crociere*', a Genoa-based cruise operator; the recording of excess spread stemming from the securitisation of performing home loans; the change in the time horizon used in the calculation of deferred tax with the subsequent redemption of revaluations foreseen by Law 218/90; the introduction of changes to regionally-levied business tax (IRAP) introduced by Legislative decree 168 of July 2004.

Headline results are as follows:

- **Net interest income** (164.9 m; +3.5 pc) benefited from an increase in the amounts intermediated, which helped to compensate for a reduction in spreads;
- **Non interest income** or **service-generated income** totalled 244.3 m, an increase of 17.6 pc in comparison to the first half of 2003. This increase was due to a considerable rise in net operating income stemming almost entirely from securitisation-generated revenues (61.1 m in excess spread), neutralised partially by a 60.8 pc fall in dividends (22.4 m), for the most part due to the abolition of tax credits. **Operating costs** (242.1 m; +0.2 pc) remained basically unchanged in annual terms thanks to a fall in administrative costs, particularly those relating to

personnel (5.2 pc lower than June 2003), and to an increase in value adjustments on tangible and intangible assets (64 m; +5.5 pc over June 2003), relating above all to lease assets. **Gross operating income** as a result rose 11.5 pc over twelve months to 409.3 m;

- **Provisions and writedowns** amounted overall to 95.8 m, significantly higher than in the previous half year, following losses of 81.1 m due to the collapse of *Festival Crociere*. This figure was only in part covered by provisions to the credit risk reserve of 13 m;
- **Ordinary income** totalled 71.4 m, down 27.7 pc in comparison to the previous half year (98.6 m);
- **Extraordinary income** came in at 3.6 m, 10.6 m lower than June 2003, a period in which the sale of holdings in *Eptaconsors* and *Intesa Asset Management* had generated capital gains of 10.5 m;
- **Income tax** for the period dropped from 46.2 m at 30/6/03 to 14.9 m as a result of the abolition of tax credits on dividends and a change in valuation criteria applied to deferred tax;
- **Net income** at 30th June 2004 was 60.1 m, slightly lower than the previous half yearly result of 63 m. Excluding the negative impact (4.2 m) of changes to regional business tax introduced in Legislative decree 168/04, the net result would have been 64.3 m, a rise of 2.1 pc in annual terms.

Financial Intermediation Activities totalled 23,829.1 m, up 4.5 pc in comparison to 31/12/03 and 6.7 pc in comparison to 30/6/03. The two components that make up the aggregate - direct and indirect deposits - rose 5.9 pc (10,613.5 m) and 3.5 pc (13,215.6 m), respectively, in the first half of the year. Over twelve months direct deposits rose 11.2 pc, whilst indirect deposits rose 3.3 pc. **Assets under management** recorded a 5.3 pc rise, higher than the increase recorded for **assets in custody** (+1.3 pc).

Lending to customers reached 9,536.1 m, a rise of 3.1 pc in comparison to December 2003 (+8.8 pc over 30/6/03).

Carige's branch network totalled 393 outlets: during the period a new branch was opened in the Piedmont region (Gavi) and as part of network rationalisation one of the two branches acquired in Ancona (Marches) was closed. At 30th June 2004, 51.4 pc of branches was located in Liguria. The total number of branches belonging to the Carige Group rose from 455 at 30/6/03 to 491. The share of branches outside Liguria continued to rise: 49.9 pc in comparison to the previous June's figure of 46.6 pc. Expansion at Group level came, in particular, from the acquisition of Cassa di Risparmio di Carrara (33 branches).

The total number of **Banca Carige employees** was slightly lower than June 2003: 3,734 in comparison to 3,759 (-0.7 pc).

Shareholders' equity rose from 1,606 m at December 2003 to 1,618 m.

Net assets for the Banca Carige Group amounted to 18,002.2 m (+13.1 pc over 31/12/03); **direct and indirect deposits** rose by 10.1 pc to 28,275.8 m, whilst **lending to customers** increased by 11.1 pc. There was significant expansion in both **gross operating income** (459.1 m; +23.7 pc over twelve months) and **operating income** (165 m; +70.3 pc), boosted by net operating income connected to a securitisation operation carried out by the Group leader. **Consolidated net income** rose 9.4 pc in comparison to 2003's interim result to reach 47.8 m.

The Half Year statements for the period ending 30th June 2004 for Banca Carige and the Banca Carige Group are available at www.carige.it.

FINANCIAL HIGHLIGHTS

	30/6/04	31/3/04	31/12/03	30/6/03	Change %	
					6/04 12/03	6/04 6/03
BALANCE SHEET (1)						
Total assets	15.728,2	15.487,3	14.653,1	14.564,4	7,3	8,0
Funding	12.519,4	12.076,3	11.667,5	11.531,4	7,3	8,6
- Customer Deposits (a)	10.613,5	10.374,1	10.025,4	9.543,1	5,9	11,2
* Amounts owed to customers	6.163,7	6.043,6	5.957,9	5.764,0	3,5	6,9
* Debts evidenced by certificates	4.449,8	4.330,5	4.067,5	3.779,1	9,4	17,7
- Deposits from banks	1.403,5	1.196,8	1.139,6	1.587,9	23,2	-11,6
- Funds managed on behalf of third parties	0,3	0,4	0,4	0,4	-25,0	-25,0
- Subordinated loans	502,1	505,0	502,1	400,0	0,0	25,5
Other Financial Intermediation Activities (OFIA) (b)	13.215,6	12.959,3	12.767,1	12.794,2	3,5	3,3
- Assets under management	6.708,5	6.543,2	6.585,5	6.372,1	1,9	5,3
- Assets in custody	6.507,1	6.416,1	6.181,6	6.422,1	5,3	1,3
Total Financial Intermediation Activities (TFIA) (a + b)	23.829,1	23.333,4	22.792,5	22.337,3	4,5	6,7
Lending (2) (3)	13.080,1	12.774,6	12.316,5	12.187,1	6,2	7,3
- Loans to customers (2) (3)	9.536,1	9.351,5	9.247,1	8.762,7	3,1	8,8
- Loans to banks (2)	1.214,2	1.323,1	942,7	949,4	28,8	27,9
- Securities	2.329,8	2.100,0	2.126,7	2.475,0	9,6	-5,9
* investment securities	173,6	173,6	173,7	232,7	-0,1	-25,4
* trading securities	2.156,2	1.926,4	1.953,0	2.242,3	10,4	-3,8
Shareholders' Equity (4)	1.618,0	1.630,6	1.606,0	1.403,3	0,7	15,3
INCOME STATEMENT (1)						
Operating income	167,2	52,8	224,5	125,3		33,4
Income from ordinary activities	71,4	42,1	145,0	98,6		-27,7
Income before taxation	75,0	40,7	168,0	109,2		-31,3
Net income	60,1	25,3	106,2	63,0		-4,5
RESOURCES (5)						
Number of branches	393	393	393	392	0,0	0,3
Number of employees	3.734	3.749	3.759	3.823	-0,7	-2,3
FINANCIAL RATIO						
Non interest income						
/Gross operating income	59,70%	52,41%	54,55%	56,60%		
Operating costs						
/Gross operating income	59,16%	68,90%	68,58%	65,86%		
Income before taxation						
/Shareholders' equity (4)	4,63%	2,49%	10,46%	7,78%		
ROE	3,72%	1,55%	6,61%	4,49%		
ROAE (6)	3,73%	1,56%	7,64%	4,54%		
SOLVENCY RATIOS						
Risk-Weighted Assets (RWA) (1)	10.722,9	10.658,5	10.573,1	10.480,5	1,4	2,3
Tier 1 % of RWA	10,48%	10,66%	10,85%	8,95%		
Total capital % of RWA	13,09%	11,83%	13,89%	11,21%		

(1) Millions of Euros.

(2) Gross of allowance for credit risks.

(3) Including leased fixed assets.

(4) Including reserves for general banking risks.

(5) Statistics at the end of period.

(6) Net income on average shareholders' equity (Return On Average Equity).

BALANCE SHEET

ASSETS				Change %
<i>(Thousands of Euros)</i>	6/2004	2003	6/2003	6/04 6/03
10 - CASH AND DEPOSITS WITH CENTRAL BANKS AND POST OFFICES	128.068	168.109	130.462	- 1,8
20 - TREASURY BILLS AND SIMILAR BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	480.234	691.015	824.845	- 41,8
30 - DUE FROM BANKS	1.209.850	938.836	940.690	28,6
(a) repayable on demand	220.008	378.479	414.291	- 46,9
(b) other deposits	989.842	560.357	526.399	88,0
40 - LOANS TO CUSTOMERS	8.691.919	8.440.644	7.997.671	8,7
including:				
- loans using funds managed on behalf of third parties	234	255	260	- 10,0
50 - BONDS AND OTHER DEBT SECURITIES:	1.550.984	1.257.740	1.477.678	5,0
(a) issued by public bodies	766.461	637.805	789.882	- 3,0
(b) issued by banks	330.631	347.560	392.808	- 15,8
including:				
- own securities	63.148	58.848	41.312	52,9
(c) issued by financial institutions	371.982	187.991	210.107	77,0
including:				
- own securities	63.148	-	-	-
(d) issued by others	81.910	84.384	84.881	- 3,5
60 - SHARES, QUOTAS AND OTHER EQUITY SECURITIES	298.587	177.932	172.484	73,1
70 - EQUITY INVESTMENTS	34.123	31.013	38.507	- 11,4
80 - INVESTMENTS IN GROUP COMPANIES	820.457	617.016	586.522	39,9
90 - INTANGIBLE FIXED ASSETS	466.300	473.530	477.276	- 2,3
including:				
- start-up costs	2.830	3.250	1.395	102,9
- goodwill	437.121	442.392	446.727	- 2,2
100 - TANGIBLE FIXED ASSETS	953.891	920.539	894.657	6,6
including:				
- financial lease	698.614	662.598	636.774	9,7
120 - OWN SHARES	38.824	-	5.261	638,0
(nominale value: ...)				
130 - OTHER ASSETS	956.778	837.371	924.077	3,5
140 - ACCRUED INCOME AND PREPAID EXPENSES:	98.217	99.309	94.253	4,2
(a) accrued income	88.561	91.408	83.636	5,9
(b) prepaid expenses	9.656	7.901	10.617	- 9,1
including:				
- discount on bonds issued	3.182	3.596	4.014	- 20,7
TOTAL ASSETS	15.728.232	14.653.054	14.564.383	8,0

LIABILITIES AND STOCKHOLDERS' EQUITY

(thousands of Euros)

	6/2004	2003	6/2003	Change % 6/04 6/03
10 - AMOUNTS OWED TO CREDIT INSTITUTIONS:	1.403.507	1.139.632	1.587.905	- 11,6
(a) repayable on demand	188.509	89.046	161.735	16,6
(b) with agreed maturity dates or periods of notice	1.214.998	1.050.586	1.426.170	- 14,8
20 - AMOUNTS OWED TO CUSTOMERS:	6.163.638	5.957.888	5.764.039	6,9
(a) repayable on demand	5.984.277	5.798.105	5.492.874	8,9
(b) with agreed maturity dates or periods of notice	179.361	159.783	271.165	- 33,9
30 - DEBTS EVIDENCED BY CERTIFICATES:	4.449.827	4.067.494	3.779.091	17,7
(a) bonds	4.036.486	3.653.863	3.329.973	21,2
(b) certificates of deposits	302.332	326.769	359.939	- 16,0
(c) other	111.009	86.862	89.179	24,5
40 - FUNDS MANAGED ON BEHALF OF THIRD PARTIES	333	368	367	- 9,3
50 - OTHER LIABILITIES	922.290	579.839	924.365	- 0,2
60 - ACCRUED EXPENSES AND DEFERRED INCOME:	165.451	163.572	158.872	4,1
(a) accrued expenses	91.890	95.528	92.450	- 0,6
(b) deferred income	73.561	68.044	66.422	10,7
70 - RESERVE FOR TERMINATION INDEMNITIES	78.116	78.303	81.379	- 4,0
80 - RESERVES FOR RISKS AND CHARGES	359.873	433.676	389.073	- 7,5
(a) reserves for pensions and similar commitments	289.272	289.632	287.795	0,5
(b) reserves for taxation	51.588	111.263	77.870	- 33,8
(c) other reserves	19.013	32.781	23.408	- 18,8
90 - RESERVES FOR LOAN LOSSES	5.000	18.000	13.000	- 61,5
100 - RESERVES FOR GENERAL BANKING RISKS	-	-	5.165	- 100,0
110 - SUBORDINATED LOANS	502.055	502.055	400.000	...
120 - CAPITAL STOCK	1.113.327	1.113.327	1.020.550	9,1
130 - ADDITIONAL PAID-IN CAPITAL	258.666	255.023	139.941	84,8
140 - RESERVES	238.051	229.722	229.723	3,6
(a) legal reserve	77.971	67.351	67.351	15,8
(b) reserve for purchase of treasury stock	38.824	-	5.261	638,0
(c) statutory reserves	-	-	-	-
(d) other reserves	121.256	162.371	157.111	- 22,8
150 - REVALUATION RESERVES	7.956	7.956	7.956	-
170 - NET INCOME	60.142	106.199	62.957	- 4,5
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	15.728.232	14.653.054	14.564.383	8,0

INCOME STATEMENT

<i>(thousands of Euros)</i>	1st half 2004	2003	1st half 2003	Change % 1st half 04 1st half 03
10 - INTEREST INCOME AND SIMILAR REVENUES	268.859	546.478	278.913	- 3,6
including:				
- loans and advances to customers	218.515	439.720	225.556	- 3,1
- fixed-income securities	39.492	82.753	42.120	- 6,2
20 - INTEREST EXPENSES AND SIMILAR CHARGES	- 103.919	- 221.820	- 119.624	- 13,1
including:				
- amounts owed to customers	- 20.006	- 49.654	- 27.399	- 27,0
- securities issued	- 66.649	- 123.951	- 63.452	5,0
30 - DIVIDENDS AND OTHER REVENUES:	22.388	63.957	57.177	- 60,8
(a) from shares, quotas and other equity securities	893	13.085	13.018	- 93,1
(b) from equity investments	3.283	8.700	5.342	- 38,5
(c) from equity investments in group companies	18.212	42.172	38.817	- 53,1
40 - COMMISSION INCOME	90.117	179.169	85.922	4,9
50 - COMMISSION EXPENSES	- 7.947	- 15.627	- 7.472	6,4
60 - GAINS (LOSSES) FROM FINANCIAL TRANSACTIONS, NET	3.584	9.229	- 2.710	- 232,3
70 - OTHER OPERATING INCOME	139.428	160.752	76.732	81,7
80 - ADMINISTRATIVE COSTS:	- 178.087	- 366.712	- 181.052	- 1,6
(a) personnel	- 110.472	- 234.968	- 116.547	- 5,2
including:				
- wages and salaries	- 73.228	- 153.683	- 77.053	- 5,0
- social security costs	- 19.961	- 42.896	- 21.175	- 5,7
- termination indemnities	- 4.702	- 9.258	- 5.228	- 10,1
- pensions and similar commitments	- 7.258	- 17.764	- 7.140	1,7
(b) other administrative costs	- 67.615	- 131.744	- 64.505	4,8
90 - DEPRECIATION AND AMORTIZATION OF INTANGIBLE AND TANGIBLE FIXED ASSETS	- 64.046	- 123.207	- 60.682	5,5
100 - PROVISIONS FOR RISKS AND CHARGES	- 1.009	- 3.966	- 2.663	- 62,1
110 - OTHER OPERATING EXPENSES	- 3.224	- 7.747	- 1.873	72,1
120 - PROVISIONS FOR LOAN LOSSES AND FOR GUARANTEES AND COMMITMENTS	- 97.820	- 66.781	- 27.784	252,1
130 - RECOVERIES OF LOANS AND REVERSALS OF PROVISIONS FOR GUARANTEES AND COMMITMENTS	3.028	9.195	3.761	- 19,5
140 - ADDITIONAL PROVISIONS FOR LOAN LOSSES	-	- 18.000	-	-
150 - WRITE-DOWNS TO FINANCIAL FIXED ASSETS	-	-	-	...
160 - RECOVERIES OF FINANCIAL FIXED ASSETS	-	107	-	...
170 - INCOME FROM ORDINARY ACTIVITIES	71.352	145.027	98.645	- 27,7
180 - EXTRAORDINARY INCOME	7.174	30.028	14.470	- 50,4
190 - EXTRAORDINARY EXPENSES	- 3.534	- 7.021	- 3.908	- 9,6
200 - EXTRAORDINARY INCOME, NET	3.640	23.007	10.562	- 65,5
210 - VARIATION OF RESERVES FOR GENERAL BANKING RISKS	-	5.165	-	...
220 - INCOME TAXES	- 14.850	- 67.000	- 46.250	- 67,9
230 - NET INCOME	60.142	106.199	62.957	- 4,5

RECLASSIFIED INCOME STATEMENT

	30/6/04	31/3/04	31/12/03	30/6/03	Change	
					absolute	%
<i>(thousands of Euros)</i>						
10 Interest income and similar revenues	268.859	130.855	546.478	278.913	- 10.054	- 3,6
20 Interest expenses and similar charges	- 103.919	- 50.008	- 221.820	- 119.624	15.705	- 13,1
NET INTEREST INCOME	164.940	80.847	324.658	159.289	5.651	3,5
40 Commission income	90.117	45.695	179.169	85.922	4.195	4,9
50 Commission expenses	- 7.947	- 3.284	- 15.627	- 7.472	- 475	6,4
60 Gains (losses) from financial transactions	3.584	3.713	9.229	- 2.710	6.294	- 232,3
30 Dividends and other revenues	22.388	4.846	63.958	57.177	- 34.789	- 60,8
70 Other operating income	139.428	38.741	160.752	76.732	62.696	81,7
110 Other operating expenses	- 3.224	- 683	- 7.747	- 1.873	- 1.351	72,1
NON INTEREST INCOME	244.346	89.028	389.734	207.776	36.570	17,6
GROSS OPERATING INCOME	409.286	169.875	714.392	367.065	42.221	11,5
80 Administrative costs	- 178.087	- 84.512	- 366.712	- 181.052	2.965	- 1,6
. Personnel	- 110.472	- 54.520	- 234.968	- 116.547	6.075	- 5,2
. Other administrative costs	- 67.615	- 29.992	- 131.744	- 64.505	- 3.110	4,8
90 Depreciation and amortization of intangible and tangible fixed assets	- 64.046	- 32.527	- 123.207	- 60.682	- 3.364	5,5
OPERATING COSTS	- 242.133	- 117.039	- 489.919	- 241.734	- 399	0,2
OPERATING INCOME	167.153	52.836	224.473	125.331	41.822	33,4
100 Provisions for risks and charges	- 1.009	- 831	- 3.966	- 2.663	1.654	- 62,1
120 Provisions for loan losses and for guarantees and commitments	- 97.820	- 10.998	- 66.782	- 27.784	- 70.036	252,1
130 Recoveries of loans and reversals of provisions for guarantees and commitments	3.028	1.097	9.195	3.761	- 733	- 19,5
140 Additional provisions for loan losses	-	-	- 18.000	-	-	...
150 Write-downs to financial fixed assets	-	-	-	-	-	...
160 Recoveries of financial fixed assets	-	-	107	-	-	...
PROVISIONS AND WRITE-DOWNS	- 95.801	- 10.732	- 79.446	- 26.686	- 69.115	259,0
170 INCOME FROM ORDINARY ACTIVITIES	71.352	42.104	145.027	98.645	- 27.293	- 27,7
180 Extraordinary income	7.174	356	30.029	14.470	- 7.296	- 50,4
190 Extraordinary expenses	- 3.534	- 1.786	- 7.022	- 3.908	374	- 9,6
200 EXTRAORDINARY INCOME	3.640	- 1.430	23.007	10.562	- 6.922	- 65,5
INCOME BEFORE TAXATION	74.992	40.674	168.034	109.207	- 34.215	- 31,3
210 Variation of Reserves for general banking risks	-	-	5.165	-	-	...
220 Income taxes	- 14.850	- 15.360	- 67.000	- 46.250	31.400	- 67,9
230 NET INCOME	60.142	25.314	106.199	62.957	- 2.815	- 4,5

CONSOLIDATED FINANCIAL HIGHLIGHTS

	30/6/04	31/3/04	31/12/03	30/6/03	Change %	
					06/04 12/03	06/04 06/03
BALANCE SHEET (1)						
Total assets	18.002,2	17.684,9	15.918,3	15.697,2	13,1	14,7
Funding	14.650,1	14.132,5	12.897,4	12.607,2	13,6	16,2
- Customer deposits (a)	12.842,9	12.694,8	11.373,9	10.872,4	12,9	18,1
* Amounts owed to customers	7.636,0	7.627,1	6.861,1	6.665,8	11,3	14,6
* Debts evidenced by certificates	5.206,9	5.067,7	4.512,8	4.206,6	15,4	23,8
- Deposits from banks	1.289,0	916,4	1.006,0	1.334,4	28,1	-3,4
- Funds managed on behalf of third parties	1,1	1,3	0,4	0,4	175,0	175,0
- Subordinated loans	517,1	520,0	517,1	400,0	-	29,3
Other Financial Intermediation Activities (OFIA) (b)	15.432,9	15.134,7	14.316,9	14.393,9	7,8	7,2
- Assets under management	7.868,8	7.698,7	7.436,7	7.197,9	5,8	9,3
- Assets in custody	7.564,1	7.436,0	6.880,2	7.196,0	9,9	5,1
Total Financial Intermediation Activities (TFIA) (a+b)	28.275,8	27.829,5	25.690,8	25.266,3	10,1	11,9
Lending (2) (3)	15.547,7	15.183,8	13.737,6	13.461,3	13,2	15,5
- Loans to customers (2) (3)	11.386,1	11.166,5	10.251,3	9.733,8	11,1	17,0
- Loans to banks (2)	1.241,9	1.345,7	922,3	898,4	34,7	38,2
- Securities	2.919,7	2.671,6	2.564,0	2.829,1	13,9	3,2
* investment securities	209,7	208,8	214,7	273,7	-2,3	-23,4
* trading securities	2.710,0	2.462,8	2.349,3	2.555,4	15,4	6,0
Shareholders' equity (4)	1.495,3	1.508,0	1.504,3	1.301,0	-0,6	14,9
GROUP INSURANCE COMPANIES (1)						
Total premiums	337,6	131,9	670,7	319,4		5,7
Damages paid-out	201,6	96,9	403,5	208,4		-3,3
INCOME STATEMENT (1)						
Operating income	165,0	57,0	206,7	96,9		70,3
Income from ordinary activities	63,6	44,5	121,5	68,6		-7,2
Income before taxation	69,1	43,1	156,4	87,9		-21,4
Net income	47,8	23,4	84,7	43,7		9,4
RESOURCES (5)						
Number of branches	491	489	456	455	7,7	7,9
Number of employees	4.691	4.706	4.354	4.422	7,7	6,1
Insurance companies:						
- number of branches	413	413	416	427	-0,7	-3,3
- number of employees	386	387	377	396	2,4	-2,5
FINANCIAL RATIOS						
Non interest income						
/Gross operating income	55,00%	49,34%	50,69%	50,28%		
Operating costs						
/Gross operating income	64,07%	71,54%	72,83%	73,91%		
Income before taxation						
/Shareholders' equity (4)	4,62%	2,86%	10,40%	6,76%		
ROE	3,20%	1,55%	5,63%	3,36%		
ROAE (6)	3,19%	1,55%	6,41%	3,35%		
SOLVENCY RATIOS (7)						
Risk-weighted assets (RWA)	12.036,0	12.156,1	11.254,3	11.071,7	6,9	8,7
Tier 1 % of RWA	7,23%	7,51%	8,61%	6,87%		
Total capital % of RWA	9,70%	10,16%	11,67%	8,91%		

(1) Millions of Euros.

(2) Gross of allowances for credit risks.

(3) Including leased fixed assets.

(4) Including reserves for general banking risks.

(5) Statistics at the end of period.

(6) Net income on average shareholders' equity (Return On Average Equity).

(7) Ratios communicated to the Bank of Italy, excluding ratios at 31/3/2004.

CONSOLIDATED BALANCE SHEET

ASSETS	Change %				
<i>(thousands of Euros)</i>	30/6/04	31/12/03	30/6/03	6/04-12/03	6/03-12/02
10 - CASH AND DEPOSITS WITH CENTRAL BANKS AND POST OFFICES	156.765	192.509	152.051	- 18,6	- 22,9
20 - TREASURY BILLS AND SIMILAR BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	676.155	884.964	1.030.112	- 23,6	...
30 - DUE FROM BANKS:	1.237.622	918.431	889.682	34,8	- 32,6
(a) repayable on demand	236.500	346.689	416.911	- 31,8	- 23,9
(b) other deposits	1.001.122	571.742	472.771	75,1	- 38,8
40 - LOANS TO CUSTOMERS	10.501.410	9.421.748	8.946.387	11,5	2,3
including:					
- loans using funds managed on behalf of third parties	304	255	260	19,2	38,3
50 - BONDS AND OTHER DEBT SECURITIES:	1.944.985	1.501.080	1.626.518	29,6	- 7,6
(a) issued by public bodies	891.112	721.226	893.417	23,6	- 13,4
(b) issued by banks	494.830	421.719	392.461	17,3	- 8,6
including:					
- own securities	83.631	63.930	42.352	30,8	- 5,7
(c) issued by financial institutions	452.961	258.709	246.512	75,1	23,6
including:					
- own securities	-	-	-	-	-
(d) issued by others	106.082	99.426	94.128	6,7	- 4,9
60 - SHARES, QUOTAS AND OTHER EQUITY SECURITIES	298.601	177.932	172.484	67,8	- 14,0
70 - EQUITY INVESTMENTS	81.871	77.524	82.648	5,6	- 20,4
(a) carried at equity	58.379	59.361	57.033	- 1,7	- 24,9
(b) others	23.492	18.163	25.615	29,3	- 7,9
80 - INVESTMENTS IN GROUP COMPANIES	206.350	172.600	152.120	19,6	- 0,2
(a) carried at equity	206.350	172.600	152.120	19,6	- 0,2
(b) others	-	-	-	-	-
90 - POSITIVE DIFFERENCE ARISING FROM CONSOLIDATION	168.121	87.538	90.387	92,1	- 3,1
100 - POSITIVE DIFFERENCE ARISING FROM APPLICATION OF THE EQUITY METHOD	15.129	16.168	14.154	- 6,4	- 4,7
110 - INTANGIBLE FIXED ASSETS	466.978	474.210	478.129	- 1,5	- 0,5
including:					
- start-up costs	2.847	3.268	1.402	- 12,9	32,5
- goodwill	437.121	442.392	446.727	- 1,2	- 0,9
120 - TANGIBLE FIXED ASSETS	1.061.565	1.019.881	990.399	4,1	2,4
140 - OWN SHARES	38.824	-	5.261	...	- 79,5
<i>(nominal value: 12,733)</i>					
150 - OTHER ASSETS	1.037.009	864.654	963.738	19,9	19,1
160 - ACCRUED INCOME AND PREPAID EXPENSES:	110.854	109.015	103.135	1,7	14,2
(a) accrued income	100.183	100.842	91.916	- 0,7	14,2
(b) prepaid expenses	10.671	8.173	11.219	30,6	14,4
including:					
- discount on bonds issued	3.182	3.596	4.014	- 11,5	- 9,3
TOTAL ASSETS	18.002.239	15.918.254	15.697.205	13,1	2,0

LIABILITIES AND STOCKHOLDERS' EQUITY

	Change %				
(thousands of Euros)	30/6/04	31/12/03	30/6/03	6/04-12/03	6/03-12/02
10 - AMOUNTS OWED TO CREDIT INSTITUTIONS:	1.289.011	1.006.049	1.334.404	28,1	- 9,0
(a) repayable on demand	139.211	20.329	111.069
(b) with agreed maturity dates or periods of notice	1.149.800	985.720	1.223.335	16,6	- 14,0
20 - AMOUNTS OWED TO CUSTOMERS:	7.636.015	6.861.171	6.665.764	11,3	- 3,4
(a) repayable on demand	7.278.203	6.595.428	6.243.322	10,4	0,1
(b) with agreed maturity dates or periods of notice	357.812	265.743	422.442	34,6	- 36,1
30 - DEBTS EVIDENCED BY CERTIFICATES:	5.206.854	4.512.775	4.206.581	15,4	15,0
(a) bonds	4.759.247	4.073.476	3.721.630	16,8	18,3
(b) certificates of deposits	336.169	351.316	387.342	- 4,3	- 9,8
(c) other	111.438	87.983	97.609	26,7	20,1
40 - FUNDS MANAGED ON BEHALF OF THIRD PARTIES	1.118	368	367	...	18,4
50 - OTHER LIABILITIES	1.047.750	655.700	1.027.121	59,8	20,7
60 - ACCRUED EXPENSES AND DEFERRED INCOME:	171.758	166.822	164.836	3,0	10,5
(a) accrued expenses	96.660	97.455	96.627	- 0,8	15,1
(b) deferred income	75.098	69.367	68.209	8,3	4,6
70 - RESERVE FOR TERMINATION INDEMNITIES	107.998	96.814	99.883	11,6	- 3,5
80 - RESERVES FOR RISKS AND CHARGES	405.518	440.194	386.602	- 7,9	- 8,1
(a) reserves for pensions and similar commitments	313.408	295.310	293.827	6,1	- 0,1
(b) reserves for taxation	64.686	106.847	62.585	- 39,5	- 29,3
(c) consolidation reserves for future risks and charges	-	-	-	-	-
(d) other reserves	27.424	38.037	30.190	- 27,9	- 20,9
90 - RESERVES FOR LOAN LOSSES	7.149	19.997	14.644	- 64,2	-
100 - RESERVES FOR GENERAL BANKING RISKS	100	100	5.165	-	-
110 - SUBORDINATED LOANS	517.055	517.055	400.000	-	-
130 - NEGATIVE DIFFERENCE ARISING FROM APPLICATION OF THE EQUITY METHOD	43.176	34.953	34.929	23,5	- 0,6
140 - MINORITY INTERESTS	25.667	17.362	17.353	47,8	- 1,1
150 - CAPITAL STOCK	1.113.327	1.113.327	1.020.550	-	-
160 - ADDITIONAL PAID-IN CAPITAL	258.666	255.023	139.941	1,4	2,8
170 - RESERVES:	114.612	127.752	127.290	- 10,3	- 6,4
(a) legal reserve	75.788	67.351	67.351	12,5	18,4
(b) reserve for purchase of treasury stock	38.824	-	5.261	...	- 79,5
(c) statutory reserves	-	-	-	-	-
(d) other reserves	-	60.401	54.678	- 100,0	2,2
180 - REVALUATION RESERVES	8.649	8.050	8.050	7,4	-
200 - NET INCOME	47.816	84.742	43.725	- 43,6	- 33,9
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	18.002.239	15.918.254	15.697.205	13,1	2,0

GUARANTEES AND COMMITMENTS

10 - GUARANTEES GIVEN	1.244.125	1.336.530	1.390.807	- 6,9	- 0,1
including:					
- acceptances	10.983	2.859	5.896	...	38,8
- other guarantees	1.233.142	1.333.671	1.384.911	- 7,5	- 0,2
20 - COMMITMENTS	903.518	989.572	916.349	- 8,7	11,6
including:					
- repurchase agreements	-	-	-	-	-

CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euros)</i>	30/6/04	2003	30/6/03	Change %	
				6/04-6/03	6/03-6/02
10 - INTEREST INCOME AND SIMILAR REVENUES	324.985	613.535	311.984	4,2	1,3
including:					
- loans and advances to customers	264.942	494.103	252.897	4,8	5,9
- fixed-income securities	48.855	96.379	48.548	0,6	- 15,9
20 - INTEREST EXPENSE AND SIMILAR CHARGES	- 118.381	- 238.334	- 127.361	- 7,1	- 5,9
including:					
- amounts owed to customers	- 26.323	- 59.471	- 33.080	- 20,4	- 14,3
- securities issued	- 75.823	- 135.891	- 69.145	9,7	- 6,4
30 - DIVIDENDS AND OTHER REVENUES:	3.495	18.536	17.626	- 80,2	...
(a) from shares, quotas and other equity securities	893	13.085	13.018	- 93,1	...
(b) from equity investments	2.602	5.451	4.608	- 43,5	- 16,9
(c) from equity investments in group companies	-	-	-
40 - COMMISSION INCOME	110.451	204.447	98.124	12,6	7,3
50 - COMMISSION EXPENSES	- 8.487	- 16.351	- 7.913	7,3	34,3
60 - GAINS (LOSSES) FROM FINANCIAL TRANSACTIONS, NET	4.317	10.674	- 866	...	- 73,2
70 - OTHER OPERATING INCOME	143.668	167.518	79.981	79,6	7,6
80 - ADMINISTRATIVE COSTS:	- 221.128	- 416.916	- 206.761	6,9	11,6
(a) personnel	- 137.983	- 268.412	- 133.452	3,4	13,4
including:					
- wages and salaries	- 91.610	- 175.162	- 87.705	4,5	11,9
- social security costs	- 25.388	- 49.179	- 24.339	4,3	12,9
- termination indemnities	- 6.269	- 10.959	- 6.182	1,4	8,2
- pensions and similar commitments	- 8.465	- 18.850	- 7.775	8,9	14,7
(b) other administrative costs	- 83.145	- 148.504	- 73.309	13,4	8,6
90 - DEPRECIATION AND AMORTIZATION OF INTANGIBLE AND TANGIBLE FIXED ASSETS	- 73.002	- 137.238	- 67.654	7,9	2,3
100 - PROVISIONS FOR RISKS AND CHARGES	- 2.240	- 4.209	- 3.364	- 33,4	41,1
110 - OTHER OPERATING EXPENSES	- 4.202	- 9.199	- 2.435	72,6	- 62,3
120 - PROVISIONS FOR LOAN LOSSES AND FOR GUARANTEES AND COMMITMENTS	- 103.611	- 72.588	- 29.587	...	- 5,2
130 - RECOVERIES OF LOANS AND REVERSALS OF PROVISIONS FOR GUARANTEES AND COMMITMENTS	4.532	11.295	4.715	- 3,9	- 31,9
140 - ADDITIONAL PROVISIONS FOR LOAN LOSSES	- 35	- 19.744	- 62	- 43,5	- 70,3
150 - WRITE-DOWNS TO FINANCIAL FIXED ASSETS	-	-	-
160 - RECOVERIES OF FINANCIAL FIXED ASSETS	2	-	-
170 - PROFIT (LOSSES) ON INVESTMENTS CARRIED AT EQUITY	3.260	10.030	2.152	51,5	10,6
180 - INCOME FROM ORDINARY ACTIVITIES	63.624	121.456	68.579	- 7,2	25,0
190 - EXTRAORDINARY INCOME	9.823	43.121	23.787	- 58,7	...
200 - EXTRAORDINARY EXPENSES	- 4.338	- 8.149	- 4.454	- 2,6	24,7
210 - EXTRAORDINARY INCOME, NET	5.485	34.972	19.333	- 71,6	...
230 - VARIATION OF RESERVES FOR GENERAL BANKING RISKS	-	- 5.065	-	...	-
240 - INCOME TAXES	- 19.931	- 74.721	- 43.050	- 53,7	58,6
250 - MINORITY INTERESTS	- 1.362	- 2.030	- 1.137	19,8	78,2
260 - NET INCOME	47.816	84.742	43.725	9,4	47,6

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

	30/6/04	31/3/04	31/12/03	30/6/03	Change	
					absolute	%
<i>(thousands of euros)</i>						
10 Interest income and similar revenues	324.985	158.769	613.535	311.984	13.001	4,2
20 Interest expense and similar charges	-118.381	-57.388	-238.334	-127.361	8.980	-7,1
NET INTEREST INCOME	206.604	101.381	375.201	184.623	21.981	11,9
40 Commission income	110.451	55.268	204.447	98.124	12.327	12,6
50 Commission expenses	-8.487	-3.559	-16.351	-7.913	-574	7,3
60 Gains (losses) from financial transactions	4.317	4.501	10.674	-866	5.183	-598,5
30 Dividends and other revenues	3.495	260	18.536	17.626	-14.131	-80,2
170 Profit (losses) on investments carried at equity	3.260	1.269	10.030	2.152	1.108	51,5
70 Other operating income	143.668	42.051	167.518	79.981	63.687	79,6
110 Other operating expenses	-4.202	-1.040	-9.199	-2.435	-1.767	72,6
NON INTEREST INCOME	252.502	98.750	385.655	186.669	65.833	35,3
GROSS OPERATING INCOME	459.106	200.131	760.856	371.292	87.814	23,7
80 Administrative costs	-221.128	-105.941	-416.916	-206.761	-14.367	6,9
. Personnel	-137.983	-67.957	-268.412	-133.452	-4.531	3,4
. Other administrative costs	-83.145	-37.984	-148.504	-73.309	-9.836	13,4
90 Depreciation and amortization of intangible and tangible fixed assets	-73.002	-37.225	-137.238	-67.654	-5.348	7,9
OPERATING COSTS	-294.130	-143.166	-554.154	-274.415	-19.715	7,2
OPERATING INCOME	164.976	56.965	206.702	96.877	68.099	70,3
100 Provisions for risks and charges	-2.240	-863	-4.209	-3.364	1.124	-33,4
120 Provisions for loan losses and for guarantees and commitments	-103.611	-13.651	-72.588	-29.587	-74.024	...
130 Recoveries of loans and reversals of provisions for guarantees and commitments	4.532	2.024	11.295	4.715	-183	-3,9
140 Additional provisions for loan losses	-35	-22	-19.744	-62	27	-43,5
150 Write-downs to financial fixed assets	-	-	-	-	-	...
160 Recoveries of financial fixed assets	2	-	-	-	2	...
PROVISIONS AND WRITE-DOWNS	-101.352	-12.512	-85.246	-28.298	-73.054	...
180 INCOME FROM ORDINARY ACTIVITIES	63.624	44.453	121.456	68.579	-4.955	-7,2
190 Extraordinary income	9.823	691	43.121	23.787	-13.964	-58,7
200 Extraordinary expenses	-4.338	-2.082	-8.149	-4.454	116	-2,6
210 EXTRAORDINARY INCOME, NET	5.485	-1.391	34.972	19.333	-13.848	-71,6
INCOME BEFORE TAXATION	69.109	43.062	156.428	87.912	-18.803	-21,4
230 Variation of reserves for general banking risks	-	-	-5.065	-	-	...
240 Income taxes	-19.931	-19.124	-74.721	-43.050	23.119	-53,7
250 Minority interests	-1.362	-571	-2.030	-1.137	-225	19,8
260 NET INCOME	47.816	23.367	84.742	43.725	4.091	9,4