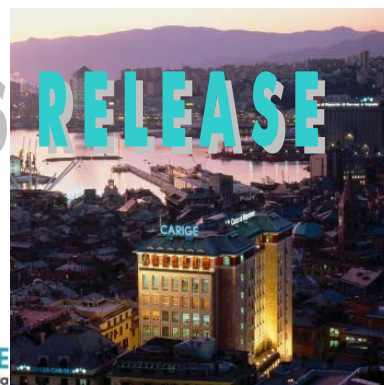


PRESS RELEASE



BANCA CARIGE ANNUAL REPORT 2003: NET PROFIT UP TO €106.2 MILLION (+1.3% OVER 2002)

Banca Carige achieved encouraging financial and economic results in 2003 in spite of problems for the economy both at the domestic and European level. In particular, the effectiveness of Carige's strategy in recent years throughout the Group (increased financial solidity of the Carige Group companies allied to maximal synergies) has resulted in a 28.1% rise in consolidated net profit.

On 22nd March 2004 the Board of Directors of Banca Carige SpA chaired by Mr Giovanni Berneschi approved the 2003 Annual Report, presented by Mr Alfredo Sanguinetto, Carige's General Manager. Net profit rose to 106.2 million, an increase of 1.3% in comparison to 2002. The Bank's ROAE at 31/12/03 was 7.6%.

The Board of Directors deliberated on presenting to the Ordinary Shareholders' Meeting of Banca Carige, to be held on 28th April 2004, and if necessary on adjournment on 29th April, a dividend of 0.0723 for each ordinary share (the same dividend per share of 2002) and 0.0923 for each savings share. Total dividend disbursement amounts to 83.6 million, up 11.1% in comparison to last year. Dividends will be payable from 6 May 2004 onwards.

The result is encouraging when one takes into account the continuing economic uncertainty along with recent financial scandals that have involved important Italian groups, and low interest rates.

In this context, Banca Carige not only achieved increased profits, but also continued its well-established policy of expansion of the Carige Group's presence at national level. During the last year a contract for the acquisition of a part of the share capital in Carinord 2 SpA was signed. The acquisition aims at a controlling stake in the bank, Cassa di Risparmio di Carrara SpA. Again in line with Carige's growth strategy, the financial solidity of the Bank was increased via a fully subscribed ordinary and savings share issue in addition to subordinated convertible bonds for an overall total of more than 306 million.

Headline results at 31st December 2003 are as follows:

Results at 31/12/03 <i>Millions of euros</i>	Absolute value	Percentage variation on 2002
• Total Financial Intermediation Activities	22,792.5	+ 5.4%
• Lending to customers	9,247.1	+ 7.1%
• Net income	106.2	+ 1.3%

During 2003 positive returns on investments in the Group companies allied with heightened synergies started to come through with encouraging results from the Group's banking and insurance subsidiaries. The Group's banks, Cassa di Risparmio di Savona and Banca del Monte di Lucca closed the year with net profits of, respectively, 19.5 and 2.5 million, whilst the insurance providers Carige Vita Nuova and Carige Assicurazioni recorded net profits of, respectively, 3.8 and 2.7 million. Consolidated net profit rose 28.1 % to 84.7 million.

Strategy

Carige's strategy in recent years has been to defend the Bank's autonomy and prominence in the Italian banking system. Strategic measures in this direction during 2003 included:

- acquisition of a part of Carinord 2 with the aim at obtaining control of the bank, Cassa di Risparmio di Carrara;
- continued strengthening of the Bank's financial position;
- setting up of a manager trust ('Societa di Gestione del Risparmio').

External growth (acquisitions of strategically attractive financial firms or branch networks) saw the signing of a purchase contract in which Banca Carige and Cassa di Risparmio di Firenze have defined the full purchase of Carinord 2's share capital from Banca Intesa, the Cassa di Risparmio di Carrara and Cassa di Risparmio di Spezia Foundations. The transaction received Bank of Italy authorisation in December 2003 and was completed in January 2004. The transaction aims, via the successive breaking up of Carinord 2, at giving Banca Carige direct control over Cassa di Risparmio di Carrara (holding of 90%). The same transaction will give Cassa di Risparmio di Firenze direct control over Cassa di Risparmio di Spezia. The objective of this acquisition is to extend Carige's presence in the strategically important region of Tuscany. The Carige Group has at present in the region branches of Banca Carige in addition to branches of the banking subsidiary Banca del Monte di Lucca.

Turning to strategies aiming at guaranteeing the financial solidity of the Bank whilst at the same time providing adequate funding for growth, the Board of Directors in part carrying out the resolutions of the Extraordinary Shareholders' meeting held on 10th September 2003, deliberated a paid up share capital increase via the offer in option to ordinary shares of savings shares, and subordinated bonds convertible from 2006 onwards into ordinary shares on a one share-one bond basis. The issue was fully subscribed with a counter value of around 306.2 million.

In the field of savings management Carige set up its own manager trust in July 2003. The company – Carige Asset Management SGR SpA – has a share capital of € 5,200,000 with a 99.5% stake held by Banca Carige. The remaining 0.5% is held by Carige Vita Nuova, an insurance company of the Carige Group. The company's objectives are:

- to integrate Carige Group services with a specific savings management arm;
- to develop in full autonomy savings products and services;
- to recover profit levels for the Group and contain client costs.

Carige AM SGR received Bank of Italy authorisation to operate in January 2004. It will play a key role in offering a wide range of savings management products via the Group's distribution network of bank branches, financial consultants, and on line banking.

The company will not only develop its own open mutual fund line, but also offer related management, administration and distribution services. Carige AM SGR will also handle Carige's

security and mutual funds management business along with pension funds. It will also manage a quota of the Carige Group's portfolio. Future activity will focus on the creation of fund funds as well as the development of security fund management for institutional investors, in particular Italian banking foundations.

There was an increasing focus on developing new business areas for the Group in order to increase revenues. With this in mind, particular attention was paid to project financing bearing in mind the importance of infrastructure within investment programmes both at local and national levels. Consequently, Banca Carige assumed the role of co-promoter together with other partners including Gefip Holding SA and ILI SpA in the presentation of a project financing proposal for motorway links in the north east (Orte-Venice), and in Sicily (Catania-Siracusa), in addition to a proposal for the construction of a motorway link between the A12 and A7 motorways around Genoa.

Results

During 2003 there were significant increases in Carige share prices, outperforming both the Milan banking index (+30.3%) and the Milan MIBTEL general index (14.5%). Carige ordinary shares, in their ninth year of listing, ended the year at € 2.792, an increase of 35.8% over twelve months. The price of the Bank's savings shares (admitted to listing on 4/12/02) ended the year at € 3.258, up 47.4% in comparison to 31/12/02.

Comparison between earnings for 2003 and 2002 has to take into account significant differences in the structure of costs and revenues following the inclusion from 31/12/03 of 42 branches acquired from Capitalia. Headline results are as follows:

- Net interest income (324.7 million; +7%), non interest income (389.7 million; +12.2%) and operating costs (489.9 million; +18.7%) were in part affected by expanded operating capacities. All income items recorded increases during the year with the exception of dividends, which from 2003, were affected by accounting changes relating to tax credits. Turning to costs, the most significant increases relate to writedowns on fixed assets which rose by 35.3% in the wake of positive performances recorded by lease lending solutions. The cost income ratio, after having neutralised distortions stemming from the accounting of lease assets, ended the year at 62.7%;
- Provisions (79.4 million; +20.5%) saw a rise in credit writedowns of 11.9% (66.8 million) that includes those relating to Carige's limited exposure to the Parmalat Group; other items in this aggregate include provisions for risk reserves (18 million; +38.5%), reflecting the persistent economic slowdown of the last three years;
- Income from Ordinary Activities totalled 145 million, down 15.6% in comparison to 2002;
- Extraordinary Income almost doubled to 23 million as a result, primarily, of the sale of non-strategic holdings;
- Net Income rose 1.3% in comparison to the previous year to 106.2 million.

Financial Intermediation Activities totalled 22,792.5 million, up 5.4% over year end 2002. Direct and indirect deposit items recorded different growth levels during 2003: direct deposits rose 8.5% to 10,025.4 million, whilst indirect deposits increased by 3.1% to 12,767.1 million.

Lending to customers reached 9,247.1 million, a rise of 7.1% in comparison to December 2002. The short-term segment was generally unchanged at 3,173.4 million (+0.8%), whereas longer-term

lending rose 10% to 5,771.2 million. In spite of the difficult economic climate, risk levels for the Bank's credit portfolio remained low with a bad loans/lending ratio of 1.9%.

Carige's branch network totalled 393 outlets (one new branch in the city of Genoa along with another branch in Monza near Milan were opened during the year). The total includes the 42 branches purchased from the Capitalia Group in 2002 absorbed into the Carige network with effect from 31st December 2003.

The total number of **Banca Carige employees** reached 3,759 (excluded the 371 employees of the ex-Capitalia branches transferred to Carige on 1st January 2003; 3,512 at the end of 2002).

Shareholders' equity rose from 1,369.7 million at December 2002 to 1,606 million following share capital increases carried out during the year.

Banca Carige continued to be fully in line with the various regulatory indicators currently in force, both of the Bank of Italy and of the Italian Interbank Deposit Protection Fund.

The Banca Carige Group's net assets amounted to 15,918.3 million; **direct and indirect deposits** rose by 4.9% to 25,690.8 million, whilst **lending to customers** increased by 8% to 10,251.3 million. **Operating income** was up 10.9% to 206.7 million. **Consolidated net income** rose 28.1% over 2002 to 84.7 million. The total number of **Carige Group branches** was 456, of which 53.5% in Liguria (about 50% with the inclusion of 33 Cassa di Risparmio di Carrara branches). The **Group's insurance offices** distributed throughout the country reached 416 in number

The 2003 financial statements of Banca Carige and the Banca Carige Group will be available at www.carige.it.

During the first two months of 2004 both volumes handled and income flows were in line with those budgeted. In particular, growth rates over twelve months for deposits and lending were, respectively, 5.2 and 7.2 per cent.

During the course of the Meeting of 22nd March 2004 the Board of Directors discussed the "Proposal of authorising the purchase and placement of own shares in accordance with article 2357 of the Italian Civil Code"; the proposal will be put before the Ordinary Shareholders Meeting of Banca Carige for its consideration. In more detail, the document proposes the authorisation to purchase up to a maximum of 111,332,683 Banca Carige SpA shares of a nominal value of one euro each, of which, up to a maximum of 95,989,751 ordinary shares and a maximum of 15,342,932 convertible savings shares corresponding, respectively, to one tenth of ordinary share capital and to one tenth of savings share capital.

Authorisation requested on the part of the Shareholders Meeting regards also the possibility of alienating part or whole of the Bank's own share portfolio (ordinary and/or ordinary shares).

The Board of Directors also discussed the "Annual Corporate Governance Report", in which the Bank gives details of how it has applied the Code of Self-Regulation adopted by public limited companies listed in Italy.

FINANCIAL HIGHLIGHTS

	31/12/03	30/9/03	31/12/02	31/12/2001	Change %	
					2003	2002
BALANCE SHEET (1)						
Total assets	14.653,1	14.757,9	14.393,8	12.835,5	1,8	12,1
Funding	11.667,5	11.867,9	11.433,8	10.151,6	2,0	12,6
– Customer Deposits	10.025,4	9.736,0	9.236,2	8.099,3	8,5	14,0
– Amounts owed to customers	5.957,9	5.809,2	5.912,3	4.863,1	0,8	21,6
– Debts evidenced by certificates	4.067,5	3.926,8	3.323,9	3.236,2	22,4	2,7
– Deposits from Banks	1.139,6	1.731,5	1.797,3	1.652,0	- 36,6	8,8
– Funds managed on behalf of third parties	0,4	0,4	0,3	0,3	33,3	-
– Subordinated loans	502,1	400,0	400,0	400,0	25,5	-
Other Financial Intermediation Activities (OFIA)	12.767,1	12.842,2	12.386,8	11.348,9	3,1	9,1
– Assets Under Management	6.585,5	6.516,6	6.075,4	5.671,8	8,4	7,1
– Assets in Custody	6.181,6	6.325,6	6.311,4	5.677,1	- 2,1	11,2
Total Financial Intermediation Activities (TFIA)	22.792,5	22.578,2	21.623,0	19.448,2	5,4	11,2
Lending (2) (3)	12.316,5	12.538,5	12.080,9	11.026,8	2,0	9,6
– Loans to Customers (2) (3)	9.247,1	8.830,4	8.634,9	7.471,2	7,1	15,6
– Loans to Banks (2)	942,7	1.386,8	1.363,6	1.122,3	- 30,9	21,5
– Securities	2.126,7	2.321,3	2.082,4	2.433,3	2,1	- 14,4
– Investment securities	173,7	232,7	232,7	441,3	- 25,4	- 47,3
– Trading securities	1.953,0	2.088,6	1.849,7	1.992,0	5,6	- 7,1
Shareholders' Equity (4)	1.606,0	1.405,3	1.369,7	1.332,8	17,3	2,8
INCOME STATEMENT (1)						
Operating Income	224,5	172,0	237,7	219,1	- 5,5	8,5
Income from Ordinary Activities	145,0	125,0	171,8	171,6	- 15,6	0,1
Income before Taxation	168,0	137,9	183,7	184,5	- 8,5	- 0,4
Net Income	106,2	79,4	104,8	103,5	1,3	1,2
RESOURCES (5)						
Number of branches	393	392	391	345	0,5	13,3
Number of employees	3.759	3.788	3.512	3.506	7,0	0,2
FINANCIAL RATIOS						
Non interest income						
/ Gross operating income	54,55%	55,19%	53,38%	48,59%		
Operating costs						
/ Gross operating income	68,58%	67,99%	63,47%	63,53%		
Income before Taxation						
/ Shareholders' Equity	10,46%	9,81%	13,41%	13,84%		
ROE	6,61%	5,65%	7,65%	7,77%		
ROAE (6)	7,64%	5,72%	7,76%	7,86%		
SOLVENCY RATIOS (7)						
Risk-Weighted Assets (RWA) (1)	10.573,1	10.452,1	9.709,8	8.780,0	8,9	10,6
Tier 1% of RWA	10,85%	9,02%	9,27%	11,11%		
Total Capital % of RWA	13,89%	11,29%	11,58%	15,45%		

(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 %				
(Thousands of Euros)	31/12/03	31/12/02	31/12/01	2003	2002
10 CASH AND DEPOSITS WITH CENTRAL BANKS AND POST OFFICES	168.109	173.442	164.675	- 3,1	5,3
20 TREASURY BILLS AND SIMILAR BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	691.015	311.014	418.493	...	- 25,7
30 DUE FROM BANKS:	938.836	1.355.667	1.114.875	- 30,7	21,6
(a) repayable on demand	378.479	543.976	262.255	- 30,4	...
(b) other deposits	560.357	811.691	852.620	- 31,0	- 4,8
40 LOANS TO CUSTOMERS	8.440.644	7.909.841	6.982.175	6,7	13,3
including:					
– loans using funds managed on behalf of third parties	255	188	188	35,6	-
50 BONDS AND OTHER DEBT SECURITIES:	1.257.740	1.598.437	1.921.680	- 21,3	- 16,8
(a) issued by public bodies	637.805	929.013	989.111	- 31,3	- 6,1
(b) issued by banks	347.560	386.496	577.786	- 10,1	- 33,1
including:					
– own securities	58.848	43.087	53.059	36,6	- 18,8
(c) issued by financial institutions	187.991	189.258	250.511	- 0,7	- 24,5
including:					
– own securities	-	-	-	-	-
(d) issued by others	84.384	93.670	104.272	- 9,9	- 10,2
60 SHARES, QUOTAS AND OTHER EQUITY	177.932	172.907	93.181	2,9	85,6
70 EQUITY INVESTMENTS	31.013	51.989	57.720	- 40,3	- 9,9
80 INVESTMENTS IN GROUP COMPANIES	617.016	586.522	561.085	5,2	4,5
90 INTANGIBLE FIXED ASSETS	473.530	480.133	357.298	- 1,4	34,4
including:					
– start-up costs	3.250	1.047	3.131	...	- 66,6
– goodwill	442.392	450.799	330.912	- 1,9	36,2
100 TANGIBLE FIXED ASSETS	920.539	865.460	627.510	6,4	37,9
including:					
– financial lease	662.598	605.418	380.268	9,4	59,2
120 OWN SHARES	-	11.619	21.838	- 100,0	- 46,8
(nominal value: 2,313)					
130 OTHER ASSETS	837.371	795.487	428.107	5,3	85,8
140 ACCRUED INCOME AND PREPAID EXPENSES:	99.309	81.300	86.837	22,2	- 6,4
(a) accrued income	91.408	71.817	78.310	27,3	- 8,3
(b) prepaid expenses	7.901	9.483	8.527	- 16,7	11,2
including:					
– discount on bonds issued	3.596	4.425	2.159	- 18,7	...
TOTAL ASSETS	14.653.054	14.393.818	12.835.474	1,8	12,1

LIABILITIES AND STOCKHOLDERS' EQUITY

(Thousands of Euros)	31/12/03	31/12/02	31/12/01	Change %	
				2003	2002
10 - AMOUNTS OWED TO CREDIT INSTITUTIONS:	1.139.632	1.797.348	1.651.997	- 36,6	8,8
(a) repayable on demand	89.046	70.009	62.726	27,2	11,6
(b) with agreed maturity dates or periods of notice	1.050.586	1.727.339	1.589.271	- 39,2	8,7
20 AMOUNTS OWED TO CUSTOMERS:	5.957.888	5.912.248	4.863.054	0,8	21,6
(a) repayable on demand	5.798.105	5.504.428	4.495.688	5,3	22,4
(b) with agreed maturity dates or periods of notice	159.783	407.820	367.366	- 60,8	11,0
30 DEBTS EVIDENCED BY CERTIFICATES:	4.067.494	3.323.926	3.236.263	22,4	2,7
(a) bonds	3.653.863	2.853.874	2.691.729	28,0	6,0
(b) certificates of deposits	326.769	397.349	474.394	- 17,8	- 16,2
(c) other	86.862	72.703	70.140	19,5	3,7
40 FUNDS MANAGED ON BEHALF OF THIRD PARTIES	368	310	298	18,7	4,0
50 OTHER LIABILITIES	579.839	813.614	615.210	- 28,7	32,2
60 ACCRUED EXPENSES AND DEFERRED INCOME:	163.572	144.444	132.066	13,2	9,4
(a) accrued expenses	95.528	80.733	91.045	18,3	- 11,3
(b) deferred income	68.044	63.711	41.021	6,8	55,3
70 RESERVE FOR TERMINATION INDEMNITIES	78.303	84.941	71.068	- 7,8	19,5
80 RESERVES FOR RISKS AND CHARGES	433.676	429.446	423.974	1,0	1,3
(a) reserves for pensions and similar commitments	289.632	287.888	297.736	0,6	- 3,3
(b) reserves for taxation	111.263	109.434	98.069	1,7	11,6
(c) other reserves	32.781	32.124	28.169	2,0	14,0
90 RESERVES FOR LOAN LOSSES	18.000	13.000	5.165	38,5	...
100 RESERVES FOR GENERAL BANKING RISKS	-	5.165	5.165	- 100,0	-
110 SUBORDINATED LOANS	502.055	400.000	400.000	25,5	-
120 CAPITAL STOCK	1.113.327	1.020.550	1.017.510	9,1	0,3
130 ADDITIONAL PAID-IN CAPITAL	255.023	136.095	132.005	87,4	3,1
140 RESERVES	229.722	199.957	170.198	14,9	17,5
(a) legal reserve	67.351	56.869	46.515	18,4	22,3
(b) reserve for purchase of treasury stock	-	11.619	21.838	- 100,0	- 46,8
(c) statutory reserves	-	-	-	-	-
(d) other reserves	162.371	131.469	101.845	23,5	29,1
150 REVALUATION RESERVES	7.956	7.956	7.956	-	-
170 NET INCOME	106.199	104.818	103.545	1,3	1,2
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	14.653.054	14.393.818	12.835.474	1,8	12,1

GUARANTEES AND COMMITMENTS

10 GUARANTEES GIVEN	1.271.681	1.321.238	1.219.483	- 3,8	8,3
including:					
- acceptances	2.610	4.210	9.514	- 38,0	- 55,7
- other guarantees	1.269.071	1.317.028	1.209.969	- 3,6	8,8
20 COMMITMENTS	910.193	770.378	628.686	18,1	22,5
including:					
- repurchase agreements	-	-	-	-	-

INCOME STATEMENT

(thousands of Euros)	30/12/03	31/12/02	Change %	
			2003	2002
10 - INTEREST INCOME AND SIMILAR REVENUES	546.478	567.000	- 3,6	- 6,9
including:				
– loans and advances to customers	439.720	431.518	1,9	- 4,6
– fixed-income securities	82.753	110.237	- 24,9	- 14,0
20 - INTEREST EXPENSES AND SIMILAR CHARGES	- 221.820	- 263.694	- 15,9	- 12,2
including:				
– amounts owed to customers	- 49.654	- 62.713	- 20,8	- 3,5
– securities issued	- 123.951	- 137.141	- 9,6	1,0
30 - DIVIDENDS AND OTHER REVENUES:	63.957	87.245	- 26,7	...
(a) from shares, quotas and other equity securities	13.085	2.847	...	- 0,4
(b) from equity investments	8.700	40.413	- 78,5	...
(c) from equity investments in group companies	42.172	43.985	- 4,1	...
40 - COMMISSION INCOME	179.169	160.710	11,5	11,4
50 - COMMISSION EXPENSES	- 15.627	- 12.825	21,8	6,7
60 - GAINS (LOSSES) FROM FINANCIAL TRANSACTIONS, NET	9.229	- 5.989	...	...
70 - OTHER OPERATING INCOME	160.752	123.889	29,8	1,8
80 - ADMINISTRATIVE COSTS:	- 366.712	- 321.821	13,9	6,7
(a) personnel	- 234.968	- 199.388	17,8	3,9
including:				
– wages and salaries	- 153.683	- 138.176	11,2	18,1
– social security costs	- 42.896	- 38.267	12,1	17,0
– termination indemnities	- 9.258	- 8.608	7,6	- 4,4
– pensions and similar commitments	- 17.764	- 5.247	...	- 55,9
(b) other administrative costs	- 131.744	- 122.433	7,6	11,7
90 - DEPRECIATION AND AMORTIZATION OF INTANGIBLE AND TANGIBLE FIXED ASSETS	- 123.207	- 91.052	35,3	13,7
100 - PROVISIONS FOR RISKS AND CHARGES	- 3.966	- 3.176	24,9	14,1
110 - OTHER OPERATING EXPENSES	- 7.747	- 5.800	33,6	37,2
120 - PROVISIONS FOR LOAN LOSSES AND FOR GUARANTEES AND COMMITMENTS	- 66.781	- 59.670	11,9	23,9
130 - RECOVERIES OF LOANS AND REVERSALS OF PROVISIONS FOR GUARANTEES AND COMMITMENTS	9.195	9.863	- 6,8	75,8
140 - ADDITIONAL PROVISIONS FOR LOAN LOSSES	- 18.000	- 13.000	38,5	...
150 - WRITE-DOWNS TO FINANCIAL FIXED ASSETS	-	- 11	...	- 59,3
160 - RECOVERIES OF FINANCIAL FIXED ASSETS	107	88	21,6	- 66,5
170 - INCOME FROM ORDINARY ACTIVITIES	145.027	171.757	- 15,6	0,1
180 - EXTRAORDINARY INCOME	30.028	14.559	...	- 5,9
190 - EXTRAORDINARY EXPENSES	- 7.021	- 2.598	...	0,4
200 - EXTRAORDINARY INCOME, NET	23.007	11.961	92,4	- 7,1
210 - VARIATION OF RESERVES FOR GENERAL BANKING RISKS	5.165	-	...	...
220 - INCOME TAXES	- 67.000	- 78.900	- 15,1	- 2,5
230 - NET INCOME	106.199	104.818	1,3	1,2

RECLASSIFIED INCOME STATEMENT

INCOME STATEMENT *(thousands of Euros)*

	2003	30/9/03	2002	2001	Change %	
					2003	2002
10 Interest income and similar revenues	546.478	412.103	567.000	608.987	-3,6	-6,9
20 Interest expenses and similar charges	- 221.820	- 171.288	- 263.694	- 300.164	-15,9	-12,2
NET INTEREST INCOME	324.658	240.815	303.306	308.823	7,0	- 1,8
40 Commission income	179.169	129.110	160.710	144.204	11,5	11,4
50 Commission expenses	- 15.627	- 11.567	- 12.825	- 12.019	21,8	6,7
60 Gains (losses) from financial transactions	9.229	3.310	- 5.989	3.244	...	...
30 Dividends and other revenues	63.958	64.305	87.245	39.029	-26,7	123,5
70 Other operating income	160.752	116.079	123.889	121.702	29,8	1,8
110 Other operating expenses	- 7.747	- 4.599	- 5.800	- 4.227	33,6	37,2
NON INTEREST INCOME	389.734	296.638	347.230	291.933	12,2	18,9
GROSS OPERATING INCOME	714.392	537.453	650.536	600.756	9,8	8,3
80 Administrative costs	- 366.712	- 274.023	- 321.821	- 301.550	13,9	6,7
– Personnel	- 234.968	- 174.000	- 199.388	- 191.935	17,8	3,9
– Other administrative costs	- 131.744	- 100.023	- 122.433	- 109.615	7,6	11,7
90 Depreciation and amortization of intangible and tangible fixed assets	- 123.207	- 91.384	- 91.052	- 80.087	35,3	13,7
OPERATING COSTS	-489.919	-365.407	-412.873	-381.637	18,7	8,2
OPERATING INCOME	224.473	172.046	237.663	219.119	- 5,5	8,5
100 Provisions for risks and charges	-3.966	-3.243	-3.176	-2.784	24,9	14,1
120 Provisions for loan losses and for guarantees and commitments	-66.782	-48.397	-59.670	-48.154	11,9	23,9
130 Recoveries of loans and reversals of provisions for guarantees and commitments	9.195	4.634	9.863	5.609	-6,8	75,8
140 Additional provisions for loan losses	-18.000	-	-13.000	-2.433	38,5	434,3
150 Write-downs to financial fixed assets	-	-	-11	-26	-100,0	-57,7
160 Recoveries of financial fixed assets	107	-	88	263	21,6	-66,5
PROVISIONS AND WRITE-DOWNS	-79.446	-47.006	-65.906	-47.525	20,5	38,7
170 INCOME FROM ORDINARY ACTIVITIES	145.027	125.040	171.757	171.594	- 15,6	0,1
180 Extraordinary income	30.029	18.190	14.559	15.468	106,3	-5,9
190 Extraordinary expenses	- 7.022	- 5.360	- 2.598	- 2.588	...	0,4
200 EXTRAORDINARY INCOME, NET	23.007	12.830	11.961	12.880	92,4	- 7,1
INCOME BEFORE TAXATION	168.034	137.870	183.718	184.474	- 8,5	- 0,4
210 Variation of Reserves for general banking risks	5.165	-	-	-	...	...
220 Income taxes	- 67.000	- 58.500	- 78.900	- 80.929	-15,1	-2,5
230 NET INCOME	106.199	79.370	104.818	103.545	1,3	1,2

CONSOLIDATED FINANCIAL HIGHLIGHTS

	31/12/03	30/9/03	31/12/02	31/12/01	Change %	
					2003	2002
BALANCE SHEET (1)						
Total assets	15.918,3	15.903,3	15.388,9	13.961,8	3,4	10,2
Funding	12.897,4	12.983,1	12.424,9	11.216,7	3,8	10,8
– Customer Deposits	11.373,9	11.090,2	10.558,2	9.377,2	7,7	12,6
– Amounts owed to customers	6.861,1	6.717,6	6.900,8	5.838,1	- 0,6	18,2
– Debts evidenced by certificates	4.512,8	4.372,6	3.657,4	3.539,1	23,4	3,3
– Deposits from Banks	1.006,0	1.477,5	1.466,4	1.439,2	- 31,4	1,9
– Funds managed on behalf of third parties	0,4	0,4	0,3	0,3	33,3	-
– Subordinated loans	517,1	415,0	400,0	400,0	29,3	-
Other Financial Intermediation Activities (OFIA)	14.316,9	14.387,9	13.929,9	12.884,8	2,8	8,1
– Assets Under Management	7.436,7	7.359,7	6.842,9	6.421,6	8,7	6,6
– Assets in Custody	6.880,2	7.028,2	7.087,0	6.463,2	- 2,9	9,7
Total Financial Intermediation Activities (TFIA)	25.690,8	25.478,1	24.488,1	22.262,0	4,9	10,0
Lending (2) (3)	13.737,6	13.864,9	13.210,9	12.317,2	4,0	7,3
– Loans to Customers (2) (3)	10.251,3	9.794,7	9.495,1	8.341,4	8,0	13,8
– Loans to Banks (2)	922,3	1.352,0	1.328,1	1.175,1	- 30,6	13,0
– Securities	2.564,0	2.718,2	2.387,7	2.800,7	7,4	- 14,7
– Investment Securities	214,7	273,7	242,0	460,1	- 11,3	- 47,4
– Trading Securities	2.349,3	2.444,5	2.145,7	2.340,6	9,5	- 8,3
Shareholders' Equity (4)	1.501,5	1.302,9	1.305,8	1.275,5	15,0	2,4
GROUP INSURANCE COMPANIES (1)						
Total premiums	670,7	473,5	676,2	668,4	- 0,8	1,2
Damages paid-out	403,5	293,1	430,3	512,9	- 6,2	- 16,1
INCOME STATEMENT (1)						
Operating Income	206,7	140,3	186,4	213,2	10,9	- 12,6
Income from Ordinary Activities	121,5	91,3	112,0	162,6	8,5	- 31,1
Income before Taxation	156,4	112,8	128,5	178,0	21,7	- 27,8
Net Income	84,7	57,7	66,2	96,1	28,1	- 31,1
RESOURCES (5)						
Number of branches	456	455	452	403	0,9	12,2
Number of employees	4.354	4.382	4.111	4.104	5,9	0,2
Insurance companies:						
- number of branches	416	420	443	482	- 6,1	- 8,1
- number of employees	377	390	402	408	- 6,2	- 1,5
FINANCIAL RATIOS						
Non interest income						
/ Gross operating income	50,69%	49,74%	48,08%	47,64%		
Operating costs						
/ Gross operating income	72,83%	74,70%	72,74%	68,89%		
Income before Taxation						
/ Shareholders' Equity (4)	10,42%	8,66%	9,84%	13,96%		
ROE	5,64%	4,43%	5,07%	7,53%		
ROAE (6)	6,41%	4,42%	5,13%	7,58%		
SOLVENCY RATIOS (7)						
Risk-Weighted Assets (RWA) (1)	11.910,9	11.196,2	10.164,1	9.231,1	17,2	10,1
Tier 1% of RWA	8,14%	6,91%	7,13%	8,71%		
Total Capital % of RWA	11,02%	8,99%	9,01%	12,56%		

(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).

(7) Ratios communicated to the Bank of Italy. Excluding ratios at 30/6/2003 and 31/3/2002.

CONSOLIDATED BALANCE SHEET

ASSETS	Change %			
(thousands of Euros)	31/12/03	31/12/02	2003	2002
10 - CASH AND DEPOSITS WITH CENTRAL BANKS AND POST OFFICES	192.509	197.247	- 2,4	5,9
20 - TREASURY BILLS AND SIMILAR BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	884.964	427.642	...	- 25,9
30 - DUE FROM BANKS:	918.431	1.320.229	- 30,4	13,1
(a) repayable on demand	346.689	547.759	- 36,7	76,9
(b) other deposits	571.742	772.470	- 26,0	- 10,0
40 - LOANS TO CUSTOMERS	9.421.748	8.746.577	7,7	13,2
including:				
– loans using funds managed on behalf of third parties	255	188	35,6	-
50 - BONDS AND OTHER DEBT SECURITIES:	1.501.080	1.759.587	- 14,7	- 17,2
(a) issued by public bodies	721.226	1.031.803	- 30,1	- 7,0
(b) issued by banks	421.719	429.387	- 1,8	- 33,2
including:				
– own securities	63.930	44.916	42,3	- 18,0
(c) issued by financial institutions	258.709	199.423	29,7	- 24,0
including:				
– own securities	-	-	-	-
(d) issued by others	99.426	98.974	0,5	- 11,1
60 - SHARES, QUOTAS AND OTHER EQUITY SECURITIES	177.932	200.478	- 11,2	...
70 - EQUITY INVESTMENTS	77.524	103.800	- 25,3	6,6
(a) carried at equity	59.361	75.992	- 21,9	23,1
(b) others	18.163	27.808	- 34,7	- 22,0
80 - INVESTMENTS IN GROUP COMPANIES	172.600	152.385	13,3	17,8
(a) carried at equity	172.600	152.385	13,3	17,8
(b) others	-	-	-	-
90 - POSITIVE DIFFERENCE ARISING FROM CONSOLIDATION	87.538	93.236	- 6,1	- 1,0
100 - POSITIVE DIFFERENCE ARISING FROM APPLICATION OF THE EQUITY METHOD	16.168	14.859	8,8	- 3,3
110 - INTANGIBLE FIXED ASSETS	474.210	480.672	- 1,3	34,2
including:				
– start-up costs	3.268	1.058	...	- 66,4
– goodwill	442.392	450.799	- 1,9	36,2
120 - TANGIBLE FIXED ASSETS	1.019.881	967.126	5,5	20,4
140 - OWN SHARES	-	25.613	- 100,0	- 28,5
(nominal value: 2,313)				
150 - OTHER ASSETS	864.654	809.174	6,9	79,6
160 - ACCRUED INCOME AND PREPAID EXPENSES:	109.015	90.308	20,7	- 9,2
(a) accrued income	100.842	80.497	25,3	- 10,9
(b) prepaid expenses	8.173	9.811	- 16,7	7,4
including:				
– discount on bonds issued	3.596	4.425	- 18,7	...
TOTAL ASSETS	15.918.254	15.388.933	3,4	10,2

LIABILITIES AND STOCKHOLDERS' EQUITY

(thousands Euro)	31/12/03	31/12/02	Change %	
			2003	2002
10 - AMOUNTS OWED TO CREDIT INSTITUTIONS:	1.006.049	1.466.421	- 31,4	1,9
(a) repayable on demand	20.329	44.216	- 54,0	- 48,6
(b) with agreed maturity dates or periods of notice	985.720	1.422.205	- 30,7	5,1
20 - AMOUNTS OWED TO CUSTOMERS:	6.861.171	6.900.768	- 0,6	18,2
(a) repayable on demand	6.595.428	6.239.389	5,7	19,8
(b) with agreed maturity dates or periods of notice	265.743	661.379	- 59,8	5,1
30 - DEBTS EVIDENCED BY CERTIFICATES:	4.512.775	3.657.445	23,4	3,3
(a) bonds	4.073.476	3.146.656	29,5	6,9
(b) certificates of deposits	351.316	429.497	- 18,2	- 16,6
(c) other	87.983	81.292	8,2	0,9
40 - FUNDS MANAGED ON BEHALF OF THIRD PARTIES	368	310	18,7	4,0
50 - OTHER LIABILITIES	655.700	851.226	- 23,0	24,4
60 - ACCRUED EXPENSES AND DEFERRED INCOME:	166.822	149.127	11,9	7,0
(a) accrued expenses	97.455	83.940	16,1	- 11,8
(b) deferred income	69.367	65.187	6,4	47,5
70 - RESERVE FOR TERMINATION INDEMNITIES	96.814	103.515	- 6,5	15,5
80 - RESERVES FOR RISKS AND CHARGES	440.194	420.792	4,6	- 2,9
(a) reserves for pensions and similar commitments	295.310	294.061	0,4	- 3,4
(b) reserves for taxation	106.847	88.574	20,6	- 6,0
(c) consolidation reserves for future risks and charges	-	-	-	-
(d) other reserves	38.037	38.157	- 0,3	9,9
90 - RESERVES FOR LOAN LOSSES	19.997	14.644	36,6	...
100 - RESERVES FOR GENERAL BANKING RISKS	100	5.165	- 98,1	-
110 - SUBORDINATED LOANS	517.055	400.000	29,3	-
130 - NEGATIVE DIFFERENCE ARISING FROM APPLICATION OF THE EQUITY METHOD	34.953	35.134	- 0,5	...
140 - MINORITY INTERESTS	17.362	17.539	- 1,0	- 5,2
150 - CAPITAL STOCK	1.113.327	1.020.550	9,1	0,3
160 - ADDITIONAL PAID-IN CAPITAL	255.023	136.095	87,4	3,1
170 - RESERVES	127.752	135.981	- 6,1	20,6
(a) legal reserve	67.351	56.869	18,4	22,3
(b) reserve for purchase of treasury stock	-	25.613	- 100,0	- 28,5
(c) statutory reserves	-	-	-	-
(d) other reserves	60.401	53.499	12,9	76,0
180 - REVALUATION RESERVES	8.050	8.050	-	-
200 - NET INCOME	84.742	66.171	28,1	- 31,1
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	15.918.254	15.388.933	3,4	10,2

GUARANTEES AND COMMITMENTS

10 - GUARANTEES GIVEN	1.336.530	1.391.727	- 4,0	7,7
including:				
– acceptances	2.859	4.249	- 32,7	- 55,3
– other guarantees	1.333.671	1.387.478	- 3,9	8,2
20 - COMMITMENTS	989.572	820.908	20,5	24,7
including:				
– repurchase agreements	-	-	-	-

INCOME STATEMENT

(thousands of Euros)	31/12/03	31/12/02	Change %	
			2003	2002
10 - INTEREST INCOME AND SIMILAR REVENUES	613.535	635.012	- 3,4	- 7,0
including:				
– loans and advances to customers	494.103	486.147	1,6	- 4,1
– fixed-income securities	96.379	123.716	- 22,1	- 16,0
20 - INTEREST EXPENSE AND SIMILAR CHARGES	- 238.334	- 280.157	- 14,9	- 13,6
including:				
– amounts owed to customers	- 59.471	- 78.704	- 24,4	- 8,6
– securities issued	- 135.891	- 147.531	- 7,9	0,2
30 - DIVIDENDS AND OTHER REVENUES:	18.536	8.754	...	- 6,4
(a) from shares, quotas and other equity securities	13.085	2.878	...	- 1,5
(b) from equity investments	5.451	5.876	- 7,2	- 8,5
(c) from equity investments in group companies	-	-	-	-
40 - COMMISSION INCOME	204.447	184.235	11,0	10,8
50 - COMMISSION EXPENSES	- 16.351	- 13.705	19,3	7,8
60 - GAINS (LOSSES) FROM FINANCIAL TRANSACTIONS, NET	10.674	- 5.844	...	...
70 - OTHER OPERATING INCOME	167.518	157.806	6,2	- 2,2
80 - ADMINISTRATIVE COSTS:	- 416.916	- 374.031	11,5	4,7
(a) personnel	- 268.412	- 232.748	15,3	3,1
including:				
– wages and salaries	- 175.162	- 159.519	9,8	14,6
– social security costs	- 49.179	- 44.633	10,2	14,1
– termination indemnities	- 10.959	- 21.920	- 50,0	98,0
– pensions and similar commitments	- 18.850	- 5.906	...	- 55,1
(b) other administrative costs	- 148.504	- 141.283	5,1	7,5
90 - DEPRECIATION AND AMORTIZATION OF INTANGIBLE AND TANGIBLE FIXED ASSETS	- 137.238	- 123.129	11,5	7,2
100 - PROVISIONS FOR RISKS AND CHARGES	- 4.209	- 3.273	28,6	12,6
110 - OTHER OPERATING EXPENSES	- 9.199	- 11.101	- 17,1	14,2
120 - PROVISIONS FOR LOAN LOSSES AND FOR GUARANTEES AND COMMITMENTS	- 72.588	- 67.090	8,2	33,2
130 - RECOVERIES OF LOANS AND REVERSALS OF PROVISIONS FOR GUARANTEES AND COMMITMENTS	11.295	13.264	- 14,8	36,6
140 - ADDITIONAL PROVISIONS FOR LOAN LOSSES	- 19.744	- 17.334	13,9	...
150 - WRITE-DOWNS TO FINANCIAL FIXED ASSETS	-	- 33	...	- 42,1
160 - RECOVERIES OF FINANCIAL FIXED ASSETS	-	99	...	- 63,3
170 - PROFIT (LOSSES) ON INVESTMENTS CARRIED AT EQUITY	10.030	8.512	17,8	12,4
180 - INCOME FROM ORDINARY ACTIVITIES	121.456	111.985	8,5	- 31,1
190 - EXTRAORDINARY INCOME	43.121	23.339	84,8	22,9
200 - EXTRAORDINARY EXPENSES	- 8.149	- 6.868	18,7	91,6
210 - EXTRAORDINARY INCOME, NET	34.972	16.471	...	6,9
230 - VARIATION OF RESERVES FOR GENERAL BANKING RISKS	- 5.065	-	...	...
240 - INCOME TAXES	- 74.721	- 60.914	22,7	- 24,8
250 - MINORITY INTERESTS	- 2.030	- 1.371	48,1	41,8
260 - NET INCOME	84.742	66.171	28,1	- 31,1

RECLASSIFIED INCOME STATEMENT

INCOME STATEMENT *(thousands of Euros)*

	2003	30/09/03	2002	2001	Change %	
					2003	2002
10 Interest income and similar revenues	613.535	461.781	635.012	682.992	-3,4	-7,0
20 Interest expense and similar charges	-238.334	-183.193	-280.157	-324.108	-14,9	-13,6
NET INTEREST INCOME	375.201	278.588	354.855	358.884	5,7	-1,1
40 Commission income	204.447	147.408	184.235	166.254	11,0	10,8
50 Commission expenses	-16.351	-12.199	-13.705	-12.711	19,3	7,8
60 Gains (losses) from financial transactions	10.674	4.232	-5.844	4.427	...	...
30 Dividends and other revenues	18.536	16.994	8.754	9.348	...	-6,4
170 Profit (losses) on investments carried at equity	10.030	3.779	8.512	7.575	17,8	12,4
70 Other operating income	167.518	121.099	157.806	161.308	6,2	-2,2
110 Other operating expenses	-9.199	-5.593	-11.101	-9.720	-17,1	14,2
NON INTEREST INCOME	385.655	275.720	328.657	326.481	17,3	0,7
GROSS OPERATING INCOME	760.856	554.308	683.512	685.365	11,3	-0,3
80 Administrative costs	-416.916	-312.281	-374.031	-357.217	11,5	4,7
– Personnel	-268.412	-199.137	-232.748	-225.839	15,3	3,1
– Other administrative costs	-148.504	-113.144	-141.283	-131.378	5,1	7,5
90 Depreciation and amortization of intangible and tangible fixed assets	-137.238	-101.776	-123.129	-114.903	11,5	7,2
OPERATING COSTS	-554.154	-414.057	-497.160	-472.120	11,5	5,3
OPERATING INCOME	206.702	140.251	186.352	213.245	10,9	-12,6
100 Provisions for risks and charges	-4.209	-3.503	-3.273	-2.908	28,6	12,6
120 Provisions for loan losses and for guarantees and commitments	-72.588	-51.460	-67.090	-50.370	8,2	33,2
130 Recoveries of loans and reversals of provisions for guarantees and commitments	11.295	6.300	13.264	9.709	-14,8	36,6
140 Additional provisions for loan losses	-19.744	-315	-17.334	-7.296	13,9	...
150 Write-downs to financial fixed assets	-	-	-33	-57	-100,0	-42,1
160 Recoveries of financial fixed assets	-	-	99	270	-100,0	-63,3
PROVISIONS AND WRITE-DOWNS	-85.246	-48.978	-74.367	-50.652	14,6	46,8
180 INCOME FROM ORDINARY ACTIVITIES	121.456	91.273	111.985	162.593	8,5	-31,1
190 Extraordinary income	43.121	27.651	23.339	18.997	84,8	22,9
200 Extraordinary expenses	-8.149	-6.086	-6.868	-3.585	18,7	91,6
210 EXTRAORDINARY INCOME, NET	34.972	21.565	16.471	15.412	...	6,9
INCOME BEFORE TAXATION	156.428	112.838	128.456	178.005	21,8	-27,8
230 Variation of reserves for general banking risks	-5.065	-	-	-	...	...
240 Income taxes	-74.721	-53.646	-60.914	-80.977	22,7	-24,8
250 Minority interests	-2.030	-1.504	-1.371	-967	48,1	41,8
260 NET INCOME	84.742	57.688	66.171	96.061	28,1	-31,1

