

## APPROVAL OF 2003 RESULTS

*The results achieved in 2003 confirm the effectiveness of the Operating Plan designed to create the basis for stability and development of BNL Group*

Rome, 30<sup>th</sup> April 2004. The Shareholders' Meeting of BNL which took place in Rome today, with over 50% of the ordinary share capital represented, approved the financial statements 2003 which show a consolidated net profit of euro 141 million (+55% compared to euro 91 million at year-end 2002). The net profit of the Parent Company amounts to euro 116 million (+111%).

The Operating Plan, unveiled in the course of 2003, has provided the framework to undertake actions to improve operating and economic efficiency which in turn have made possible the achievement of significant objectives already in the second part of the year, such as a Tier 1 in excess of 6%, the rationalisation of the Group's perimeter, the optimisation of the company's structure and layout.

The positive results achieved in 2003<sup>1</sup> show a strengthening of the capital base and a significant improvement in the operating result, resulting from a stability of gross operating income and a sizeable cost reduction in all components. Tier 1 comes to 6.2% from 5.02% at year-end 2002. This result was achieved, in advance of the targets set, through the combined effect of reducing risk-weighted assets and increasing capital as a result of the revaluation of the real estate portfolio.

### **STATEMENT OF OPERATIONS: KEY DATA**

- **Gross operating income** euro 3,070 million at Group level (+0.4%) and euro 2,659 million for the Bank (+1.9%)
- **Operating costs** euro 1,923 million at Group level (-4.7%) and euro 1,714 million for the Bank (-2.9%)
- **Operating result** euro 1,147 million at Group level (+10.4%) and euro 945 million for the Bank (+12%)
- **Net profit** euro 141 million at Group level (+55%) and euro 116 million for the Bank (+111%)

The Shareholders' Meeting has also approved the allocation of euro 114.6 million to reserves and euro 963 thousand to 2003 dividends solely for savings shares (euro 0.0415 equivalent to 8.30% of par value), payable from 27<sup>th</sup> May 2004 (ex-dividend on 24<sup>th</sup> May 2004). The AGM has also approved the free assignment of treasury shares held by BNL SpA – out of the specific reserve – to both ordinary and savings shareholders in the ratio of one ordinary share per 64 held.

<sup>1</sup> The consolidated accounts at 31 December 2003, as for the previous year and for other periodical reporting in 2003, have been prepared deconsolidating the Argentinean subsidiaries under the holding company BNL Inversiones Argentinas SA. The exclusion has been necessary yet again in view of the persisting unavailability of sufficiently accurate and reliable data. Furthermore, compared to year-end 2002, the consolidation area also excludes Banca BNL Investimenti (in view of its sale finalised in March 2004) and Banca Nazionale del Lavoro S.A. – Montevideo, under liquidation.

BNL's shareholders, in the course of the AGM, have confirmed the appointment as member of the Board of Directors of Diego Della Valle, who had been co-opted in the Board on 16<sup>th</sup> June 2003.

The Ordinary Shareholders' Meeting has also finalised the renewal for a further 18 months of the reserve for purchasing own shares for an amount of euro 100 million, as well as the related purchase and sale regulations.

In the Extraordinary section of the AGM the shareholders approved:

- the incorporation of Coopercredito SpA;
- a free capital increase of euro 486,733,759.38 (from euro 1,106,213,089.50 to euro 1,592,946,848.88) through partial utilisation of the revaluation reserve according to Law 350/2003 with an increase of the nominal value of ordinary and savings shares from euro 0.50 to euro 0.72;
- amendments to specific articles of the By-Laws to comply with new company law requirements and provide greater flexibility in terms of corporate governance: art. 3 (Duration of the Company); art. 7 (Board of Directors: renewal of the power to authorise capital increases and to issue convertible bonds and/or cum warrant); art. 9 and 14 (Financial accounts); art. 15, 16, 17 and 18 (AGM: calling, shareholders' participation, secretary); art. 19 (Directors: submitting voting lists); art. 20, 21, 22 and 27 (Board of Directors: members appointed by the AGM, power to appoint a Managing Director and a General Manager, powers and responsibilities); art. 26 (Remuneration); art. 31 (Chairman's Responsibilities); art. 33 and 34 (Statutory Auditors: submitting voting lists, meetings using technological means); art. 37, 38, 39 and 40 (Roles of the Deputy General Manager(s), Substitute Deputy General Manager); art.42 (Governance Bodies: requirements); related and resultant approvals.

*In order to provide a comprehensive information on the results achieved in the period, summary tables of the statement of operations and balance sheet of the Bank and the Group are attached.*

*Documents and press releases relating to the AGM are available on the website [www.bnl.it](http://www.bnl.it) in the Press Room and Investor Relations sections*

*Please note that the original Press Release is in Italian. In case of doubt the Italian version prevails.*



## SUMMARY OF 2003 RESULTS

### BNL GROUP<sup>1</sup>

#### Statement of Operations

The **consolidated operating result** comes to euro 1,147 million, an increase of 10.4% on 2002, confirming the positive operating trend. This significant improvement is the result of the stability of gross operating income combined with the comprehensive action of control and containment of operating expenses in all components. **Operating costs** decrease from euro 2,018 million to euro 1,923 million (-4.7%).

In particular, **personnel expenses** decline from euro 1,129 million to euro 1,101 million (-2.5%) as a result of the ongoing policy of personnel reduction, with a net headcount reduction of 958 resources. **Other administrative expenses** decrease from euro 680 million to euro 626 million (-7.9%), while **depreciation and amortisation** amount to euro 196 million versus euro 209 million at year-end 2002 (-6.2%). As a result, the **cost to income** ratio improves decreasing to 62.6% from 66% at year-end 2002. Net of depreciation and amortisation, the cost to income ratio comes to 56.3%.

**Net interest income** amounts to euro 1,661 million, with a decline of 8% due to the contraction of average volumes resulting from the implementation of the policy of loan portfolio restructuring, especially international, from the securitization of performing loans finalised in the year, and from lower interest rates and the appreciation of the euro.

The decline in net interest income has been offset by a significant improvement in **non-interest income** (+12.6%, from euro 1,251 million to euro 1,409 million). **Income on financial transactions** rises to euro 184 million (+64.3%), thanks to growth in the Corporate and Public Administration markets and the improved performance on securities and foreign exchange. **Net commissions and other net income** increase by 2.1% as a result of a more effective commercial action, with significant growth in specific components (payment services +19.6%, brokerage +46%, general banking fees +8.3%); within the asset management aggregate there has been a marked increase in the bancassurance sector, with a significant growth of new production (euro 1,925 million; +29%), and in the real estate investment trusts sector, where BNL consolidates its leadership with total assets under management in excess of euro 1,100 million.

**Gross operating income** thus shows a growth of 0.4%, to euro 3,070 million.

The rigorous policy adopted by the Group has resulted in **net write-downs and net provisions** of euro 805 million, compared to euro 553 million at year-end 2002 (+45.6%). This item has been affected by the provisions set aside to cover exposures to Enron (euro 66 million) and Parmalat/Hit-Parmatour (euro 111 million against an overall exposure of euro 145 million<sup>2</sup>, with a coverage of 77%). This leads to a **consolidated profit on ordinary activities** of euro 342 million, versus euro 486 million at year-end 2002 (-29.6%).

Taking into account net extraordinary income (euro 72 million, mainly resulting from the recovery of loans from Argentina and the charges for personnel reduction), the total write-down of the investment in Albacom SpA (euro 163 million), the utilisation of the reserve for general banking risks (euro 67 million), income taxes for the year (euro 135 million), the additional provisions for credit risks (euro 39 million) and the net profit attributable to minority interests, the 2003 statement of operations closes with a **consolidated net profit** of euro 141 million compared to euro 91 million at year-end 2002 (+55%).

---

<sup>1</sup> The Group results include 19 companies consolidated on a line-by-line basis (including the Parent Company), 5 consolidated at net equity, with a book value of euro 106 million (102 at year-end 2002), and 97 other equity investments valued at cost, with a book value of euro 256 million (392 at year-end 2002).

<sup>2</sup> This amount does not include the portion of loans pertaining to third-party participants in pool operations for which Iitalia is lead manager (euro 102 million) and reinsured credits for euro 44 million.

## **Balance Sheet**

**Total loans** amount to euro 75,195 million (-1.4%) as a result of the strategy of reducing the international loan portfolio and the re-composition of sector exposures leading to a progressive disengagement from higher risk segments. **Cash loans to customers** come to euro 56,014 million, with a 7% contraction mainly in the foreign component, while the domestic market does not show significant reductions. In particular loans to resident customers of Italian branches show a sizeable increase in the households segment: new production of **residential mortgages** totals euro 2,825 million (+22%), while for **personal loans** it amounts to euro 1,021 million (+9.2%).

Total gross problem loans (non-performing and substandard loans) increase by 10.7% in the year (from euro 5,043 million to euro 5,585 million). Excluding the impact of the gross exposures to Parmalat and Enron, total problem loans grow by 3.5%. Net non-performing loans and substandard loans increase by 2.3% (from euro 3,126 million to euro 3,199 million). In particular, **net non-performing loans** increase by 14.5%, while **net substandard loans** decrease by 21.1%. Accelerating the achievement of the objectives of the Operating Plan, the problem loans coverage ratio has been further increased to 45.6% from 41.2% at year-end 2002, including provisions for credit risk.

**The Group's unsecured exposure to countries at risk**, net of write-downs, shows a significant reduction (-17.6%) to euro 424 million from euro 515 million at year-end 2002. Including write-downs and securities, these positions decrease by 36.8% from euro 1,065 million to euro 673 million, while their coverage comes to 32.3%. These figures exclude the ordinary credit lines to subsidiaries operating in Argentina (euro 132 million, all regularly performing), which are fully covered by provisions for possible loan losses.

**Direct deposits from customers**, including euro 2,578 million of subordinated securities, come to euro 54,412 million (-3.2%). This reduction is mainly attributable to a contraction in the foreign market (euro -897 million, -25.4% coherently with the contraction in foreign loans. Domestic deposits remain stable, with growth in the cheaper and more stable component (household deposits euro +1,391 million; +9.2%). **Indirect deposits** (asset management and securities under custody) amount to euro 73 billion, up 3.5%. Adding this figure to direct deposits from customers, **total deposits from customers** come to more than euro 127 billion (+0.5% compared to euro 126 billion at year-end 2002).

Looking at the figure for indirect deposits in greater detail, there has been an increase both in securities under custody (+2.2% to euro 44 billion) and in asset management (+5.5% to euro 29 billion). Within the latter sector, mutual funds increase by 5.2% and portfolio management by 13%.

In line with the objectives of the Operating Plan to 2005, the downsizing of **risk-weighted assets** continued, ending up with a reduction of euro 5.8 billion. This reduction, together with the one achieved in 2002 (euro -8.3 billion), has produced in the two-year period a contraction of 19% in risk-weighted assets. In this context, coherently with the strategy of reducing the international exposure, the Group's "non-Italian related risk" has more than halved, falling to just over euro 2 billion.

Attainment of the targets of loan portfolio downsizing has led to an optimisation of the financial equilibrium - given by the improvement in the ratio of performing customer loans/funding from customers, which in 2003 decreases to 97% from 102% at year-end 2002 - and to a reduction in net **inter-bank borrowing** (euro -5.9 billion, -71.9%), coming to euro 2.3 billion.

The Group's net equity, excluding net profit for the year, amounts to euro 4,279 million, 10.5% higher than euro 3,872 million at year-end 2002. The Group's total capital and reserves amount to euro 7,354 million. Considering the transfer to capital of euro 487 million from the real estate revaluation reserve due to be approved by the Extraordinary Shareholders' Meeting, the **Tier 1 ratio** comes to 6.21% versus 5.02% in December 2002. The Group's **solvency ratio** grows to 10.60% (versus 9.32% at year-end 2002).

## BNL SpA

### Statement of Operations

**Gross operating income** (euro 2,659 million) increases by 1.9% compared to euro 2,610 million in 2002, thanks to the strong growth in total **non-interest income** (+15.6%), from euro 1,042 million to euro 1,205 million, offsetting the decline in **net interest income** (-7.3%, from euro 1,568 million to euro 1,454 million). Amongst non-interest income **net commissions** grow by 3.1% from euro 713 million to euro 735 million.

**Operating costs** decrease in the year by 2.9% from euro 1,766 million to euro 1,714 million. In particular, personnel expenses decrease by 1.6%, from euro 1,001 million to euro 985 million; other administrative expenses fall 4.2% to euro 548 million; depreciation and amortisation come to euro 181 million compared to euro 193 million in the previous year.

As a result of the rigorous cost control and the increase in gross operating income, the **operating result** marks a significant growth of 12%, coming in at euro 945 million compared to euro 844 million in 2002. Deducting total write-downs and provisions for loan losses, which increase to euro 642 million (+51.1%) due to the rigorous accounting policy, leads to a **profit on ordinary activities** of euro 303 million (euro 419 million at year-end 2002).

**Extraordinary items** show a positive balance of euro 43 million, resulting from euro 224 million of charges – including euro 145 million of redundancy incentives entirely accounted in the income statement for the year - and euro 267 million of extraordinary income, including euro 174 million released from the allowance for loan losses following the partial repayment of ordinary credit lines granted by the Bank to the Argentinean subsidiary.

Taking into account net extraordinary profit (euro 43 million), the total write-down of the investment in Albacom SpA (euro 163 million), the utilisation of the reserve for general banking risks (euro 67 million), income taxes for the period (euro 95 million), the additional provisions for credit risks (euro 39 million), the 2003 statement of operations closes with a **net profit** of euro 116 million compared to euro 55 million in 2002 (+111%). The AGM approved the allocation of euro 114.6 million to reserves and euro 963 thousand to 2003 dividends solely for savings shares (euro 0.0415 equivalent to 8.30% of par value), payable from 27 May 2004.

### Balance Sheet

**Total cash loans** net of write-downs come to euro 65,102 million with a reduction of 1.8% compared to the previous year. Endorsement credits amount to euro 12,153 million (-12%). Total loans (cash loans + endorsement credits) thus exceed euro 77 billion (-3.6%). In accordance with the policy of reducing exposure, especially those with less favourable ratings, **cash loans to customers**, of euro 53,817 million, show a significant reduction (-8.5%) compared to 2002.

**Total gross problem loans** (non-performing + substandard loans) amount to euro 4,938 million, +5.8% compared to euro 4,665 million at year-end 2002. The level of coverage, resulting from write-downs and the fully provided overdue interest, comes to 45.3%, higher than 39.1% in 2002. **Non-performing loans**, net of write-downs amounting to euro 1,818 million, come to euro 2,018 million (+6.8%) with coverage increased from 43.6% to 48.4%. **Substandard loans** fall during the year to euro 776 million while their coverage rises to 34.6% (compared to 27.5% at year-end 2002).

At year-end 2003 **deposits from customers**, including subordinated securities for euro 2,524 million, fall in the year by 1.4%, from euro 50,706 million to euro 49,993 million. The Bank's **total deposits** come to euro 66,493 million, 4.7% down on year-end 2002.

The Bank's **net equity** at 31 December 2003, excluding net profit for the year, amounts to euro 3,905 million, an increase of 11.1% compared to euro 3,514 million at year-end 2002. Total **capital and reserves** come to euro 6,779 million.

## BNL GROUP HIGHLIGHTS

	2003	2002	% change
	(a)	(b)	(a/b)
<b>PROFIT AND LOSS DATA (1) (euro million)</b>			
Net interest income	1,661	1,806	-8.0%
Non-interest income	1,409	1,251	12.6%
Gross operating income	3,070	3,057	0.4%
Operating costs	1,923	2,018	-4.7%
Operating profit	1,147	1,039	10.4%
Profit on ordinary activities	342	486	-29.6%
Net profit for the period	141	91	54.9%
<b>BALANCE SHEET DATA (euro million)</b>			
Total assets	81,060	83,711	-3.2%
Total risk weighted assets (2)	61,610	67,370	-8.6%
Loans to customers	56,014	60,249	-7.0%
Loans to banks	10,913	6,819	60.0%
Securities portfolio	3,862	5,887	-34.4%
Equity investments	361	495	-27.0%
Deposits from customers	54,412	56,232	-3.2%
Deposits from banks	13,200	14,968	-11.8%
Subordinated liabilities and hybrid capitalization instruments	2,578	2,878	-10.4%
Tier 1 capital	3,827	3,379	13.3%
Shareholders' equity (excluding net profit for the year)	4,279	3,872	10.5%
Capital for supervisory purposes	6,285	6,034	4.2%
<b>ASSET UNDER MANAGEMENT AND SECURITIES UNDER CUSTODY (euro million)</b>			
Assets under management	29,239	27,708	5.5%
- of which:			
Mutual Funds	19,504	18,540	5.2%
Portfolio Management	7,313	6,471	13.0%
Funds under Fiduciary Management	2,422	2,697	-10.2%
Securities under custody	43,467	42,537	2.2%
Total indirect deposits	72,706	70,245	3.5%
<b>PROFITABILITY, EFFICIENCY AND DIVERSIFICATION RATIOS</b>			
ROE	3.6%	2.4%	
Cost/income (excluding depreciation and amortisation)	56.3%	59.2%	
Cost/income (including depreciation and amortisation)	62.6%	66.0%	
Net commissions and other operating income/gross operating income	37.4%	36.8%	
<b>ASSET QUALITY (euro million)</b>			
Non-performing and substandard loans	3,199	3,126	2.3%
- as % of customers' loans	5.7%	5.2%	
- coverage ratio	45.6%	41.2%	
Non-performing loans	2,356	2,057	14.5%
- as % of customers' loans	4.2%	3.4%	
- coverage ratio	48.7%	46.3%	
Substandard loans	843	1,069	-21.1%
- as % of customers' loans	1.5%	1.8%	
- coverage ratio	34.4%	27.6%	
<b>CAPITAL RATIOS</b>			
Tier 1 ratio (2)	6.21%	5.02%	
Solvency ratio (2)	10.60%	9.32%	
<b>OTHER DATA</b>			
Employees at year end (3)	17,347	18,305	-5.2%
Financial advisors	958	1,100	-12.9%
Network number of distribution outlets (4)	810	823	-1.6%
- of which in Italy	788	793	-0.6%
<b>BNL STOCK INFORMATION</b>			
Number of shares	2,211,663,643	2,175,110,517	1.7%
- of which ordinary shares	2,188,465,312	2,151,912,186	1.7%
BNL ordinary shares closing price (euro)	1.90	1.06	79.5%
Market capitalization (euro million)	4,186	2,297	82.2%

(1) Reclassified in accordance with management accounting criteria

(2) Provisional data

(3) Excludes personnel of Group companies operating in Argentina (totalling 1,973 as at 31 December 2003)

(4) Excludes distribution outlets of Group companies operating in Argentina (totalling 112 as at 31 December 2003)

## BNL GROUP: RECLASSIFIED STATEMENT OF OPERATIONS

<i>(euro million)</i>	31/12/2003	31/12/2002	% change	
<b>Net Interest Income</b>	<b>1,661</b>	<b>1,806</b>	<b>-145</b>	<b>-8.0</b>
Net commissions	936	918	18	2.0
Income (losses) on financial transactions	184	112	72	64.3
Profit from investments valued at net equity and dividends	76	14	62	---
Other net operating income	213	207	6	2.9
<b>Non-interest income</b>	<b>1,409</b>	<b>1,251</b>	<b>158</b>	<b>12.6</b>
<b>Gross operating income</b>	<b>3,070</b>	<b>3,057</b>	<b>13</b>	<b>0.4</b>
Administrative expenses:	1,727	1,809	-82	-4.5
- <i>Personnel expenses</i>	1,101	1,129	-28	-2.5
- <i>Other administrative expenses</i>	626	680	-54	-7.9
Depreciation and amortisation	196	209	-13	-6.2
<b>Operating costs</b>	<b>1,923</b>	<b>2,018</b>	<b>-95</b>	<b>-4.7</b>
<b>Operating profit</b>	<b>1,147</b>	<b>1,039</b>	<b>108</b>	<b>10.4</b>
Net write-downs on credits and provisions for possible loan losses	618	426	192	45.1
Provisions for risks and contingencies	177	115	62	53.9
Net write-downs on financial fixed assets	10	12	-2	-16.7
<b>Total net write-downs and net provisions</b>	<b>805</b>	<b>553</b>	<b>252</b>	<b>45.6</b>
<b>Profit on ordinary activities</b>	<b>342</b>	<b>486</b>	<b>-144</b>	<b>-29.6</b>
Net extraordinary items	72	13	59	---
Charges for impact of Argentina crisis	0	540	-540	-100.0
Write-downs on financial fixed assets	163	0	163	---
Additional provisions for credit risks	39	33	6	18.2
Change in the reserve for general banking risks	-67	-167	-100	-59.9
Income taxes for the year	135	-4	139	---
Net profit attributable to minority interests	-3	-6	-3	-50.0
<b>Net profit for the year</b>	<b>141</b>	<b>91</b>	<b>50</b>	<b>54.9</b>

## BNL GROUP : RECLASSIFIED BALANCE SHEET

<i>(euro million)</i>	31/12/2003	31/12/2002	%	
	(a)	(b)	change	
			(a/b)	
<b>Assets</b>				
<b>Cash and deposits with central banks and post offices</b>	<b>512</b>	<b>518</b>	<b>-6</b>	<b>-1.1%</b>
<b>Loans to</b>				
- banks	10,913	6,819	4,094	60.0%
- customers	56,014	60,249	-4,235	-7.0%
<b>Trading securities</b>	<b>2,786</b>	<b>4,316</b>	<b>-1,530</b>	<b>-35.4%</b>
<b>Fixed assets</b>				
- investment securities	1,076	1,571	-495	-31.5%
- equity investments	361	495	-134	-27.0%
- intangible assets	416	401	15	3.7%
- tangible assets	2,248	1,719	529	30.8%
<b>Other items</b>	<b>6,734</b>	<b>7,623</b>	<b>-889</b>	<b>-11.7%</b>
<b>Total assets</b>	<b>81,060</b>	<b>83,711</b>	<b>-2,651</b>	<b>-3.2%</b>
<b>Liabilities and Shareholders' equity</b>				
<b>Deposits from</b>				
- banks	13,200	14,968	-1,768	-11.8%
- customers and securities issued	51,834	53,354	-1,520	-2.8%
<b>Specific purpose allowances</b>	<b>1,651</b>	<b>1,525</b>	<b>126</b>	<b>8.2%</b>
<b>Allowances for possible loan losses</b>	<b>357</b>	<b>692</b>	<b>-335</b>	<b>-48.4%</b>
<b>Subordinated liabilities</b>	<b>2,578</b>	<b>2,878</b>	<b>-300</b>	<b>-10.4%</b>
<b>Shareholders' equity</b>	<b>4,304</b>	<b>3,849</b>	<b>455</b>	<b>11.8%</b>
of which:				
- <i>General banking risk reserve</i>	64	133	-69	-51.9%
- <i>Net income for the period</i>	141	91	50	54.9%
<b>Minority interest</b>	<b>116</b>	<b>115</b>	<b>1</b>	<b>1.0%</b>
<b>Other items</b>	<b>7,020</b>	<b>6,330</b>	<b>690</b>	<b>10.9%</b>
<b>Total liabilities and shareholders' equity</b>	<b>81,060</b>	<b>83,711</b>	<b>-2,651</b>	<b>-3.2%</b>



## **BNL GROUP: ASSETS UNDER MANAGEMENT AND SECURITIES UNDER CUSTODY (1)**

<i>(euro million)</i>	<b>31/12/2003</b>	<b>31/12/2002</b>	<b>% change</b>
	(a)	(b)	(a/b)
<b>Assets under management (2)</b>	<b>29,239</b>	<b>27,708</b>	<b>5.5%</b>
- of which:			
<i>Mutual Funds</i>	19,504	18,540	5.2%
<i>Portfolio Management</i>	7,313	6,471	13.0%
<i>Funds under Fiduciary Management</i>	2,422	2,697	-10.2%
<b>Securities under custody (3)</b>	<b>43,467</b>	<b>42,537</b>	<b>2.2%</b>
<b>Total Indirect Deposits</b>	<b>72,706</b>	<b>70,245</b>	<b>3.5%</b>

(1) Excluding transactions with market regulatory entities

(2) The aggregate excludes funds under management of Group companies

- euro 4,619 million as at 31st December 2003

- euro 4,686 million as at 31st December 2002

(3) The aggregate excludes portfolio management and securities in deposit of subsidiary companies, especially for which BNL acts as custodian bank

## BNL SPA: RECLASSIFIED BALANCE SHEET

<i>(euro million)</i>	31/12/2003 (a)	31/12/2002 (b)	% change (a/b)
<b>Assets</b>			
Cash and deposits with central banks and post offices	504	497	1.5%
Loans to			
- banks	11,285	7,488	50.7%
- customers	53,817	58,832	-8.5%
Trading securities	2,649	4,158	-36.3%
Fixed assets			
- investment securities	953	1,240	-23.1%
- equity investment	1,229	1,402	-12.3%
- intangible assets	359	344	4.6%
- fixed assets	1,886	1,320	42.8%
Other items	5,952	5,614	6.0%
<b>Total assets</b>	<b>78,634</b>	<b>80,895</b>	<b>-2.8%</b>
<b>Liabilities and Shareholders' equity</b>			
Deposits from			
- banks	16,500	19,074	-13.5%
- customers and securities issued	47,469	47,877	-0.9%
Specific purpose allowances	1,496	1,358	10.2%
Possible loan losses allowances	234	555	-57.8%
Subordinated liabilities	2,524	2,829	-10.8%
Shareholders' equity	4,021	3,569	12.7%
of which:			
- General banking risks reserve	47	114	-58.8%
- Net income for the period	116	55	---
Other items	6,390	5,633	13.4%
<b>Total liabilities and shareholders' equity</b>	<b>78,634</b>	<b>80,895</b>	<b>-2.8%</b>

## BNL SPA: RECLASSIFIED STATEMENT OF OPERATIONS

<i>(euro million)</i>	31/12/2003	31/12/2002	% change
<b>Net Interest Income</b>	<b>1,454</b>	<b>1,568</b>	<b>-7.3</b>
Net commissions	735	713	3.1
Income (losses) on financial transactions	183	103	77.7
Profit from investments valued at net equity and dividends	105	54	94.4
Other net operating income	182	172	5.8
<b>Non-interest income</b>	<b>1,205</b>	<b>1,042</b>	<b>15.6</b>
<b>Gross operating income</b>	<b>2,659</b>	<b>2,610</b>	<b>1.9</b>
Administrative expenses:	1,533	1,573	-2.5
- <i>Personnel expenses</i>	985	1,001	-1.6
- <i>Other administrative expenses</i>	548	572	-4.2
Depreciation and amortisation	181	193	-6.2
<b>Operating costs</b>	<b>1,714</b>	<b>1,766</b>	<b>-2.9</b>
<b>Operating profit</b>	<b>945</b>	<b>844</b>	<b>12.0</b>
Net write-downs on credits and provisions for possible loan losses	455	317	43.5
Provisions for risks and contingencies	171	89	92.1
Net write-downs on financial fixed assets	16	19	-15.8
<b>Total net write-downs and net provisions</b>	<b>642</b>	<b>425</b>	<b>51.1</b>
<b>Profit on ordinary activities</b>	<b>303</b>	<b>419</b>	<b>-27.7</b>
Net extraordinary items	43	-25	---
Charges for impact of Argentina crisis	0	540	---
Write-downs on financial fixed assets	163	0	---
Additional provisions for credit risks	39	33	18.2
Change in the reserve for general banking risks	-67	-178	-62.4
Income taxes for the year	95	-56	---
<b>Net profit for the year</b>	<b>116</b>	<b>55</b>	<b>---</b>

## BNL GROUP: RECLASSIFIED STATEMENT OF OPERATIONS - QUARTERLY ANALYSIS (1)

<i>(euro thousand)</i>	Year 2003			
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
<b>Net Interest Income</b>	<b>426,427</b>	<b>434,140</b>	<b>384,290</b>	<b>415,928</b>
Net commissions and other net operating income	282,090	292,232	262,592	312,230
Income (losses) on financial transactions	62,625	36,304	40,044	45,158
Profit from investments valued at net equity and dividends	31,329	15,357	6,240	22,589
<b>Non-Interest Income</b>	<b>376,044</b>	<b>343,893</b>	<b>308,876</b>	<b>379,977</b>
<b>Gross operating income</b>	<b>802,471</b>	<b>778,033</b>	<b>693,166</b>	<b>795,905</b>
Administrative expenses:	424,680	430,296	430,692	441,301
- <i>Personnel expenses</i>	268,545	279,769	270,573	282,013
- <i>Other administrative expenses</i>	156,135	150,527	160,119	159,288
Depreciation and amortisation	48,258	43,581	49,243	54,748
<b>Operating costs</b>	<b>472,938</b>	<b>473,877</b>	<b>479,935</b>	<b>496,049</b>
<b>Operating profit</b>	<b>329,533</b>	<b>304,156</b>	<b>213,231</b>	<b>299,856</b>
Net write-downs on credits and provisions for possible loan losses	102,059	151,424	126,714	237,360
Provisions for risks and contingencies	45,114	-3,299	10,590	125,084
Net write-downs on financial fixed assets	2,945	4,747	-2,223	4,737
<b>Total net write-downs and net provisions</b>	<b>150,118</b>	<b>152,872</b>	<b>135,081</b>	<b>367,181</b>
<b>Profit on ordinary activities</b>	<b>179,415</b>	<b>151,284</b>	<b>78,150</b>	<b>-67,325</b>
Net extraordinary items	8,323	-71,578	19,355	116,050
Write-downs on financial fixed assets	15,000	0	15,000	132,892
Additional provisions for credit risks	0	0	0	38,572
Change in the reserve for general banking risks	40,000	35	-35	-107,000
Income taxes for the year	54,854	55,634	33,483	-8,614
Net profit attributable to minority interests	880	774	759	656
<b>Net profit for the year</b>	<b>77,004</b>	<b>23,263</b>	<b>48,298</b>	<b>-7,781</b>

(1) Pro-forma quarterly statements exclude Banca BNL Investimenti

## BANCA NAZIONALE DEL LAVORO SPA

Shareholders and related Groups which, on the basis of communication received and other available information, have a shareholding in excess of 2% of the ordinary share capital

Ordinary and savings shares: nominal value per share euro 0.50

SHARHOLDERS	SUBSCRIBED and PAID-IN CAPITAL (EURO)	DIRECT SHAREHOLDING			OVERALL SHAREHOLDING			
		Number of Shares	% share of		Number of Shares	% share of		
			Ordinary share Capital 1.094.613.924,00	Shareholders' Equity 1.106.213.089,50		Ordinary share Capital 1.094.613.924,00	Shareholders' Equity 1.106.213.089,50	
1	BANCO BILBAO VIZCAYA ARGENTARIA S.A.	160.339.792,50	320.679.585	14,64807	14,49448	320.679.585	14,64807	14,49448
	<i>GENERALI GROUP</i>	(81.194.689,00)						
2	ASSICURAZIONI GENERALI SPA	79.185.089,00	158.370.178	7,23407	7,15821	162.389.378	7,41766	7,33988
	<i>COPPOLA DANILO</i>	(54.710.000,00)						
3	PACOP SPA	29.502.500,00	59.005.000	2,69524	2,66698	109.420.000	4,99811	4,94570
	<i>THE LIBRA TRUST</i>							
4	MAGISTE INTERNATIONAL S.A.	54.705.917,00	109.411.834	4,99774	4,94533	109.411.834	4,99774	4,94533
	<i>DELLA VALLE DIEGO</i>							
5	DORINT HOLDING S.A.	54.700.000,00	109.400.000	4,99720	4,94480	109.400.000	4,99720	4,94480
	<i>MONTE DEI PASCHI DI SIENA GROUP</i>	(48.683.339,50)						
6	BANCA MONTE DEI PASCHI DI SIENA S.P.A.	48.649.314,50	97.298.629	4,44443	4,39782	97.366.679	4,44754	4,40090
7	BANCA POPOLARE DI VICENZA	39.634.000,50	79.268.001	3,62082	3,58285	79.268.001	3,62082	3,58285
	<i>STATUTO GIUSEPPE</i>							
8	MICHELE AMARI SRL	22.500.000,00	45.000.000	2,05552	2,03397	45.000.000	2,05552	2,03397
	<i>BNL GROUP (WITHOUT VOTING RIGHTS)</i>	(26.722.500,00)						
9	- BANCA NAZIONALE DEL LAVORO SPA	21.650.000,00	43.300.000	1,97787	1,95713	53.445.000	2,44127	2,41567
10	- ARTIGIANCASSA SPA	5.072.500,00	10.145.000	0,46341	0,45855			
	<b>Total</b>	<b>565.690.238,50</b>				<b>1.131.380.477</b>	<b>51,67943</b>	<b>51,13755</b>
	<b>UNIDENTIFIED SHAREHOLDING</b>	<b>528.923.685,50</b>				<b>1.057.847.371</b>	<b>48,32057</b>	<b>47,81391</b>
	Ordinary share capital	1.094.613.924,00	Total ordinary shares	→		2.189.227.848	100	98,95145
	Savings share capital	11.599.165,50	Total savings shares	→		23.198.331		1,04855
	<b>Total share capital</b>	<b>1.106.213.089,50</b>	Total shares	→		<b>2.212.426.179</b>		<b>100</b>

Rome 27/04/2004

TOTAL ASSICURAZIONI GENERALI GROUP  
ASSICURAZIONI GENERALI  
OTHER ASSICURAZIONI GENERALI GROUP

157.884.378 ANTE AGM  
153.865.178 ANTE AGM  
4.019.200 ANTE AGM