



# **Presentation of 2004 Group Results**

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*March 2005*

# Disclaimer

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# Agenda

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## ■ Overview

Results at 31/12/2004

*Balance Sheet: main trends*

*Income Statement: analysis*

*Appendix*

***N.B. 2004 results do not consolidate the Argentina group***

# Executive Summary

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## 2004: A Turning Point for BNL

### Capital Increase

- Successful completion of rights issue in December 2004 raising €1.2bln from the market

### Acceleration towards stated targets

- Acceleration in addressing asset quality criticalities and establishing a solid capital base

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**This decisive action allows  
a shift in focus towards profitable growth**

# Operating Plan 2003-05: Progress Report

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## Acceleration in the achievement of Plan objectives

### **IMPROVED RISK PROFILE OF THE GROUP**

(Domestic focus, lower portfolio risk profile and improvement in asset quality)

### **STRENGTHENED FINANCIAL EQUILIBRIUM**

(Tier 1 capital boosted through rights issue and reduction in non-core RWA)

### **INCREASED OPERATING EFFICIENCY**

(Personnel reduction and re-qualification, review of operating processes)

### **REVIEW OF GROUP PERIMETER**

**LAY FOUNDATION FOR  
RE-LAUNCH OF  
COMMERCIAL DEVELOPMENT**

# Operating Plan Progress: Risk Profile

## Re-focusing on core business reducing risk concentrations

### CORE BUSINESS RE-FOCUSING:

#### International RWA:

- Reduction from €8bln in 2002 to €2.7bln in 2004

#### Large corporate:

- Downsizing of portfolio RWA from €10.9bln in 2002 to €6.8bln in 2004
- Large exposures from 12 in 2002 to 2 in 2004

#### LatAm activity:

- Disposal of Brazil and Uruguay subsidiaries finalized and agreement for the sale of BNL Argentinean Group

### LOWER PORTFOLIO RISK PROFILE:

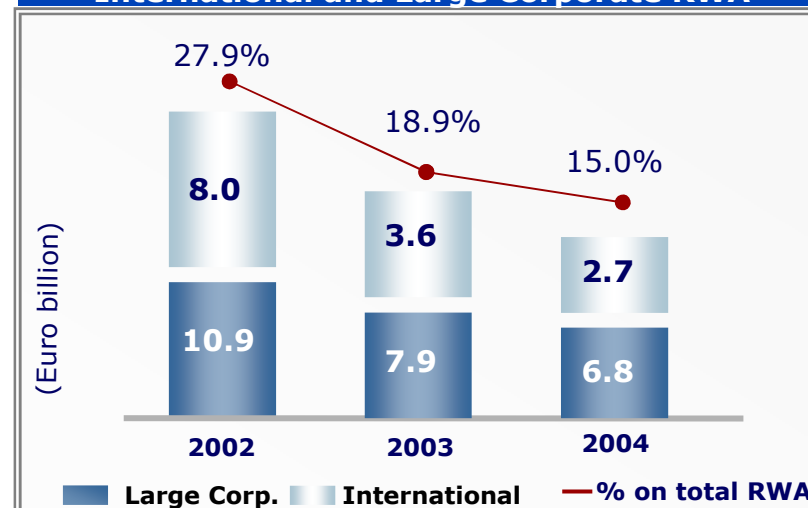
Reduced exposure to higher risk clients:

- Relative weight of credits in higher-risk classes (7-9) down from 12% to 9% of rated exposures
- EDF decreased from 2.02% in 2002 to 1.71% in 2004

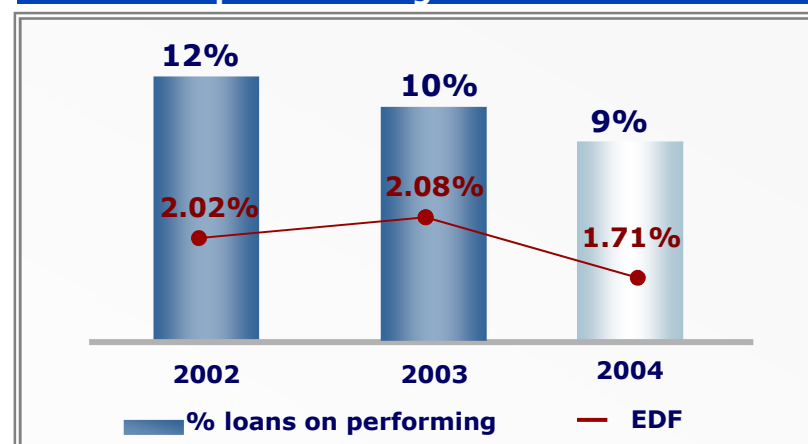
EDF: Expected Default Frequency

RWA: Risk Weighted Assets

### International and Large Corporate RWA



### Exposure to higher risk clients



# Operating Plan Progress: Risk Profile

**Significant improvement in asset quality whilst  
NPL coverage continues to rise nearing 58%**

## FALL IN NET PROBLEM LOANS EXPOSURES:

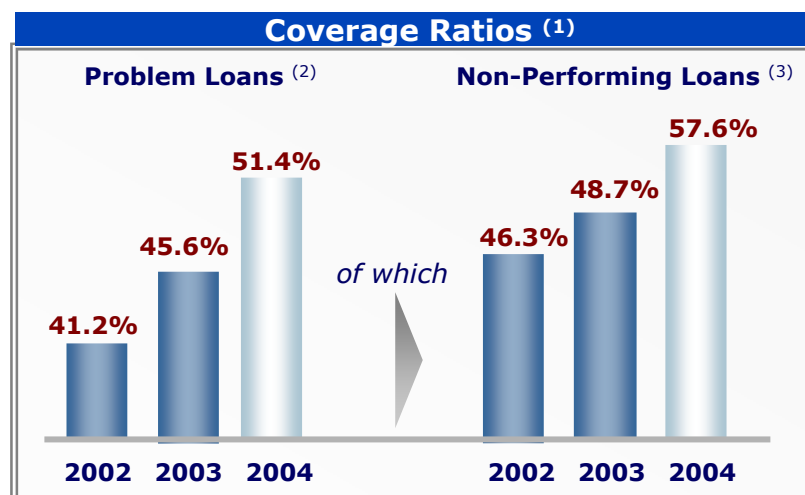
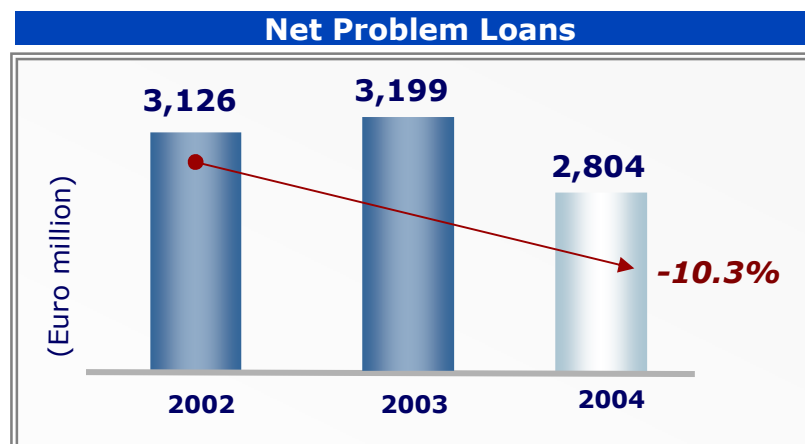
- 10.3% net problem loans reduction from €3.1bn in 2002 to €2.8bn in 2004

## INCREASE IN COVERAGE:

- Problem loans coverage ratio up 10.2 p.p. from 41.2% in 2002 to 51.4% in 2004
- NPLs coverage ratio up 11.3 p.p. from 46.3% in 2002 to 57.6% in 2004

### Aimed at

- facilitating credit recovery actions
- finalizing extraordinary sale transactions



<sup>(1)</sup> Including credit risk reserve <sup>(2)</sup> "Sofferenze" + "Incagli" <sup>(3)</sup> "Sofferenze" only

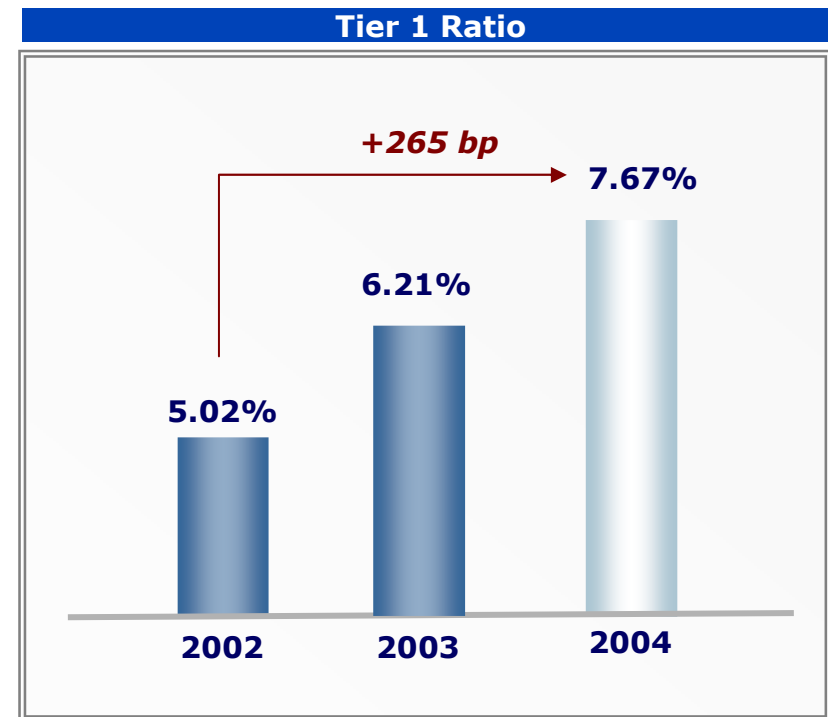
# Operating Plan Progress: Financial Equilibrium

**Sizeable progress in capital ratios:  
Core Tier I ratio strengthened to 7.7% by year-end 2004  
allowing for absorption of IAS/IFRS impact in 2005**

## **TIER 1 RATIO:**

Strengthened from 5.02% in 2002 to 7.67% in 2004 leveraging on:

- Downsizing of RWA in non-core sectors
- Securitization of performing loans
- Extraordinary operations on real estate portfolio
- Increase in capital funds





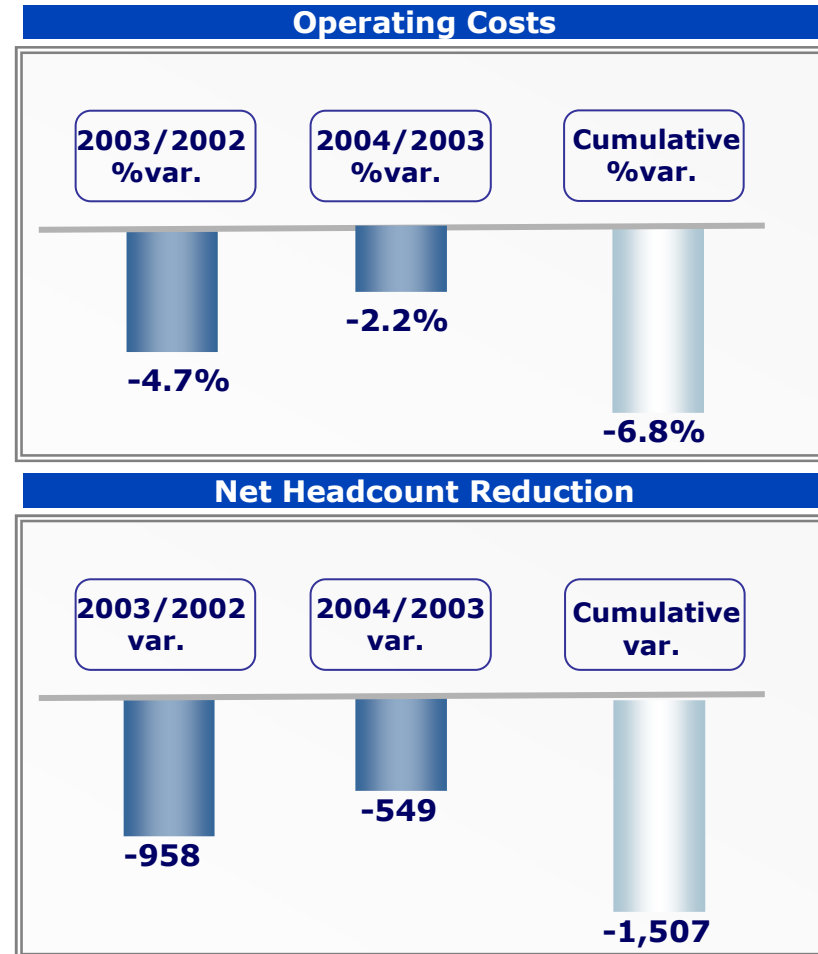
# Operating Plan Progress: Operating Efficiency

Active management of structure and processes aimed at optimising operating efficiency

## COST STRUCTURE

Cost control actions focused on:

- Personnel reduction completed with re-qualification and re-allocation of personnel towards commercial activities
- Review of principal operating processes



# Operating Plan Progress: Review of Group Perimeter

**Further Group rationalisation completed in 4Q2004 coupled with roll-out of new initiatives**

<b>Rationalisation of Group perimeter</b>		
<i>Company/B.U.</i>	<i>Date</i>	<i>Status</i>
<b>Argentina</b>	<b>Ongoing</b>	<b>Preliminary agreement reached for the sale to Banco Hipotecario</b>
<b>Advera</b>	<b>Dec-04</b>	<b>Joint-venture with BBVA set up to develop Consumer Lending in Italy - operating</b>
<b>Albacom</b>	<b>Dec-04</b>	<b>Sale of stake to British Telecommunications</b>
<b>Hesse Newman &amp;Co</b>	<b>Aug-04</b>	<b>Sale of 100% stake to Bankhaus Wölbern &amp; Co. And Rothmann &amp; Cie.Holding GmbH</b>
<b>Artigiancassa</b>	<b>Aug-04</b>	<b>Preliminary agreement with AGART and Iccrea Holding to re-launch company's business</b>
<b>Coopercredito</b>	<b>Jul-04</b>	<b>Incorporated into BNL SpA</b>
<b>Banco BNL Do Brasil S.A.</b>	<b>Jun-04</b>	<b>Sale to Unibanco</b>
<b>Banca BNL Investimenti</b>	<b>Mar-04</b>	<b>Sale to RAS for €100mln with a gross capital gain of approx. €74mln</b>
<b>Additional disposal of 20 domestic minority stakes and 8 foreign minority stakes</b>		

# Agenda

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Overview

■ **Results at 31/12/2004**

***Balance Sheet: main trends***

*Income Statement: analysis*

*Appendix*

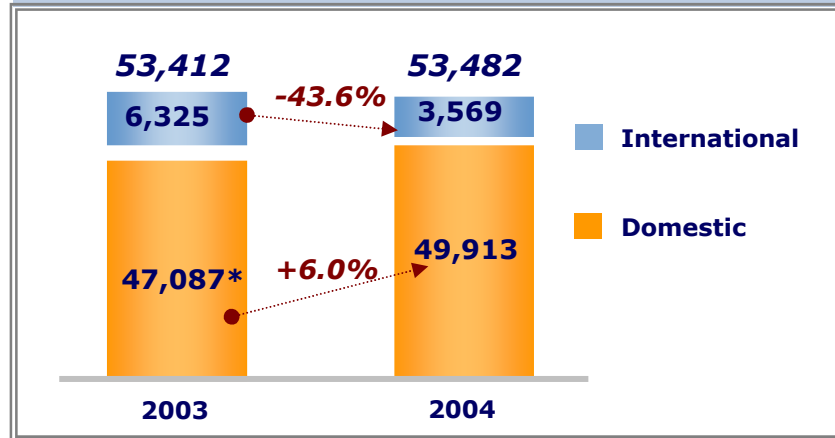
# BNL Group: Balance Sheet Highlights

**Balance sheet contraction trend reversed in the last quarter supported by growth in securities and loans to customers**

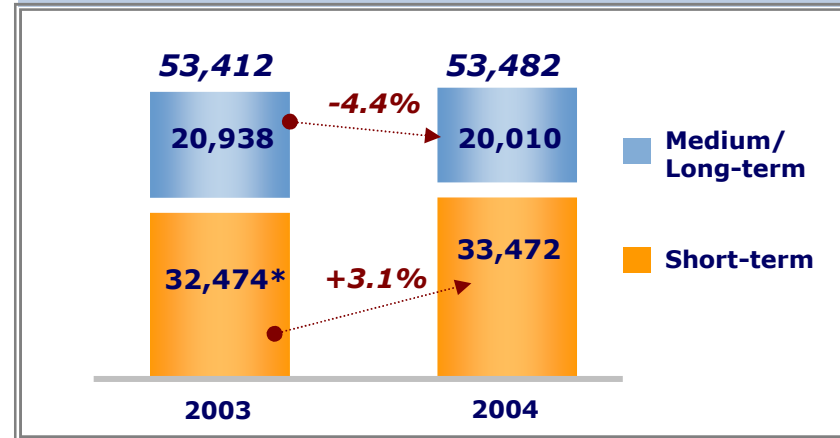
(Euro million)	31/12/2004	% change on 30/09/04	% change on 31/12/03
<b>Total Assets</b>	<b>78,892</b>	<b>+1.3%</b>	<b>-2.7%</b>
Loans to customers	57,083	+2.2%	+1.9%
Loans to banks	6,530	-21.7%	-40.2%
Securities	5,510	+32.3%	+42.7%
<b>Total Liabilities</b>	<b>78,892</b>	<b>+1.3%</b>	<b>-2.7%</b>
Deposits from customers and securities issued	50,813	+1.2%	-2.0%
Deposits from banks	12,354	-7.7%	-6.4%
Subordinated liabilities	2,669	-2.6%	+3.5%

# BNL Group: Total Funding from Customers<sup>(1)</sup>

## Breakdown by Geographical Area



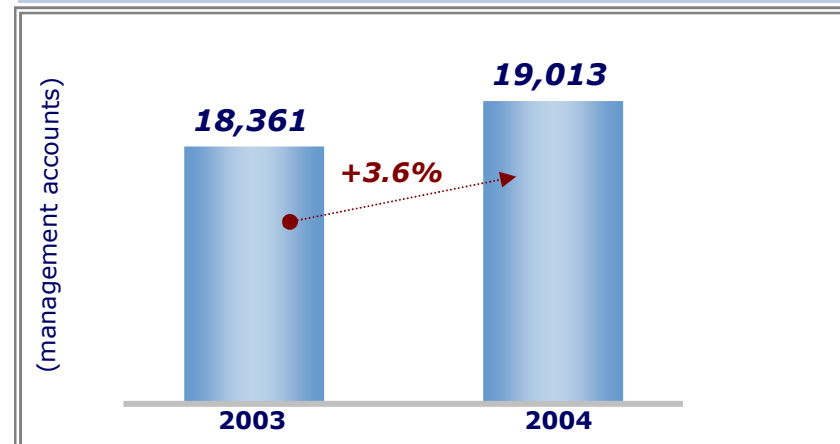
## Breakdown by Maturity



\* Excluding temporary deposit of €1bln related to securitization

## Retail Deposits

(BNL SpA - Italian branches)



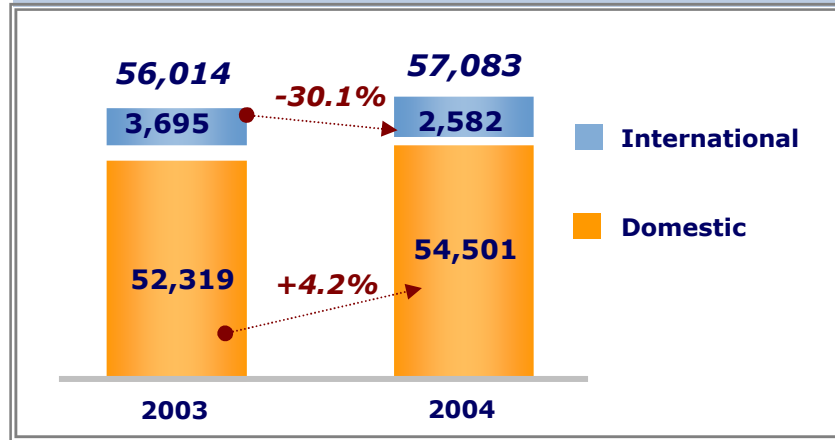
(Euro million)

- **Deposits from customers remain substantially stable** as growth in domestic market more than offsets reduction in international component
- **Domestic growth focused on core segments** particularly in short-term maturities and in the retail sector

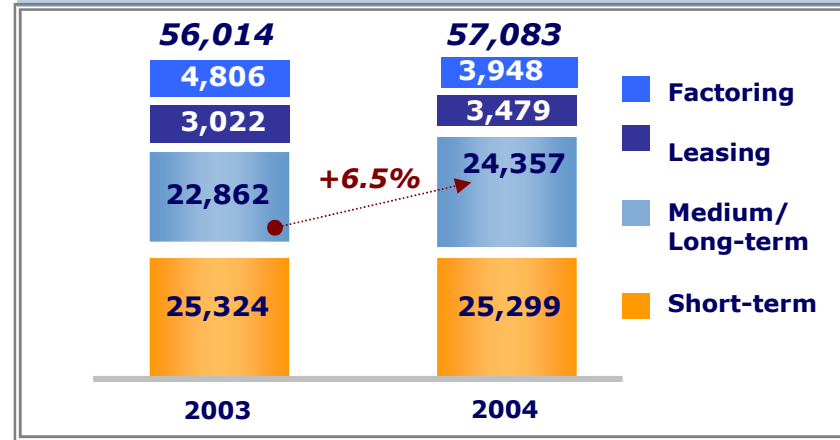
<sup>(1)</sup> Includes securities issued

# BNL Group: Loans to Customers

## Loans by Geographical Area

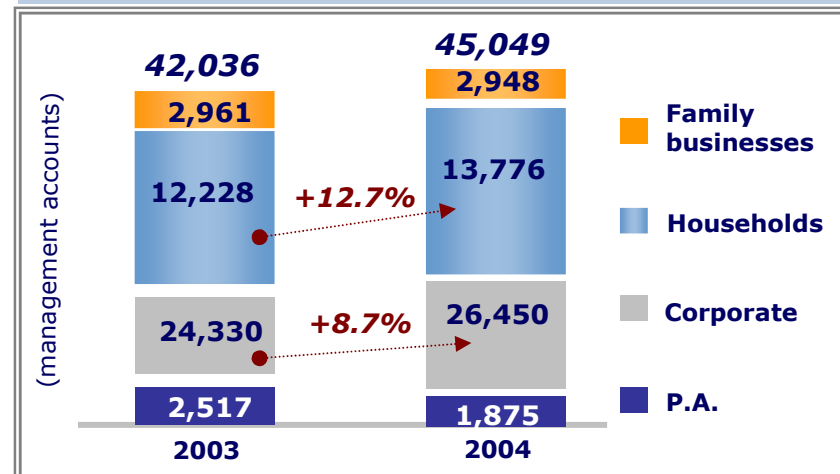


## Loans by Maturity/Type



## Loans by Sector\*

(BNL SpA - Italian branches)



(Euro million)

### Resumption of loan growth

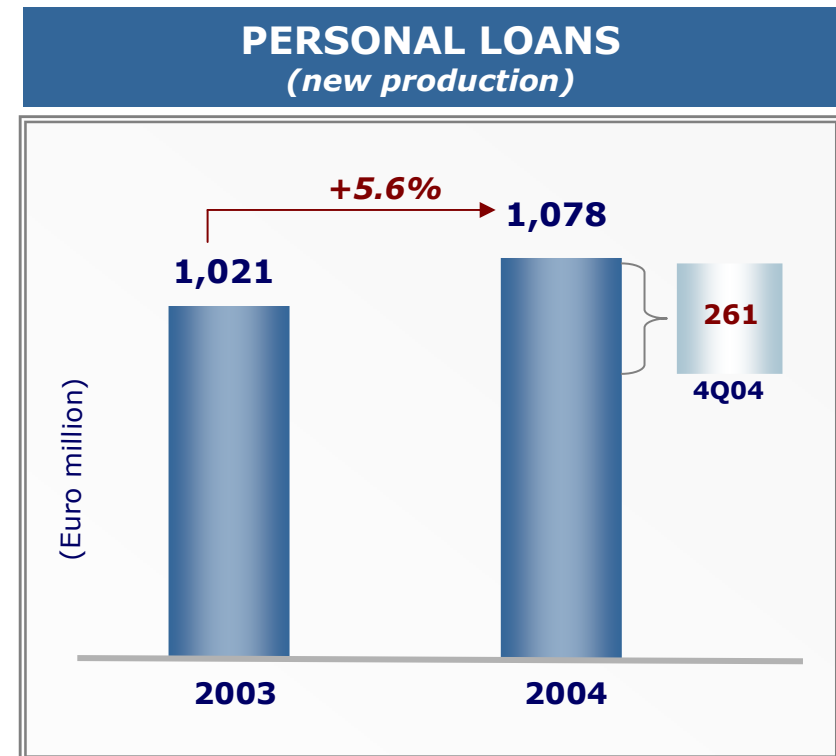
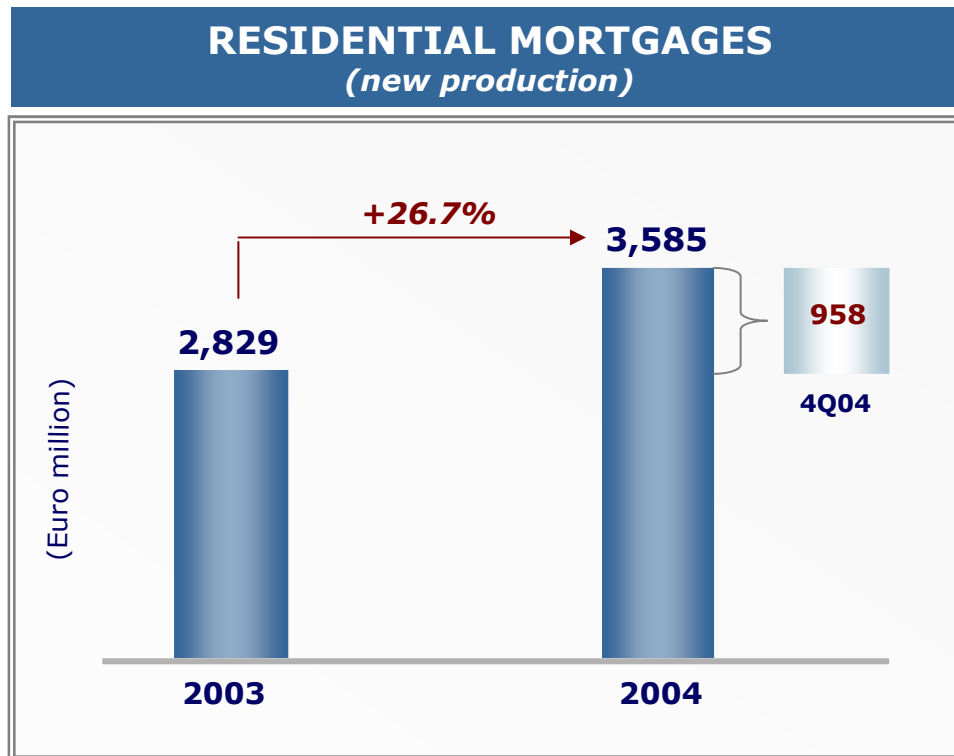
- domestic performing loans inclusive of securitized amounts show a 10% yoy increase
- despite significant contraction in the international component

**Buoyant trend in medium/long-term activity in targeted sectors** (retail and mid-corporate)

\* In accordance with Bank of Italy classification (excluding loans to Financial Institutions)

# BNL SpA: Mortgages and Personal Loans

- Growth rates remain sustained especially in retail credits, positioning BNL amongst leading market players



# Agenda

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*Appendix*



# BNL Group: Income Statement Highlights

## YoY COMPARISON

- ❑ **Banking income result affected by in-depth restructuring and repositioning implemented since 2003**
- ❑ **Continuing successful focus on cost control**

(Euro million)	31/12/04	31/12/03	% change
<b>Net Interest Income</b>	<b>1,496</b>	<b>1,661</b>	<b>-9.9%</b>
<b>Net Commissions &amp; Other Net Income</b>	<b>1,152</b>	<b>1,149</b>	<b>+0.3%</b>
<b>Income on Financial Transactions</b>	<b>178</b>	<b>184</b>	<b>-3.3%</b>
<b>Banking Income</b>	<b>2,903</b>	<b>3,070</b>	<b>-5.4%</b>
<b>Personnel Expenses</b>	<b>(1,045)</b>	<b>(1,101)</b>	<b>-5.1%</b>
<b>Other Administrative Expenses</b>	<b>(623)</b>	<b>(626)</b>	<b>-0.5%</b>
<b>Operating Costs</b>	<b>(1,881)</b>	<b>(1,923)</b>	<b>-2.2%</b>
<b>Operating Profit</b>	<b>1,022</b>	<b>1,147</b>	<b>-10.9%</b>

# BNL Group: Income Statement Highlights

## 4Q on 3Q COMPARISON

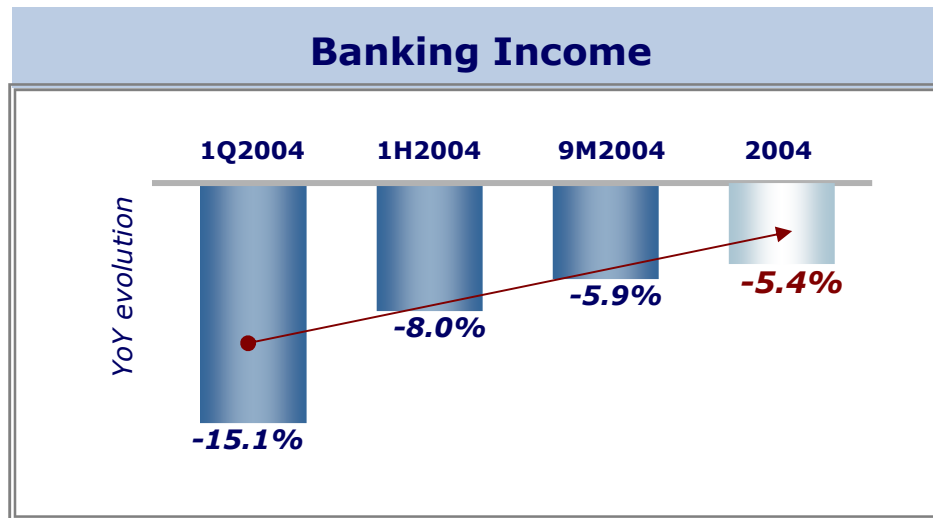
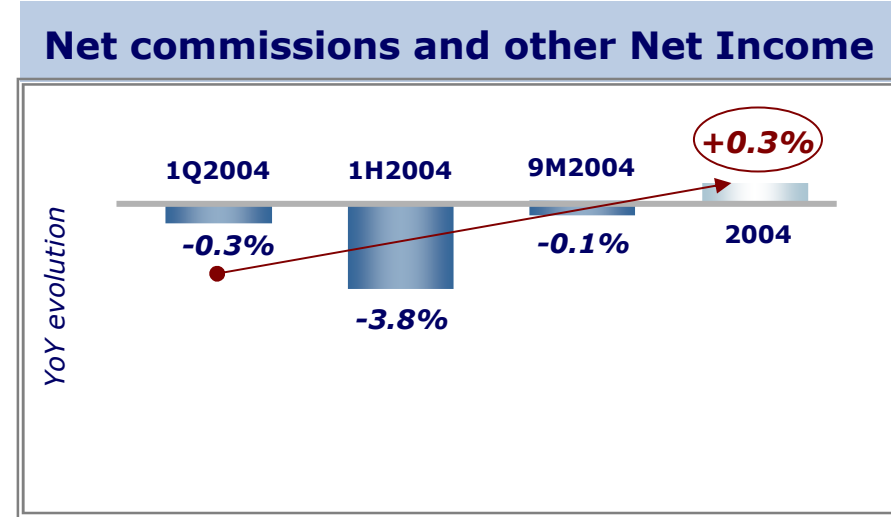
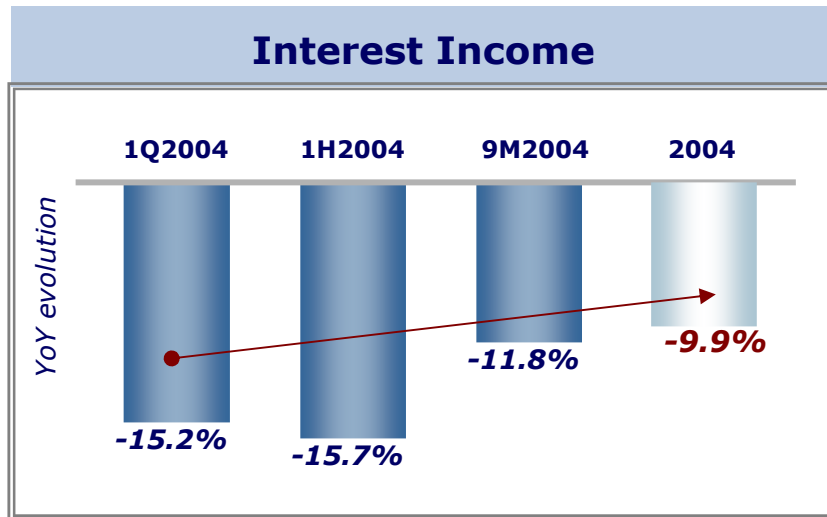
- ❑ **Pick-up in revenues supported by commissions and interest income**
- ❑ **Control of personnel costs contributes to significant recovery in operating result**

(Euro million)

	<i>4Q04</i>	<i>3Q04</i>	<i>% change</i>
<b>Net Interest Income</b>	<b>398</b>	<b>372</b>	<b>+7.0%</b>
<b>Net Commissions &amp; Other Net Income</b>	<b>316</b>	<b>283</b>	<b>+11.7%</b>
<b>Income on Financial Transactions</b>	<b>4</b>	<b>20</b>	<b>-80.0%</b>
<b>Banking Income</b>	<b>763</b>	<b>686</b>	<b>+11.2%</b>
<b>Personnel Expenses</b>	<b>(256)</b>	<b>(273)</b>	<b>-6.2%</b>
<b>Other Administrative Expenses</b>	<b>(168)</b>	<b>(156)</b>	<b>+7.7%</b>
<b>Operating Costs</b>	<b>(489)</b>	<b>(481)</b>	<b>+1.7%</b>
<b>Operating Profit</b>	<b>274</b>	<b>205</b>	<b>+33.7%</b>

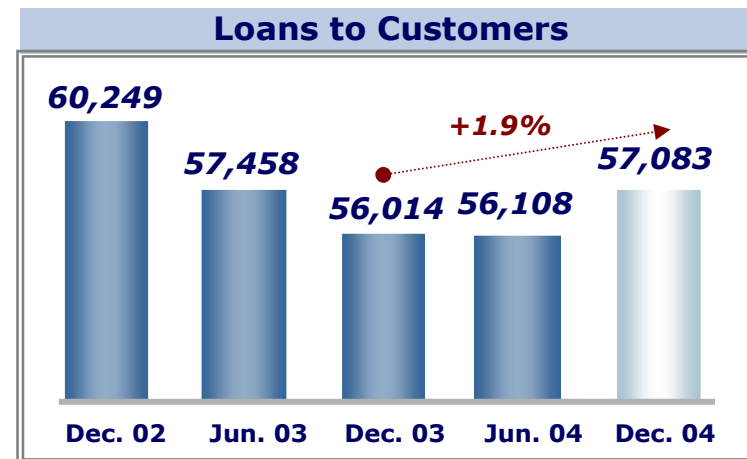
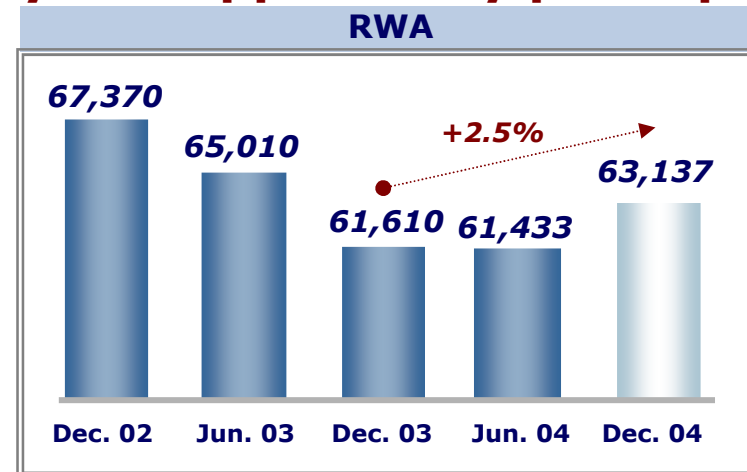
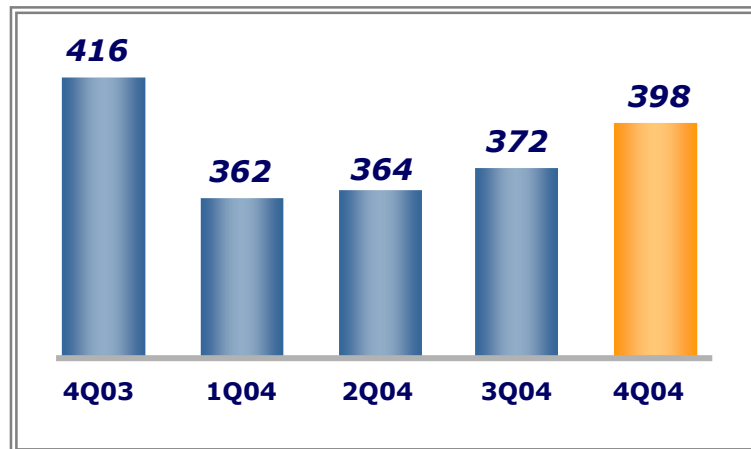
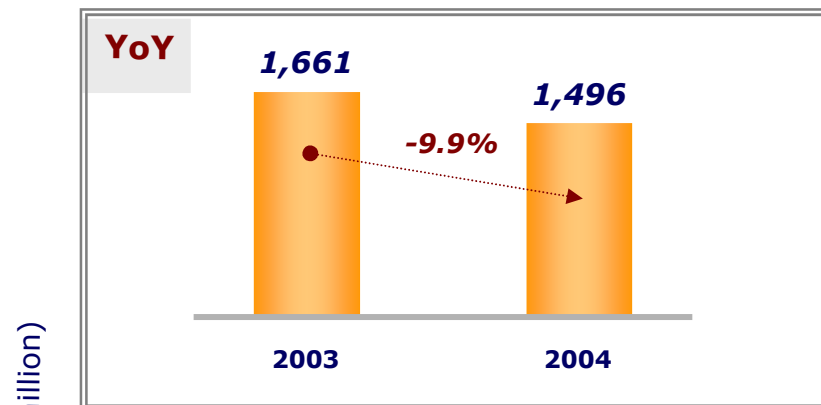
# 2004 Income Statement Evolution (YoY comparison)

## Confirmation of recovery trend in revenues



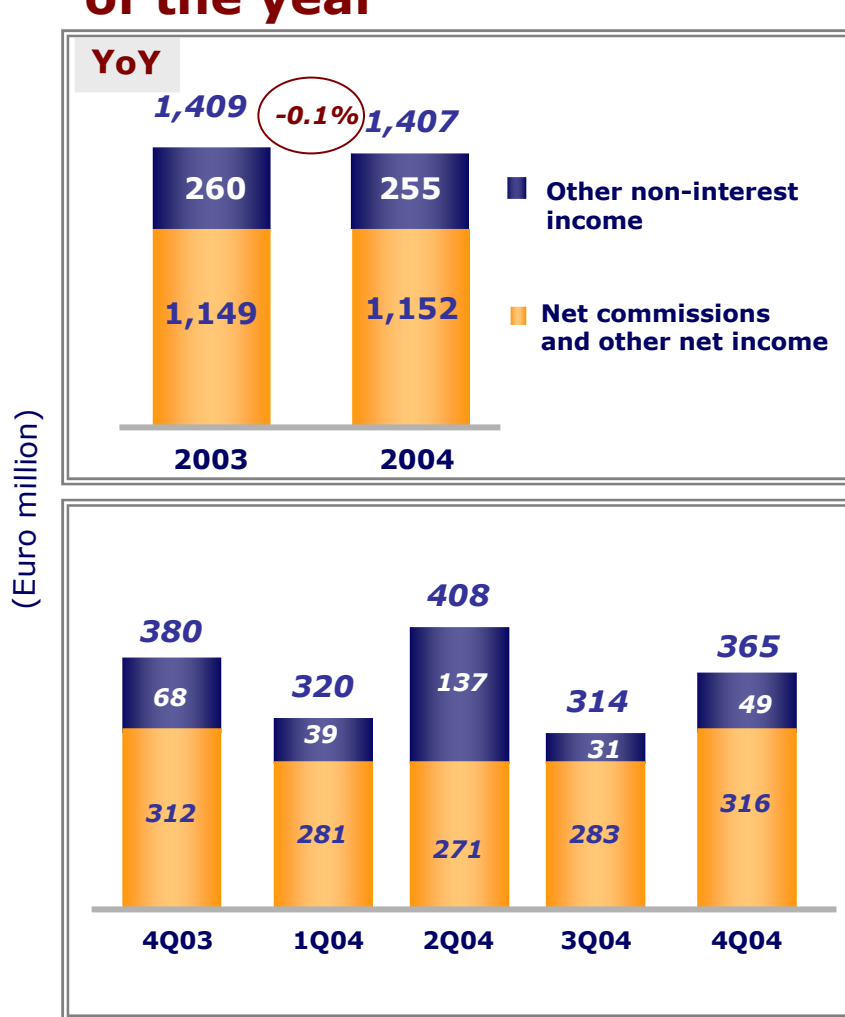
# BNL Group: Net Interest Income

- Portfolio downsizing of non-core areas weighs on interest income
- Progressive recovery during the year supported by pick-up in volumes and treasury activities



# BNL Group: Non-Interest Income

- Overall stability in main non-interest income components
- Continuing recovery in commission income in the latter part of the year



YoY change

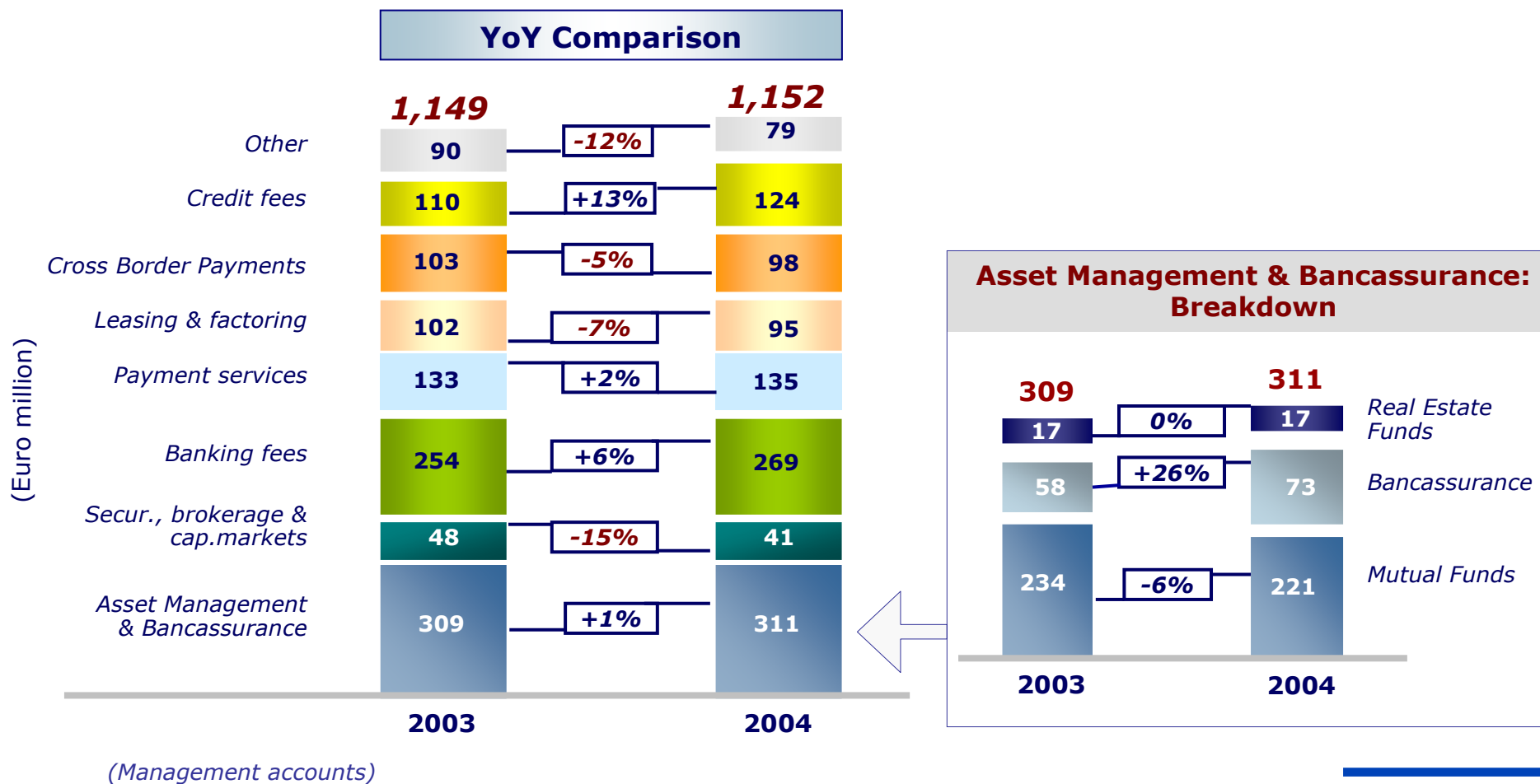
- Net commissions and other income: **+0.3%**  
- excluding foreign branches **+1.4%**
- Other non-interest income: **-2.0%**  
(2003 dividends include €43.5mln of extraordinary dividends)

## 4Q04 on 3Q04:

- Net commissions and other income: **+11.2%**
- Other non-interest income: **+63.3%**

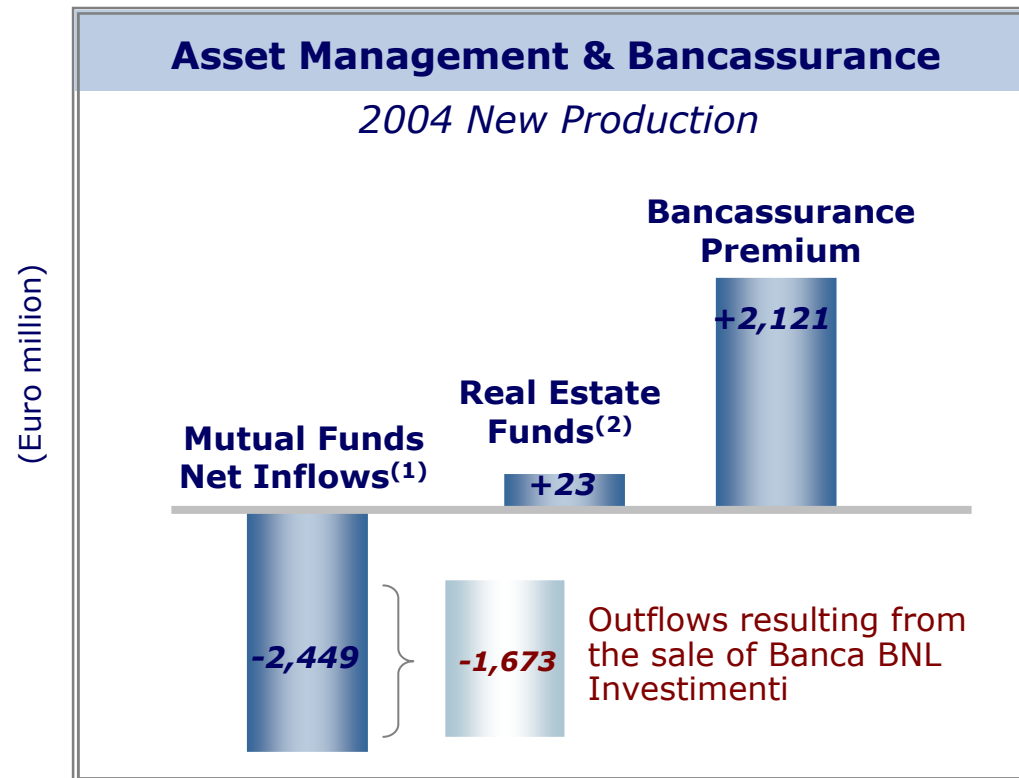
# BNL Group: Net Commissions & Other Net Income

- ❑ Bancassurance fees sustain asset management contribution
- ❑ Growth in banking fees, payment services and credit fees offsets lower contribution from brokerage and leasing & factoring



# BNL Group: Asset Management & Bancassurance

**Bancassurance new production (+20.5% yoy) and real estate funds substantially offsets mutual funds outflows, partly expected following the sale of Banca BNL Investimenti**

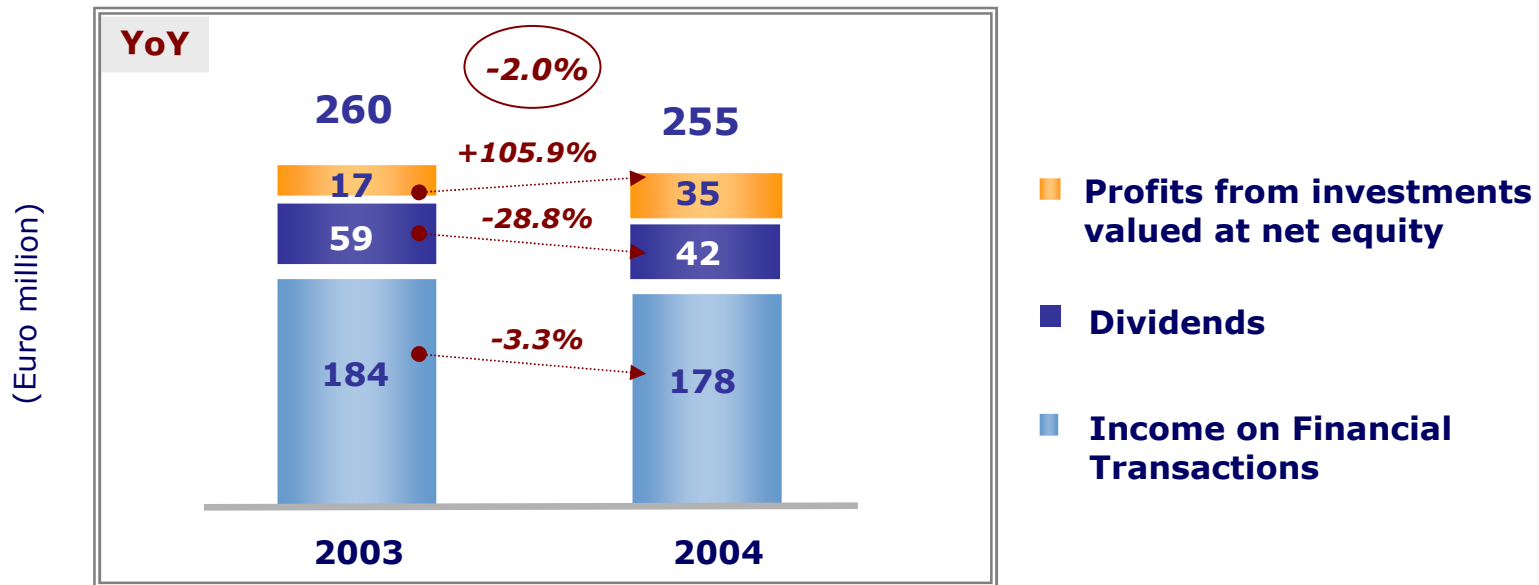


<sup>(1)</sup> BNL Gestioni SGR: excludes real estate investment trusts and includes SICAV

<sup>(2)</sup> BNL Fondi Immobiliari SGR PA

# BNL Group: Other Non-Interest Income

**Net of 2003 extraordinary dividends, income on financial transaction including dividends from trading portfolio shows a 10% improvement yoy**

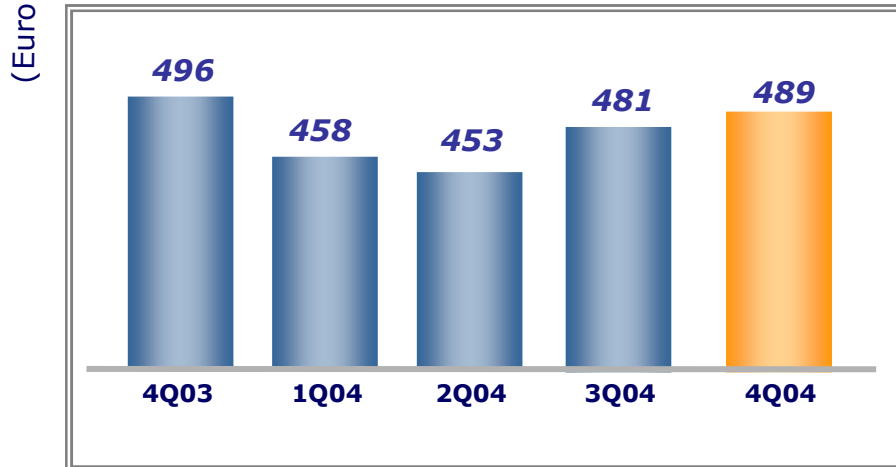
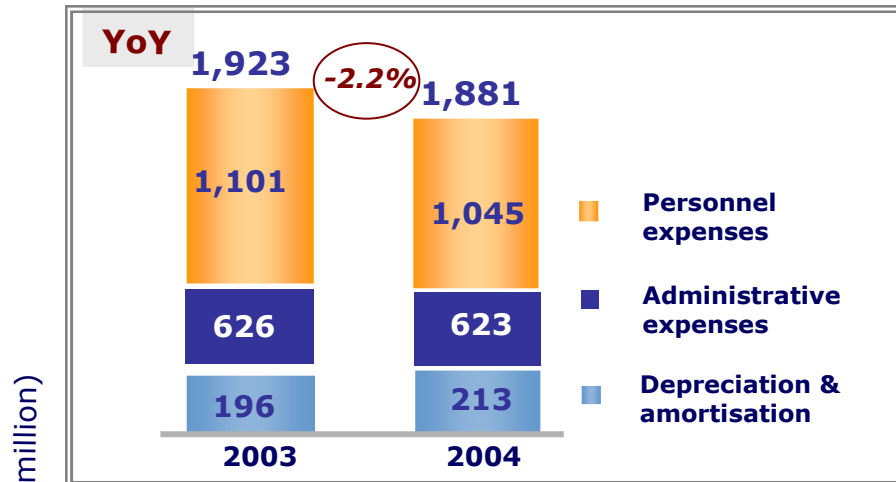


- proprietary trading has sustained the overall contribution of financial profits and dividends (the latter including a significant extraordinary component in 2003)
- positive performance from BNL Vita has boosted results from investments at net equity

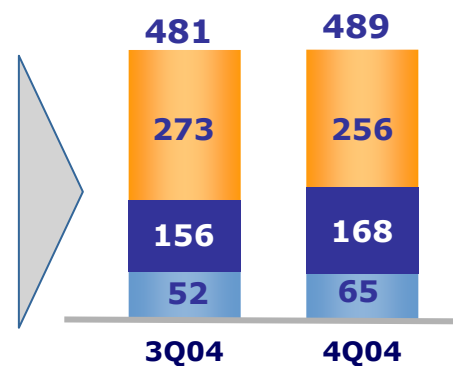


# BNL Group: Operating Costs

**Operating costs control mainly driven by lower personnel expenses benefiting from ongoing headcount reduction**



	YoY change
<b>Operating costs:</b>	<b>-2.2%</b>
<b>Personnel expenses:</b>	<b>-5.1%*</b>
<b>Administrative expenses:</b>	<b>-0.5%</b>
<b>Depreciation and amortisation:</b>	<b>+8.7%</b>



**COST/INCOME**

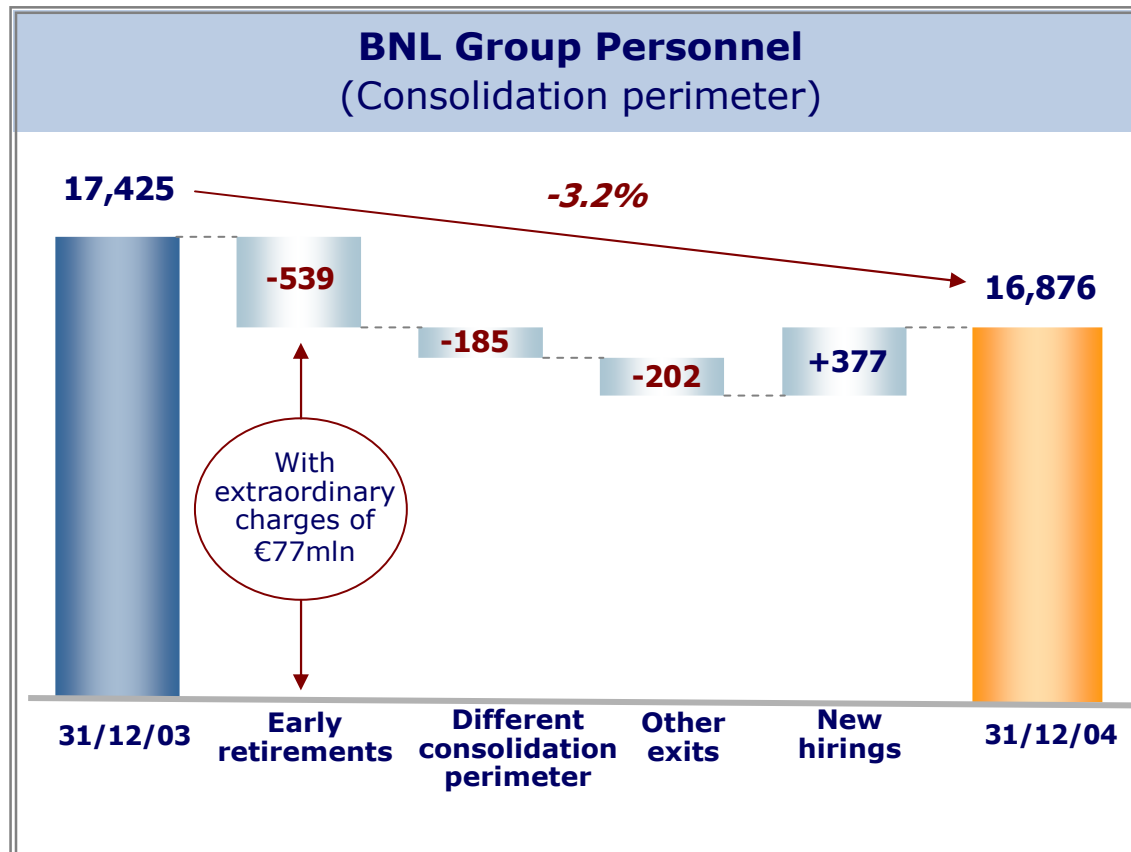
**64.8%** (incl. D&A)

**57.5%** (excl. D&A)

\* Excludes impact of national labour contract renewal. Costs pertaining to FY2004 for €14mln (as yet not disbursed) have been accounted under risks and contingencies.

# BNL Group: Personnel Reduction

Continuing right-sizing of Group headcount with selective recruitment in key business areas, particularly distribution



- 2004 net headcount reduction: **-549**

*of which:*

- 4Q04 net headcount reduction: **-366**

**Internal mobility enhancement:**  
re-qualification and re-allocation of about 183 employees from administrative functions to commercial activities

# BNL Group: Income Statement Highlights

## YoY COMPARISON

**Decisive action on asset quality impacts bottom line**

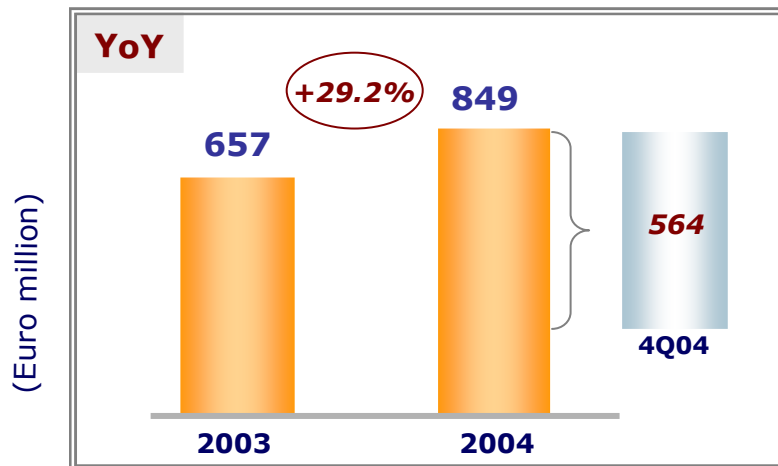
(Euro million)

	<i>31/12/04</i>	<i>31/12/03</i>	<i>% change</i>
<b>Operating Profit</b>	<b>1,022</b>	<b>1,147</b>	<b>-10.9%</b>
<b>Net Write-downs and Provisions</b>	<b>(1,000)</b>	<b>(844)</b>	<b>+18.5%</b>
<b>Profit on Ordinary Activities</b>	<b>22</b>	<b>303</b>	<b>-92.7%</b>
<b>Extraordinary &amp; Other Items</b>	<b>(40)</b>	<b>(91)</b>	<b>-56.0%</b>
<b>General Banking Risks Reserve</b>	<b>64</b>	<b>67</b>	<b>-4.5%</b>
<b>Net Profit</b>	<b>(34)</b>	<b>141</b>	<b>n.s.</b>

# BNL Group: Credit Risk Provisions & Write-downs

**High level of provisions resulting from extraordinary actions:**

- ❑ **implementation of a more conservative loss forecasting model**
- ❑ **acceleration of alignment of criteria to new regulatory environment and response to Supervisory Authority remarks**

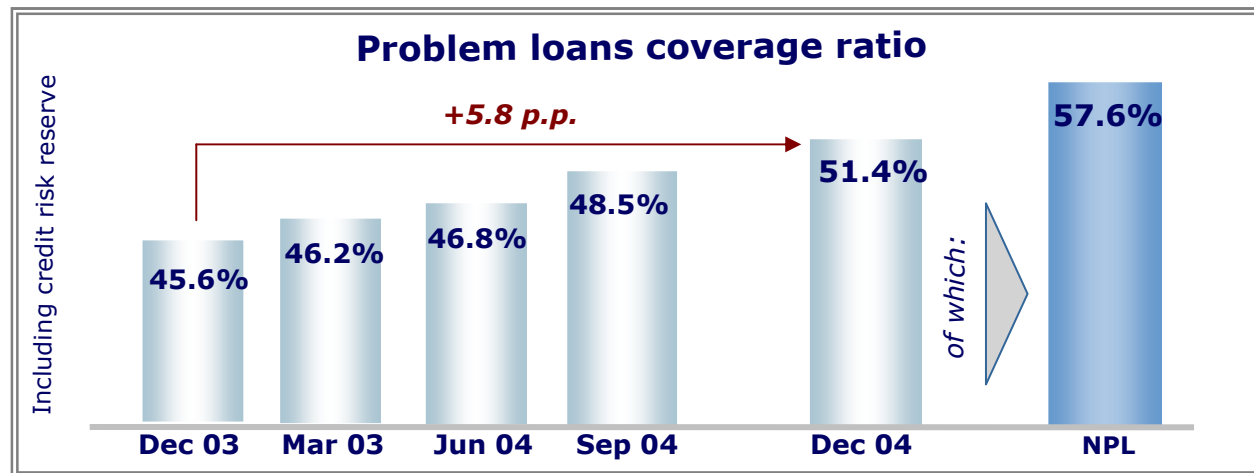
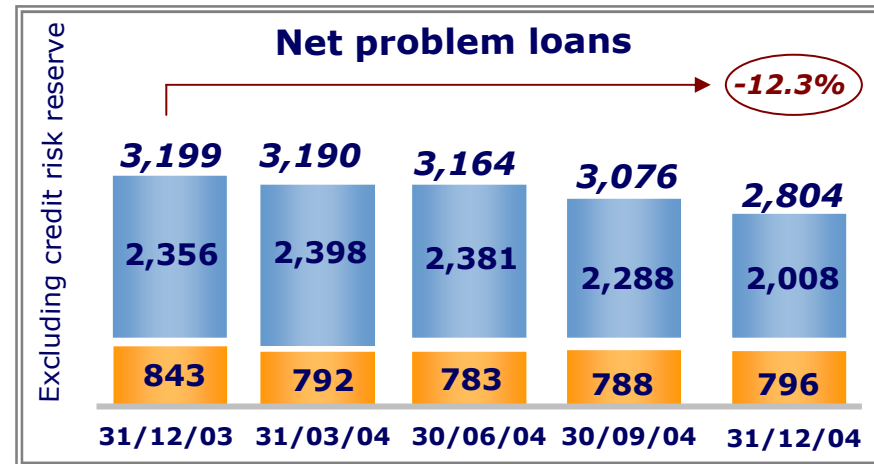
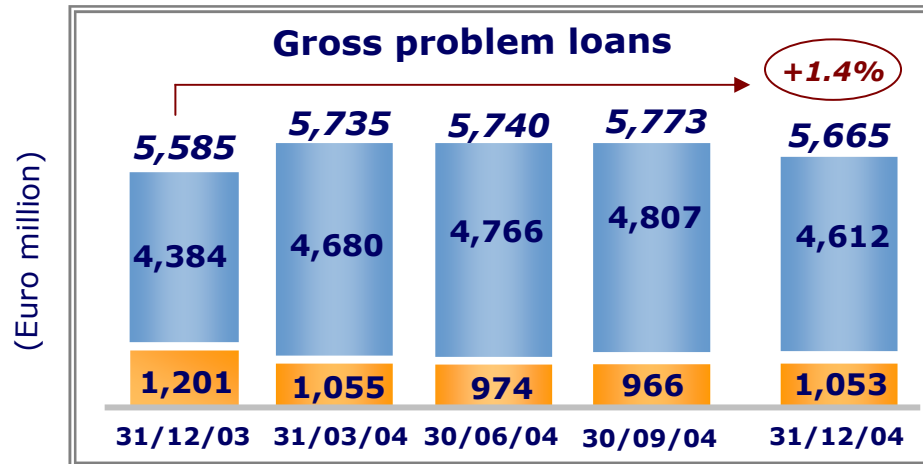


❑ ORDINARY PROVISIONS:	€406mln
❑ PROVISIONS RESULTING FROM EXTRAORDINARY ACTIONS:	€408mln
❑ ALIGNMENT TO MARKET VALUE OF SALES OF PROBLEM LOANS:	€35mln

- Credit provisions and write-downs - excluding effect of extraordinary actions - represent 72 b.p. of loans to customers
- Provisioning allows an increase in problem loans coverage ratio by 5.8 p.p. in the 12 months
- Existing full coverage of Argentinean intra-group lines has been totally transferred to provisions on performing loans; the actual coverage has been reduced to 30% in consideration of recent developments
- Provisions on performing loans overall increase to 0.68%

# BNL Group: Asset Quality

- ❑ Sale of problem loans in 4Q04 leads to a fall in gross exposure in spite of impact of re-classification criteria
- ❑ Coverage continues to rise reaching 58% for NPLs



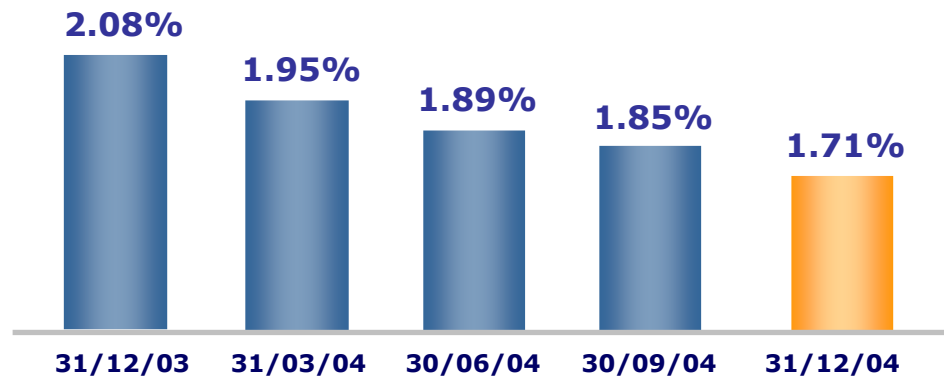
■ Non-Performing Loans ("Sofferenze") ■ Substandard Loans ("Incagliati")

# Asset Quality: Rated Portfolio Evolution

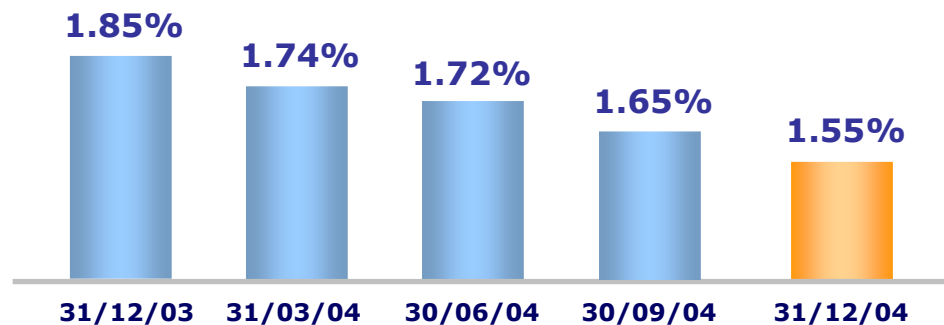
**Credit policy yielding continuing improvement in the rated portfolio's EDF**

## Expected Default Frequency to Problem Loans<sup>(1)(2)</sup>

Rated portfolio of BNL SpA



Rated portfolio of BNL SpA excluding POE<sup>(3)</sup>



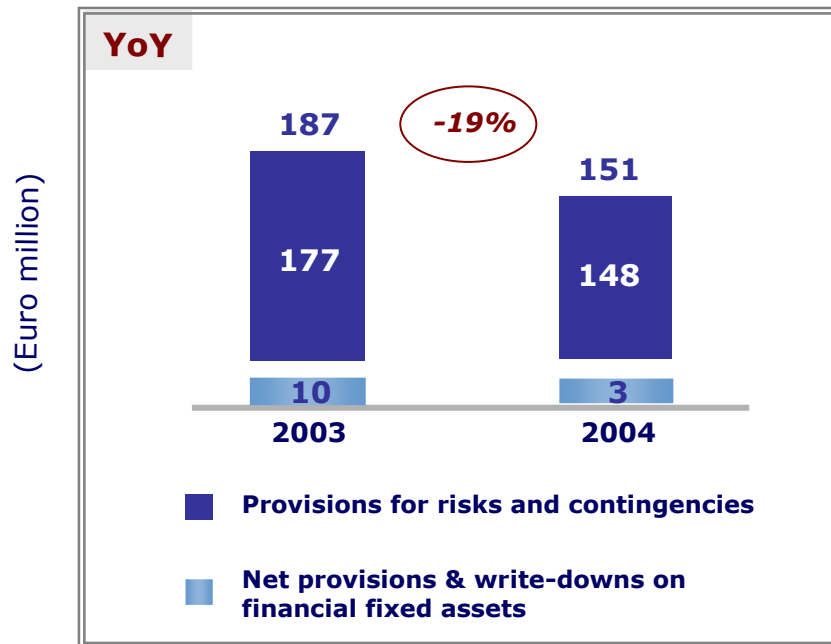
□ **37 bp EDF improvement in rated portfolio in 2004**  
(30 bp excluding POE)

➤ resulting from a decrease in EDF in all components, especially significant in Large Corporate and Small & Family Businesses

□ **14 bp EDF improvement in rated portfolio in 4Q04**  
(10 bp excluding POE)

- (1) Includes "sofferenze" and "incagli"
- (2) Calculated on loan volumes
- (3) Small and Family Businesses

# BNL Group: Other Provisions & Write-downs



## Provisions for Risks & Contingencies include:

- **Personnel costs provisions (€36mIn)**  
(2004 new labour contract impact and variable compensation)
- **Provisions for litigation risks (€56mIn)**

# BNL Group: Extraordinary Items

(Euro million)

	2004	2003	% change
<b>Net extraordinary items</b>	<b>3</b>	<b>72</b>	<b>-95.4%</b>

## ***Aggregate also includes:***

- ❑ **Gains from sale of subsidiaries (including Banca BNL Investimenti) amount to €70mln**
- ❑ **Personnel reduction charges amounting to €77mln**

## **In addition:**

### **Albacom**

- ❑ **€43mln of provisions** (of which €13mln in 4Q04) **concurrently with finalization of the sale to BT**



# Agenda

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Overview

Results at 31/12/2004

*Balance Sheet: main trends*

*Income Statement: analysis*

## ■ **Appendix**

*Analysis by Business Segment*

*BNL Group: Income Statement & Balance Sheet*

*BNL SA, Argentina: Balance Sheet Highlights*

*Rights Issue: Summary Table*

# Analysis by Business Segment

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## Guidelines

**Retail:** Includes individuals, private banking, small businesses (turnover < €1.5mln) and related subsidiaries (Artigiancassa, BNL Gestioni Sgr, BNL Fondi Immobiliari, BNL Direct Services, Servizio Italia and Lavoro Bank AG Zurigo)

**Corporate:** Includes SMEs, large corporate, international corporate, public administration, leasing and factoring and foreign subsidiaries not included in other segments

**Financial Activities:** Includes treasury activities, trading book, institutional deposits and investment banking

**Corporate Centre:** Includes problem loans, investments, fixed assets, other structural items and subsidiaries (BNL Finance, BNL Multiservizi SpA, BNL International Investments SA)

# BNL Group: Breakdown by Business Segment

(Euro million)

<b>2004</b>	Retail	Corporate	Financial Activities	Corporate Centre	TOTAL
<b>RWA</b>	12,733	36,763	7,942	5,699	63,137
<b>% on total</b>	20%	58%	13%	9%	100%
<b>Total Income</b>	1,502	1,088	312	0	2,903
<b>% on total</b>	52%	37%	11%	0%	100%
<b>Operating Costs</b>	(1,078)	(485)	(52)	(267)	(1,881)
<b>% on total</b>	57%	26%	3%	14%	100%
<b>Cost / Income</b>	71.8%	44.5%	16.5%	n.s.	64.8%
<b>Operating Income</b>	424	604	261	(266)	1,022
<b>% on total</b>	41%	59%	26%	-26%	100%

<b>2003</b>	Retail	Corporate	Financial Activities	Corporate Centre	TOTAL
<b>RWA</b>	11,217	36,169	8,370	5,854	61,610
<b>% on total</b>	18%	59%	14%	10%	100%
<b>Total Income</b>	1,457	1,165	356	91	3,070
<b>% on total</b>	47%	38%	12%	3%	100%
<b>Operating Costs</b>	(1,095)	(492)	(53)	(283)	(1,923)
<b>% on total</b>	57%	26%	3%	15%	100%
<b>Cost / Income</b>	75.1%	42.3%	14.9%	n.s.	62.6%
<b>Operating Income</b>	362	673	303	(192)	1,147
<b>% on total</b>	32%	59%	26%	-17%	100%

# BNL Group: Income Statement

<i>(Euro million)</i>	<b>2004</b>	<b>2003</b>	<b>% change</b>
<b>Net Interest Income</b>	<b>1,496</b>	<b>1,661</b>	<b>-9.9%</b>
Net commissions	917	936	-2.0%
Income (losses) on financial transactions	178	184	-3.3%
Profit from investments valued at net equity and dividends	77	76	+1.3%
Other net operating income	235	213	+10.3%
<b>Non-Interest Income</b>	<b>1,407</b>	<b>1,409</b>	<b>-0.1%</b>
<b>Gross Operating Income</b>	<b>2,903</b>	<b>3,070</b>	<b>-5.4%</b>
Administrative expenses:	-1,668	-1,727	-3.4%
- <i>Personnel expenses</i>	-1,045	-1,101	-5.1%
- <i>Other administrative expenses</i>	-623	-626	-0.5%
Depreciation and amortisation	-213	-196	+8.7%
<b>Operating costs</b>	<b>-1,881</b>	<b>-1,923</b>	<b>-2.2%</b>
<b>Operating profit</b>	<b>1,022</b>	<b>1,147</b>	<b>-10.9%</b>

# BNL Group: Income Statement

<i>(Euro million)</i>	<b>2004</b>	<b>2003</b>	<b>% change</b>
<b>Operating profit</b>	<b>1,022</b>	<b>1,147</b>	<b>-10.9%</b>
Net write-downs on credits and provisions for possible loan losses	-849	-657	+29.2%
Provisions for risks and contingencies	-148	-177	-16.4%
Net write-downs on financial fixed assets	-3	-10	-70.0%
<b>Total net write-downs and net provisions</b>	<b>-1,000</b>	<b>-844</b>	<b>+18.5%</b>
<b>Profit on ordinary activities</b>	<b>22</b>	<b>303</b>	<b>-92.7%</b>
Net extraordinary items	3	72	-95.8%
Write-downs on investments (Albacom SpA)	-43	-163	-73.6%
Change in the reserve for general banking risks	64	67	-4.5%
Income taxes for the period	-76	-135	-43.7%
Net profit (loss) attributable to minority interests	-4	-3	+33.3%
<b>Net profit (loss) for the year</b>	<b>-34</b>	<b>141</b>	<b>n.s.</b>

# BNL Group: Balance Sheet Highlights

<i>(Euro million)</i>	<b>31/12/04</b>	<b>30/09/04</b>	<b>30/06/04</b>	<b>31/12/03</b>	<b>yoy % change</b>
<b>ASSETS</b>					
Loans to customers	57,083	55,842	56,108	56,014	+1.9%
Loans to banks	6,530	8,338	8,162	10,913	-40.2%
Investment securities	5,510	4,165	5,540	3,862	+42.7%
Investments	429	389	338	361	+18.8%
Other assets	9,340	9,141	9,078	9,910	-5.8%
<b>Total assets</b>	<b>78,892</b>	<b>77,875</b>	<b>79,226</b>	<b>81,060</b>	<b>-2.7%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Deposits from customers	50,813	50,222	49,822	51,834	-2.0%
Deposits from banks	12,354	13,387	13,382	13,200	-6.4%
Other liabilities	6,105	5,270	7,197	7,020	-13.0%
Allowances for risks and contingencies	1,493	1,500	1,456	1,651	-9.6%
Allowances for possible loan losses	105	288	295	357	-70.7%
Subordinated liabilities	2,669	2,739	2,627	2,578	+3.5%
Share capital and reserves	5,387	4,269	4,282	4,279	+25.9%
Net result for the period	(34)	200	165	141	<i>n.s.</i>
<b>Total liabilities and shareholders' equity</b>	<b>78,892</b>	<b>77,875</b>	<b>79,226</b>	<b>81,060</b>	<b>-2.7%</b>

# Argentina: BNL S.A. - Balance Sheet Highlights

	<i>(Pesos mln)</i>		<i>(Euro mln) <sup>(2)</sup></i>
	31/12/2003 <sup>(1)</sup>	31/12/2004	31/12/2004
<b>TOTAL ASSETS</b>	<b>3,565</b>	<b>3,843</b>	<b>953</b>
<b>Cash and deposits with Central Bank</b>	<b>891</b>	<b>1,035</b>	<b>257</b>
<b>Loans</b>	<b>1,446</b>	<b>1,379</b>	<b>342</b>
<i>of which:</i>			
- Net NPLs	64	100	25
<i>(Coverage %)</i>	89%	79%	79%
<b>Securities and Participations<sup>(3)</sup></b>	<b>402</b>	<b>417</b>	<b>103</b>
<i>of which:</i>			
- Public sector ( <i>Bono Cobertura</i> )	330	352	87
<b>Other assets</b>	<b>826</b>	<b>1,012</b>	<b>251</b>
<b>TOTAL LIABILITIES</b>	<b>3,565</b>	<b>3,843</b>	<b>953</b>
<b>Deposits from customers</b>	<b>2,444</b>	<b>2,480</b>	<b>615</b>
<b>Intra-group lines</b>	<b>321</b>	<b>318</b>	<b>79</b>
<b>Subordinated debt</b>	<b>74</b>	<b>75</b>	<b>19</b>
<b>Other liabilities</b>	<b>369</b>	<b>602</b>	<b>149</b>
<b>Net equity</b>	<b>357</b>	<b>368</b>	<b>91</b>
<i>including current year result of:</i>	-14	+34	+8

(1) Includes inflation accounting

(2) EUR/ARS = 4.03305

(3) Denominated in US\$

# Rights Issue: Summary Table

- ❑ **Successful completion of €1.2bln rights issue in December 2004**
- ❑ **Full subscription of new shares issued without recourse to underwriting syndicate**

<b>Offering period</b>	<b>Offering period:</b> 22 November 2004 – 13 December 2004
<b>Subscription price</b>	<b>Final offering price:</b> € 1.52 <b>Offering ratio:</b> 7 new ordinary shares for each 20 owned ordinary /savings shares
<b>Shares issued</b>	<b>Number of shares issued:</b> 784,646,093 <b>Amount of share capital raised:</b> € 1,192,662,061
<b>Share Capital</b> (31 Dec. 2004)	<p style="text-align: center;"><u>Outstanding shares</u></p> <b>Ordinary:</b> 3,008,954,187 <b>Savings:</b> 23,198,331 <b>Total shares outstanding:</b> 3,032,152,518 <b>Par value:</b> € 0.72 <b>Share capital:</b> € 2,183,149,812.96



# Investor's Contacts

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