

CONSOLIDATED
QUARTERLY
REPORT
AS AT
SEPTEMBER
2008

CREDEM

Credito Emiliano S.p.A.
Gruppo Bancario Credito Emiliano - Credem
3032 - Società per Azioni

Corporate Headquarters:

Via Emilia San Pietro 4 - 42100 Reggio Emilia (Italy)
Share capital as at 13 November 2008: € 319,996,260 fully paid
Tax Code 01806740153 – VAT No. 00766790356
Register of Banks no. 3032
Member of the Interbank Depositors' Protection Fund
Tel. +39 0522 5821 - Telefax 0522 433969 - Telex BACDIR 530658
Website: www.credem.it

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CORPORATE OFFICERS

BOARD OF DIRECTORS

Chairman	Giorgio Ferrari*
Vice-Chairmen	Luigi Maramotti* Franco Terrachini*
Directors	Romano Alfieri Vincenzo Calandra Buonauro Enrico Corradi Guido Corradi* Anacleto Fontanesi* Ugo Medici Alberto Milla Benedetto Renda Giovanni Tadolini* Giovanni Viani Lucio Zanon di Valgiurata*
Secretary	Ottorino Righetti

* Members of the Executive Committee

BOARD OF STATUTORY AUDITORS

Chairman	Gianni Tanturli
Auditors	Maurizio Bergomi Giulio Morandi
Alternate auditors	Vittorio Guidetti Tiziano Scalabrini

SENIOR MANAGEMENT

General Manager	Adolfo Bizzocchi
Deputy General Mngr	Paolo Valentino Caroli
Central Managers	Angelo Campani Nazzareno Gregori
Central Co-Managers	Marco Braglia Stefano Morellini Stefano Pilastrì
Deputy Central Mngr	Ferdinando Rebecchi

MANAGER IN CHARGE of preparing the company's financial reports

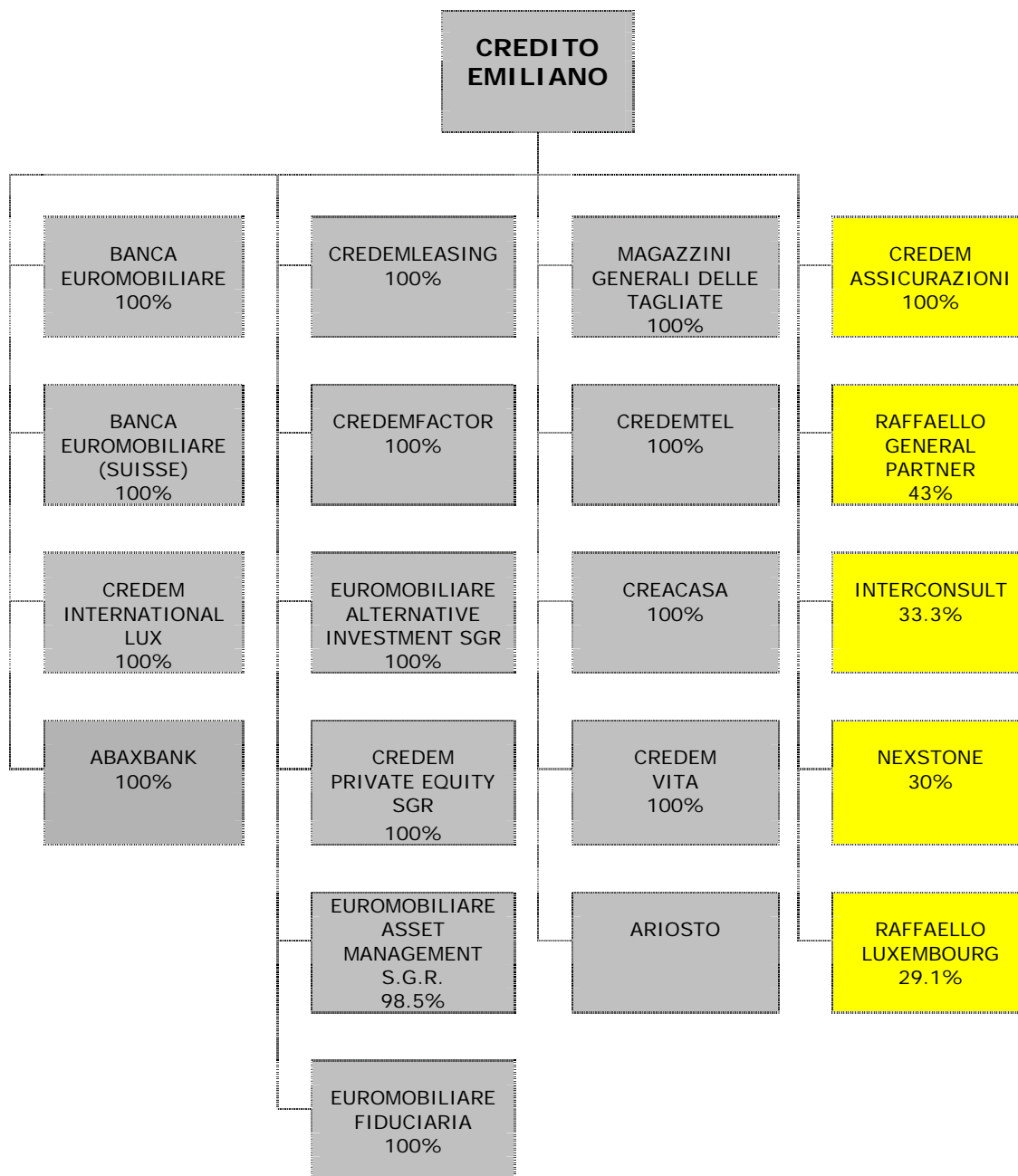
Paolo Tommasini

INDEPENDENT AUDITORS

DELOITTE & TOUCHE S.p.A.

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SCOPE OF CONSOLIDATION



Notes:

- the percentages refer to the directly or indirectly exercisable voting rights
- the light-coloured investments are carried at equity
- in accordance with IAS 27 and 12, the company Ariosto, a special purpose entity 70% owned by Credemholding, was considered as controlled by Credem and, as such, was included within the scope of consolidation

On 31 March 2008, Credem completed the purchase of the remaining 50% of Credemassicurazioni's share capital from Assurance Mutuelles; as a result, the investment in said company went from 50% to 100%.

Also in March, Credem and Reale Mutua Assicurazioni signed a bancassurance agreement aimed at the joint development of the non-life segment. In accordance with the agreement, Reale Mutua Assicurazioni

purchased 50% of Credemassicurazioni which is controlled jointly by the two groups, following the necessary authorisations issued by the Supervisory Authorities at the end of July, and is subject to a joint control after the conclusion of a specific shareholders' agreement. Always in accordance with the agreement, Credem gave the purchaser a sale option which can be exercised within six months from the third year of the equity investment transfer. The price for exercising the option corresponds to the overall amount of the investment made by the purchaser net of dividends collected by the option exercise date and increased by the interest accrued between each payout and the option exercise date. On the basis of the international accounting standards, this generates an instance of "continuing involvement", which will not permit Credem to derecognise the equity investment in Credemassicurazioni in 2008 and until the expiry of the above-mentioned option.

As a result of the above information, as at 30 September 2008 the Bank consolidated the controlling investment in Credemassicurazioni at equity by applying IAS 31.

For further information on the amendments to the scope of consolidation, see part A of the Notes.

The companies Leasemac spa and Società Consortile Nuovo Mercato Ortofrutticolo srl are not included under the scope of consolidation, as they are in liquidation.

BALANCE
SHEET
INCOME STATEMENT

Balance sheet
(in €/thousand)

	Asset items	30/09/2008	31/12/2007
10.	Cash and cash equivalents	96,873	152,071
20.	Financial assets held for trading	5,299,712	4,690,986
30.	Financial assets valued at fair value	1,486,592	467,257
40.	Available-for-sale financial assets	1,956,516	283,711
60.	Due from banks	2,859,126	3,637,378
70.	Loans to customers	17,201,336	15,763,047
80.	Hedging derivatives	145,628	14,154
100.	Equity investments	20,323	40,555
110.	Technical reserves borne by reinsurers	183	-
120.	Tangible assets	327,053	331,783
130.	Intangible assets	245,458	56,559
	- of which goodwill	223,252	31,187
140.	Tax assets	170,285	155,374
	a) current	100,867	102,029
	b) prepaid	69,418	53,345
150.	Non-current assets and groups of assets being disposed	2,026	2,026
160.	Other assets	676,717	637,629
	Total assets	30,487,828	26,232,530

Balance sheet
(in €/thousand)

	Liability and shareholders' equity	30/09/2008	31/12/2007
10.	Due to banks	4,433,478	4,735,665
20.	Due to customers	12,506,150	11,239,911
30.	Outstanding securities	6,804,114	5,181,496
40.	Financial liabilities held for trading	1,548,294	1,468,618
50.	Financial liabilities valued at fair value	1,512,095	844,145
60.	Hedging derivatives	27,702	19,453
80.	Tax liabilities	117,887	247,959
	a) current	61,602	113,712
	b) deferred	56,285	134,247
100.	Other liabilities	1,080,200	784,478
110.	Staff Termination Indemnity	91,092	87,494
120.	Provisions for risks and charges:	105,330	80,811
	a) pensions and similar provisions	1,539	1,544
	b) other provisions	103,791	79,267
130.	Technical reserves	675,245	-
140.	Valuation reserves	49,997	69,086
170.	Reserves	1,000,957	858,467
180.	Share premium reserve	84,096	83,051
190.	Share capital	282,533	282,327
210.	Minority interests (+/-)	211	206
220.	Profit (loss) for the period (+/-)	168,447	249,363
	Total liability and shareholders' equity	30,487,828	26,232,530

Income statement

(in €/thousand)

	Items	30/09/2008	30/09/2007
10.	Interest income and similar revenues	1,083,894	958,671
20.	Interest expense and similar charges	(616,103)	(604,327)
30.	Interest margin	467,791	354,344
40.	Commission income	279,321	374,554
50.	Commission expense	(57,745)	(63,539)
60.	Net commissions	221,576	311,015
70.	Dividends and similar revenues	338,310	274,361
80.	Net result from trading activities	(318,810)	(180,833)
90.	Net result from hedging activities	1,932	11
100.	Profit (loss) from sale or repurchase of:	1,106	11,360
	b) available-for-sale financial assets	238	11,193
	d) financial liabilities	868	167
110.	Net result from financial assets and liabilities valued at fair value	26,393	4,216
120.	Operating income	738,298	774,474
130.	Net value adjustments/write-backs for impairment of:	(52,545)	(25,478)
	a) loans	(52,687)	(25,364)
	b) available-for-sale financial assets	16	-
	d) other financial transactions	126	(114)
140.	Net result of financial management	685,753	748,996
150.	Net premiums	49,055	-
160.	Balance of other income/expense of insurance management	(75,928)	-
170.	Net result of financial and insurance management	658,880	748,996
180.	Administrative costs:	(470,384)	(485,087)
	a) personnel costs	(291,573)	(298,083)
	b) other administrative costs	(178,811)	(187,004)
190.	Net provisions for risks and charges	(2,791)	207
200.	Net value adjustments/write-backs to tangible assets	(13,780)	(13,524)
210.	Net value adjustments/write-backs to intangible assets	(11,248)	(8,499)
220.	Other management income/expense	41,786	43,038
230.	Operating costs	(456,417)	(463,865)
240.	Profit (Loss) on equity investments	1,444	5,657
270.	Profit (Loss) from disposal of investments	(103)	(245)
280.	Pre-tax operating profit (loss)	203,804	290,543
290.	Income taxes for the current period	(35,351)	(106,615)
300.	After-tax operating profit (loss)	168,453	183,928
320.	Profit (loss) for the period	168,453	183,928
330.	Minority interest in profit (loss) for the period	(6)	(7,503)
340.	Parent Company profit (loss) for the period	168,447	176,425

2008 STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (€/thousand)

	Balance as at 31/12/2007		Initial balance changes	Balance as at 01/01/2008		Allocation of previous year's results		Changes during the financial year										Shareholders' equity as at 30/09/2008					
								Reserves		Dividends and other allocations	Changes in reserves		New shares issue		Purchase of own shares		Extraordinary dividend distribution			Changes in capital instruments	Derivatives on own shares	Stock options	Profit (Loss) for the year as at 30/09/2008
	Group	Minority interest		Group	Minority interest	Group	Minority interest	Group	Minority interest		Group	Minority interest	Group	Minority interest	Group	Minority interest		Group	Minority interest				
																							Group
Share capital	282,327	104	-	282,327	104	-	-	-	-	-	206	-	-	-	-	-	-	-	-	282,533	104		
a) ordinary shares	282,327	104	-	282,327	104	-	-	-	-	-	206	-	-	-	-	-	-	-	-	282,533	104		
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Share premium reserve	83,051	6	-	83,051	6	-	-	-	-	-	1,045	-	-	-	-	-	-	-	-	84,096	6		
Reserves	858,467	69	-	858,467	69	147,725	-	-	-6,141	-	523	-	-	-	-	-	-	-	243	-	1,000,957	96	
a) profit	856,108	69	-	856,108	69	147,725	-	-	-5,618	-	-	-	-	-	-	-	-	-	-	-	998,355	96	
b) other	2,359	-	-	2,359	-	-	-	-	-523	-	523	-	-	-	-	-	-	-	243	-	2,602	-	
Valuation reserve	69,086	-	-	69,086	-	-	-	-	-19,089	-1	-	-	-	-	-	-	-	-	-	-	49,997	-1	
a) available-for-sale assets	4,133	-	-	4,133	-	-	-	-	-11,247	-1	-	-	-	-	-	-	-	-	-	-	-7,114	-1	
b) cash flow hedge	11,873	-	-	11,873	-	-	-	-	-7,842	-	-	-	-	-	-	-	-	-	-	-	4,031	-	
c) other:																							
- tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- special revaluation regulations	53,080	-	-	53,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,080	-	
- intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- exchange rate differences reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- foreign transactions investment hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- reserves for assets being disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit (Loss) for the year	249,363	27	-	249,363	27	-147,725	-	-101,638	-	-	-	-	-	-	-	-	-	-	-	168,447	6	168,447	6
Shareholders' equity	1,542,294	206	-	1,542,294	206	-	-	-101,638	-25,090	-1	1,774	-	-	-	-	-	-	-	243	168,447	6	1,686,030	211

EXPLANATORY NOTES

ACCOUNTING POLICIES

GENERAL PART

General standards for the preparation of Financial Statements

The Consolidated Quarterly Report as at 30 September 2008 was drawn up according to the provisions of art. 154-ter of the Consolidated Finance Law and consists of the Balance Sheet, the Income statement, the Statement of Changes in Shareholders' Equity and the Explanatory Notes. The report also includes the Board of Directors' Report on operations, on economic results achieved and on the balance sheet and financial position. Included is also a description of significant events and transactions occurred in the period.

The amounts in the Financial Statements and the Explanatory Notes - unless otherwise specified - are expressed in €/thousand.

Statement of compliance with the International Accounting Standards

The economic, capital and financial information was drawn up in accordance with the valuation and measurement criteria established by the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in art. 6 of (EC) Regulation no. 1606/2002 of the European Parliament and Council, dated 19 July 2002, as well as the provisions under art. 9 of Legislative Decree no. 38/2005.

The quarterly report is not subject to accounting audit.

The statements provide the corresponding comparative data relative to the balance sheet for the previous period, while the figures in the Income statement refer to the same period of the previous year. The format of the financial statements corresponds to that of the statements included in the short half-yearly report and annual consolidated financial statements.

Accounting standards

The accounting principles adopted in the drawing up of this quarterly report, as regards the booking, classification, measurement, write-off and recognition of the income components of the various asset and liability items, as well as for the methods of recognition of revenues and costs, are unvaried with respect to those adopted for the 2007 annual financial statements, to which the reader is referred, except for the recent changes made by IASB to the IAS 39, which will be mentioned later on, together with the indication of the economic and financial effect of these changes.

These standards have been integrated by the accounting policies described below, following the line-by-line consolidation of Credemvita.

Insurance assets and liabilities

The following is outlined in terms of the insurance business.

IFRS 4 defines an insurance contract as a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the latter if a specific future event (the insured event) results in adverse effects on the policyholder.

Insurance risk is defined as the risk, other than financial risk, that is transferred from the policyholder to the issuer of the insurance contract.

Financial risk, on the other hand, is defined as the risk of a possible future variation in one or more of the following variables: specific interest rates, prices of financial instruments, prices of commodities, exchange rates, price or rate indices, credit ratings or any other variable, provided that, in the event of a non-financial variable, it is not specific to one of the contractual counterparts.

Insurance risk is significant if, and only if, the insured event could involve payment by the insurer of additional indemnity upon occurrence of an economically significant event (therefore excluding events without any identifiable effects on the economic aspects of the transaction).

Based on the analysis carried out on policies contained in the Credemvita Spa portfolio, all contracts other than Unit-Linked, Index-Linked and Individual Pension Plans fall within the scope of application of IFRS 4 (insurance contracts).

According to the definition of insurance contract provided by IFRS 4, the level of insurance risk of said contracts is insignificant. Therefore, these contracts fall within the scope of application of IAS 39 (Financial instruments: recognition and measurement) and IAS 18 (Revenues).

Where these contracts have both an insurance and deposit component, the faculty provided for by IFRS 4 to unbundle the two components was adopted: IFRS 4 (including the adequacy test) was applied to the insurance portion and IAS 39 to the deposit portion.

Capitalisation Policies

These policies are considered as investment contracts with discretionary participation in the profits and, as permitted by paragraph 35 of IFRS 4, premiums, payments and the variation in technical reserves of capitalisation policies, linked to Separate Management products, are recorded in the Income statement.

Technical reserves borne by reinsurers

Classified under this category are amounts of technical reserves borne by reinsurers with which the Company has stipulated reinsurance treaties regulated by IFRS 4, whose effects are still underway. The recognition of values takes place consistently with the principles applicable to the related direct insurance contracts.

Technical reserves

This category includes all technical reserves resulting from commitments connected to the insurance business. Specifically, the item includes commitments from contracts with significant insurance risk and contracts with revaluation of the benefits, linked to performance of a separate management product with discretionary participation in profits (DPF – Discretionary Participation Feature), pursuant to IFRS 4, gross of reinsurance transfers (mathematical reserves, supplementary reserves and reserves for amounts to be paid).

The item also includes reserves allocated following verification of the adequacy of liabilities (LAT – Liability Adequacy Test) and deferred liabilities to policyholders (shadow accounting).

More in detail, with regards to LAT, according to IFRS 4 (par. 15 and 19), the adequacy of insurance liabilities is valued on the basis of current estimates of future cash flows.

If the book value of insurance items proves to be inadequate, the deficiency is recorded in the Income statement.

Liabilities under analysis correspond to those recognised in the financial statements of the Life Company (technical reserves, supplementary reserves, etc.) and refer to the contracts falling within the scope of application of IFRS 4.

Life segments

The adequacy test in the life segments consists of the comparison between the book value of the insurance liabilities, net of the assets to be amortised, and the current estimate of future cash flows, estimated using current hypotheses relative to the insurance contracts issued. In particular, the test was carried out on rates not subject to revaluation and classified as insurance contracts and on the rates subject to revaluation and classified as insurance contracts with discretionary participation features (DPF) and as investment contracts with discretionary participation features (DPF), whose performance is linked to separate management products.

- Shadow accounting

Contracts with revaluation of benefits linked to performance of a separate management product are classified as insurance or investment contracts, with discretionary participation features (DPF). The DPF component derives from the existence of unrealised capital gains and losses from valuation.

IFRS 4 (par. 30) permits modification of the accounting standards, so that a capital gain or capital loss recorded but not realised on an asset impacts the measurement of insurance liabilities, the related deferred acquisition costs and intangible assets, as if it were a realised component.

The resulting adjustment is recorded under shareholders' equity only if said treatment is adopted for realised capital gains and losses as well.

IFRS 4 (par. 30) permits modification of the accounting standards, so that a recorded but not realised capital gain or loss on an asset has the same impact as a realised capital gains or loss. The related adjustment of the insurance liabilities must be recorded under shareholders' equity if, and only if, the unrealised capital gains or losses are recorded directly under shareholders' equity.

Financial liabilities valued at fair value

Under this category, the Group has classified liabilities valued at fair value recognised in the Income statement and regulated by IAS 39, for which deposit accounting has been applied, and which are no longer recognised as premiums and costs generated by damage and changes in technical reserves in

the Income statement. In particular, the item includes financial liabilities valued at fair value recognised in the Income statement, also in order to avoid accounting imbalances with respect to the correlated financial assets relative to:

- index-linked and unit-linked investment contracts not under the scope of application of IFRS 4, issued by insurance companies
- the management of pension funds by insurance companies

The current value of said assets has been calculated with respect to the value of the assets, the stock indices or other benchmark values, with the relative variations recorded in the Income statement.

Contents of the Financial Statements

The financial statements are compliant with the provisions set forth by Circular no. 262/2005 of the Bank of Italy.

Balance sheet and Income statement

The Balance Sheet and Income statement are made up of items, sub-items and additional information (the "of which" in the items and sub-items). In the Income statement, revenues are presented as positive numbers without signs and costs as negative numbers in brackets.

Statement of changes in shareholders' equity

The statement presents the breakdown and movements for the shareholders' equity accounts for the period covered by the Financial Statements and the previous period, split between share capital, capital reserves, profit reserves, asset and liability valuations reserves and net profit or loss. Own shares in portfolio are recorded as a reduction in shareholders' equity. Capital instruments other than ordinary shares were not included.

The capital, reserves and profit or loss for the period have been divided between the amounts pertaining to the Group and to minority interests.

Scope and principles of consolidation

The Consolidated Quarterly Report includes the Financial Statements of Credito Emiliano spa and the companies it controls. The companies operating in different business segments than that of the Parent company have also been included within the scope of consolidation, as required by the international accounting standards. Similarly, the special purpose entities (SPE/SPV) have also been included when an effective controlling interest exists, irrespective of whether equity investments are held.

Compared to the situation as at 31 December 2007, Credemvita is now consolidated on a line-by-line basis. Previously it was included in the scope of consolidation under shareholders' equity, as subject to joint control. Other differences to be reported are the increase of a further 50% in the equity investment in Credemassicurazioni and the merger by incorporation of Anteprema into Credembanca.

As already mentioned, on 31 March 2008 Credem purchased from Assurance Mutuelle de France the remaining 50% of the equity investment in Credemvita. This purchase is part of a strategy aimed at further enhancing the Group's presence in the insurance business, also thanks to the significant know-how acquired over various years of profitable collaboration with the French group. The price paid, including all additional charges, was € 40.1 million.

In accordance with IFRS 3, the cost of a business combination is determined as the sum of the fair value as at the exchange date of: (i) the assets purchased, (ii) the liabilities incurred and (iii) the capital instruments issued by the purchaser in exchange for the control over the purchased company. Added to this amount are (iv) the costs directly attributable to the business combination.

The cost of the business combination must be allocated to the assets, liabilities, potential liabilities and intangible values not recognised in the balance sheet, to the extent of their fair value. The residual amount after this allocation must be recorded as goodwill and undergo an annual recoverability assessment (so-called impairment test).

In relation to the complexity of this procedure and the purchase date (31 March 2008), which implies valuations of assets and liabilities of the entity constituting the purchased company, the international accounting standards enable for the acquisition cost to be allocated within twelve months from the acquisition date.

At the moment of drawing up this quarterly report, the determination of the fair value of assets and liabilities and the allocation of the acquisition cost had not yet been completed.

In view of the temporary nature of the estimates, the difference between the cost of the transaction and the portion of the Company's shareholders' equity was recorded in the Consolidated Balance Sheet as at 30 September 2008 under "Intangible assets – of which: goodwill" for an amount of approximately € 11.9 million (acquisition difference). The economic contribution for the period as at 30 September 2008 reflects, respectively, 50% of Credemvita's profit for the first quarter and 100% of the second and third quarter, in line with the date (31 March 2008) starting from which Credembanca has been under total control.

Companies are considered subsidiaries when Credito Emiliano, directly or indirectly, holds more than half of the voting rights or when it has a lower portion of voting rights but has the power to appoint the majority of directors of the company or determine its financial or operating policies. The assessment of the number of voting rights also takes into account "potential" rights if they are currently exercisable or convertible into effective voting rights at any time.

Companies are considered to be subject to joint control if their voting rights and the control of their economic activities are equally shared by Credito Emiliano, directly or indirectly, and another party. An equity stake is classed as being under joint control when, even though voting rights are not equally shared, control over the investee company's economic activities or business policies is shared with another party by virtue of contractual agreements.

Companies are considered as associated, that is subject to significant influence, when Credito Emiliano, directly or indirectly, owns at least 20% of the voting rights (including "potential" voting rights as defined above) or when – even with a lower amount of voting rights - it has the power to determine the financial and management policies of the investee company by virtue of legal relationships such as participation in shareholders' agreement. Certain companies in which the Parent Company holds an equity stake exceeding 20% of the voting share capital, and in any case of a limited amount, are excluded from the scope of consolidation and classified under Available-for-sale assets because the group, directly or indirectly, only holds rights over a portion of the returns on investment, does not have influence over management policies and may exercise governance rights only in order to safeguard its economic interests.

Subsidiaries are consolidated fully on a line-by-line basis, whereas joint-controlled companies and associated companies are consolidated using the equity method.

Criteria and principles of consolidation

The following criteria were adopted in the preparation of the Consolidated Quarterly Report:

- upon first consolidation, the book value of equity investments in companies consolidated on a line-by-line basis or on a proportional basis is offset against the shareholders' equity of said companies (or rather the portion of shareholders' equity that said equity investments represent). Accounting for purchases in companies takes place according to the "purchase method", as defined by IFRS 3, with recognition of the assets, liabilities and potential liabilities of companies acquired at fair value as at the acquisition date, which is the moment in which effective control of the acquired company is achieved. Therefore, the operating results of a subsidiary acquired during the year are included in the Consolidated Financial Statements starting from its acquisition date. Similarly, the operating results of a subsidiary that has been sold are included in the Consolidated Financial Statements up until the date in which control ceases;
- any surpluses in the book value of equity investments, as per the previous point, compared to the corresponding portion of shareholders' equity, adjusted to the fair value of assets or liabilities, are recorded as goodwill under "Intangible assets" if positive and to the Income statement if negative;
- any additional purchases of equity investments subsequent to the acquisition of control are not specifically regulated by IFRS 3; according to best practice, any positive or negative differences, as defined above, that arise following said acquisition are recorded directly to equity.
- a test of the adequacy of the goodwill value (so-called impairment test) is carried out annually or each time there is evidence of impairment. To this end, the cash-generating unit that produces the cash flow and to which goodwill is attributed is identified. The amount of the impairment is calculated as the negative difference, if any, between the goodwill value recorded and its recovery value, equal to the greater of fair value of the cash-generating unit, net of any sales costs, and the relative value in use of the asset. The subsequent value adjustments are recorded in the Income statement;
- balance sheet and Income statement items connected with fully consolidated companies are fully acquired on a line-by-line basis;
- debit and credit positions, off-balance sheet transactions and income, expenses, profits and losses arising from relations between consolidated companies cancel each other out;
- portions of shareholders' equity and profits for the year belonging to minority shareholders of the consolidated companies are included under the relative sections in the balance sheet and in the Income statement, respectively;
- the statutory quarterly reports of the single companies were used for consolidation of the companies on a line-by-line basis, adjusted, if necessary, to comply with the international accounting standards used in the preparation of the consolidated position and with the statements used by the consolidating company;
- the book value of significant equity investments held by Credito Emiliano, or by other companies of the group, regarding companies consolidated with the equity method is

compared to the relative portion of shareholders' equity of the investee companies. Any excess in the book value – resulting from first-time application to the Consolidated Financial Statements – is included in the book value of the investee company. The changes in equity value that take place during the years subsequent to the year of first-time application are recorded under item 240 of the consolidated Income statement (“profit (loss) from equity investments”), to the extent in which said changes refer to profits or losses of the investee companies;

- if there is evidence that the value of a significant investment may have undergone a reduction, the recoverable value of the investment is estimated, taking into account the present value of future cash flows that the investment may generate, including the final disposal value of the investment. If the recovery value is lower than the book value, the difference is recorded in the Income statement.
- the quarterly reports as at 30 September 2008 were used, where available, for the consolidation of equity investments in associated companies. Alternatively, the figures from the latest reports were used, including quarterly reports.

The equity investment in subsidiaries, associated companies and joint-controlled companies are provided below:

Equity investments in subsidiaries (fully consolidated), associated companies and joint-controlled companies (consolidated under the equity method).

Company name	Registered office	Type of Holding	Shareholding Relationship		Voting Rights %
			Holding Company	Share %	
A. Companies					
A. 1 Consolidated line-by-line					
1. Credem International (Lux) SA	Luxembourg	1	Credito Emiliano	99.99%	
			Banca Euromobiliare	0.01%	
2. Abaxbank S.p.A.	Milan	1	Credito Emiliano	100.00%	
3. Credemleasing spa	Reggio Emilia	1	Credito Emiliano	99.90%	
			Magazzini Generali delle Tagliate	0.10%	
4. Credemfactor spa	Reggio Emilia	1	Credito Emiliano	99.00%	
			Credemleasing	1.00%	
5. Euromobiliare Alternative Investments SGR spa	Milan	1	Credito Emiliano	80.00%	
			Banca Euromobiliare	20.00%	
6. Credem Private Equity SGR spa	Reggio Emilia	1	Credito Emiliano	87.50%	
			Banca Euromobiliare	12.50%	
7. Euromobiliare Asset Management SGR spa	Milan	1	Credito Emiliano	98.54%	
8. Credemtel spa	Reggio Emilia	1	Credito Emiliano	99.00%	
			Credemleasing	1.00%	
9. Creacasa srl	Reggio Emilia	1	Credito Emiliano	100.00%	
10. Magazzini Generali delle Tagliate spa	Reggio Emilia	1	Credito Emiliano	100.00%	
11. Banca Euromobiliare spa	Milan	1	Credito Emiliano	100.00%	
12. Banca Euromobiliare Suisse SA	Lugano	1	Credito Emiliano	100.00%	
13. Euromobiliare Fiduciaria spa	Milan	1	Credito Emiliano	100.00%	
14. Credemvita spa	Reggio Emilia	1	Credito Emiliano	100.00%	
A. 2 Consolidated using the equity method					
1. Credemassicurazioni spa	Reggio Emilia	2	Credito Emiliano	100.00%	
2. Raffaello General Partner Jersey	St. Helier	3	Credito Emiliano	43.00%	
3. Interconsult	Luxembourg	3	Credem International (Lux)	33.33%	
4. Nexstone srl	Milan	3	Credito Emiliano	30.00%	
5. Raffaello Luxembourg sca	Luxembourg	3	Credito Emiliano	15.24%	
			Abaxbank	7.62%	
			Banca Euromobiliare	6.25%	

Key

Type of holding:

1 = control pursuant to art. 2359 of the Italian Civil Code, paragraph 1 (majority of voting rights in ordinary shareholders' meetings)

2 = joint control

3 = associated companies

On 31 March 2008, Credem completed the purchase of the remaining 50% of Credemassicurazioni's share capital from Assurance Mutuelles; as a result, the investment in said company went from 50% to 100%.

Also in March, Credem and Reale Mutua Assicurazioni signed a bancassurance agreement aimed at the joint development of the non-life segment. In accordance with the agreement, Reale Mutua

Assicurazioni purchased 50% of Credemassicurazioni which is controlled jointly by the two groups, following the necessary authorisations issued by the Supervisory Authorities at the end of July, and is subject to a joint control after the conclusion of a specific shareholders' agreement. Always in accordance with the agreement, Credem gave the purchaser a sale option which can be exercised within six months from the third year of the equity investment transfer. The price for exercising the option corresponds to the overall amount of the investment made by the purchaser net of dividends collected by the option exercise date and increased by the interest accrued between each payout and the option exercise date. On the basis of the international accounting standards, this generates a situation of continuing involvement, which will not allow Credem to derecognise the investment in Credemassicurazioni in 2008 and until the expiry of the above-mentioned option.

As a result of the above information, as at 30 September 2008 the Bank consolidated the controlling investment in Credemassicurazioni at equity by applying IAS 31.

The goodwill, amounting to € 3.7 million, is included in the book value of the equity investment.

In accordance with IAS 27 and 12, the company Ariosto, a special purpose entity 70% owned by Credemholding, was considered as controlled by Credem and, as such, was included within the scope of consolidation. Conversely, Leasemac spa and Società Consortile Nuovo Mercato Ortofrutticolo srl are in liquidation.

The Group holds a majority share in the capital of several mutual funds managed by asset management companies of the Group itself. Considering the composition of the capital of these funds, essentially comprising financial assets, and given that the reporting benefits resulting from consolidation of the funds are inferior to the costs necessary to provide said reporting, the Bank has decided not to consolidate these mutual funds. The above-mentioned investments are recorded under the item "Financial assets held for trading" for approximately € 162.9 million. As these amounts are recorded at fair value, their consolidation would not have had any impact on the Parent Company's profit or on the Group's shareholders' equity.

Significant events subsequent to the balance sheet date

The paid share capital increase resolved by the Board of Directors of Credito Emiliano S.p.A. (CREDEM) on 3 July 2008 is about to be completed. The purpose of this increase is to finance the development of the Bank's distribution network.

During the offer period, 212,290,152 option rights were exercised, therefore a total of 37,462,968 newly issued ordinary CREDEM shares were underwritten, which correspond to approximately 75.14% of the overall 49,858,815 ordinary CREDEM shares offered, for a value of € 187,314,840.

CREDEM HOLDING SpA committed to underwrite the ordinary shares corresponding to the option rights that may not be exercised. As a result, total fresh funds for € 250 million will have been collected at the end of the operation.

Other matters

Purchase of business branches

Following the agreement reached in February, Banca Euromobiliare integrated the Italian asset management division of Citibank International Plc. Specifically, the transaction involved the transfer of 5 branches (of which two in Milan and 1 each in Rome, Turin and Florence) and approximately € 1.2 billion in overall masses, 75% of which is attributable to 42 bank employees and the remaining 25% to 78 financial advisors. The temporary value of the transaction, which took the form of a business branch acquisition, is approximately € 41 million and was recorded as temporary goodwill under "Intangible assets – of which: goodwill".

This transaction allowed Banca Euromobiliare and the Group to consolidate their position in the private banking sector.

In addition, starting from 1 September 2008, Credembanca integrated the branches acquired from Banca Popolare di Verona-San Geminiano e San Prospero: the integration involved 33 branches in Tuscany and 2 corporate centres with their commercial support structures.

As at the integration date, this business branch comprised loans to customers for approximately € 852 million, direct and indirect deposits for € 1,026 million and 198 staff, but these figures are still being defined.

The temporary value of the transaction, which took the form of a business branch acquisition, is approximately € 139 million and was recorded as temporary goodwill under "Intangible assets – of which: goodwill".

The clauses regulating the final agreement include also the option for the purchaser to repay the loans in accordance with a pre-set overdraft limit.

Election for domestic tax consolidation

Starting from 2004 Credem and the Group's Italian companies adopted the "domestic tax consolidation", governed by articles 117-129 of the Consolidation Act on Income Taxes, introduced into tax legislation by Legislative Decree no. 344/2003. This is an optional system through which the overall net income or tax loss of each subsidiary participating in the tax consolidation – together with withholdings, deductions and tax credits – is transferred to the Parent Company (Credemholding), producing a single taxable income or single tax loss carried forward for the latter (resulting from the algebraic sum of its own income/losses and those of the subsidiaries taking part and, consequently, in a single tax debit or credit).

In exercising this option, the companies of the Group that applied the "domestic tax consolidation" calculated their own tax liability, and the corresponding taxable income was transferred to Credemholding. Should one or more of the investee companies have a negative taxable income, where there is consolidated income for the period or a high probability of future taxable income, the tax losses are transferred to Credemholding.

Following the end of the first three-year period of exercising of the option, the results of which were positive, participation in the Group tax consolidation for the period 2007-2009 as well was formally communicated to the financial department in June 2007.

Estimated data

The accounting results relative to the items "other general expenses", "commission income" and "commission expense" include accruals calculated also in accordance with the 2008 budget, in order to correctly determine the year of reference.

The usual methods for determining the economic value were used for all other items of the Income statement.

INTRODUCTION TO THE COMMENTS ON THE MAIN AGGREGATES

Changes to IAS 39 and to IFRS 7 of 13 October 2008

On 13 October 2008, the IASB (International Accounting Standards Board) issued an amendment to **IAS 39 – Financial Instruments: Recognition and Measurement**, and to **IFRS 7 – Financial Instruments: disclosures**, which permits, in rare circumstances, to reclassify certain financial assets (other than derivatives) outside the accounting portfolio of financial assets held for trading and measured at fair value through the Income statement. These assets can be reclassified into the accounting portfolio of available-for-sale (AFS) financial assets, with the changes in fair value recorded under shareholders' equity (except in the case of write-down due to impairment or disposal, in which case the specific equity reserve is transferred into the Income statement).

The amendment permits also to transfer financial assets valued at fair value which fulfil the definition of loans and receivables to the latter portfolio (valued according to the amortised cost method) if the company shows the intention and the ability to hold these instruments for the foreseeable future or until maturity.

These changes were immediately transposed into the EU law and came into force following the publication in the (EC) Regulation No. 1004/2008 of 15 October 2008.

The amendment applies to balances recorded from 1 July 2008.

Following the change to the IAS 39, the group reclassified part of its securities held in the portfolio valued at fair value (held for trading) into the portfolio valued at amortised cost (loans – loans and receivables) and at fair value (AFS – available for sale) starting from the economic situation as at the third quarter of 2008.

The IASB (International Accounting Standard Board) approved some changes to the international accounting standards IAS 39 and IFRS 7 that aim at correcting the potential distortions caused on accounting documents by the effects of the severe economic crisis in which financial markets have plunged in September.

The intervention of the IASB tries to solve the problem caused by the loss of importance of prices in a market scenario characterised by lack of liquidity and panic selling. In these extreme situations, market values no longer adequately express the fair value of financial instruments and so may distort the representation of these instruments in the financial statements of companies applying the IAS/IFRSs, causing abnormal fluctuations in the Income statement and in equity.

Thanks to the amendment introduced by the IASB, therefore, it is possible, in "rare circumstances", to reclassify (previously it was not permitted) financial instruments other than derivatives held in the trading portfolio, with the changes in fair value recorded in the Income statement, to other accounting portfolios listed by IAS 39.

These portfolios are characterised by a different valuation method, based on the amortised cost, in which it is possible to classify debt securities held to maturity and unlisted debt securities classifiable as loans (loans & receivables).

Securities belonging to those portfolios are not subject to periodic adjustment on the basis of the changes in fair value, but they must periodically undergo impairment test in the event of losses that lead to a reduction in value.

According to the new IAS 39, however, it is possible to reallocate also financial instruments other than derivatives from the trading portfolio to that of available-for-sale assets with the changes in fair value recorded under shareholders' equity rather than in the Income statement (except in case of write-downs due to impairment or disposal, in which case the specific equity reserves is transferred into the Income statement).

The amendment to the above-mentioned accounting standards could be applied for the first time no earlier than 1 July 2008.

In such context, the Credem Group decided to reclassify part of the portfolio of assets held for trading for a total of approximately € 1,000 million, determined on the basis of the fair value as at the transfer date.

The debt securities, for which it was not possible to identify an active listing market due to the financial crisis, were classified among loans and receivables, whereas the remaining financial instruments subject to reclassification were allocated to the portfolio of available-for-sale assets. Asset-backed securities (ABS) and the portfolio of bank bonds (ordinary and subordinated) were also allocated to the portfolio of available-for-sale assets.

The transaction came into effect on 1 July 2008.

The new breakdown of the portfolios reflects more accurately the group's investment policy and gives a more correct representation of the valuations of financial assets and liabilities.

Finally, it is also worth highlighting that the fair value measurement of the assets transferred as at 30 September 2008 would have resulted in net capital losses in the economic statement for € 9.5 million

(trading), recorded instead under shareholders' equity, due to the transfer of the securities to the AFS portfolio for € 4.3 million and not recorded for € 5.2 million due to the transfer of securities to the loans and receivables portfolio.

Given the above, the economic and capital information as at 30 September 2008 commented below, reflects the application of the mentioned amendments recently made to the IAS 39 "Financial instruments: recognition and measurement".

PERFORMANCE OF THE MAIN FINANCIAL AGGREGATES

Reclassified balance sheet in €/million

	9/2008	12/2007	9/2007	Change 9/08-12/07	
				absolute	%
Cash and cash equivalents	96.9	152.1	89.1	(55.2)	(36.3)
Loans to customers	17,201.3	15,763.1	15,635.8	1,438.2	9.1
Due from banks	2,859.1	3,637.4	4,421.2	(778.3)	(21.4)
Other financial assets	8,888.4	5,456.1	5,388.3	3,432.3	62.9
Equity investments	20.3	40.6	38.5	(20.3)	(50.0)
Tangible and intangible assets	572.5	388.3	380.2	184.2	47.4
Other assets	849.3	794.9	1,026.7	54.4	6.8
TOTAL ASSETS	30,487.8	26,232.5	26,979.8	4,255.3	16.2
Due to customers	12,506.2	11,239.9	11,216.2	1,266.3	11.3
Outstanding securities	8,316.2	6,025.6	5,658.7	2,290.6	38.0
Technical reserves	675.2	-	-	675.2	100.0
<i>Customer deposits</i>	<i>21,497.6</i>	<i>17,265.5</i>	<i>16,874.9</i>	<i>4,232.1</i>	<i>24.5</i>
Due to banks	4,433.5	4,735.7	5,732.8	(302.2)	(6.4)
Other financial liabilities	1,576.0	1,488.1	1,283.1	87.9	5.9
Specific risk provisions	196.4	168.3	146.2	28.1	16.7
Other liabilities	1,198.1	1,032.4	1,447.6	165.7	16.0
Minority interests	0.2	0.2	19.1	-	-
TOTAL LIABILITIES	28,901.8	24,690.2	25,503.7	4,211.6	17.1
Share capital	282.6	282.3	282.0	0.3	0.1
Reserves	1,135.0	1,010.6	1,017.7	124.4	12.3
Profit & loss for the period	168.4	249.4	176.4	(81.0)	(32.4)
GROUP SHAREHOLDERS' EQUITY	1,586.0	1,542.3	1,476.1	43.7	2.8
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	30,487.8	26,232.5	26,979.8	4,255.3	16.2

Loans to customers

	€/million			% change	
	9/2008	12/2007	9/2007	on 12/07	on 9/07
loans to customers	7,500	6,673	6,537	12.4	14.7
mortgage loans and leases outstanding repurchase agreements	9,701	8,896	8,716	9.0	11.3
	-	194	383	n.s.	n.s.
TOTAL LOANS TO CUSTOMERS	17,201	15,763	15,636	9.1	10.0

The following table analyses loans by company:

	9/2008		12/2007		9/2007		% change on	
	Amount	%	Amount	%	Amount	%	12/07	3/07
Credito Emiliano	15,318	85.2	14,346	85.7	14,381	86.3	6.8	6.5
Credemleasing	1,925	10.7	1,894	11.3	1,843	11.0	1.6	4.4
Credemfactor	233	1.3	298	1.8	248	1.5	-21.8	-6.0
Abaxbank	304	1.7	31	0.2	120	0.7	n.s.	n.s.
Banca Euromobiliare	138	0.8	126	0.8	58	0.3	9.5	15.0
Credem International (Lux)	15	0.1	19	0.1	21	0.1	-21.1	-28.6
Other companies	32	0.2	18	0.1	20	0.1	77.8	60.0
Aggregate	17,965	100.0	16,732	100.0	16,691	100.0	7.4	7.6
Consolidation adjustments	-764		-969		-1,055			
Consolidated	17,201		15,763		15,636		9.1	10.0

The negative trend of consumption and the reflexive trend of the real estate market are further slowing down the demand for loans to families, for both mortgage loans and consumer finance. A sustained but slowing down pace marks the corporate loans sector, where a further decrease is expected in connection with the slowdown of the economic cycle and of investments.

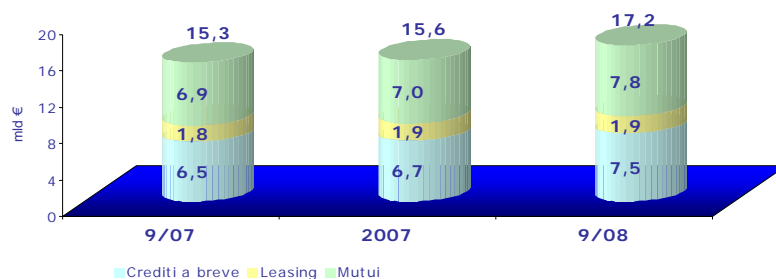
However, the growth in the short-term component of loans (+14.7%) is satisfactory and accounts for approximately 44% of total loans.

Overall, loans amount to over € 17 billion, with a year-on-year increase of 10%. Without taking into account the acquisitions, the increase would reach 4.8%.

The medium-term component continues to give a significant contribution (+11.3%).

Mortgage loans to families confirmed their contribution to growth (amounting to over € 5.0 billion, +8.1%) whereas the loans disbursed decreased (-16.1%).

IMPIEGHI (esclusi Pct)



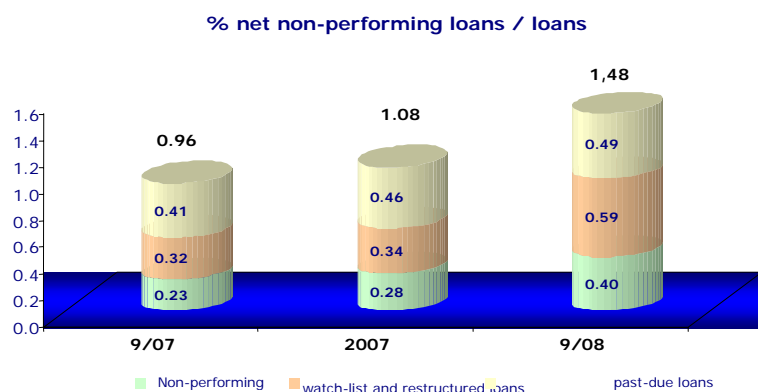
Key: LOANS (excluding pct); Short-term loans Leasing Mortgage loans; €bn

Non-performing loans

	9/2008	12/2007	9/2007
% Non-performing Loans Net of Cash Loans	0.40	0.28	0.23
% estimates of bad debts on non-performing loans	63.0	63.6	63.1
nominal values:			
non-performing loans	186.4	118.8	96.8
watch-list loans	147.9	77.1	77.0
restructured loans	4.3	3.6	2.5
"past-due loans"	81.9	74.4	64.7
loans to risk countries	5.3	0.7	0.0
total nominal values	425.8	274.6	241.0
estimated bad debts	171.5	106.9	95.1
estimated recoveries			
- non-performing loans	68.9	43.3	35.7
- watch-list loans	98.7	50.9	47.8
- restructured loans	3.2	1.6	0.6
- "past-due loans"	78.2	71.2	61.8
- loans to risk countries	5.3	0.7	0.0
total estimated recoveries	254.3	167.7	145.9
re-allocation of "accounting funds":	220.9	159.5	132.2
- <i>specific write-downs</i>	171.5	106.9	95.1
- <i>collective write-downs on performing loans</i>	49.4	52.6	37.1

The management and collection of securitised loans at the end of 2000 ended the current quarter with the signing of an agreement to transfer the loans portfolio as at 15 April 2008 to a financial company connected with a leading industrial group. The € 39 million of the transfer value, together with the pre-existing liquidity, were used to repay fully the remaining junior securities in the portfolio.

In addition, the clauses regulating the final agreement for the purchase of the branches from Banca Popolare di Verona – San Geminiano e San Prospero include also the option for the purchaser to repay the loans in accordance with a pre-set overdraft limit.



Customer deposits

	€/million			% change	
	9/2008	12/2007	9/2007	on 12/07	on 9/07
- current, savings accounts and other	10,673	10,505	10,409	1.6	2.5
- insurance deposits	1,877	2,146	2,070	-12.5	-9.3
- certificates of deposit	1,843	800	185	n.s.	n.s.
DEPOSITS	14,393	13,451	12,664	7.0	13.7
- bonds and subordinated debt	5,275	5,225	5,474	1.0	-3.6
DIRECT DEPOSITS EXCLUDING REPURCHASE AGREEMENTS	19,668	18,676	18,138	5.3	8.4
- repurchase agreements	1,830	735	807	n.s.	n.s.
TOTAL DIRECT DEPOSITS	21,498	19,411	18,945	10.8	13.5
INDIRECT DEPOSITS AT COUNTERVALUE	33,783	39,750	38,784	-11.3	-12.9
GRAND TOTAL	55,281	57,519	57,729	-3.9	-4.2

- of which middle customers

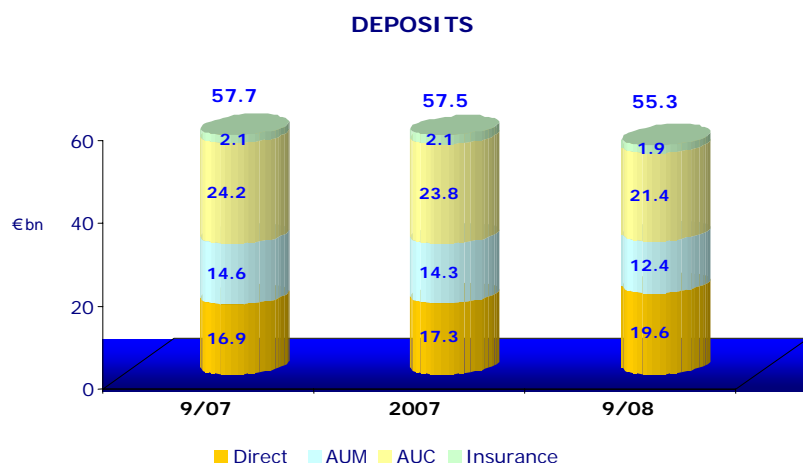
The significant progress of direct deposits reflects the fact that customers continue to be cautious. We decided to back this caution by offering them group products.

The outcome is the significant increase in time deposit products (+25.8% compared to September 2007), particularly in the form of certificates of deposit, but also through the placement of bonds among retail customers.

For similar market reasons, the growth pace of on-demand liabilities continued to be satisfactory and repurchase agreements were widely used.

Savers continue to opt for low-risk investments, which has a negative impact on the trend of asset management.

The reflexive trend of customers asset management is mainly due to the specific commercial requirements which led customers to choose direct time deposits.



The following table shows the breakdown of direct deposits by company:

	9/2008		12/2007		9/2007		% change on	
	Amount	%	Amount	%	Amount	%	Amount	%
Credito Emiliano	17,724	74.7	15,566	79.2	15,359	80.0	13.9	15.4
Credemleasing	914	3.8	795	4.0	722	3.8	15.0	26.6
Credemfactor	18	0.1	23	0.1	19	0.1	-21.7	-5.3
Banca Euromobiliare	1,122	4.7	458	2.3	499	2.6	n.s.	n.s.
Abaxbank	802	3.4	383	1.9	255	1.3	n.s.	n.s.
Credem International (Lux)	1,231	5.2	283	1.4	233	1.2	n.s.	n.s.
Credemvita	1,878	7.9	2,146	10.9	2,070	10.8	-12.5	-9.3
Other companies	55	0.2	33	0.2	33	0.2	66.7	66.7
Aggregate	23,744	100.0	19,687	100.0	19,190	100.0	20.6	23.7
Consolidation adjustments	-2,246		-276		-245			
DIRECT DEPOSITS	21,498		19,411		18,945		10.8	13.5

Below is the breakdown of indirect deposits by technical form (at countervalue):

	€/million			% change	
	9/2008	12/2007	9/2007	on 12/07	on 9/07
asset management	3,908	4,710	5,343	-17.0	-26.9
third-party's products	862	200	170	331.0	407.1
mutual funds	3,957	5,035	5,356	-21.4	-26.1
SICAV	3,278	3,927	3,401	-16.5	-3.6
hedge funds	265	256	225	3.5	17.8
venture capital	38	38	38	0.0	0.0
other	94	106	91	-11.3	3.3
indirectly managed	12,402	14,272	14,624	-13.1	-15.2
institutional business administered	9,535	11,408	11,574	-16.4	-14.0
customer business administered	11,846	12,428	12,586	-4.7	-5.9
indirect deposits administered	21,381	23,836	24,160	-10.3	-11.5
Total indirect deposits	33,783	38,108	38,784	-11.3	-12.9

Below is the breakdown of indirect deposits by company (at countervalue):

	managed			custody/administered			total		
	amount	% change 12/07	% change 9/07	amount	% change 12/07	% change 9/07	amount	% change 12/07	% change 9/07
Credito Emiliano	9,508	-14.2	-14.5	18,537	-13.5	-14.8	28,045	-13.8	-14.7
Euromobiliare Asset Manag. SGR	3,957	-21.4	-26.1	0	n.s.	n.s.	3,957	-21.4	-26.1
Banca Euromobiliare	3,747	-10.7	-14.4	2,414	60.5	64.0	6,161	8.1	5.4
Credem International (Lux)	100	-3.8	-18.7	492	-38.5	-41.3	592	-34.5	-38.4
Euromobiliare Inter. Fund SICAV	3,278	-16.5	-3.6	0	n.s.	n.s.	3,278	-16.5	-3.6
Euromobiliare Alternative SGR	265	3.5	17.8	0	n.s.	n.s.	265	3.5	17.8
Credem Private Equity	38	0.0	0.0	0	n.s.	n.s.	38	0.0	0.0
Banca Euromobiliare (Suisse)	315	-11.5	-22.0	403	16.5	17.2	718	2.3	-4.0
<i>Indirect aggregate</i>	<i>21,208</i>	<i>-15.2</i>	<i>-15.3</i>	<i>21,846</i>	<i>-9.3</i>	<i>-10.5</i>	<i>43,054</i>	<i>-12.3</i>	<i>-12.9</i>
Consolidation adjustments	-8,806			-465			-9,271		
Total indirect consolidated	12,402	-13.1	-15.2	21,381	-10.3	-11.5	33,783	-11.3	-12.9

It is worth highlighting that both breakdowns do not show the insurance deposits which, following the line-by-line consolidation of CredemVita, are recorded in these financial statements as a source of finance for the Group. For this reason, this component was represented separately in the introduction table of this chapter.

PERFORMANCE OF GROUP COMPANIES

CREDITO EMILIANO

	Q1	Q2	Q3	9/2008	9/2007	% change
interest margin	129.6	123.7	131.1	384.4	342.6	12.2
dividends from equity investments	0.2	3.9	0.0	4.1	87.3	(95.3)
non-interest margin	60.6	109.5	41.8	211.9	260.0	(18.5)
operating income	190.4	237.1	172.9	600.4	689.9	(13.0)
- without dividends	190.2	233.2	172.9	596.3	602.6	(1.0)
personnel costs	(81.9)	(81.3)	(71.9)	(235.1)	(230.2)	2.1
administrative costs	(48.8)	(46.5)	(46.1)	(141.4)	(145.9)	(3.1)
operating costs	(130.7)	(127.8)	(118.0)	(376.5)	(376.1)	0.1
EBITDA	59.7	109.3	54.9	223.9	313.8	(28.6)
- without dividends	59.5	105.4	54.9	219.8	226.5	(3.0)
amortisation/depreciation	(6.8)	(7.2)	(7.2)	(21.2)	(18.3)	15.8
operating profit	52.9	102.1	47.7	202.7	295.5	(31.4)
provisions for risks and charges	4.2	0.0	(6.6)	(2.4)	0.4	
extraordinary income/charges	(0.3)	(1.4)	(0.8)	(2.5)	8.7	
adjustments to loans, net	(9.8)	(15.4)	(11.7)	(36.9)	(22.6)	
PROFIT BEFORE TAX	47.0	85.3	28.6	160.9	282.0	(42.9)
income taxes	(10.0)	(2.8)	(11.9)	(24.7)	(78.0)	(68.3)
NET PROFIT	37.0	82.5	16.7	136.2	204.0	(33.2)
- without dividends	36.8	78.6	16.7	132.1	116.7	13.2
ROE*				10.6%	17.8%	
- without dividends				9.8%	9.9%	
non-interest margin/operating income				36.0%	43.1%	
operating costs/operating income				64.0%	62.4%	
tax rate (excl. dividends from equity inv.)				15.8%	40.1%	

Key

* the operating income includes the item "Other operating income/charges" net of extraordinary income/charges.

** ROE = $\frac{\text{Net profit}/(\text{equity in period of reference} + \text{equity at end of previous year})}{2}$

2

Shareholders' Equity: algebraic sum of
 130 Valuation reserve
 140 Redeemable shares
 160 Reserves
 170 Share premium reserve
 180 Share capital
 190 Own shares (-)
 200 Profit net of dividends theoretically distributable or resolved

The positive development of credit brokerage was mainly due to the increase in volumes. The aimed-for repositioning, within the retail segment, of risk-return combinations in the granting of credit undoubtedly contributed to the rise in revenue from interest – a more significant increase compared to that of risk cost – and contained the effects of the highest cost of the finance sources. Non-interest margin inevitably suffered from the crisis in the financial markets, which affected the trading and the hedging segment as well as the management and brokerage commissions. Regarding the last point, the decrease particularly affected the contribution of individual and collective asset management and the trading on behalf of third parties. Always in connection with commissions, the contribution of banking services remained essentially stable.

The limited increase in operating costs is predominantly due to personnel costs. As at September 2007 there was an extraordinary positive component of € 6 million resulting from the recalculation of the staff termination indemnity (without that item: -0.5% for personnel and -1.5% for operating costs). This increase is also linked with the territorial rollout and the growth of staff in the commercial network.

Adjustments to loans showed also an increase, albeit a limited one in relative terms.

Taxes were positively affected by the adjustment to deferred taxes. By paying a substitute tax, the company aligned the statutory and tax values of credit risk funds with a surplus and of tangible assets.

In October, following the adoption of the amendment to IAS 39 around valuations in the quarterly report, securities for a total nominal value of € 366 million were transferred from the "Held For Trading" portfolio to the "Available for Sale" one.

If the transferred securities had remained in the trading portfolio, they would have generated a net capital loss in the Income statement of approximately € 2.1 million, rather than having an impact on the shareholders' equity.

CREDEMLEASING

		9/08	9/07	9/06
Number of contracts stipulated				
- - movables		2,389	2,767	2,426
- - real estate		178	270	182
	no.	2,567	3,037	2,608
amount of contracts stipulated				
- - movables		205.8	185.5	167.7
- - real estate		140.8	174.8	134.0
	€/million	346.6	360.3	301.7
domestic market share	%	1.16	1.06	0.97
outstanding principal (including construction in progress)	€/million	1,870	1,788	1,684

In the first nine months of 2008, the financial lease market was heavily affected by the trend of the Italian economy and, as a result, recorded a downward trend of investments financed compared to the same period of the previous year (-12%, amounting to approximately € 29.9 million). In particular, the real estate lease sector confirmed the slowdown that had already been recorded in the first half of the year and decreased by 24.9%, while the movables sector decreased by -1.8%.

However, in this context the company obtained results that were higher than the system, especially due to the positive trend of the movables sector, which rose by 10.9% compared to the same period of the previous year. The reduction in the real estate sector (-19.5% of the value of the new contracts stipulated) was also lower than that for the system.

Overall, the market share stood at 1.16% (1.13% as at December 2007).

The economic results continue to grow; net profit was positively affected by a one-off event connected with the off-balance sheet deduction in accordance with the 2008 Finance Act.

CREDEMFACTOR

Description		9/08	9/07	% change
Turnover (flows)		766	846	-9.4
- with recourse	€/million	490	581	-15.7
- without recourse	€/million	276	265	+4.3
Outstanding	€/million	331	340	-9.7
Investment :				
- at year end	€/million	218	230	-5.5
- average	€/million	238	243	-2.0

In the first nine months, the turnover amounted to € 766 million, down by 9.4% compared to € 846 million in September 2007. Given that the flow without recourse was essentially stable, the flow with recourse decreased by 15.7%, bringing the incidence of the latter from 69% to 64%.

301 new contracts were stipulated, compared to 270 in the same period of the previous year (+11.4%).

The interest margin was mainly influenced by the increase in shareholders' equity (share capital increase of € 22 million in September 2007), which resulted in a less frequent use of indebtedness in order to find funds.

Non-interest margin remained essentially unchanged, despite the decrease in turnover.

Operating costs increased (+18%), mainly due to the addition of 6 new resources.

Positive was also the EBITDA (+5.5%), which amounted to € 6.2 million.

Not-performing loans over risks came to 0.51%, whereas the hedging of non-performing loans was 60%.

The net profit was positively affected by a one-off event connected with the off-balance sheet deduction in accordance with the 2008 Finance Act.

EUROMOBILIARE ASSET MANAGEMENT SGR

Net deposits for the first nine months, as far as Funds and SICAVs are concerned, was down by € 1,323 million (€ -764 and € -559 million, respectively), in line with the overall performance of the system (negative deposits for approximately € 97.7 billion).

Assets managed (Funds and SICAVs) were down compared to the end of the previous year, with an increase in bond/monetary products (68% vs. 55.8% at the end of 2007) compared to the share/balanced products (28.5% vs. 41.4% at the end of 2007).

The company's market share, in terms of managed assets (including Italian funds, speculative funds and SICAVs) dropped from 1.62% at the end of 2007 to 1.57% in the first nine months of 2008.

The economic results as at September 2008 show profit for € 0.4 million, down by 72% compared to the result achieved in the same period of last year.

This decrease was essentially due to lower revenues from net commissions (-21%) resulting from the reduction in managed assets.

EUROMOBILIARE ALTERNATIVE INVESTMENTS SGR

Deposits as at 30 September 2008 were positive for € 17.2 million, with the shareholders' equity of funds amounting to € 265 million at the end of September 2008. At the end of the period under analysis, the company had a market share of 0.83%.

The Income statement as at 30 September 2008 showed a limited loss (€ 0.1 million) compared to the result achieved in the same period of 2007 (+0.4 million).

This result was essentially due to the increase in administrative costs (+119% compared to the end of September 2007).

CREDEM PRIVATE EQUITY

The company showed a positive development in the "interest" item in relation to investing liquidity in commercial papers and time deposits, offset by a slight increase in administrative costs due to some additional charges for consultancy directly attributable to the SGR (risk management) or prepaid on behalf of the fund.

Overall, also the equity structure did not show any variation.

Credem Private Equity is exploring a further investment transaction in relation to a company operating in the flexible packaging segment, which we believe can be finalised at the end of 2008.

As at today, more than one third of the fund's equity is invested.

Except for an equity investment which is undergoing a management restructure, the quarterly pro-forma results of the other investee companies show a projection for the year end results of an increase in turnover and margins in comparison with the previous year.

CREDEM INTERNATIONAL LUX

The updating of the product offer characterised also the third quarter of the year as regards administrative services provided to the Group's SICAV.

In September, one segment had its investment policy and name changed so as to adjust it to the strong demand for a product focused on high liquidity investments and risk rate aversion.

The contribution of this business line to the Income statement is decreasing, mainly due to the fact that most assets focus on low-margin monetary products.

Moreover, managed assets decreased significantly in the third quarter as a result of the combined effect of repurchases and the crisis of financial markets.

The balance of direct deposits increased by € 26 million (+10.3%) compared to the end of 2007.

Conversely, administered deposits decreased sharply by -34.8% to € 293 million. This aggregate consists of very significant share positions, for which the decrease can be mainly attributed to the decline in share prices.

Managed deposits decreased by € 17 million (-24.8%) to € 53 million.

Credit activity focused on managing the existing portfolio which decreased by approximately € 7 million (-14%) due to a series of maturities.

BANCA EUROMOBILIARE SUISSE

The quarter confirmed the good recovery in sales growth, highlighting positive net deposits by 11% compared to the administered assets as at December 2007.

The impact of the financial markets and exchange rates, however, penalised the overall total, and consequently also the economic result. The decrease affected obviously the commissions (-16% compared to the budget) and the result from trading activities (-40%).

Operating costs decreased compared to the budget and the same period of the previous year.

BANCA EUROMOBILIARE

The key event for the first nine months of 2008 was the acquisition by Banca Euromobiliare of the Italian asset management division of Citibank International Plc. On 9 May 2008, 5 branches (of which two in Milan and 1 each in Rome, Turin and Florence) were transferred together with € 1,200 million in customer deposits and managed asset for € 530 million.

Overall customer assets (including also loans) increased in comparison with December 2007 and went from € 6,400 to € 7,300 million (+14%), mainly due to the Citi acquisition.

In the period under analysis, the amount of total net deposits was close to zero (€ -6 million), while the "markets" effect was negative for nearly € 600 million (-9% in comparison with the deposits at the end of 2007), due to the serious financial crisis that worsened particularly in September.

The incidence of the assets managed went from 66% in December 2007 to 52% in September 2008, predominantly due to the adverse market conditions, which led customers to opt for administered deposit and direct deposit products, the above-mentioned capitalisation effect and due to the lower incidence of managed assets for the customers acquired.

Within the asset management segment, the positive deposits on the SICAV CredemLux and on insurance products were only partially able to compensate for the decrease in Asset Management, Euromobiliare Funds and third-party SICAVs.

The trend of operating income shows a € 10.5 million reduction compared to the same period of the previous year (-25%), generated by the different dynamics of the two main components.

In particular, the increased liquid volumes, the rise in loans and, starting from the second quarter of 2008, the issue of new certificates of deposit (with a balance as at 30 September of approximately € 215 million) had a positive effect on the interest margin.

On the other hand, the elements that caused a decrease in non-interest margin were the adjustments made to comply with the MiFID Regulations, the above-mentioned decrease in assets managed and the relative internal realignment in favour of lower-risk lower-return products.

Administrative costs showed an increase compared to September 2007 (+5%), essentially due to the rise in personnel costs (€ +2.0 million), heavily influenced by higher costs for ordinary salaries and loyalty programmes connected with the Citibank acquisition. General expenses, on the other hand, showed a slight overall improvement, despite the additional costs incurred following the extraordinary transaction mentioned above.

As a result of all the elements described so far, the net loss amounted to € 1.4 million, compared to a profit of € 5.1 million in the same period of the previous year.

ABAXBANK

The Company's economic performance (net loss of € 1 million) was negatively affected by the reduction in the market value of the assets held in its portfolios, following the deepening of the global crisis of financial markets.

In particular, the Bank shows an operating income in the period of € 39 million and adjustments due to write-downs on loans to Lehman Brothers for approximately € 15 million.

Administrative costs amount to € 26 million, in line with forecast.

From an equity point of view and considering the Bank's typical activities, the main items among assets and liabilities are those related to trading, cash and derivative financial instruments and to the finance and loans transactions recognised under receivables and payables.

In October, following the adoption of the amendment to IAS 39 around valuations in the quarterly report, securities for a total nominal value of € 630 million were transferred from the "Held For Trading" portfolio to the "Loans and Receivables" and "Available for Sale" ones. If the transferred securities had remained in the trading portfolio, they would have generated in the Income statement as at 30 September 2008, a net capital loss of approximately € 5.3 million in the Loans – L&R category and a

loss of € 2.2 million in the AFS category, an effect that in any case was recorded under shareholders' equity (AFS).

CREACASA

The negative trend of the economic result was confirmed due to the adverse performance of the market.

As at September 2008, the company had a loss of € 0.7 million.

The recruitment activity continue, with the purpose of increasing resources in the sales network. The objective for the full 2008 of employing 100 agents has already been achieved.

CREDEMVITA

		09/2008	09/2007
deposits (flows)	€/million	317	415
active policies	no.	90,883	100,163

From a sales point of view, the total amount of deposits collected by the company in the period under analysis was lower than that in the same period of the previous year (-23.6%).

The performance of premiums issued, however, confirms a positive trend in the I and V segments, with a 31% increase, and in the VI segment, with a 53% increase. Deposits in the III segment declined by 31% due to the negative performance of the financial markets, which generated concern among investors.

The premiums issued in relation to sales of pure risk hedges connected with personal and mortgage loans showed a slight decrease compared to the same period of last year (-11%).

From an economic point of view, the pre-tax profit is essentially in line with the same period of the previous year. But it is worth noting that net profit is clearly higher thanks to the new tax regulations, which led to a reduction in the burden of current and deferred taxes on the Company's revenues.

As regards the changes in capital for 2008, the entire profit for 2007 (€ 7.2 million) was allocated to the reserves and the valuation reserves decreases due to the turmoil in the financial markets (€ 0.5 million).

CREDEMASSICURAZIONI

		09/2008	09/2007
premiums (net of the related reserve)	€/million	17.9	18.9
active policies	no.	8,908	12,067

Premiums declined in comparison with the same period of the previous year. This was mainly due to the reduction in the automobile policies portfolio. However, the sales synergies within the Credem Group continue to give positive results.

The turmoil that marked the financial markets led to a reduction in the valuation reserves of financial instruments compared to the end of the previous year (€ 0.4 million).

Analysis of the economic scenario highlights some good indicators: worth mentioning is the ratio between charges generated by damages and premiums (64.8%).

Pre-tax profit continues to be positive. Gross profit amounts to € 1.8 million, essentially in line with the figure recorded in the same period of 2007.

MAGAZZINI GENERALI DELLE TAGLIATE

The average number of cheeses in the inventory continued to improve for both structures, mainly due to the very negative performance of the market.

Revenues increased slightly when compared to the previous quarter, but are essentially in line with the same period of 2007.

In terms of costs, those connected with energy increased sharply due to the ongoing rise in tariffs and the more frequent use of air conditioning systems given the unfavourable weather conditions.

The photovoltaic system was installed in the Castelfranco Emilia warehouse during the quarter and went officially into production in early October.

CREDEMTEL

The turnover of the interbank corporate banking (46% of the total) can gradually increase over time, thanks to the income generated by the collaboration with an important national home banking services operator.

Figures recorded in the first nine months highlight a significant increase compared to the corresponding period of the previous year, primarily due to companies served directly by Credemtel and to smaller banks, mainly foreign ones with branches in Italy.

The "Electronic Document Management" sector is undoubtedly the area that is growing at a faster pace and, in a future perspective, that should continue to grow.

Figures for the first nine months show a growth in comparison with the same period of last year (+11.6% of turnover and +29.3% of number of customers).

Regarding the "Other Services" segment, the contract with AUTOSTRADE PER L'ITALIA, relative to the Viacard service, continues to generate attractive operating margins.

PERFORMANCE OF THE MAIN FINANCIAL AGGREGATES

RECLASSIFIED INCOME STATEMENT (€/million)

	9/08	9/07 (*)	% change	12/07 (*)
interest margin	427.7	388.5	10.1	534.5
non-interest margin	329.9	373.5	(11.7)	471.0
operating income	757.6	762.0	-0.6	1,005.5
personnel costs	(291.6)	(282.4)	3.3	(383.9)
administrative costs	(178.8)	(182.0)	(1.8)	(234.3)
operating costs	(470.4)	(464.4)	1.3	(618.2)
EBITDA	287.2	297.6	(3.5)	387.3
amortisation/depreciation	(25.0)	(22.0)	13.6	(30.8)
operating profit	262.2	275.6	(4.9)	356.5
provisions for risks and charges	(2.8)	0.2	n.s.	(20.6)
extraordinary income/charges	(3.1)	9.8	n.s.	41.5
adjustments to loans, net	(52.5)	(25.5)	105.9	(53.2)
PROFIT BEFORE TAX	203.8	260.1	(21.6)	324.2
minority interest profit/loss	0.0	0.0	n.s.	0.0
income taxes	(35.4)	(100.9)	(64.9)	(74.8)
NET PROFIT	168.4	159.2	5.8	249.4

(*) In order to make the comparison more homogeneous:

- Credemvita, which was previously consolidated under the equity method, was consolidated on a line-by-line basis according to the proportional method
- the contribution made by Euromobiliare Sim was derecognised, as the company was sold at the end of 2007.

KEY:

Interest margin

- + Item 30 Interest margin
- + Item 240 Profit (Loss) from equity investments
- + Item 70 Dividends and similar revenues (solely for the portion relating to dividends from equity investments)
- Abaxbank and Credemvita interest margin

Non-Interest Margin

- + Item 60 Net Commissions
- + Item 70 Dividends and similar revenues (net of dividends from equity investments)
- + Item 80 Net result from trading activities
- + Item 90 Net result from hedging activities
- + Item 100 Profit (Loss) from sale or repurchase (item d.)
- + Item 150 Net premiums
- + Item 160 Balance of other operating income/charges from insurance management
- + Item 220 Other operating income/charges (net of extraordinary items)
- + Abaxbank and Credemvita interest margin

Operating income

(Interest margin + Non-interest margin)

Operating costs

- + Item 180 Administrative costs

EBITDA

(Operating income – Operating costs)

Depreciation & amortisation

- + Item 200 Net value adjustments/write-backs to tangible assets
- + Item 210 Net value adjustments/write-backs to intangible assets

Net operating profit

(EBITDA – Depreciation & Amortization)

Net provisions for risks and charges

- + Item 190 Net provisions for risks and charges

Adjustments to loans, net

- + Item 130 Net value adjustments/write-backs due to impairment of loans ("a") and other assets ("d")

Extraordinary income (charges)

- + Item 100 Profit (Loss) from sale or repurchase (items a.+b.+c.)
- + Item 130 Net value adjustments/write-backs due to impairment ("b" and "c")
- + Item 220 Other operating charges/income (only extraordinary items)
- + Item 270 Profit (Loss) from disposal of investments
- + Item 310 Profit (loss) from non-current assets being disposed, net of taxes

Profit before tax

(Net operating profit +/- Net provisions for risks and charges - Adjustments to loans +/- Extraordinary income/charges)

The 2007 results taken as reference for a financial comparison with the period under review were netted of the effects generated by Euromobiliare Sim, which was sold in the last part of 2007, and include the effects connected with the line-by-line consolidation of CredemVita, fully owned since March 2008.

With regards to Credemvita, the result for 2007 is represented by 50% of the company's profit; for 2008 the result reflects, respectively, 50% of Credemvita's profit for the first quarter and 100% of the second and third quarter, in line with the date (31 March 2008), starting from which Credembanca has been under total control.

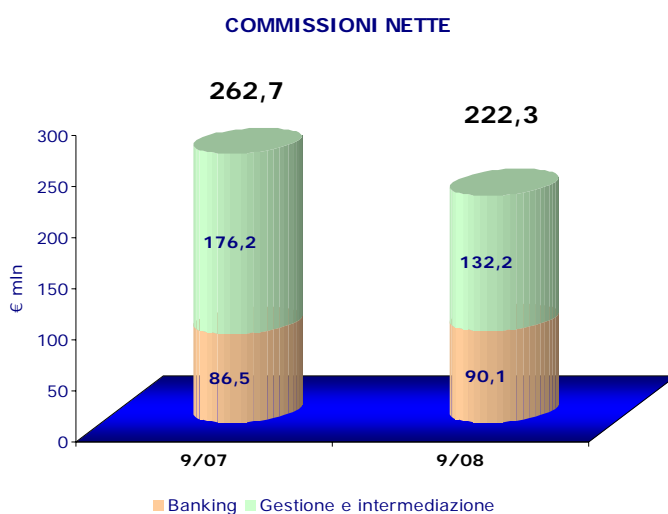
The positive development of credit brokerage was mainly due to the increase in volumes.

The aimed-for repositioning, within the retail segment, of risk-return combinations in the granting of credit undoubtedly contributed to the rise in revenue from interest – a more significant increase compared to that of risk cost – and contained the effects of the highest cost of the funding sources.

ANALYSIS OF NON-INTEREST MARGIN

	9/2008	9/2007	% change
management and brokerage	132.2	176.2	-25.0
banking services	90.1	86.5	4.2
net commissions	222.3	262.7	-15.4
Abaxbank operating income	40.7	29.8	36.6
securities trading, exchange rates and derivatives of other companies	13.2	31.7	-58.4
securities trading, exchange rates and derivatives	53.9	61.5	-12.4
Credemvita operating income	10.7	6.6	62.1
other income and charges	43.0	42.7	0.7
non-interest margin	329.9	373.5	-11.7

Non-interest margin inevitably suffered from the crisis in the financial markets, which affected the trading and the hedging segment as well as the management and brokerage commissions. Regarding the last point, the decrease particularly affected the contribution of individual and collective asset management and the trading on behalf of third parties. Always in connection with commissions, the contribution of banking services remained essentially stable.



Key: NET COMMISSIONS; Banking – Management and brokerage; €m

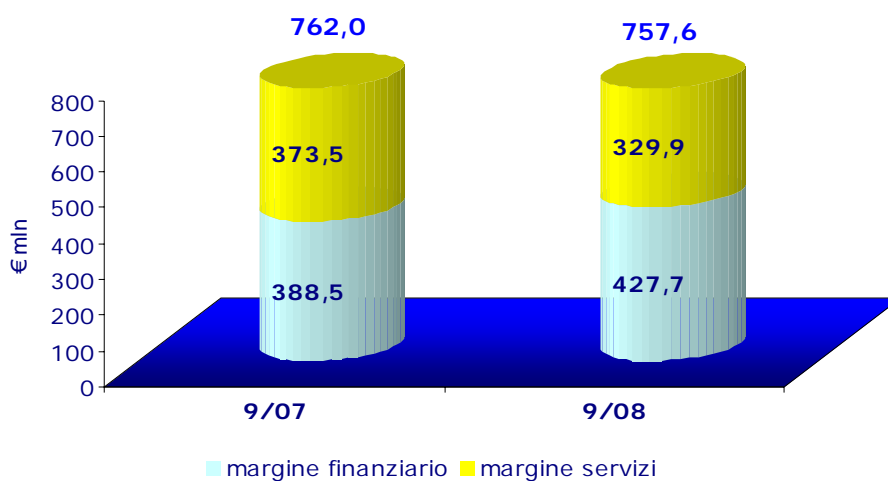
The following section provides an analysis of the main aggregates and the contribution of the individual companies.

OPERATING INCOME*

	9/ 2008		9/ 2007		change %
	amount	% impact	amount	% impact	
Credito Emiliano (*)	600.4	78.3	602.5	78.3	(0.3)
Credem International (Lux)	11.9	1.6	17.2	2.2	(30.8)
Credemleasing	26.7	3.5	23.3	3.0	14.6
Credemfactor	10.6	1.4	9.6	1.2	10.4
Banca Euromobiliare	33.0	4.3	43.4	5.6	(24.0)
Euromobiliare A.M. SGR	10.4	1.4	13.4	1.7	(22.4)
Alternative SGR	1.5	0.2	1.6	0.2	(6.3)
Magazzini Generali delle Tagliate	2.4	0.3	2.8	0.4	(14.3)
Credemtel	7.1	0.9	6.9	0.9	2.9
Credemvita	40.7	5.3	29.8	3.9	36.6
Abaxbank	10.7	1.4	6.6	0.9	62.1
Banca Euromobiliare (Suisse)	7.7	1.0	9.3	1.2	(17.2)
Other companies	3.0	0.4	3.7	0.5	(18.9)
aggregate	766.1	100.0	770.1	100.0	(0.5)
consolidation adjustments	(8.5)		(8.1)		
Operating income	757.6		762.0		(0.6)

(*) net of dividends received from Group companies

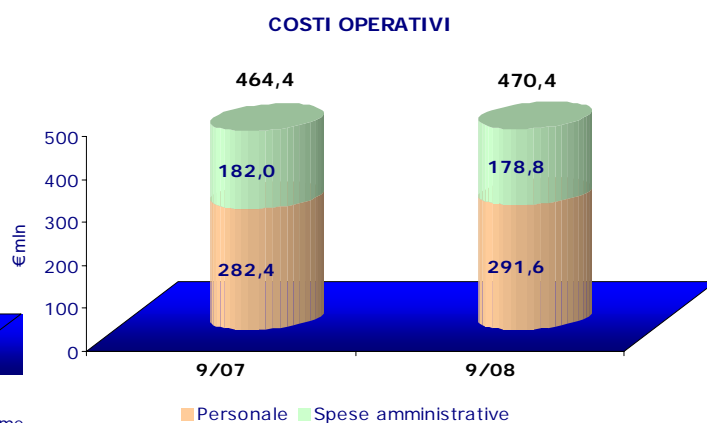
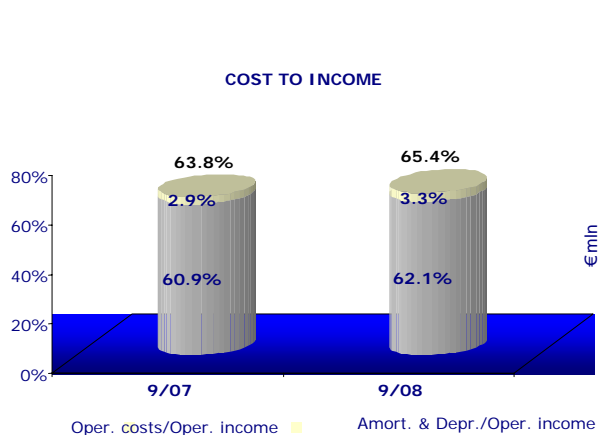
MARGINE D'INTERMEDIAZIONE



Key: OPERATING INCOME; interest margin non-interest margin; €m

OPERATING COSTS

	9/ 2008		9/ 2007		change %
	amount	% impact	amount	% impact	
Credito Emiliano (*)	376.5	77.9	376.1	78.9	0.1
Credem International (Lux)	3.4	0.7	3.3	0.7	3.0
Credemleasing	7.2	1.5	6.6	1.4	9.1
Credemfactor	4.4	0.9	3.7	0.8	18.9
Banca Euromobiliare	35.0	7.2	33.3	7.0	5.1
Euromobiliare A.M. SGR	9.4	1.9	10.8	2.3	(13.0)
Alternative SGR	1.5	0.3	1.0	0.2	50.0
Magazzini Generali delle Tagliate	1.8	0.4	1.9	0.4	(5.3)
Credemtel	5.7	1.2	5.5	1.2	3.6
Credemvita	26.4	5.5	24.6	5.2	7.3
Abaxbank	3.9	0.8	2.1	0.4	85.7
Banca Euromobiliare (Suisse)	4.9	1.0	5.0	1.0	(2.0)
Other companies	3.4	0.7	2.5	0.5	36.0
aggregate	483.5	100.0	476.4	100.0	1.5
consolidation adjustments	(13.1)		(12.0)		
Operating costs	470.4		464.4		1.3



Key: OPERATING COSTS; Personnel costs Administrative Costs; €m

EBITDA

	9/ 2008		9/ 2007		change %
	amount	% impact	amount	% impact	
Credito Emiliano (*)	223.9	79.1	226.4	77.1	(1.1)
Credem International (Lux)	8.5	3.0	13.9	4.7	(38.8)
Credemleasing	19.5	6.9	16.7	5.7	16.8
Credemfactor	6.2	2.2	5.9	2.0	5.1
Banca Euromobiliare	(2.0)	(0.7)	10.1	3.4	(119.8)
Euromobiliare A.M. SGR	1.0	0.4	2.6	0.9	(61.5)
Alternative SGR	0.0	0.0	0.6	0.2	(100.0)
Magazzini Generali delle Tagliate	0.6	0.2	0.9	0.3	(33.3)
Credemtel	1.4	0.5	1.4	0.5	0.0
Credemvita	14.3	5.1	5.2	1.8	175.0
Abaxbank	6.8	2.4	4.5	1.5	51.1
Banca Euromobiliare (Suisse)	2.8	1.0	4.3	1.5	(34.9)
Other companies	(0.4)	(0.1)	1.2	0.4	n.s.
Aggregate	282.6	100.0	293.7	100.0	(3.8)
consolidation adjustments	4.6		3.9		
EBITDA	287.2		297.6		(3.5)

(*) net of dividends received from Group companies

The limited increase in operating costs is predominantly due to personnel costs. As at September 2007 there was an extraordinary positive component of € 6.6 million resulting from the recalculation of the staff termination indemnity (without that item: +1.1% for personnel and -1.5% for operating costs). This increase is also linked with the territorial rollout and the growth of staff in the commercial network. Adjustments to loans showed also an increase, albeit a limited one in relative terms.

Taxes were positively affected by the adjustment to deferred taxes. By paying a substitute tax, the company aligned the statutory and tax values of credit risk funds with a surplus and of tangible assets.

In order to analyse accurately the results for the period under review, the following table shows the quarterly economic performance in the previous and in the current year.

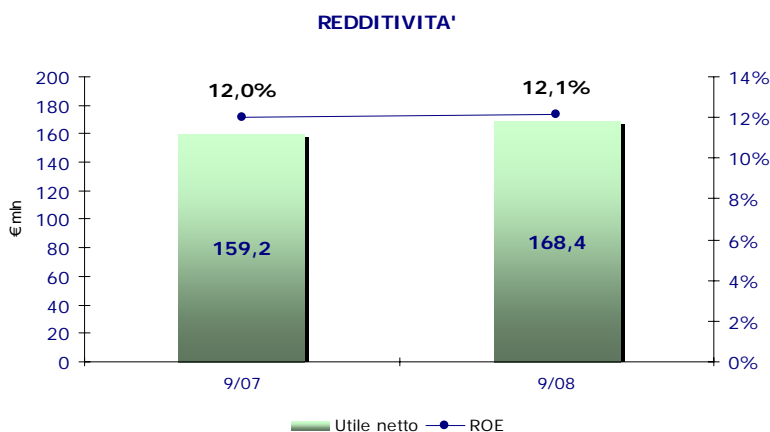
	I/08	II/08	III/08	9/08	I/07	II/07	III/07	IV/07	12/07
interest margin	145.4	141.5	140.8	427.7	125.1	126.9	136.5	146.0	534.5
non-interest margin	91.9	154.5	83.5	329.9	132.3	150.8	90.4	97.5	471.0
operating income	237.3	296.0	224.3	757.6	257.4	277.7	226.9	243.5	1,005.5
personnel costs	99.9	-101.6	-90.1	-291.6	-95.8	-92.9	-93.7	-101.5	-383.9
administrative costs	-60.6	-60.3	-57.9	-178.8	-57.6	-62.4	-62.0	-52.3	-234.3
operating costs	-160.5	-161.9	-148.0	-470.4	-153.4	-155.3	-155.7	-153.8	-618.2
EBITDA	76.8	134.1	76.3	287.2	104.0	122.4	71.2	89.7	387.3
amortisation/depreciation	-8.1	-8.4	-8.5	-25.0	-6.7	-7.3	-8.0	-8.8	-30.8
operating profit	68.7	125.7	67.8	262.2	97.3	115.1	63.2	80.9	356.5
provisions for risks and charges	4.4	-1.3	-5.9	-2.8	-0.3	-0.3	0.8	-20.8	-20.6
extraordinary income/charges	-0.2	-1.2	-1.7	-3.1	2.0	0.7	7.1	31.7	41.5
adjustments to loans, net	-10.0	-14.0	-28.5	-52.5	-6.0	-10.5	-9.0	-27.7	-53.2
PROFIT BEFORE TAX	62.9	109.2	31.7	203.8	93.0	105.0	62.1	64.1	324.2
minority interest profit/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
income taxes	-15.5	-7.3	-12.6	-35.4	-38.0	-40.7	-22.4	26.1	-74.8
NET PROFIT	47.4	101.9	19.1	168.4	55.2	64.3	39.7	90.2	249.4

OPERATING PROFIT FOR THE PERIOD

	9/ 2008				9/ 2007				
	profit	adjust.	contr. to cons. consol.	% impact	profit	adjust.	contr. to cons. consol.	% impact	% change
Credito Emiliano	136.2	(1.6)	134.6	80.1	204.0	(86.2)	117.8	74.0	14.3
Credem International (LUX)	9.7	(0.1)	9.6	5.7	13.1	0.0	13.1	8.2	(26.7)
Credemleasing	14.9	0.0	14.9	8.8	8.1	0.0	8.1	5.1	84.0
Credemfactor	4.0	0.0	4.0	2.4	3.8	0.0	3.8	2.4	5.3
Banca Euromobiliare	(1.4)	0.2	(1.2)	(0.7)	5.1	(0.5)	4.6	2.9	n.s.
Euromobiliare A.M. SGR	0.4	0.0	0.4	0.2	1.5	0.0	1.5	0.9	(73.3)
CredemVita	5.9	(1.3)	4.6	2.7	5.4	(2.7)	2.7	1.7	70.4
CredemAssicurazioni	1.1	(0.2)	0.9	0.5	1.8	(0.9)	0.9	0.6	0.0
Abaxbank	(1.0)	0.0	(1.0)	(0.6)	1.6	0.0	1.6	1.0	n.s.
Banca Euromobiliare (Suisse)	2.1	0.0	2.1	1.2	3.1	0.0	3.1	1.9	(32.3)
Other	1.1	(1.6)	(0.5)	(0.3)	8.6	(6.6)	2.0	1.3	n.s.
consolidated	173.0	(4.6)	168.4	100.0	256.1	(96.9)	159.2	100.0	5.8

We provide here (in €/thousands) the reconciliation between the shareholders' equity and the profit of the current year of Credembanca with the results of the Consolidated Financial Statements:

	Shareholders' equity	of which: profit for the period
Balances as at 30 September 2008 as per Credem Statutory Financial Statements	1,373,614	136,151
Surpluses compared with book values:		
• fully consolidated companies	188,332	30,406
• companies valued using the equity method	(4,001)	1,444
dividends collected during the period	-	(4,483)
Goodwill	20,797	-
Elimination of intergroup profits and other adjustments	7,288	4,929
Balances as at 30 September 2008 as per Consolidated Financial Statements	1,586,030	168,447



Key: PROFITABILITY; Net profit – ROE; €m

Capital and risks

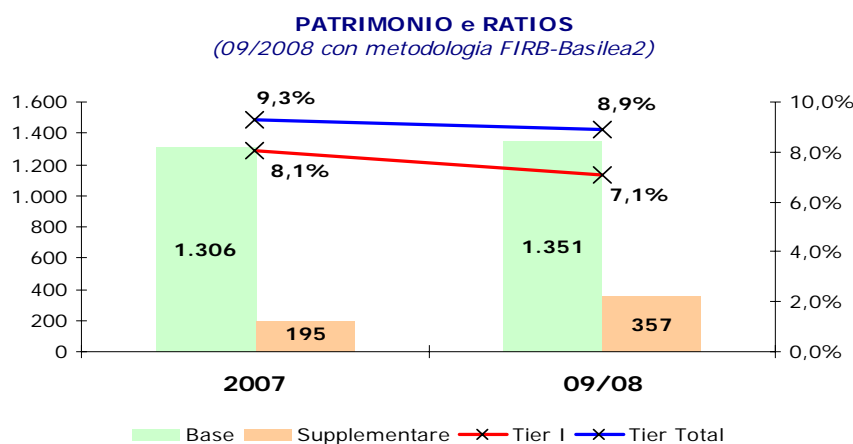
	9/2008	12/2007	12/2006
Regulatory Capital	1,707.2	1,501.1	1,430.3
- of which TIER 1 capital	1,350.5	1,305.9	1,175.1
Capital absorption relative to risk:			
. credit	1,173.4	1,072.3	976.1
. for securitisation	-	4.2	4.7
. operating	128.4	-	-
. market	229.3	221.2	210.7
Overall capital requirement	1,531.1	1,297.7	1,191.5
Surplus capital	176.1	203.4	238.8
Tier 1 capital ratio	7.06%	8.05%	7.89%
Total capital ratio (minimum 8%)	8.92%	9.25%	9.60%

The change in the supervisory capital was mainly affected by these factors:

- positive factors were the net increase in subordinated loans (190 millions), Credembanca's share capital increase for the part underwritten as at the drawing up date of this quarterly report (187 million) and the profit that can be figuratively allocated to the reserves (87 million);
- negative factors were the purchase of a further 50% of the two insurances for € 50 million (these components are fully deducted from the shareholders' equity) and the recognition of the temporary goodwill related to the purchase of the Citigroup and Banca Popolare branches (€ 41 and € 139 million, respectively).

With regards to capital requirements, it is worth highlighting that the information as at 30 September 2008 includes:

- the rules introduced from 2008 by Circular no. 263 of December 2006, aimed at re-drawing the supervisory regulations in accordance with the provisions of the EU directives around "Basel 2";
- the results obtained, when determining the credit risk of the regular corporate functions of Credembanca and Credemleasing, by the use of the internal model recently authorised by the Supervisory Authority;
- the impact of credit risks related to the branches acquired from Citigroup and Banco Popolare.



Key: CAPITAL AND RATIOS (09/2008 with FIRB-Basel 2 methodology); Tier 1 - Tier 2

FORECAST ON OPERATIONS AND SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE QUARTER

The paid share capital increase resolved by the Board of Directors of Credito Emiliano S.p.A. (CREDEM) on 3 July 2008 is about to be completed. The purpose of this increase is to fund the development of the Bank's distribution network.

During the offer period, 212,290,152 option rights were exercised, and therefore a total of 37,462,968 newly issued ordinary CREDEM shares were underwritten, which correspond to approximately 75.14% of the overall 49,858,815 ordinary CREDEM shares offered, for a value of € 187,314,840.

CREDEMHOLDING SpA committed to underwrite the ordinary shares corresponding to the option rights that may not be exercised. As a result, total fresh funds for € 250 million will have been collected at the end of the operation.

The valuations made when commenting the half-year figures require a more cautious assessment of the prospects for the fourth quarter of 2008.

In September and October, the crisis of the financial markets manifested itself in all its seriousness, impacting on the entire world financial system and the extent of which is currently difficult to assess.

However, the performance of the typical management should take into account the ongoing progress of the interest margin and the control over overall operating costs.

DECLARATION BY THE MANAGER
IN CHARGE OF PREPARING
THE COMPANY'S FINANCIAL
REPORTS

DECLARATION OF THE MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL REPORTS

We declare, pursuant to paragraph 2 of art. 154-bis of Legislative Decree 98/1998 (Consolidated Finance Law), that the accounting information contained in this consolidated quarterly report of the Credito Emiliano Group as at 30 September 2008 corresponds to the information contained in the documents, books and accounting entries.

Manager in charge of preparing
the company's financial reports

Paolo Tommasini
illegible signature

ATTACHMENTS

STATUTORY FINANCIAL STATEMENTS

BALANCE
SHEET
INCOME STATEMENT

Balance sheet
(in €)

	Voci dell'attivo	30/09/2008	31/12/2007
10.	Cash and cash equivalents	95,407,695	149,123,224
20.	Financial assets held for trading	2,097,800,974	1,209,831,386
30.	Financial assets valued at fair value	2,031,442,490	467,255,759
40.	Available-for-sale financial assets	452,710,658	55,285,915
60.	Due from banks	3,733,693,281	4,111,733,787
70.	Loans to customers	15,317,668,402	14,346,382,262
80.	Hedging derivatives	124,962,928	12,963,735
100.	Equity investments	436,038,920	356,611,187
110.	Tangible assets	249,893,943	254,910,467
120.	Intangible assets	183,207,724	47,775,933
	- of which goodwill	165,064,882	25,701,372
130.	Tax assets	108,081,098	115,010,427
	a) current	66,935,573	81,421,726
	b) prepaid	41,145,525	33,588,701
140.	Non-current assets and groups of assets being disposed	2,026,267	2,026,267
150.	Other assets	598,683,695	511,849,019
	Total assets	25,431,618,075	21,640,759,368

Balance sheet
(in €)

	Liability and shareholders' equity	30/09/2008	31/12/2007
10.	Due to banks	4,904,680,872	3,421,172,597
20.	Due to customers	10,677,976,692	9,549,592,065
30.	Outstanding securities	6,643,172,118	5,234,405,544
40.	Financial liabilities held for trading	198,101,432	248,208,942
50.	Financial liabilities valued at fair value	402,977,458	782,453,582
60.	Hedging derivatives	13,396,725	17,544,204
80.	Tax liabilities	87,131,550	195,585,667
	a) current	49,321,115	87,986,947
	b) deferred	37,810,435	107,598,720
100.	Other liabilities	953,198,500	691,518,448
110.	Staff Termination Indemnity	84,439,086	80,710,539
120.	Provisions for risks and charges:	92,929,823	71,263,192
	a) pensions and similar provisions	1,471,207	1,471,207
	b) other provisions	91,458,616	69,791,985
130.	Valuation reserves	41,219,916	51,920,688
160.	Reserves	829,613,826	662,313,510
170.	Share premium reserve	84,095,774	83,051,074
180.	Share capital	282,533,292	282,327,292
200.	Profit (loss) for the period (+/-)	136,151,011	268,692,024
	Total liability and shareholders' equity	25,431,618,075	21,640,759,368

Income statement
(in €)

	Items	30/09/2008	30/09/2007
10.	Interest income and similar revenues	949,434,867	827,849,678
20.	Interest expense and similar charges	(517,315,730)	(485,653,243)
30.	Interest margin	432,119,137	342,196,435
40.	Commission income	194,765,037	215,246,556
50.	Commission expense	(28,026,234)	(28,785,467)
60.	Net commissions	166,738,803	186,461,089
70.	Dividends and similar revenues	175,331,262	193,228,751
80.	Net result from trading activities	(209,647,281)	(82,459,440)
90.	Net result from hedging activities	78,232	4,416
100.	Profit (loss) from sale or repurchase of:	1,026,329	10,619,379
	b) available-for-sale financial assets	157,971	10,452,811
	d) financial liabilities	868,358	166,568
110.	Net result from financial assets and liabilities valued at fair value	(10,606,975)	6,075,578
120.	Operating income	555,039,507	656,126,208
130.	Net value adjustments/write-backs for impairment of:	(36,854,109)	(22,605,128)
	a) loans	(37,540,103)	(23,538,177)
	b) available-for-sale financial assets	15,529	-
	d) other financial transactions	670,465	933,049
140.	Net result of financial management	518,185,398	633,521,080
150.	Administrative costs:	(376,455,872)	(376,090,529)
	a) personnel costs	(235,059,998)	(230,167,100)
	b) other administrative costs	(141,395,874)	(145,923,429)
160.	Net provisions for risks and charges	(2,404,792)	360,426
170.	Net value adjustments/write-backs to tangible assets	(11,532,482)	(11,040,447)
180.	Net value adjustments/write-backs to intangible assets	(9,643,922)	(7,248,065)
190.	Other management income/expense	42,817,348	42,397,471
200.	Operating costs	(357,219,720)	(351,621,144)
210.	Profit (Loss) on equity investments	-	411,791
240.	Profit (Loss) from disposal of investments	(104,673)	(256,798)
250.	Pre-tax operating profit (loss)	160,861,005	282,054,929
260.	Income taxes for the current period	(24,709,994)	(78,020,066)
270.	After-tax operating profit (loss)	136,151,011	204,034,863
290.	Profit (loss) for the period	136,151,011	204,034,863

2008 STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (in €)

	Balance as at 31/12/2007	Initial balance changes	Balance as at 01/01/2008	Allocation of previous year's results		Changes during the financial year							Shareholders' equity as at 30/09/2008	
				Reserves	Dividends and other allocations	Shareholders' equity transactions						Profit (Loss) for the year as at 30/09/2008		
						Changes in reserves	New shares issue	Purchase of own shares	Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares			Stock options
Share capital	282,327,292	-	282,327,292	-	-	-	206,000	-	-	-	-	-	-	282,533,292
a) ordinary shares	282,327,292	-	282,327,292	-	-	-	206,000	-	-	-	-	-	-	282,533,292
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	83,051,074	-	83,051,074	-	-	-	1,044,700	-	-	-	-	-	-	84,095,774
Reserves	662,313,510	-	662,313,510	167,054,199	-	2,613	-	-	-	-	-	243,504	-	829,613,826
a) profit	659,954,978	-	659,954,978	167,054,199	-	2,613	-	-	-	-	-	-	-	827,011,790
b) other	2,358,532	-	2,358,532	-	-	-	-	-	-	-	-	243,504	-	2,602,036
Valuation reserves:	51,920,688	-	51,920,688	-	-	-10,700,772	-	-	-	-	-	-	-	41,219,916
a) available-for-sale assets	5,828,422	-	5,828,422	-	-	-3,103,354	-	-	-	-	-	-	-	2,725,068
b) cash flow hedge	10,462,127	-	10,462,127	-	-	-7,597,418	-	-	-	-	-	-	-	2,864,709
c) other:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- special revaluation regulations	35,630,139	-	35,630,139	-	-	-	-	-	-	-	-	-	-	35,630,139
- intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- exchange rate differences reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- foreign transactions investment hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- reserves for assets being disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the year	268,692,024	-	268,692,024	-167,054,199	-101,637,825	-	-	-	-	-	-	-	136,151,011	136,151,011
Shareholders' equity	1,348,304,588	-	1,348,304,588	-101,637,825	-10,698,159	-	1,250,700	-	-	-	-	243,504	136,151,011	1,373,613,819

