

# QUARTERLY REPORT SEPTEMBER 2007

***CREDEM***

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

Corporate headquarters:

Via Emilia San Pietro n. 4 - 42100 Reggio Emilia  
Share capital € 281,988,292 fully paid  
Tax code 01806740153 - VAT no. 00766790356  
Register of Banks no. 3032  
Member of the Interbank Deposit Protection Fund  
Tel. + 39 0522 5821 - Telefax + 39 0522 433969 - Telex BACDIR 530658  
Website: [www.credem.it](http://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 Manager	Paolo Valentino Caroli
Central Managers	Angelo Campani Nazzareno Gregori
Central Co-Managers	Marco Braglia Stefano Morellini Stefano Pilastrì
Deputy General Manager	Ferdinando Rebecchi

### **MANAGER IN CHARGE of preparing the company's financial accounts**

Paolo Tommasini

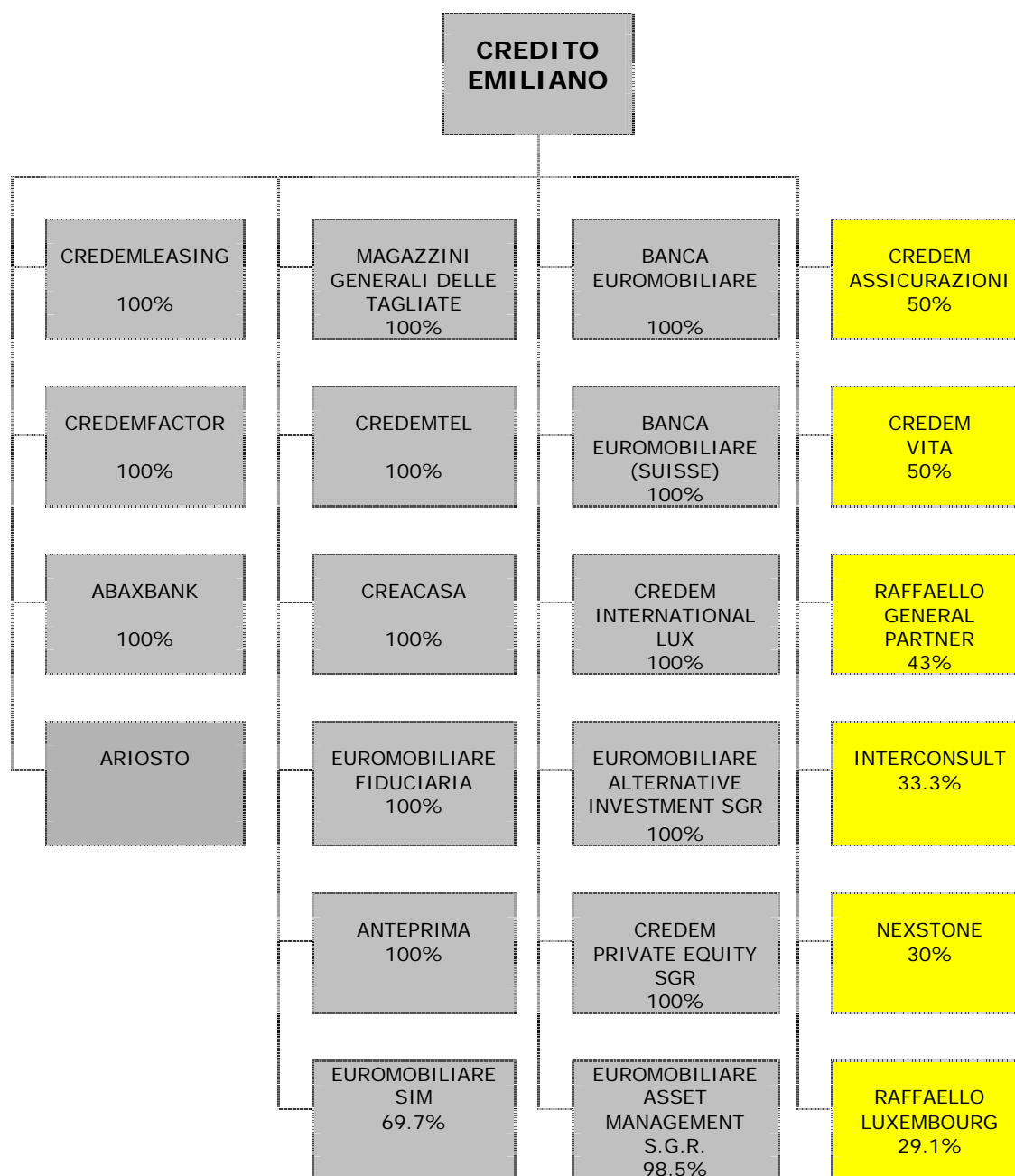
### **INDEPENDENT AUDITORS**

DELOITTE & TOUCHE S.p.A.



# CONSOLIDATED QUARTERLY REPORT 2007

## 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 SIC 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.

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  
PROFIT AND LOSS  
ACCOUNT

**Balance sheet**  
*(in thousands of Euro)*

	<b>Total assets</b>	<b>30/09/2007</b>	<b>31/12/2006</b>
10.	Cash and cash equivalents	89,150	126,524
20.	Financial assets held for trading	4,838,444	4,901,710
30.	Financial assets valued at fair value	475,775	-
40.	Available-for-sale financial assets	64,977	83,910
60.	Due from banks	4,421,165	3,575,988
70.	Loans to customers	15,635,776	14,386,083
80.	Hedging derivatives	9,151	9,754
100.	Equity investments	38,494	37,464
120.	Tangible assets	328,259	337,115
130.	Intangible assets	51,958	54,619
	- of which: goodwill	31,187	31,187
140.	Tax assets	125,128	168,157
	a) current	61,546	94,756
	b) prepaid	63,582	73,401
150.	Non-current assets and groups of assets being disposed	288,045	-
160.	Other assets	613,466	569,588
	<b>Total assets</b>	<b>26,979,788</b>	<b>24,250,912</b>

**Balance sheet**  
(in thousands of Euro)

	<b>Liabilities and shareholders' equity</b>	<b>30/09/2007</b>	<b>31/12/2006</b>
10.	Due to banks	5,732,780	4,494,247
20.	Due to customers	11,216,156	10,917,324
30.	Outstanding securities	4,685,555	3,248,192
40.	Financial trading liabilities	1,274,072	1,557,630
50.	Financial liabilities valued at fair value	973,122	1,363,955
60.	Hedging derivatives	9,067	6,171
80.	Tax liabilities	261,269	281,704
	a) current	103,565	130,227
	b) deferred	157,704	151,477
90.	Liabilities related to groups of assets being disposed	144,800	-
100.	Other liabilities	1,041,633	815,301
110.	Staff severance indemnities	85,819	101,586
120.	Provisions for risks and charges:	60,380	63,647
	a) pensions and similar	1,498	1,503
	d) other funds	58,882	62,144
140.	Valuation reserves	87,187	74,673
170.	Reserves	849,152	713,067
180.	Share premium reserve	81,326	78,728
190.	Share capital	281,988	281,476
210.	Minority interests (+/-)	19,057	21,149
220.	Profit (loss) for the year (+/-)	176,425	232,062
	<b>Total liabilities and shareholders' equity</b>	<b>26,979,788</b>	<b>24,250,912</b>



## Profit and Loss Account

(in thousands of Euro)

	Items	30/09/2007	30/09/2006
10.	Interest income and similar revenues	958,671	670,640
20.	Interest expense and similar charges	(604,327)	(357,069)
<b>30.</b>	<b>Interest margin</b>	<b>354,344</b>	<b>313,571</b>
40.	Commission income	374,554	376,892
50.	Commission expense	(63,539)	(72,717)
<b>60.</b>	<b>Net Commissions</b>	<b>311,015</b>	<b>304,175</b>
70.	Dividends and similar revenues	274,361	208,075
80.	Net result from trading activities	(180,833)	(104,461)
90.	Net result from hedging activities	11	-
100.	Profit (loss) from sale or repurchase of:	11,360	7,649
	a) receivables	-	(1)
	b) available-for-sale financial assets	11,193	7,668
	d) financial liabilities	167	(18)
110.	Net profit from financial assets and liabilities valued at fair value	4,216	1,700
<b>120.</b>	<b>Banking margin</b>	<b>774,474</b>	<b>730,709</b>
130.	Net value adjustments/write-backs for impairment of:	(25,478)	(13,673)
	a) receivables	(25,364)	(15,396)
	d) other financial transactions	(114)	1,723
<b>140.</b>	<b>Net profit from banking activities</b>	<b>748,996</b>	<b>717,036</b>
<b>170.</b>	<b>Net profit from banking and insurance activities</b>	<b>748,996</b>	<b>717,036</b>
180.	Administrative costs:	(485,087)	(449,639)
	a) personnel costs	(298,083)	(273,981)
	b) other administrative costs	(187,004)	(175,658)
190.	Net allocations to provisions for risks and charges	207	(3,627)
200.	Net value adjustments/write-backs to tangible assets	(13,524)	(13,406)
210.	Net value adjustments/write-backs to intangible assets	(8,499)	(5,249)
220.	Other operating income (charges)	43,038	40,859
<b>230.</b>	<b>Operating costs</b>	<b>(463,865)</b>	<b>(431,062)</b>
240.	Profit (Loss) from equity investments	5,657	373
270.	Profit (Loss) from disposal of investments	(245)	357
<b>280.</b>	<b>Profit (Loss) from current operations before taxes</b>	<b>290,543</b>	<b>286,704</b>
290.	Income taxes for current operations	(106,615)	(109,695)
<b>300.</b>	<b>Profit (Loss) from current operations after taxes</b>	<b>183,928</b>	<b>177,009</b>
<b>320.</b>	<b>Profit (loss) for the period</b>	<b>183,928</b>	<b>177,009</b>
330.	Minority interest in net profit/loss for the period	(7,503)	(9,178)
<b>340.</b>	<b>Profit (loss) for the period pertaining to the parent company</b>	<b>176,425</b>	<b>167,831</b>

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY 2007 (in thousands of Euro)

	Balance as at 31.12.06		Initial balance changes	Balance as at 01.01.07		Allocation of net result from previous period		Dividends and other allocations	Changes in the period										Profit (loss) for the period as at 30.09.07	
	Group	Minority		Group	Minority	Group	Minority		Reserves	Changes in reserves	Shareholders' equity transactions						Group			
											Issue of new shares	Purchase of own shares		Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares		Stock options		
								Group	Minority	Group	Minority	Group	Minority							
Share capital	281,476	8,212	-	281,476	8,212	-	-	-	-	-	512	-	-	-	-	-	-	-	-	-
a) ordinary shares	281,476	8,212	-	281,476	8,212	-	-	-	-	-	512	-	-	-	-	-	-	-	-	-
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	78,728	808	-	78,728	808	-	-	-	-	-	2,598	-	-	-	-	-	-	-	-	-
Reserves	713,067	2,532	-	713,067	2,532	133,545	2	-	2,074	-	-	-	-	-	-	-	-	-	-	466
a) profit reserve	711,321	2,532	-	711,321	2,532	133,545	2	-	2,074	-	-	-	-	-	-	-	-	-	-	-
b) other	1,746	-	-	1,746	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	466
Valuation reserves:	74,673	-	-	74,673	-	-	-	-	12,514	-	-	-	-	-	-	-	-	-	-	-
a) available-for-sale	15,202	-	-	15,202	-	-	-	-	8,776	-	-	-	-	-	-	-	-	-	-	-
b) cash flow hedging	6,391	-	-	6,391	-	-	-	-	3,738	-	-	-	-	-	-	-	-	-	-	-
c) other:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- special revaluation laws	53,080	-	-	53,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- exchange rate reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- coverage of investments for foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- reserves related to groups of assets being disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	232,062	9,596	-	232,062	9,596	-133,545	-2	-108,111	-	-	-	-	-	-	-	-	-	-	-	176,425
Shareholders' equity	1,380,006	21,148	-	1,380,006	21,148	-	-	-108,111	14,588	-	3,110	-	-	-	-	-	-	-	466	176,425

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY 2006 (in thousands of Euro)

	Balance as at 31.12.05		Initial balance changes	Balance as at 31.12.05		Allocation of previous year's result			Changes in the year										Shareholders' equity as at 30.09.06				
	Group	Minority		Group	Minority	Reserves			Changes in reserves		Shareholders' equity transactions						Income (loss) for the year as at 30.09.06		Group	Minority			
						Group	Minority	Dividends and other allocations	Group	Minority	Group	Minority	Group	Minority	Purchase of own shares	Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares			Stock options	Group	Minority
Share capital:	278,605	10,952	278,605	10,952	-	-	-	-71	1,434	-	-	-	-	-	-	-	-	-	-	280,039	10,881		
a) ordinary shares	278,605	10,952	278,605	10,952	-	-	-	-71	1,434	-	-	-	-	-	-	-	-	-	-	280,039	10,881		
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Share premium reserve	65,296	1,080	65,296	1,080	-	-	-	-7	6,703	-	-	-	-	-	-	-	-	-	-	71,999	1,073		
Reserves:	611,616	3,278	611,616	3,278	110,215	6	-	8,690	43	-	-	-	-	-	-	491	-	-	-	731,012	3,321		
a) profit reserve	610,525	3,278	610,525	3,278	110,215	6	-	8,690	43	-	-	-	-	-	-	-	-	-	-	729,430	3,321		
b) other / stock options	1,091	-	1,091	-	-	-	-	-	-	-	-	-	-	-	-	491	-	-	-	1,582	-		
Valuation reserves:	61,167	-	61,167	-	-	-	-	336	-	-	-	-	-	-	-	-	-	-	-	61,503	-		
a) available-for-sale	6,858	-	6,858	-	-	-	-	-1,627	-	-	-	-	-	-	-	-	-	-	-	5,231	-		
b) cash flow hedging	1,229	-	1,229	-	-	-	-	1,963	-	-	-	-	-	-	-	-	-	-	-	3,192	-		
c) property revaluation	53,080	-	53,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,080	-		
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Profit (loss) for the year	249,548	19,305	249,548	19,305	-110,215	-6	-158,632	-	-	-	-	-	-	-	-	-	167,831	9,178	167,831	9,178			
Shareholders' equity	1,266,232	34,615	1,266,232	34,615	-	-	-158,632	9,362	-35	8,137	-	-	-	-	-	491	167,831	9,178	1,312,384	24,453			

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(in thousands of Euro)

**Indirect method**

<b>Operating activities</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
<b>1. Operations</b>	<b>330,647</b>	<b>290,210</b>
- net result	176,425	<b>167,831</b>
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value	9,477	13,532
- gains/losses on hedging activities	-	-
- net value adjustments/write-backs for impairment	28,151	15,648
- net value adjustments/write-backs to tangible and intangible assets	22,023	18,655
- net provisions for risks and charges and other charges/profits	(207)	2,897
- taxes not paid	106,615	109,695
- net value adjustments/write-backs from groups of assets being disposed net of taxes	-	-
- other adjustments	(11,837)	<b>(38,048)</b>
<b>2. Cash flows generated/absorbed by financial assets</b>	<b>(2,598,256)</b>	<b>(2,707,592)</b>
- financial assets held for trading purposes	59,870	(1,844,382)
- financial assets valued at fair value	(470,098)	-
- available-for-sale financial assets	18,933	5,724
- due from banks: at sight	(383,155)	(706,270)
- due from banks: other loans	(438,211)	568,272
- loans to customers	(1,223,233)	(581,226)
- other assets	(162,362)	(149,710)
<b>3. Cash flows generated/absorbed by financial liabilities</b>	<b>2,335,233</b>	<b>2,517,341</b>
- due to banks: at sight	(108,984)	152,988
- due to banks: other amounts due	1,311,080	672,266
- due to customers	284,739	427,624
- outstanding securities	1,411,797	553,008
- financial trading liabilities	(283,558)	594,719
- financial liabilities valued at fair value	(393,084)	(89,609)
- other liabilities	113,243	206,345
<b>Net cash flow generated/absorbed by operating activities</b>	<b>67,624</b>	<b>99,959</b>

<b>Investing activities</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
<b>1. Cash flows from</b>	<b>1,990</b>	<b>4,943</b>
- sale of equity investments	879	4,943
- dividends from equity investments	-	-
- disposal of financial assets held to maturity	-	-
- disposal of tangible assets	1,111	-
- disposal of intangible assets	-	-
-dismissal of business branches	-	-
<b>2. Cash flows absorbed by</b>	<b>(11,581)</b>	<b>(12,108)</b>
- purchase of equity investments	-	(499)
- purchase of financial assets held to maturity	-	-
- purchase of tangible assets	(5,743)	(6,625)
- purchase of intangible assets	(5,838)	(4,984)
- acquisition of business branches	-	-
<b>Net cash flow generated/absorbed by investing activities</b>	<b>(9,591)</b>	<b>(7,165)</b>
<b>Funding activities</b>		
- issue/purchase of own shares	3,110	8,138
- issue/purchase of capital instruments	-	-
- dividend distribution and other purposes	(98,517)	(139,333)
<b>Net cash flow generated/absorbed by funding activities</b>	<b>(95,407)</b>	<b>(131,195)</b>
<b>Net cash flow generated/absorbed during the year</b>	<b>(37,374)</b>	<b>(38,401)</b>

## RECONCILIATION

<b>Items</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
Cash and cash equivalents at the beginning of the year	126,524	116,753
Total cash generated/absorbed during the year	(37,374)	(38,401)
Cash and cash equivalents at year end	89,150	78,352



# EXPLANATORY NOTES

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## ACCOUNTING POLICIES

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### GENERAL PART

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#### Section 1 - Statement of compliance with the International Accounting Standards

The consolidated report of Credito Emiliano has been prepared in compliance with the international accounting standards IAS/IFRS, implemented by the European Union and in force from the time of its approval.

The consolidated accounts as at 30 September 2007 have also been prepared in accordance with CONSOB Resolution no11971 of 14 May 1999 and subsequent amendments.

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 profit and loss account refer to the same period of the previous year.

#### Section 2 - General standards for the preparation of financial statements

The consolidated report is made up of the Balance Sheet, the Profit and Loss account, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flows and the Explanatory Notes. The report is also accompanied by the Board of Directors' Report on operations, on the economic results achieved and on the Credem Group's balance sheet and financial position.

The amounts in the Financial Statements and the Explanatory notes - unless otherwise specified - are expressed in thousands of Euro.

#### Accounting principles

The accounting principles adopted for preparation 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 2006 annual financial statements, to which the reader is referred.

These principles have been integrated by the accounting policies described below.

#### Staff severance indemnities

Based on Law no.296 of 27 December 2006 (2007 Legge Finanziaria), companies with at least 50 employees must pay, monthly and obligatorily, in accordance with the decision made by each employee, amounts for the Staff Severance Indemnity provision accrued subsequent to 1 January 2007 to the supplementary pension funds pursuant to Legislative Decree no. 252/05, or to a specific fund for the disbursement to employee of the private sector of staff severance indemnities pursuant to art. 2120 of the Civil Code (hereinafter, Treasury Fund) established with INPS, the National Social Security Institution.

In light of this, the following two situations have arisen:

- the accruing staff severance indemnity amount from 1 January 2007, for employees that opted for the Treasury Fund, and from the date subsequent to said decision (in accordance with the relative regulatory provisions) for those who opted for the supplementary retirement benefit plan, is considered to be a *defined-contribution plan*, which does not require actuarial calculation; the same holds true for the staff severance indemnity amount of all employees hired after 31 December 2006, regardless of the choice made as regards the allocation of staff severance indemnity;
- the staff severance indemnity amount accrued as at the dates indicated in the previous point is considered to be a *defined-benefit plan*, even if the amount has already fully matured. Consequently, an actuarial recalculation of the staff severance indemnity amount as at 31 December 2006 has become necessary, in order to take into account the following:
  - o alignment of the salary increase hypotheses to those set forth by art. 2120 of the civil code;
  - o elimination of the pro-rata method of services rendered, as the services to be evaluated have fully matured.

The differences resulting from said reinstatement have been treated according to the rules applicable to the use of curtailment, pursuant to paragraphs 109-115 of IAS 19, which require direct allocation to the profit and loss account.

Furthermore, our group also contains companies with less than 50 employees, to whom the previously existing regulations are applied, except for exclusion of the pro-rata application for service rendered for employees who allocate all of their amount matured to supplementary retirement plans.

Given the above situation, the regulatory changes described have produced a positive effect on the profit and loss account as at 30 September 2007, such as lower personnel costs.

## **Contents of the financial statements**

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

### **Balance sheet and profit and loss account**

The balance sheet and profit and loss statements are made up of items, sub-items and additional information (the "of which" in the items and sub-items). In the profit and loss account 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 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.

### **Statement of Cash Flows**

The statement of cash flows taking place during the reporting period covered by the quarterly report and for the previous period has been prepared using the indirect method, whereby cash flows arising from operating activities represent net profit or loss adjusted for the effects of transactions of a non-cash nature.

Cash flows are broken down into those arising from operating activities, those generated from investing activities and those produced by funding activities.

The cash flows generated during the period are presented in the statement as positive numbers without signs, and those absorbed as negative numbers in brackets.

## **Section 3**

### **Scope and principles of consolidation**

The consolidated quarterly report for the Credem Group includes the financial statements of Credito Emiliano spa and the companies it directly 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 new 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.

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 Assets available for sale 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 only exercise limited governance rights to safeguard its economic interests.

Subsidiaries are consolidated fully on a line-by-line basis, whereas jointly controlled and associated companies are accounted for 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 period in question 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 profit and loss account 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 purchase are recorded directly to equity.
- an 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 profit and loss account.
- balance sheet and profit & loss items relative to 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 profit & loss account, respectively;
- the individual financial statements 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;
- the book value of significant equity investments held by the 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 profit & loss account ("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 profit and loss account.
- the quarterly reports as at 30 September 2007 were used where available for the consolidation of equity investments in associated companies. Alternatively, the financial statements as at 31 December 2006 were used, as the last approved statements.

The table below lists the equity investments in fully controlled companies and associated companies:

### Equity investments in fully controlled and associated subsidiaries (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 spa	Milan	1	Credito Emiliano	100.00%	
3. Credemleasing spa	Reggio Emilia	1	Credito Emiliano	99.50%	
			Magazzini Generali delle Tagliate	0.50%	
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 SIM spa	Milan	1	Credito Emiliano	69.74%	
14. Euromobiliare Fiduciaria spa	Milan	1	Credito Emiliano	100.00%	
15. Anteprema srl	Reggio Emilia	1	Credito Emiliano	75.00%	
			Banca Euromobiliare	25.00%	
A. 2 Consolidated using the equity method					
1. Credemassicurazioni spa	Reggio Emilia	2	Credito Emiliano	50.00%	
2. Credemvita spa	Reggio Emilia	2	Credito Emiliano	50.00%	
3. Raffaello General Partner Jersey	St. Helier	3	Credito Emiliano	43.00%	
4. Leasemac spa	Milan	3	Credito Emiliano	33.40%	
5. Interconsult	Luxembourg	3	Credem International (Lux)	33.33%	
6. Nextone srl	Milan	3	Credito Emiliano	30.00%	
7. Raffaello Luxembourg sca	Luxembourg	3	Credito Emiliano	15.24%	
			Abaxbank	7.62%	
			Banca Euromobiliare	6.25%	
8. Società Consortile Nuovo Mercato Ortofr.	Andria (BA)	3	Credito Emiliano	20.00%	

#### Key

Type of holding:

1 = control under art. 2359.1.1 Civil Code (majority of voting rights at ordinary shareholders' meeting)

2 = joint control

3 = associated companies

In accordance with IAS 27 and SIC 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, while the companies Leaseamac spa and Società Consortile Nuovo Mercato Ortofrutticolo srl are in liquidation.

## **Section 4**

### **Significant events subsequent to the balance sheet date**

No significant events occurred after the balance sheet date.

## **Section 5**

### **Other matters**

#### **Election for domestic tax consolidation**

From 2004 Credem and the Group's Italian companies (except for Euromobiliare SIM) adopted the "domestic tax consolidation", governed by articles 117-129 of the Consolidation Act on Income Taxes, introduced into the 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.

#### **Further information**

During the month of June, Credembanca signed an agreement with the company E2Holding Srl, involving the sale of Euromobiliare SIM. The completion of said agreement is clearly subject to achievement of the necessary authorisation from the Supervisory Authority.

Consequently, IFRS 5 was applied to the subsidiary Euromobiliare SIM in the consolidated quarterly report as at 30 September 2007, as it represents a non-current asset held for sale.

The asset and liability items of said subsidiary were recorded, respectively, under "non-current assets and groups of assets being disposed" and "liabilities related to groups of assets being disposed", while the income components, and subsequent results, were recorded under the appropriate items.

#### **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 2007 budget, in order to correctly determine the year of reference.

The usual methods for determining economic value were used for all other items of the profit and loss account.

## PERFORMANCE OF THE MAIN FINANCIAL AGGREGATES

### Reclassified balance sheet (millions of Euro)

	9/2007	12/2006	9/2006	Changes 9/07-12/06	
				absolute	%
Cash and cash equivalents	89.1	126.5	78.4	(37.4)	(29.6)
Loans to customers	15,635.8	14,386.1	13,323.7	1,249.7	8.7
Due from banks	4,421.2	3,576.0	3,691.6	845.2	23.6
Other financial assets	5,388.3	4,995.4	5,536.8	392.9	7.9
Equity investments	38.5	37.5	34.7	1.0	2.7
Tangible and intangible assets	380.2	391.7	385.7	(11.5)	(2.9)
Other assets	1,026.7	737.7	775.2	289.0	39.2
<b>TOTAL ASSETS</b>	<b>26,979.8</b>	<b>24,250.9</b>	<b>23,826.1</b>	<b>2,728.9</b>	<b>11.3</b>
Due to customers	11,216.2	10,917.3	9,958.6	298.9	2.7
Outstanding securities	5,658.7	4,612.1	4,547.6	1,046.6	22.7
<i>Customer deposits</i>	<i>16,874.9</i>	<i>15,529.4</i>	<i>14,506.2</i>	<i>1,345.5</i>	<i>8.7</i>
Due to banks	5,732.8	4,494.2	4,953.1	1,238.6	27.6
Other financial liabilities	1,283.1	1,563.8	1,691.7	(280.7)	(17.9)
Specific risk provisions	146.2	165.2	170.5	(19.0)	(11.5)
Other liabilities	1,447.6	1,097.1	1,167.8	350.5	31.9
Minority interests	19.1	<b>21.1</b>	24.5	(2.0)	(9.5)
<b>TOTAL LIABILITIES</b>	<b>25,503.7</b>	<b>22,870.8</b>	<b>22,513.8</b>	<b>2,632.9</b>	<b>11.5</b>
Share capital	282.0	281.5	280.0	0.5	0.2
Reserves	1,017.7	866.5	864.5	151.2	17.4
Operating profit for the year	176.4	232.1	167.8	(55.7)	(24.0)
<b>SHAREHOLDERS' EQUITY</b>	<b>1,476.1</b>	<b>1,380.1</b>	<b>1,312.3</b>	<b>96.0</b>	<b>7.0</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>26,979.8</b>	<b>24,250.9</b>	<b>23,826.1</b>	<b>2,728.9</b>	<b>11.3</b>

## Loans to customers

	€/million			% change	
	9/2007	12/2006	9/2006	on 12/06	on 9/06
loans to customers	6,537	6,175	5,591	5.9	16.9
House loans and leases	<b>8,716</b>	<b>8,200</b>	7,727	<b>6.3</b>	<b>12.8</b>
outstanding repurchase agreements	383	11	6	n.s.	n.s.
<b>TOTAL CUSTOMER LOANS</b>	<b>15,636</b>	<b>14,386</b>	<b>13,324</b>	<b>8.7</b>	<b>17.4</b>

The loans by company are presented in the table below:

	9/2007		12/2006		9/2006		% change on	
	Amount	%	Amount	%	amount	%	12/06	9/06
Credito Emiliano	14,381	86.3	13,184	84.8	12,450	85.1	9.1	15.5
Credemleasing	1,843	11.0	1,808	11.6	1,737	11.8	1.9	6.1
Credemfactor	248	1.5	300	1.9	226	1.5	(17.3)	9.7
Banca Euromobiliare	120	0.7	105	0.7	92	0.6	14.3	30.4
Abaxbank	58	0.3	87	0.6	88	0.6	(33.3)	(34.1)
Credem International (Lux)	21	0.1	25	0.2	21	0.1	(16.0)	0.0
Other companies	20	0.1	27	0.2	46	0.3	(25.9)	(56.5)
Aggregate	16,691	100.0	15,536	100.0	14,660	100.0	7.4	13.9
Consolidation adjustments	-1,055		-1,150		-1,336			
<b>Consolidated</b>	<b>15,636</b>		<b>14,386</b>		<b>13,324</b>		<b>8.7</b>	<b>17.4</b>

The loans per business segment are presented in the table below:

	9/2007	12/2006	9/2006	% change on 9/06
Retail	10,148	9,709	8,393	20.9
Corporate	5,488	4,677	4,931	12.3
<b>LOANS</b>	<b>15,636</b>	<b>14,386</b>	<b>13,324</b>	<b>17.4</b>

Growth in medium-term loans remains significant for the group. This involved corporate customers, in addition to the traditional consumer families' base. Significant attention to private customers as well as to small business operators was also confirmed.

The retail segment increased from € 8.4 billion to € 10.1 billion (+20.9%), while the corporate component began to grow once again, reaching € 5.5 billion (+11.3%).

In terms of categories, particular mention goes to the mortgages and leases component, which grew 12.8% on an annual basis.

Overall, growth in loans continued to be greater than the performance at the industry level. (the latest available recording was +10.9%).

Non-performing loans, which increasing in absolute value, remain at the same physiological levels in relation to the overall masses. Specifically contained was the weight of net non-performing loans on loans (0.23%) which was significantly lower than the market average (1.16%).

## Non-performing loans

	9/2007	12/2006	9/2006
<b>% non-performing loans net of specific write-offs on total loans</b>	<b>0.23</b>	<b>0.22</b>	<b>0.20</b>
% estimates of bad debts on non-performing loans	63.1	60.3	61.0
nominal values:			
non-performing loans	96.8	79.0	68.9
watch-list loans	77.0	55.4	48.9
restructured loans	2.5	2.8	3.4
"overdue loans"	64.7	51.7	59.4
<b>total nominal values</b>	<b>241.0</b>	<b>188.9</b>	<b>180.6</b>
Estimated bad debts	95.1	78.6	71.8
estimated recoveries			
- non-performing loans	35.7	31.4	26.9
- watch-list loans	47.8	30.2	25.8
- restructured loans	0.6	0.1	0.3
- "overdue loans"	61.8	48.6	55.8
<b>total estimated recoveries</b>	<b>145.9</b>	<b>110.3</b>	<b>108.8</b>
<b>re-allocation of "accounting funds":</b>	<b>132.2</b>	<b>113.4</b>	<b>101.1</b>
- <i>specific write-downs</i>	<i>95.1</i>	<i>78.6</i>	<i>71.8</i>
- <i>"lump sum" write-downs on outstanding loans</i>	<i>37.1</i>	<i>34.8</i>	<i>29.3</i>

## Capital and risks

	9/2007	12/2006	9/2006
<b>Capital for supervisory purposes</b>	<b>1,482.4</b>	<b>1,430.3</b>	<b>1,419.8</b>
<i>of which TIER 1 capital</i>	<i>1,271.4</i>	<i>1,175.1</i>	<i>1,159.2</i>
Capital absorption relative to risk:			
. Credit	1,049.2	976.1	922.4
. Securitisation operations	4.4	4.7	4.8
. Market	265.0	210.7	222.2
<b>Overall capital requirement</b>	<b>1,318.6</b>	<b>1,191.5</b>	<b>1,149.4</b>
<b>Surplus capital</b>	<b>163.8</b>	<b>238.8</b>	<b>270.4</b>
Tier 1 capital ratio	7.7%	7.9%	8.1%
<b>Total capital ratio (8% minimum)</b>	<b>9.0%</b>	<b>9.6%</b>	<b>9.9%</b>

## Customer Deposits

	€/million			% change	
	9/2007	12/2006	9/2006	on 12/06	on 9/06
- current and savings accounts and other	10,409	9,839	9,020	5.8	15.4
- certificates of deposit	185	181	183	2.2	1.1
<b>DEPOSITS</b>	<b>10,594</b>	<b>10,020</b>	<b>9,203</b>	<b>5.7</b>	<b>15.1</b>
- bonds and subordinated debt	5,474	4,431	4,365	23.5	25.4
<b>DIRECT DEPOSITS EXCLUDING REPURCHASE AGREEMENTS</b>	<b>16,068</b>	<b>14,451</b>	<b>13,568</b>	<b>11.2</b>	<b>18.4</b>
- repurchase agreements	807	1,078	938	(25.1)	(14.0)
<b>TOTAL DIRECT DEPOSITS</b>	<b>16,875</b>	<b>15,529</b>	<b>14,506</b>	<b>8.7</b>	<b>16.3</b>
INDIRECT DEPOSITS AT COUNTER VALUE	42,669	43,186	42,733	(1.2)	(0.1)
<b>GRAND TOTAL</b>	<b>59,544</b>	<b>58,715</b>	<b>57,239</b>	<b>1.4</b>	<b>4.0</b>
- <i>without repurchase agreements</i>	<i>58,737</i>	<i>57,637</i>	<i>56,301</i>	<i>1.9</i>	<i>4.3</i>

The breakdown in direct deposits by company is provided in the following table:

	9/2007		12/2006		9/2006		% change on	
	Amount	%	Amount	%	Amount	%	12/06	9/06
Credito Emiliano	15,359	89.7	13,884	87.4	13,301	87.9	10.6	15.5
Credemleasing	722	4.2	677	4.3	548	3.6	6.6	31.8
Credemfactor	19	0.1	17	0.1	15	0.1	11.8	26.7
Banca Euromobiliare	499	2.9	504	3.2	417	2.8	(1.0)	19.7
Abaxbank	255	1.5	566	3.6	669	4.4	(54.9)	(61.9)
Credem International (Lux)	233	1.4	181	1.1	157	1.0	28.7	48.4
Other companies	33	0.2	43	0.3	31	0.2	(23.3)	6.5
Aggregate	17,120	100.0	15,872	100.0	15,138	100.0	7.9	13.1
Consolidation adjustments	-245		-343		-632			
<b>DIRECT DEPOSITS</b>	<b>16,875</b>		<b>15,529</b>		<b>14,506</b>		<b>8.7</b>	<b>16.3</b>

The breakdown in direct deposits by business segment is provided in the following table:

	9/07	12/06	9/06	% change on 9/06
Retail	8,592	8,490	7,922	8.5
Corporate	3,190	2,640	2,912	9.5
Other assets and adjustments	5,093	4,399	3,672	38.7
<b>DIRECT DEPOSITS</b>	<b>16,875</b>	<b>15,529</b>	<b>14,506</b>	<b>16.3</b>

The group saw a significant increase in sight deposits, sustained by the favourable market conditions as well as by growth in the customer base; the growth rate remains higher than the industry rate (+6.6%).

Regarding bonds, which also saw favourable growth, approximately € 1.5 billion worth of bonds were issued by Credembanca (from the beginning of the year), targeting primarily, for commercial reasons, the market of institutional investors and aimed at meeting additional structural liquidity needs.

Regarding the decrease in repurchase agreements to ordinary customers, which represents an extremely volatile component that also depends on specific sales objectives; as at September, the aggregate showed customers demonstrating a repositioning towards alternative products of the money market.

As regards performance of indirect deposits, substantially unchanged overall, there was a recovery in the managed component, against a decrease in the administered component.

In particular, in the managed segment, it is worth noting the increase in Group SICAVs, while in asset management, the use of multimanagement increased.

As regards administered assets, affected by financial components which are naturally volatile, they demonstrated satisfactory development (respectively +3.5% and +2.8% compared to September 2006 and the end of 2006) in the segment more specifically linked to private customers.

The breakdown of indirect deposits by type (at counter value) is provided below:

	€million			% change	
	9/2007	12/2006	9/2006	on 12/06	on 9/06
asset management	6,298	5,932	5,592	6.2	12.6
<i>of which sicav multi-manager</i>	<i>2,866</i>	<i>2,171</i>	<i>1,804</i>	<i>32.0</i>	<i>58.9</i>
mutual funds	5,431	6,468	6,700	(16.0)	(18.9)
SICAV	3,401	2,501	2,521	36.0	34.9
hedge fund	225	249	259	(9.6)	(13.1)
venture capital	37	37	37	-	-
life insurance	2,044	1,896	1,814	7.8	12.7
other	160	137	172	15.9	(7.0)
<b>indirectly managed</b>	<b>17,596</b>	<b>17,220</b>	<b>17,095</b>	<b>2.2</b>	<b>2.9</b>
<b>indirect business administered</b>	<b>25,073</b>	<b>25,966</b>	<b>25,638</b>	<b>(3.4)</b>	<b>(2.2)</b>
<b>TOTAL INDIRECT DEPOSITS</b>	<b>42,669</b>	<b>43,186</b>	<b>42,733</b>	<b>(1.2)</b>	<b>(0.1)</b>

The breakdown in indirect deposits by company (at counter value) is provided below:

	managed			custody/administered			Total		
	amount	% change 12/06	% change 9/06	amount	% change 12/06	% change 9/06	amount	% change 12/06	% change 9/06
Credito Emiliano	11,419	2.3	5.2	22,662	(2.9)	(1.7)	34,081	(1.2)	0.5
Euromobiliare A.M. SGR	5,356	(15.7)	(18.8)	0	n.s.	n.s.	5,356	(15.7)	(18.8)
Banca Euromobiliare	4,557	(3.0)	(3.7)	1,472	(14.5)	(11.9)	6,029	(6.1)	(5.8)
Euromobiliare Fiduciaria	0	n.s.	n.s.	787	1.1	6.5	787	1.1	6.5
Credemvita	2,044	7.8	12.7	0	n.s.	n.s.	2,044	7.8	12.7
Credem International (Lux)	123	21.7	19.4	838	(2.2)	(0.9)	961	0.3	1.3
Eurom. International SICAV	3,401	36.0	34.9	0	n.s.	n.s.	3,401	36.0	34.9
Eurom. Alternative Invest. SGR	225	(9.5)	(13.1)	0	n.s.	n.s.	225	(9.5)	(13.1)
Credem Private Equity SGR	37	(0.5)	0.0	0	n.s.	n.s.	37	(0.5)	0.0
Banca Euromobiliare (Suisse)	404	(25.1)	(23.6)	344	16.7	13.2	748	(10.3)	(10.2)
<i>Total indirect aggregate</i>	<i>27,566</i>	<i>0.1</i>	<i>0.4</i>	<i>26,103</i>	<i>(3.3)</i>	<i>(1.9)</i>	<i>53,669</i>	<i>(1.6)</i>	<i>(0.7)</i>
Consolidation adjustments	(9,970)			(1,030)			(11,000)		
<b>CONSOLIDATED INDIRECT DEPOSITS</b>	<b>17,596</b>	<b>2.2</b>	<b>2.9</b>	<b>25,073</b>	<b>(3.4)</b>	<b>(2.2)</b>	<b>42,669</b>	<b>(1.2)</b>	<b>(0.1)</b>

## PERFORMANCE OF THE GROUP COMPANIES

### CREDITO EMILIANO

	9/07	9/06	% change	12/06
interest margin	342.2	287.6	19.0	391.8
dividends from equity investments	87.3	74.3	17.5	74.3
non-interest margin	260.2	269.3	(3.4)	381.9
<b>banking margin</b>	<b>689.7</b>	<b>631.2</b>	<b>9.3</b>	<b>848.0</b>
<i>- not including dividends</i>	<i>602.4</i>	<i>556.9</i>	<i>8.2</i>	<i>773.7</i>
personnel costs	(230.2)	(216.4)	6.4	(302.4)
administrative costs	(145.9)	(137.4)	6.2	(181.1)
<b>operating costs</b>	<b>(376.1)</b>	<b>(353.8)</b>	<b>6.3</b>	<b>(483.5)</b>
<b>EBITDA</b>	<b>313.6</b>	<b>277.4</b>	<b>13.0</b>	<b>364.5</b>
<i>- not including dividends</i>	<i>226.3</i>	<i>203.1</i>	<i>11.4</i>	<i>290.2</i>
amortisation/depreciation	(18.3)	(14.2)	28.9	(19.8)
<b>net operating profit</b>	<b>295.3</b>	<b>263.2</b>	<b>12.2</b>	<b>344.7</b>
provisions for risks and charges	0.4	(4.0)	n.s.	(9.0)
extraordinary income/charges	8.9	4.3	107.0	6.1
adjustments to loans, net	(22.6)	(13.3)	69.9	(23.0)
<b>PRE-TAX PROFIT</b>	<b>282.0</b>	<b>250.2</b>	<b>12.7</b>	<b>318.8</b>
income taxes	(78.0)	(71.9)	8.5	(104.0)
<b>NET PROFIT</b>	<b>204.0</b>	<b>178.3</b>	<b>14.4</b>	<b>214.8</b>
<i>- not including dividends</i>	<i>116.7</i>	<i>104.0</i>	<i>12.2</i>	<i>140.5</i>
<b>ROE</b>	<b>17.8%</b>	<b>18.1%</b>		<b>21.5%</b>
non-interest margin / banking margin	37.7%	42.7%		45.0%
<b>operating costs / banking margin</b>	<b>54.5%</b>	<b>56.1%</b>		<b>57.0%</b>
tax rate (not including dividends from equity investments)	40.1%	40.9%		42.5%

	09/2007	09/2006	2006	2005
<b>loans to customers</b> <b>€/million</b>	<b>14,381</b>	<b>12,450</b>	<b>13,184</b>	<b>11,736</b>
direct deposits	15,359	13,301	13,884	11,963
indirect deposits	34,081	33,911	34,505	34,382
<b>total deposits</b> <b>€/million</b>	<b>49,440</b>	<b>47,212</b>	<b>48,389</b>	<b>46,345</b>

The banking margin has improved compared to the third quarter of 2006 specifically on account of the interest margin that grew by 19.0%, the increased loan volume (+15.5%) and the widening of the spread (39 bps).

The "current accounts and deposits" (from € 7.8 billion to € 8.8 billion) as well as the bonds (with a positive EMTN placement of approximately € 1.5 billion (from the beginning of the year) segments of direct deposits have increased.

Indirect deposits have remained essentially unchanged (€ 34.1 billion): the managed component has recovered (5.2%) and the administered component fell slightly overall (-1.7%); the same aggregate net of financial components which are naturally volatile reported a satisfactory performance (+6.0%).

The non-interest margin has been following a cautious path: The drop in net commissions (from € 189 billion to € 186 billion) is added to the decrease in the trading component (from € 39 billion to € 30 billion).

Performance of personnel costs was positively impacted by the effects of the change in staff severance indemnity accounting criteria following the reform of the supplementary pension system, and negatively impacted by provisions for medium-term incentives systems related to corporate performance.

Regarding other expenses, the increase was specifically related to targeted sales initiatives and to an increase in the rate of branch openings.

The overall provisions to cover credit and non-credit risks essentially remained unchanged and at normal levels for the size of the company. Amortisation and depreciation are growing compared to the third quarter 2006, as during this year, the subsidiary Credimmobili as well as its real estate property were incorporated.

The adjustments to loans which are affected by the improved performance of loans are moderate in absolute terms and in line with the provisions made.

The balance of income and charges was impacted by extraordinary components: a capital gain on SIA shares for about € 2.6 million and one on Parmalat shares for € 7.7 million were collected in 2007 (classified among available-for-sale financial assets).

The table below sets forth the standardisation of income for the period:

	<b>9/2007</b>	<b>9/2006</b>
Pre-tax result	282.0	250.2
Balance of components relative to valuation-disposal of equity investments	(10.5)	(7.7)
Dividends collected by Group companies and associated companies	(87.3)	(74.3)
<b>Standardised pre-tax result</b>	<b>184.2</b>	<b>168.2</b>

## **BANCA EUROMOBILIARE**

Balance sheet items recorded a decrease of 5.6% during the first nine months of the year, amounting to € 6,359 million. The decrease is mainly due to the essentially negative net deposits (€ -389 million) and to a much lesser extent to the negative market effect of the managed volumes (-0.45%).

Loans presented the opposite trend, with growth of 10%, reaching a value of € 242 million (of which those brokered by the Group amount to € 122 million).

This shift mainly concerned the administered portion of the UCIs and the positions of customers with a low economic contribution resulting from the low movement of the securities under deposit.

The negative shift in the managed portion of UCIs was also important, mainly attributable to the decrease in the amount of mutual funds of Euromobiliare AM Sgr (in addition to the lesser effect of GPM and GPF), partly offset by the positive trend in CredemVita products, GPS and, to a lesser extent, Group Sicavs.

The performance of ordinary revenues is in line with the last quarter of 2006 (even though the trend is decreasing compared to the first two quarters). The banking margin showed drop of 2.8% compared to the corresponding period of 2006, almost entirely due to revenues related to the management mandate with Credem.

On the contrary, the interest margin showed a significantly higher value compared to the third quarter of 2006 (+18%), following growth in average liquidity amounts invested in interbank services and customer loans. The increase in liquidity is mainly due to the reorganisation of customer deposits among the products offered by the bank which took place in the last quarter of 2006 and the first half of 2007, which resulted in storage on ordinary accounts for brief periods prior to reinvestment.

Operating costs grew by 8.5%. This significant rise is for the most part attributable to the growth in personnel costs (+4.8%) and other operating income/costs (-43%). This latter shift refers mainly to administrative recoveries for the provision of general services to Group companies.

Administrative costs remained substantially unchanged, even though several of these costs demonstrated a significant reallocation (decrease in extraordinary costs and growth in costs for outsourcing, consulting and legal fees).

## ABAXBANK

Abaxbank reported as at 30 September 2007 net profit of € 1.6 million.

During the third quarter of 2007 the Bank demonstrated a decrease in revenues, due to the crisis in the financial markets arising in July and August, which had repercussions on the trading segment.

A positive contribution continued to be made by the structured equity segment, the results of which are in line with the budget.

The trend in general expenses was in line with expectations and, furthermore, the economic results did not show any material items of an extraordinary nature.

## CREDEM INTERNATIONAL (LUX)

In the sphere of operations connected to the administrative services provided to the Group's Sicav, a further phase of product reorganisation was carried out, transforming two bond segments into one short-term bond segment and one pure monetary segment.

In terms of volumes, growth of 36% was recorded compared to the end of 2006 (+35% compared to the same period of 2006). The decrease in management commissions in several segments and the consistent portion of volumes flowing onto the monetary segment, characterised by smaller margins, determined a lesser contribution of these activities to the profit and loss account compared to the previous quarter, despite the increase in volumes.

Private Banking recorded a significant increase in direct deposits (+48% on an annual basis). Managed assets were substantially unchanged, as well as administered assets, however, in this context, the amount of customer assets increased and institutional assets decreased.

In addition, within Private Banking, the contribution of the interest margin to the profit and loss account was such as to more than offset the commission income which was lower than initial targets. Profit from lending activities, as well as related costs remained substantially in line with initial targets.

Lastly, regarding organisation, we note the full operations of the MIFID project, which began in July, and which will continue during the fourth quarter, as the regulation in question took effect on 1 November.

## BANCA EUROMOBILIARE (SUISSE)

Deposits stood at 1.293 million Swiss Francs, a decrease of 8% compared to the end of 2006. The main cause of this decrease still the extraordinary events which characterised the first half of this year.

The banking margin amounted to 15.3 million Swiss Francs, an increase of 16% on the previous year, and a slight decrease of 3% compared to the budget.

The consolidation of this structure, and the resulting changes resulted in an increase of 21% in personnel costs compared to the previous year, and of 7% compared to the budget.

Despite the extraordinary events described above, net profit for these first nine months recorded an increase of 7% compared to the same period of the previous year, amounting to 4.2 million Swiss Francs, and a decrease of 11% compared to the budget.

## CREDEMLEASING

	09/2007	09/2006	2006	2005
Number of contracts stipulated				
- Movables	2,767	2,426	3,292	2,561
- Real estate	270	182	391	447
	<b>3,037</b>	<b>2,608</b>	<b>3,683</b>	<b>3,008</b>
Amount of contracts stipulated				
- Movables	185.5	167.7	234.3	177.7
- Real estate	174.8	134.0	288.8	304.2
	<b>360.3</b>	<b>301.7</b>	<b>523.1</b>	<b>481.9</b>

During the third quarter 2007, the financial leasing market recorded a 9.1% increase in the value of financial investments (over € 34 million).

The company's commercial performance continued to record an overall increase in the value of new contracts stipulated (+ 19.4% compared to the same period of the previous year) demonstrating results higher than the industry average. The increase in the total number of contracts stipulated was

also significant (+ 16.5%), compared to a decrease 2% recorded by the market.

The company's total market share for the period amounted to 1.06%.

The average productive capital increased by 5.7% compared to the same period last year.

Profit and loss continued to show positive development in the ordinary component, though still affected by the increase in administrative expenses, which was mainly due to the development of the company's distribution network and the strengthening of the central sales platform during 2006, as well as the increase in the estimated losses on defaulted loans.

### **CREDEMFACTOR**

In September, the share capital increase of € 22 million was concluded. The increased share capital (€ 2.74 million) will enable the company to adequately sustain its development plan, both in operational and regulatory terms.

Turnover reached € 846 million, an increase of 17% compared to the amount recorded in September 2006; 95% of which regarded domestic operations, and the rest regarded international factoring operations (a business which is still marginal despite the fact that this sector demonstrates significant growth percentages).

The greatest increase (+ 43%) was in loans without recourse, which reached € 264 million. This product represents 31% of global volumes (it amounted to 25% in September 2006), but is still far from the sector average, which stands at about 64%.

The banking margin was up by 21% at € 9.6 million compared to € 7.9 million in 2006. The non-interest margin reached € 5 million, a 22.6% increase over 2006. The interest margin increased by 25.5% over the same period last year mainly on account of the average loans which amounted to € 243 million (a 10% increase over the previous year).

Operating costs reached € 3.7 million, an increase of 16%, mainly due to expenses incurred for the insertion of 8 new resources into the staff.

Extraordinary events had an impact of approximately € 1 million on profit. Specifically, we note the sale of Parmalat shares (classified under available-for-sale financial assets) with a capital gain exceeding € 0.7 million.

### **EUROMOBILIARE ASSET MANAGEMENT SGR**

The net deposits, insofar as funds and Sicavs, were down by € 171 million (€ -1,038 and € +867 respectively), in line with the overall performance of the system (deposits were negative by approximately € 32.5 million).

Assets managed by the company (funds and Sicavs) were down compared to the end of the previous year, with an increase in equity/balanced products (46% compared to 44% at the end of 2006) compared to bond/monetary products (52% compared to 53% at the end of 2006).

The company's market share, in terms of managed assets (including Italian funds, speculative funds and Sicavs) dropped from 1.49% at the end of 2006 to 1.51% in the first quarter of 2007.

The profit and loss account showed net profit of € 1.5 million, a decrease of 68% compared to the same period of 2006. This trend can be attributed to lower net commissions (-24%, compared to the third quarter of 2006) determined by the absence of performance commissions (€ 2.7 million in the third quarter of 2006) and a reduction in management commissions (-21% compared to the third quarter of 2006) due to the decrease in assets managed.

### **EUROMOBILIARE ALTERNATIVE INVESTMENTS SGR**

Net deposits were negative, amounting to € - 26.6 million, and shareholders' equity of the fund amounted to approximately € 225 million.

The company's market share was 0.64% as of the end of the period under review.

The profit and loss account demonstrated net profit of € 0.4 million, a decrease compared to the same period of the previous year (€ 1.1 million). This result is mainly attributable to the decrease in performance commissions (from € 1.2 million to € 0.7 million) and an increase in operating costs (from € 1.1 million to € 1.8 million).

### **CREDEM PRIVATE EQUITY SGR**

In July, the third investment deal was completed, with the acquisition of an equity investment in the company Arketipo, operating in the upholstered furniture sector.

The company continues to manage its first to investee companies. During the quarter, these operations were accompanied by growth through internal and external lines (acquisition of a competing chain and a complementary business branch).

The economic results were in line with the performance in the previous quarters.

### **MAGAZZINI GENERALI DELLE TAGLIATE**

The recovery of the market for Parmigiano Reggiano, which negatively affected the performance of stores, and the general downturn in tariffs resulted in a decrease in revenues (- 11%).

On the contrary, sales costs and overheads increased (+ 19%), with specific reference to the amortisation of new investments in the Castelfranco Emilia building.

### **CREDEMTEL**

The company achieved a satisfactory increase in income.

Interbank corporate banking, the more traditional area of business, contributed some 47% to total turnover, for growth of approximately 14%. Higher growth was achieved in revenues from the electronic management of documents segment (+47%).

The economic results, which grew overall, benefited from the increase in operations, and were also impacted by the effects related to the growth in size.

### **EUROMOBILIARE SIM**

Volumes traded by the company grew compared to 2006 (€ 105 billion in the third quarter of 2007 compared to € 80.2 billion in the third quarter of 2006 and € 112 billion in all of 2006), an increase of 32% (lower than the market, which recorded +47%).

Its market share dropped to 4.49% from 5.05% in 2006, bringing Euromobiliare Sim to the fourth place in Assosim's ranking of Italian stock brokers.

The revenues from commissions were € 48.0 million (€ 37.1 million at September 2006) and the profits from trading activities for its own account were € 12.0 million (€ 18.1 million in the same period of 2006).

In 2007, operations on the primary market resulted in the conclusion of significant operations, including the performance of the role of global coordinator for the IPOs of IWBank and the MOL Group, the private placements of IMMMSI, Piaggio and Marazzi, and the role of assigned broker for the collection of subscriptions on the IPOs of Aurora Assicurazioni, Trevisan Cometal and Dataservice shares.

### **EUROMOBILIARE FIDUCIARIA**

Despite the fact that the net balance of mandates decreased by 159 relationships, total assets increased by € 11.7 million.

Net profit (loss) substantially broke even.

### **ANTEPRIMA**

The first nine months closed with net deposits equal to approximately € 36 million, compared to € 108 million in the first nine months of 2006.

The fall in the agency's sales volumes, compared to the same period of 2006, is mainly linked to the redefinition of the sales and organisational strategy, which led to the recent decision to proceed with the merger by incorporation of Anteprema into Credito Emiliano in the first few months of 2008.

## PERFORMANCE OF THE MAIN PROFIT AND LOSS ACCOUNT AGGREGATES

### RECLASSIFIED PROFIT AND LOSS ACCOUNT (in €/million)

	9/07	9/06	% change	12/06
interest margin	386.1	321.1	20.2	440.3
non-interest margin (*)	427.0	446.9	(4.5)	620.6
<b>banking margin</b>	<b>813.1</b>	<b>768.0</b>	<b>5.9</b>	<b>1.060.9</b>
personnel costs	(298.1)	(274.0)	8.8	(388.5)
administrative costs	(187.0)	(175.7)	6.4	(230.3)
<b>operating costs</b>	<b>(485.1)</b>	<b>(449.7)</b>	<b>7.9</b>	<b>(618.8)</b>
<b>EBITDA</b>	<b>328.0</b>	<b>318.3</b>	<b>3.0</b>	<b>442.1</b>
amortisation/depreciation	(22.0)	(18.6)	18.3	(25.9)
<b>net operating profit</b>	<b>306.0</b>	<b>299.7</b>	<b>2.1</b>	<b>416.2</b>
provisions for risks and charges	0.2	(3.6)	n.s.	(8.6)
extraordinary income/charges	9.8	4.3	127.9	7.6
adjustments to loans, net	(25.5)	(13.7)	86.1	(25.6)
<b>PRE-TAX PROFIT</b>	<b>290.5</b>	<b>286.7</b>	<b>1.3</b>	<b>389.6</b>
minority interest profit/loss	(7.5)	(9.2)	(18.5)	(9.6)
income taxes	(106.6)	(109.7)	(2.8)	(147.9)
<b>NET PROFIT</b>	<b>176.4</b>	<b>167.8</b>	<b>5.1</b>	<b>232.1</b>
<b>ROE for the period</b>	<b>13.3%</b>	<b>14.2%</b>		<b>19.3%</b>
non-interest margin / banking margin	52.5%	58.2%		58.5%
operating costs / banking margin	59.7%	<b>58.6%</b>		58.3%

(\*) includes Abaxbank interest margin

The further increase in the yield spread, primarily as a result of the restructuring of the loans portfolio, together with the overall increase in balances, were the main factors behind the significant growth in the contribution made by the credit brokerage segment.

The commission segment was substantially unchanged (-0.2%); the specific sector of management and intermediation showed the same trend (+0.1%) while the more traditional component of banking services decreased slightly.

The specific asset management segment, given the aforementioned sector difficulties, recorded a decrease of about 4.4% (-3.0% if we exclude commissions related to the performance of financial products), concentrated mainly in collective management products. The performance of income from individual management products was more positive (+17.4%) and includes income from the placement of collective products not promoted by companies of the group, as well as insurance products of the group.

The contribution of the financial area was affected by the difficult conditions of the financial markets during the summer period.

Performance of personnel costs was positively impacted by the effects of the change in staff severance indemnity accounting criteria following the reform of the supplementary pension system, and negatively impacted by provisions for medium-term incentives systems related to corporate performance.

Regarding other expenses, the increase was specifically related to targeted sales initiatives and to an increase in the rate of branch openings.

As regards risk profiles, during the period, adjustments and allocations to provisions for loans increased, affected by improved performance in loans, which, however, remain low in relation to total volumes.

The balance of income and charges was impacted by extraordinary components: specifically, capital gains on the transfer of SIA shares for approximately € 2.6 million, and on Parmalat shares for € 8.4 million (classified among available-for-sale assets).

## RECLASSIFIED PROFIT AND LOSS ACCOUNT (in €/million)

	Q1	Q2	Q3	09/07	09/06	% change	Q3 '06	12/06
interest margin	124.9	124.4	136.8	386.1	321.1	20.2	112.8	440.3
non-interest margin	149.7	172.7	104.6	427.0	446.9	(4.5)	124.7	620.6
<b>banking margin</b>	<b>274.6</b>	<b>297.1</b>	<b>241.4</b>	<b>813.1</b>	<b>768.0</b>	5.9	<b>237.5</b>	<b>1.060.9</b>
personnel costs	(100.9)	(99.0)	(98.2)	(298.1)	(274.0)	8.8	(89.3)	(388.5)
administrative costs	(59.4)	(64.1)	(63.5)	(187.0)	(175.7)	6.4	(62.4)	(230.3)
<b>operating costs</b>	<b>(160.3)</b>	<b>(163.1)</b>	<b>(161.7)</b>	<b>(485.1)</b>	<b>(449.7)</b>	7.9	<b>(151.7)</b>	<b>(618.8)</b>
<b>EBITDA</b>	<b>114.3</b>	<b>134.0</b>	<b>79.7</b>	<b>328.0</b>	<b>318.3</b>	3.0	<b>85.8</b>	<b>442.1</b>
amortisation/depreciation	(6.7)	(7.3)	(8.0)	(22.0)	(18.6)	18.3	(6.3)	(25.9)
<b>net operating profit</b>	<b>107.6</b>	<b>126.7</b>	<b>71.7</b>	<b>306.0</b>	<b>299.7</b>	2.1	<b>79.5</b>	<b>416.2</b>
provisions for risks and charges	(0.3)	(0.3)	0.8	0.2	(3.6)	n.s.	1.1	(8.6)
extraordinary income/charges	2.0	0.7	7.1	9.8	4.3	127.9	(2.0)	7.6
adjustments to loans, net	(6.0)	(10.5)	(9.0)	(25.5)	(13.7)	86.1	(5.6)	(25.6)
<b>PRE-TAX PROFIT</b>	<b>103.3</b>	<b>116.6</b>	<b>70.6</b>	<b>290.5</b>	<b>286.7</b>	1.3	<b>73.0</b>	<b>389.6</b>
minority interest profit/loss	(2.0)	(3.3)	(2.2)	(7.5)	(9.2)	(18.5)	(1.8)	(9.6)
income taxes	(41.4)	(41.4)	(23.8)	(106.6)	(109.7)	(2.8)	(29.2)	(147.9)
<b>NET PROFIT</b>	<b>59.9</b>	<b>71.9</b>	<b>44.6</b>	<b>176.4</b>	<b>167.8</b>	<b>5.1</b>	<b>42.0</b>	<b>232.1</b>
<b>PROFIT PER SHARE</b>	<b>0.21</b>	<b>0.26</b>	<b>0.16</b>	<b>0.63</b>	<b>0.60</b>	<b>5.0</b>	<b>0.15</b>	<b>0.83</b>
<b>DILUTED PROFIT PER SHARE</b>	<b>0.21</b>	<b>0.25</b>	<b>0.16</b>	<b>0.62</b>	<b>0.60</b>	<b>3.3</b>	<b>0.15</b>	<b>0.82</b>

### KEY:

<p><b>Interest margin</b></p> <ul style="list-style-type: none"> <li>+ Item 30 Interest margin</li> <li>+ Item 240 Profit (Loss) from equity investments</li> <li>+ Item 70 Dividends and similar revenues (solely for the portion relating to dividends from equity investments)</li> <li>- Abaxbank interest margin</li> </ul> <p><b>Non-Interest Margin</b></p> <ul style="list-style-type: none"> <li>+ Item 60 Net Commissions</li> <li>+ Item 70 Dividends and similar revenues (net of dividends from equity investments)</li> <li>+ Item 80 Net result from trading activities</li> <li>+ item 90 Net result from hedging activities</li> <li>+ Item 100 Profit (loss) from sale or repurchase only for item d) financial liabilities</li> <li>+ Item 110 Net result from financial assets and liabilities valued at fair value</li> <li>+ Item 220 Other operating income/charges (net of extraordinary items)</li> <li>+ Abaxbank interest margin</li> </ul> <p><b>Banking margin</b> (Interest margin + Non-interest margin)</p>	<p><b>Depreciation &amp; amortisation</b></p> <ul style="list-style-type: none"> <li>+ Item 200 Net value adjustments/write-backs to tangible assets</li> <li>+ Item 210 Net value adjustments/write-backs to intangible assets</li> </ul> <p><b>Net operating profit</b> (EBITDA – Depreciation &amp; Amortization)</p> <p><b>Net provisions for risks and charges</b></p> <ul style="list-style-type: none"> <li>+ Item 190 Net provisions for risks and charges</li> </ul> <p><b>Adjustments to loans, net</b></p> <ul style="list-style-type: none"> <li>+ Item 130 Net value adjustments/write-backs for impairment of loans ("a") and other assets ("d")</li> </ul> <p><b>Extraordinary income (charges)</b></p> <ul style="list-style-type: none"> <li>+ Item 100 Profit (loss) from sale or repurchase net of item d) financial liabilities</li> <li>+ item 130 Net value adjustments/write-backs for impairment ("b" and "c")</li> <li>+ Item 220 Other operating charges/income (only extraordinary items)</li> <li>+ Item 270 Profit (Loss) from disposal of investments</li> <li>+ 310 Profit (Loss) from non-current assets being disposed net of taxes</li> </ul>
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<b>Operating costs</b> + Item 180 Administrative costs  <b>EBITDA</b> (Banking margin – Operating costs)	<b>Pre-tax profit</b> (Net Operating Profit +/- Net provisions for risks and charges - Adjustments to loans +/- Extraordinary income/charges)
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An analysis of the main aggregates and the contribution of the individual companies is provided below.

### BANKING MARGIN

	9/2007		9/2006		change
	amount	% impact	Amount	% impact	%
Credito Emiliano (*)	603.8	73.8	557.0	71.6	8.4
Credem International (Lux)	17.2	2.1	17.1	2.2	0.6
Credemleasing	23.3	2.8	21.8	2.8	6.9
Credemfactor	9.6	1.2	7.9	1.0	21.5
Banca Euromobiliare	43.4	5.3	46.2	5.9	(6.1)
Euromobiliare A.M. SGR	13.4	1.6	17.6	2.3	(23.9)
Magazzini Generali delle Tagliate	2.8	0.3	3.1	0.4	(9.7)
Credemtel	6.9	0.8	5.2	0.7	32.7
Other companies	5.6	0.7	8.3	1.1	(32.5)
<b>Subtotal "captive"</b>	<b>726.0</b>	<b>88.6</b>	684.2	88.0	<b>6.1</b>
Abaxbank	29.8	3.6	35.1	4.5	(15.1)
Euromobiliare SIM	55.1	6.7	50.1	6.4	10.0
Banca Euromobiliare (Suisse)	9.3	1.1	8.4	1.1	10.7
<b>Subtotal "other"</b>	<b>94.2</b>	<b>11.4</b>	93.6	12.0	<b>0.6</b>
aggregate	820.2	100.0	777.8	100.0	5.5
consolidation adjustments	(7.1)		(9.8)		
<b>Banking margin</b>	<b>813.1</b>		<b>768.0</b>		<b>5.9</b>

(\*) net of dividends received by group companies

### NON-INTEREST MARGIN ANALYSIS

	9/2007	9/2006	change
	amount	amount	%
Management and brokerage	224.2	223.9	0.1
Banking services	86.5	87.5	(1.1)
<b>net commissions</b>	<b>310.7</b>	<b>311.4</b>	<b>(0.2)</b>
Abaxbank banking margin	29.8	35.1	(15.1)
Securities trading, exchange rates and derivatives of other group companies	43.7	57.1	(23.5)
<b>securities trading, exchange rates and derivatives</b>	<b>73.5</b>	<b>92.2</b>	<b>(20.3)</b>
other income and charges	42.8	43.3	(1.2)
<b>non-interest margin</b>	<b>427.0</b>	<b>446.9</b>	<b>(4.5)</b>

## OPERATING COSTS

	9/2007		9/2006		change
	amount	% impact	amount	% impact	%
Credito Emiliano	376.1	75.7	353.8	76.7	6.3
Credem International (Lux)	3.3	0.7	3.1	0.7	6.5
Credemleasing	6.6	1.3	5.3	1.1	24.5
Credemfactor	3.7	0.7	3.2	0.7	15.6
Banca Euromobiliare	33.3	6.7	31.8	6.9	4.7
Euromobiliare A.M. SGR	10.8	2.2	9.4	2.0	14.9
Magazzini Generali delle Tagliate	1.9	0.4	1.8	0.4	5.6
Credemtel	5.5	1.1	4.0	0.9	37.5
Other companies	3.5	0.7	3.4	0.7	2.9
<b>Subtotal "captive"</b>	<b>444.7</b>	<b>89.5</b>	<b>415.8</b>	<b>90.1</b>	<b>7.0</b>
Abaxbank	24.6	4.9	24.5	5.3	0.4
Euromobiliare SIM	22.8	4.6	17.0	3.7	34.1
Banca Euromobiliare (Suisse)	5.0	1.0	4.2	0.9	19.0
<b>Subtotal "other"</b>	<b>52.4</b>	<b>10.5</b>	<b>45.7</b>	<b>9.9</b>	<b>14.7</b>
aggregate	497.1	100.0	461.5	100.0	7.7
consolidation adjustments	(12.0)		(11.8)		
<b>Operating costs</b>	<b>485.1</b>		<b>449.7</b>		<b>7.9</b>

## EBITDA

	9/2007		9/2006		change
	amount	% impact	amount	% impact	%
Credito Emiliano (*)	227.7	70.6	203.2	64.2	12.1
Credem International (Lux)	13.9	4.3	14.0	4.4	(0.7)
Credemleasing	16.7	5.2	16.5	5.2	1.2
Credemfactor	5.9	1.8	4.7	1.5	25.5
Banca Euromobiliare	10.1	3.1	14.4	4.6	(29.9)
Euromobiliare A.M. SGR	2.6	0.8	8.2	2.6	(68.3)
Magazzini Generali delle Tagliate	0.9	0.3	1.3	0.4	(30.8)
Credemtel	1.4	0.4	1.2	0.4	16.7
Other companies	2.1	0.6	4.9	1.5	(57.1)
<b>Subtotal "captive"</b>	<b>281.3</b>	<b>87.1</b>	<b>268.4</b>	<b>84.8</b>	<b>4.8</b>
Abaxbank	5.2	1.6	10.6	3.4	(50.9)
Euromobiliare SIM	32.3	10.0	33.1	10.5	(2.4)
Banca Euromobiliare (Suisse)	4.3	1.3	4.2	1.3	2.4
<b>Subtotal "other"</b>	<b>41.8</b>	<b>12.9</b>	<b>47.9</b>	<b>15.2</b>	<b>(12.7)</b>
aggregate	323.1	100.0	316.3	100.0	2.1
consolidation adjustments	4.9		2.0		
<b>EBITDA</b>	<b>328.0</b>		<b>318.3</b>		<b>3.0</b>

(\*) net of dividends received by group companies

## OPERATING PROFIT FOR THE YEAR

	9/07				9/06				% change
			Contr. to cons.				Contr. to cons.		
	profit	adj.	profit	% impact	profit	adj.	profit	% impact	
Credito Emiliano	204.0	(86.2)	117.8	66.6	178.3	(72.6)	105.7	63.1	11.4
Credem International (Lux)	13.1	0.0	13.1	7.4	13.1	0.1	13.2	7.9	(0.8)
Credemleasing	8.1	0.0	8.1	4.6	9.5	0.0	9.5	5.7	(14.7)
Credemfactor	3.8	0.0	3.8	2.2	2.7	0.0	2.7	1.6	40.7
Banca Euromobiliare	5.1	(0.5)	4.6	2.6	7.5	0.0	7.5	4.5	(38.7)
Euromobiliare A.M. SGR	1.5	0.0	1.5	0.9	4.8	(0.1)	4.7	2.8	(68.1)
CredemVita	5.4	(2.7)	2.7	1.5	3.0	(1.5)	1.5	0.9	80.0
Other "captive"	4.6	(3.4)	1.2	0.7	2.6	(1.2)	1.4	0.8	(14.3)
<b>Subtotal "captive"</b>	<b>245.6</b>	<b>(92.8)</b>	<b>152.8</b>	<b>86.5</b>	<b>221.5</b>	<b>(75.3)</b>	<b>146.2</b>	<b>87.3</b>	<b>4.5</b>
Abaxbank	1.6	0.0	1.6	0.9	6.2	(0.1)	6.1	3.6	(73.8)
Euromobiliare SIM	24.7	(7.5)	17.2	9.8	22.6	(9.1)	13.5	8.0	27.4
Banca Euromobiliare (Suisse)	3.1	0.0	3.1	1.8	3.1	0.0	3.1	1.8	0.0
Raffaello Lux	5.8	(4.1)	1.7	1.0	(3.7)	2.6	(1.1)	(0.7)	254.5
<b>Subtotal "other"</b>	<b>35.2</b>	<b>(11.6)</b>	<b>23.6</b>	<b>13.5</b>	<b>28.2</b>	<b>(6.6)</b>	<b>21.6</b>	<b>12.7</b>	<b>9.3</b>
<b>consolidated</b>	<b>280.8</b>	<b>(104.4)</b>	<b>176.4</b>	<b>100.0</b>	<b>249.7</b>	<b>(81.9)</b>	<b>167.8</b>	<b>100.0</b>	<b>5.1</b>

## ANALYSIS OF PROFIT AND EXTRAORDINARY COMPONENTS

	9/2007	9/2006	% change
Pre-tax result	290.5	286.7	1.3
Gains / losses from shares AFS and equity investments	(10.8)	(7.7)	40.3
<b>Consolidated pre-tax result before extraordinary impacts</b>	<b>279.7</b>	<b>279.0</b>	<b>0.3</b>

As regards the crisis in the sub-prime mortgage sector, as illustrated in the half-year report, it is noted that the Credem Group has not disbursed nor has it made any commitments to disburse mortgage loans with these characteristics. Furthermore, the group has not invested directly in securities resulting from securitisations or having US sub-prime mortgages as their underlying asset. However, there are indirect investments of small amounts in UCIs that have allocated a portion of their assets in derivatives from said segment; the total exposure at risk is equal to 0.1 percent of the portfolio.

As regards derivative contracts initiated for customers, it is noted that the Group has, for some time, put in place structures and procedures for customer needs analysis and the assessment of the effective customer ability and awareness to understand the risks associated with derivatives. A risk measurement and control system is also in place, which ensures constant monitoring of exposure of customers.

The Public Administration has only one existing contract, of insignificant amount.

This quarterly report does not contain any significant allocations for possible customer disputes in the derivative contracts segment.

Shareholders' equity and net profit for the period of the Parent Company are reconciled with the consolidated amounts below (thousands of Euro).

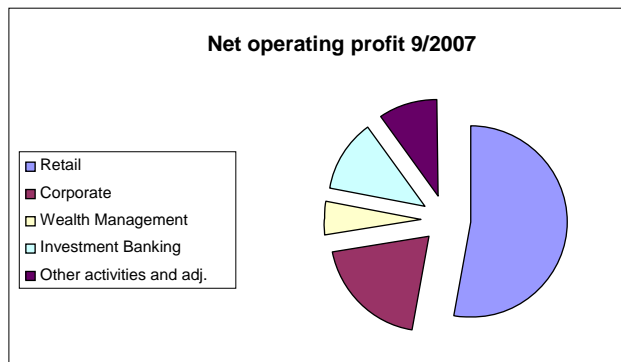
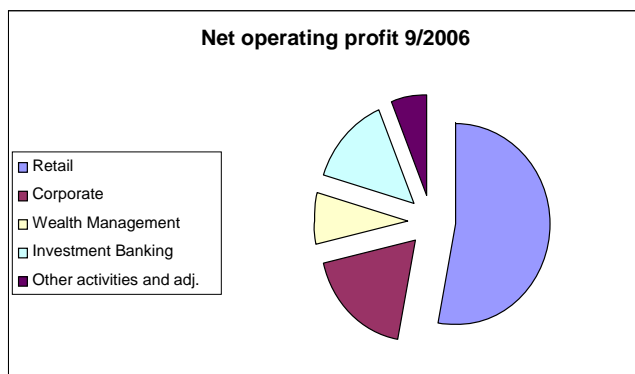
	Shareholders'	of which:
Balances as at 30.09.07 as per Credembanca individual financial statements	1,300,359	204,035
Surpluses compared with book values:		
• fully consolidated companies	160,353	53,572
• companies valued using the equity method	5,750	5,588
Dividends collected during the year	-	(86,894)
Goodwill	5,193	-
Elimination of intragroup profits and other adjustments	4,423	124
<b>Balances as at 30 September 2007 as per consolidated financial statements</b>	<b>1,476,078</b>	<b>176,425</b>

## SEGMENT REPORTING

The business segments and geographical areas identified at group level, together with the methods of determining such segments and areas, have remained unchanged with respect to the annual financial statements 2006, to which the reader is referred.

### SEGMENT REPORTING AND REPORTING BY GEOGRAPHICAL AREA - comment

	BANKING MARGIN			OPERATING RESULT			NET PROFIT		
	9/07	9/06	% ch.	9/07	9/06	% ch.	9/07	9/06	% ch.
Retail	497.3	461.3	7.8	161.3	158.4	1.9	100.4	101.7	(1.3)
Corporate	109.4	99.6	9.9	60.6	55.7	8.7	35.1	33.7	4.2
Wealth Management	33.0	38.4	(14.1)	17.0	23.9	(28.9)	13.1	17.2	(24.1)
Investment Banking	84.9	85.1	(0.3)	36.7	43.1	(14.8)	26.3	28.9	(8.8)
Other assets and adjustments	88.5	83.6	5.9	30.4	18.6	63.5	1.5	-13.7	(110.9)
<b>Total</b>	<b>813.1</b>	<b>768.0</b>	<b>5.9</b>	<b>306.0</b>	<b>299.7</b>	<b>2.1</b>	<b>176.4</b>	<b>167.8</b>	<b>5.1</b>



The economic results of the RETAIL segment benefited from growth in typical business. loans +20.9%, direct deposits +8.5%, indirect deposits +2.7%.

In particular, the banking margin increased, amounting to € 497.3 million (+7.8%) and operating profit was up (+1.9%), amounting to € 161.3 million.

The same positive performance was also seen in the CORPORATE segment, with continued growth of loans, which amounted to approximately € 5,5 billion (+11.3%).

The banking margin (€ 109.4 million) was up 9.9% while net operating profit amounted to € 60.6 million (+8.7%).

The WEALTH MANAGEMENT segment recorded negative economic performance (banking margin - 14.1%) due to the significant reduction in volumes and the essential absence of performance commissions.

Performance of the INVESTMENT BANKING segment decreased compared to the same period last year (operating profit equal to € 36.7 million, down by -14.8%).

Lastly, looking at performance by GEOGRAPHICAL AREA, growth in the banking margin was recorded in Northern-Central Italy (+3.2%) amounting to € 497 million. Performance of the same aggregate relative to Southern Italy and the Islands was particularly positive, up 12.6% to € 214 million.

**PRIMARY FORMAT as at 9/2007**

***By business segment: profit & loss items***

Items/Business segment	Retail banking activity	Corporate loans activity	Wealth Management	Investment Banking	Other operations	Adjustments	Total
<b>INTEREST MARGIN</b>	<b>283,359</b>	<b>66,009</b>	<b>3,672</b>	<b>(30,025)</b>	<b>117,186</b>	<b>(81,008)</b>	<b>359,193</b>
Net Commissions	193,604	24,114	29,237	48,277	16,280	(497)	311,015
Income from trading activities	13,586	7,176	(84)	65,117	12,097	660	98,552
Other net charges/income	6,784	12,127	135	1,495	36,052	(12,231)	44,362
<b>NON-INTEREST MARGIN</b>	<b>213,974</b>	<b>43,418</b>	<b>29,288</b>	<b>114,889</b>	<b>64,428</b>	<b>(12,068)</b>	<b>453,929</b>
<b>BANKING MARGIN</b>	<b>497,333</b>	<b>109,426</b>	<b>32,960</b>	<b>84,864</b>	<b>181,614</b>	<b>(93,076)</b>	<b>813,122</b>
Administrative costs	(334,904)	(48,426)	(15,635)	(47,404)	(50,803)	12,084	(485,087)
Depreciation & amortisation	(1,105)	(429)	(326)	(791)	(19,118)	(254)	(22,023)
<b>NET OPERATING PROFIT</b>	<b>161,324</b>	<b>60,572</b>	<b>16,999</b>	<b>36,669</b>	<b>111,694</b>	<b>(81,246)</b>	<b>306,012</b>
Adjustments to loans, net	(13,312)	(6,127)	2	(519)	(5,522)	-	(25,478)
Imbalance of other value adjustments and provisions	174	420	28	-	9,150	237	10,009
<b>PRE-TAX PROFIT</b>	<b>148,186</b>	<b>54,865</b>	<b>17,029</b>	<b>36,150</b>	<b>115,322</b>	<b>(81,009)</b>	<b>290,543</b>
Taxes	(47,804)	(19,742)	(3,942)	(9,815)	(25,317)	5	(106,615)
Minority interest profit (loss)	-	-	-	-	-	(7,503)	(7,503)
<b>NET PROFIT</b>	<b>100,382</b>	<b>35,123</b>	<b>13,087</b>	<b>26,335</b>	<b>90,005</b>	<b>(88,507)</b>	<b>176,425</b>

***Information by business segment: balance sheet items***

Items/Business segment	Retail banking activity	Corporate loans activity	Wealth Management	Investment Banking	Other operations	Adjustments	Total
<b>LOANS TO CUSTOMERS</b>	<b>10,147,618</b>	<b>5,488,158</b>	-	-	-	-	<b>15,635,776</b>
<b>CUSTOMER DIRECT DEPOSITS</b>	<b>8,592,025</b>	<b>3,190,073</b>	-	-	<b>5,092,735</b>	-	<b>16,874,833</b>
Managed assets	16,397,228	105,700	11,062,728	-	-	(9,968,626)	17,597,030
Administered assets	14,603,999	10,712,600	-	-	762,203	(1,006,216)	25,072,586
<b>TOTAL INDIRECT DEPOSITS</b>	<b>31,001,227</b>	<b>10,818,300</b>	<b>11,062,728</b>	-	<b>762,203</b>	<b>(10,974,842)</b>	<b>42,669,616</b>

**PRIMARY FORMAT as at 9/2006**

***By business segment: profit & loss items***

Items/Business segment	Retail banking activity	Corporate loans activity	Wealth Management	Investment Banking	Other operations	Adjustments	Total
<b>INTEREST MARGIN</b>	<b>234,656</b>	<b>63,179</b>	<b>2,520</b>	<b>(11,169)</b>	<b>98,752</b>	<b>(72,797)</b>	<b>315,141</b>
Net Commissions	206,738	23,627	35,856	29,900	7,812	243	304,175
Income from trading activities	12,535	6,356	(421)	65,189	20,384	73	104,116
Other net charges/income	7,399	6,418	414	1,222	40,771	(11,640)	44,584
<b>NON-INTEREST MARGIN</b>	<b>226,671</b>	<b>36,401</b>	<b>35,849</b>	<b>96,311</b>	<b>68,966</b>	<b>(11,324)</b>	<b>452,875</b>
<b>BANKING MARGIN</b>	<b>461,327</b>	<b>99,580</b>	<b>38,369</b>	<b>85,142</b>	<b>167,719</b>	<b>(84,121)</b>	<b>768,016</b>
Administrative costs	(301,753)	(43,588)	(14,105)	(41,442)	(60,578)	11,829	(449,637)
Depreciation & amortisation	(1,181)	(256)	(355)	(641)	(15,826)	(395)	(18,654)
<b>NET OPERATING PROFIT</b>	<b>158,393</b>	<b>55,736</b>	<b>23,909</b>	<b>43,059</b>	<b>91,315</b>	<b>(72,687)</b>	<b>299,725</b>
Adjustments to loans, net	(6,741)	(3,006)	(23)	(104)	(3,798)	-	(13,672)
Imbalance of other value adjustments and provisions	(177)	-	(15)	760	85	4	657
<b>PRE-TAX PROFIT</b>	<b>151,475</b>	<b>52,730</b>	<b>23,871</b>	<b>43,715</b>	<b>87,602</b>	<b>(72,683)</b>	<b>286,710</b>
Taxes	(49,738)	(19,022)	(6,625)	(14,846)	(19,804)	339	(109,696)
Minority interest profit (loss)	-	-	-	-	-	(9,178)	(9,178)
<b>NET PROFIT</b>	<b>101,737</b>	<b>33,707</b>	<b>17,246</b>	<b>28,869</b>	<b>67,798</b>	<b>(81,522)</b>	<b>167,836</b>

***Information by business segment: balance sheet items***

Items/Business segment	Retail banking activity	Corporate loans activity	Wealth Management	Investment Banking	Other operations	Adjustments	Total
<b>LOANS TO CUSTOMERS</b>	<b>8,393,218</b>	<b>4,930,517</b>	-	-	-	-	<b>13,323,735</b>
<b>CUSTOMER DIRECT DEPOSITS</b>	<b>7,921,587</b>	<b>2,912,458</b>	-	-	<b>3,672,086</b>	-	<b>14,506,131</b>
Managed assets	16,127,125	93,700	11,223,301	-	-	(10,347,677)	17,096,449
Administered assets	14,052,866	11,820,000	-	-	738,734	(975,706)	25,635,894
<b>TOTAL INDIRECT DEPOSITS</b>	<b>30,179,991</b>	<b>11,913,700</b>	<b>11,223,301</b>	-	<b>738,734</b>	<b>(11,323,383)</b>	<b>42,732,343</b>

**PRIMARY FORMAT as at 12/2006**

***Information by business segment: balance sheet items***

Items/Business segment	Retail banking activity	Corporate loans activity	Wealth Management	Investment Banking	Other operations	Adjustments	Total
<b>LOANS TO CUSTOMERS</b>	<b>9,516,682</b>	<b>4,869,401</b>	-	-	-	-	<b>14,386,083</b>
<b>CUSTOMER DIRECT DEPOSITS</b>	<b>9,490,139</b>	<b>2,240,659</b>	-	-	<b>3,798,673</b>	-	<b>15,529,471</b>
Managed assets	16,396,241	103,900	11,039,426	-	-	(10,318,749)	17,220,818
Administered assets	14,170,527	12,044,800	-	-	778,694	(1,028,351)	25,965,670
<b>TOTAL INDIRECT DEPOSITS</b>	<b>30,566,768</b>	<b>12,148,700</b>	<b>11,039,426</b>	-	<b>778,694</b>	<b>(11,347,100)</b>	<b>43,186,489</b>

**SECONDARY FORMAT as at 9/2007**
**By geographical area: profit & loss items**

Items/Geographical areas	Italy		Other European countries	Structure and adjustments	Total
	Northern - Central Italy	Southern Italy and Islands			
<b>INTEREST MARGIN</b>	<b>175,723</b>	<b>143,000</b>	<b>4,406</b>	<b>36,064</b>	<b>359,193</b>
Net Commissions	217,175	60,131	20,867	12,842	311,015
Income from trading activities	80,915	3,685	1,257	12,695	98,552
Other net charges/income	23,448	7,199	4	13,711	44,362
<b>NON-INTEREST MARGIN</b>	<b>321,538</b>	<b>71,015</b>	<b>22,128</b>	<b>39,248</b>	<b>453,929</b>
<b>BANKING MARGIN</b>	<b>497,261</b>	<b>214,015</b>	<b>26,534</b>	<b>75,312</b>	<b>813,122</b>
Administrative costs	(326,443)	(121,009)	(8,280)	(29,355)	(485,087)
Depreciation & amortisation	(2,829)	(115)	(555)	(18,524)	(22,023)
<b>NET OPERATING PROFIT</b>	<b>167,989</b>	<b>92,891</b>	<b>17,699</b>	<b>27,433</b>	<b>306,012</b>
Adjustments to loans, net	(12,711)	(7,248)	2	(5,521)	(25,478)
Imbalance of other value adjustments and provisions	435	-	-	9,574	10,009
<b>PRE-TAX PROFIT</b>	<b>155,713</b>	<b>85,643</b>	<b>17,701</b>	<b>31,486</b>	<b>290,543</b>
Taxes	(50,375)	(28,780)	(3,482)	(23,978)	(106,615)
Minority interest profit (loss)	-	-	-	(7,503)	(7,503)
<b>NET PROFIT</b>	<b>105,338</b>	<b>56,863</b>	<b>14,219</b>	<b>5</b>	<b>176,425</b>

**By geographical area: balance sheet items**

Items/Geographical areas	Italy		Other European countries	Adjustments	Total
	Northern - Central Italy	Southern Italy and Islands			
<b>LOANS TO CUSTOMERS</b>	<b>12,537,043</b>	<b>4,113,173</b>	<b>39,710</b>	<b>(1,054,150)</b>	<b>15,635,776</b>
<b>CUSTOMER DIRECT DEPOSITS</b>	<b>13,090,654</b>	<b>3,763,500</b>	<b>265,743</b>	<b>(245,064)</b>	<b>16,874,833</b>
Managed assets	20,355,387	3,282,300	3,927,969	(9,968,626)	17,597,030
Administered assets	21,933,527	2,963,000	1,182,275	(1,006,216)	25,072,586
<b>TOTAL INDIRECT DEPOSITS</b>	<b>42,288,914</b>	<b>6,245,300</b>	<b>5,110,244</b>	<b>(10,974,842)</b>	<b>42,669,616</b>

## SECONDARY FORMAT as at 9/2006

### By geographical area: profit & loss items

Items/Geographical areas	Italy		Other European countries	Structure and adjustments	Total
	Northern - Central Italy	Southern Italy and Islands			
<b>INTEREST MARGIN</b>	<b>167,506</b>	<b>119,069</b>	<b>2,895</b>	<b>25,671</b>	<b>315,141</b>
Net Commissions	213,371	62,890	22,044	5,870	304,175
Income from trading activities	79,377	3,722	552	20,465	104,116
Other net charges/income	21,530	4,466	59	18,529	44,584
<b>NON-INTEREST MARGIN</b>	<b>314,278</b>	<b>71,078</b>	<b>22,655</b>	<b>44,864</b>	<b>452,875</b>
<b>BANKING MARGIN</b>	<b>481,784</b>	<b>190,147</b>	<b>25,550</b>	<b>70,535</b>	<b>768,016</b>
Administrative costs	(287,037)	(114,139)	(7,310)	(41,151)	(449,637)
Depreciation & amortisation	(3,350)	(90)	(552)	(14,662)	(18,654)
<b>NET OPERATING PROFIT</b>	<b>191,397</b>	<b>75,918</b>	<b>17,688</b>	<b>14,722</b>	<b>299,725</b>
Adjustments to loans, net	(6,132)	(3,719)	(23)	(3,798)	(13,672)
Imbalance of other value adjustments and provisions	583	-	-	74	657
<b>PRE-TAX PROFIT</b>	<b>185,848</b>	<b>72,199</b>	<b>17,665</b>	<b>10,998</b>	<b>286,710</b>
Taxes	(64,815)	(23,891)	(3,315)	(17,675)	(109,696)
Minority interest profit (loss)	-	-	-	(9,178)	(9,178)
<b>NET PROFIT</b>	<b>121,033</b>	<b>48,308</b>	<b>14,350</b>	<b>(15,855)</b>	<b>167,836</b>

### By geographical area: balance sheet items

Items/Geographical areas	Italy		Other European countries	Adjustments	Total
	Northern - Central Italy	Southern Italy and Islands			
<b>LOANS TO CUSTOMERS</b>	<b>10,949,450</b>	<b>3,669,314</b>	<b>42,446</b>	<b>(1,337,475)</b>	<b>13,323,735</b>
<b>CUSTOMER DIRECT DEPOSITS</b>	<b>11,208,099</b>	<b>3,745,200</b>	<b>186,553</b>	<b>(633,721)</b>	<b>14,506,131</b>
Managed assets	21,203,337	3,087,800	3,152,989	(10,347,677)	17,096,449
Administered assets	22,583,817	2,878,300	1,149,483	(975,706)	25,635,894
<b>TOTAL INDIRECT DEPOSITS</b>	<b>43,787,154</b>	<b>5,966,100</b>	<b>4,302,472</b>	<b>(11,323,383)</b>	<b>42,732,343</b>

## SECONDARY FORMAT as at 12/2006

### By geographical area: balance sheet items

Items/Geographical areas	Italy		Other European countries	Adjustments	Total
	Northern - Central Italy	Southern Italy and Islands			
<b>LOANS TO CUSTOMERS</b>	<b>11,435,801</b>	<b>4,056,093</b>	<b>44,299</b>	<b>(1,150,110)</b>	<b>14,386,083</b>
<b>CUSTOMER DIRECT DEPOSITS</b>	<b>11,442,626</b>	<b>4,211,068</b>	<b>218,289</b>	<b>(342,512)</b>	<b>15,529,471</b>
Managed assets	21,206,645	3,191,400	3,141,522	(10,318,749)	17,220,818
Administered assets	22,985,524	2,856,900	1,151,597	(1,028,351)	25,965,670
<b>TOTAL INDIRECT DEPOSITS</b>	<b>44,192,169</b>	<b>6,048,300</b>	<b>4,293,119</b>	<b>(11,347,100)</b>	<b>43,186,489</b>

# STATEMENT BY THE MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL ACCOUNTS



STATEMENT BY THE MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL ACCOUNTS

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 Credito Emiliano spa as at 30 September 2007 corresponds to the information contained in the documents, books and accounting entries.

Manager in charge of preparing the  
company's financial accounts

Paolo Tommasini



# ATTACHMENTS



# STATUTORY FINANCIAL STATEMENTS



BALANCE  
SHEET  
PROFIT AND LOSS  
ACCOUNT

**Balance sheet**  
(in euro)

	<b>Total assets</b>	<b>30/09/2007</b>	<b>31/12/2006</b>
10.	Cash and cash equivalents	87,631,089	125,113,363
20.	Financial assets held for trading	1,215,500,179	1,945,722,001
30.	Financial assets valued at fair value	475,774,067	-
40.	Available-for-sale financial assets	44,841,229	52,470,718
60.	Due from banks	5,097,946,137	3,529,407,190
70.	Loans to customers	14,380,725,977	13,184,258,048
80.	Hedging derivatives	8,031,545	9,291,308
100.	Equity investments	300,969,488	346,163,674
110.	Tangible assets	251,278,430	230,178,230
120.	Intangible assets	43,273,444	46,563,921
	- of which: goodwill	25,701,372	25,692,101
130.	Tax assets	88,765,309	111,951,122
	a) current	49,827,056	70,106,083
	b) prepaid	38,938,253	41,845,039
140.	Non-current assets and groups of assets being disposed	36,582,186	-
150.	Other assets	573,130,236	453,950,784
	<b>Total assets</b>	<b>22,604,449,316</b>	<b>20,035,070,359</b>

**Balance sheet**  
(in euro)

	<b>Liabilities and shareholders' equity</b>	<b>30/09/2007</b>	<b>31/12/2006</b>
10.	Due to banks	4,433,602,553	3,572,721,455
20.	Due to customers	9,756,637,801	9,482,441,550
30.	Outstanding securities	4,701,513,971	3,194,615,615
40.	Financial trading liabilities	233,454,329	331,152,483
50.	Financial liabilities valued at fair value	900,879,269	1,206,951,459
60.	Hedging derivatives	8,559,408	4,957,303
80.	Tax liabilities	210,276,900	215,601,413
	a) current	85,336,946	99,898,744
	b) deferred	124,939,954	115,702,669
100.	Other liabilities	930,217,491	712,308,051
110.	Staff severance indemnities	78,965,018	89,365,006
120.	Provisions for risks and charges:	49,983,859	53,561,955
	a) pensions and similar	1,429,476	1,429,476
	d) other funds	48,554,383	52,132,479
130.	Valuation reserves	68,472,805	53,504,566
160.	Reserves	664,536,523	542,776,933
170.	Share premium reserve	81,326,234	78,728,259
180.	Share capital	281,988,292	281,475,792
200.	Profit (loss) for the year (+/-)	204,034,863	214,908,519
	<b>Total liabilities and shareholders' equity</b>	<b>22,604,449,316</b>	<b>20,035,070,359</b>

## Profit and Loss Account

(in euro)

	Items	30/09/2007	30/09/2006
10.	Interest income and similar revenues	827,849,678	584,024,244
20.	Interest expense and similar charges	(485,653,243)	(296,381,126)
<b>30.</b>	<b>Interest margin</b>	<b>342,196,435</b>	<b>287,643,118</b>
40.	Commission income	215,246,556	222,279,186
50.	Commission expense	(28,785,467)	(32,977,762)
<b>60.</b>	<b>Net Commissions</b>	<b>186,461,089</b>	<b>189,301,424</b>
70.	Dividends and similar revenues	193,228,751	150,031,581
80.	Net result from trading activities	(82,459,440)	(40,185,777)
90.	Net result from hedging activities	4,416	
100.	Profit (loss) from sale or repurchase of:	10,619,379	7,658,866
	a) receivables		(729)
	b) available-for-sale financial assets	10,452,811	7,677,742
	c) financial assets held to maturity		
	d) financial liabilities	166,568	(18,147)
110.	Net profit from financial assets and liabilities valued at fair value	6,075,578	3,171,708
<b>120.</b>	<b>Banking margin</b>	<b>656,126,208</b>	<b>597,620,920</b>
130.	Net value adjustments/write-backs for impairment of:	(22,605,128)	(13,296,489)
	a) receivables	(23,538,177)	(15,019,916)
	b) available-for-sale financial assets		
	c) financial assets held to maturity		
	d) other financial transactions	933,049	1,723,427
<b>140.</b>	<b>Net profit from banking activities</b>	<b>633,521,080</b>	<b>584,324,431</b>
150.	Net premiums		
160.	Balance of other insurance income/charges		
<b>170.</b>	<b>Net profit from banking and insurance activities</b>	<b>633,521,080</b>	<b>584,324,431</b>
180.	Administrative costs:	(376,090,529)	(353,829,275)
	a) personnel costs	(230,167,100)	(216,380,966)
	b) other administrative costs	(145,923,429)	(137,448,309)
190.	Net allocations to provisions for risks and charges	360,426	(4,066,093)
200.	Net value adjustments/write-backs to tangible assets	(11,040,447)	(9,886,022)
210.	Net value adjustments/write-backs to intangible assets	(7,248,065)	(4,303,347)
220.	Other operating income (charges)	42,397,471	37,461,617
<b>230.</b>	<b>Operating costs</b>	<b>(351,621,144)</b>	<b>(334,623,120)</b>
240.	Profit (Loss) from equity investments	411,791	162,245
250.	Net result of tangible and intangible assets valued at fair value		
260.	Value adjustments to goodwill		
270.	Profit (Loss) from disposal of investments	(256,798)	345,611
<b>280.</b>	<b>Profit (Loss) from current operations before taxes</b>	<b>282,054,929</b>	<b>250,209,167</b>
290.	Income taxes for current operations	(78,020,066)	(71,863,779)
<b>300.</b>	<b>Profit (Loss) from current operations after taxes</b>	<b>204,034,863</b>	<b>178,345,388</b>
310.	Profit (Loss) from groups of assets being disposed net of taxes		
<b>320.</b>	<b>Profit (loss) for the period</b>	<b>204,034,863</b>	<b>178,345,388</b>
330.	Minority interest in net profit/loss for the period		
<b>340.</b>	<b>Profit (loss) for the period pertaining to the parent company</b>	<b>204,034,863</b>	<b>178,345,388</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 2007 (in euro)

	Balance as at 31.12.06	Initial balance changes	Balance as at 01.01.07	Allocation of net result from previous period		Changes in the period							Profit (loss) for the period as at 30.09.07	
						Shareholders' equity transactions								
						Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Changes in capital instruments		Derivatives on own shares
Share capital	281,475,792	-	281,475,792	-	-	-	512,500	-	-	-	-	-	-	-
a) ordinary shares	281,475,792	-	281,475,792	-	-	-	512,500	-	-	-	-	-	-	-
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	78,728,259	-	78,728,259	-	-	-	2,597,975	-	-	-	-	-	-	-
Reserves	542,776,933	-	542,776,933	116,391,992	-	4,901,096	-	-	-	-	-	-	466,502	-
a) profit reserve	541,031,114	-	541,031,114	116,391,992	-	4,901,096	-	-	-	-	-	-	-	-
b) other	1,745,819	-	1,745,819	-	-	-	-	-	-	-	-	-	466,502	-
Valuation reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) available-for-sale	53,504,566	-	53,504,566	-	-	14,968,239	-	-	-	-	-	-	-	-
b) cash flow hedging	14,709,688	-	14,709,688	-	-	9,246,428	-	-	-	-	-	-	-	-
c) other:	5,475,992	-	5,475,992	-	-	3,410,558	-	-	-	-	-	-	-	-
- tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- special revaluation laws	33,318,886	-	33,318,886	-	-	2,311,253	-	-	-	-	-	-	-	-
- intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- exchange rate reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- coverage of investments for foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- reserves related to groups of assets being disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the period	214,908,519	-	214,908,519	-116,391,992	-98,516,527	-	-	-	-	-	-	-	-	204,034,863
Shareholders' equity	1,171,394,069	-	1,171,394,069	-	-98,516,527	19,869,335	3,110,475	-	-	-	-	-	466,502	204,034,863

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 2006 (in euro)

	Balance as at 31/12/2004	Initial balance changes	Balance as at 31/12/2005	Allocation of net result for the period		Changes in reserves	Changes in the year						Shareholders' equity as at 30/09/2005	
				Reserves	Dividends and other allocations		Shareholders' equity transactions							Profit (loss) for the year as at 30-09-2006
							Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares	Stock options		
Share capital:	278,605,392	-	278,605,392	-	-	-	1,433,700	-	-	-	-	-	-	280,039,092
a) ordinary shares	278,605,392	-	278,605,392	-	-	-	1,433,700	-	-	-	-	-	-	280,039,092
b) other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	65,296,311	-	65,296,311	-	-	-	6,703,164	-	-	-	-	-	-	71,999,475
Reserves:	492,493,459	-	492,493,459	45,165,153	-	5,710,816	-	-	-	-	-	491,039	-	543,860,467
a) profit reserve	491,402,359	-	491,402,359	45,165,153	-	5,710,816	-	-	-	-	-	-	-	542,278,328
a.1 legal reserve	213,433,722	-	213,433,722	18,449,785	-	-	-	-	-	-	-	-	-	231,883,507
a.2 extraordinary reserve	90,732,585	-	90,732,585	-	-	-	-	-	-	-	-	-	-	90,732,585
a.3 Legislative decree 124/93	616,421	-	616,421	144,973	-	-	-	-	-	-	-	-	-	761,394
a.4 other	186,619,631	-	186,619,631	26,570,395	-	5,710,816	-	-	-	-	-	-	-	218,900,842
b) other	1,091,100	-	1,091,100	-	-	-	-	-	-	-	-	491,039	-	1,582,139
b.1 stock options	1,091,100	-	1,091,100	-	-	-	-	-	-	-	-	91,039	-	1,582,139
Valuation reserves:	41,271,309	-	41,271,309	-	-	-145,782	-	-	-	-	-	-	-	41,125,527
a) available-for-sale	6,748,478	-	6,748,478	-	-	-1,514,702	-	-	-	-	-	-	-	5,233,776
b) cash flow hedging	1,203,945	-	1,203,945	-	-	1,368,920	-	-	-	-	-	-	-	2,572,865
c) other - real estate -	33,318,886	-	33,318,886	-	-	-	-	-	-	-	-	-	-	33,318,886
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	184,497,849	-	184,497,849	-45,165,153	-139,332,696	-	-	-	-	-	-	-	178,345,388	178,345,388
<b>Shareholders' equity</b>	<b>1,062,164,320</b>	-	<b>1,062,164,320</b>	-	<b>-139,332,696</b>	<b>5,565,034</b>	<b>8,136,864</b>	-	-	-	-	<b>-491,039</b>	<b>178,345,388</b>	<b>1,115,369,949</b>

**STATEMENT OF CASH FLOWS**  
(in thousands of Euro)

**Indirect method**

<b>Operating activities</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
<b>1. Operations</b>	<b>328,328</b>	<b>192,559</b>
- net result	204,035	178,345
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value	4,840	(70,919)
- gains/losses on hedging activities	(4)	-
- net value adjustments/write-backs for impairment	28,320	16,995
- net value adjustments/write-backs to tangible and intangible assets	18,289	14,189
- net provisions for risks and charges and other charges/profits	(360)	4,066
- taxes not paid	78,020	71,864
- net value adjustments/write-backs from groups of assets being disposed net of taxes	-	-
- other adjustments	(4,812)	(21,981)
<b>2. Cash flows generated/absorbed by financial assets</b>	<b>(2,546,389)</b>	<b>(1,820,168)</b>
- financial assets held for trading purposes	731,455	(464,982)
- financial assets valued at fair value	(470,097)	-
- available-for-sale financial assets	7,634	7,022
- due from banks: at sight	(419,945)	(170,111)
- due from banks: other loans	(1,130,231)	(309,581)
- loans to customers	(1,172,247)	(755,108)
- other assets	(92,958)	(127,408)
<b>3. Cash flows generated/absorbed by financial liabilities</b>	<b>2,305,246</b>	<b>1,732,209</b>
- due to banks: at sight	(338,548)	829,830
- due to banks: other amounts due	1,163,145	(755,835)
- due to customers	260,455	732,168
- outstanding securities	1,481,333	563,941
- financial trading liabilities	(97,698)	120,936
- financial liabilities valued at fair value	(308,324)	18,595
- other liabilities	144,883	222,574
<b>Net cash flow generated/absorbed by operating activities</b>	<b>87,185</b>	<b>104,600</b>

<b>Investing activities</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
<b>1. Cash flows from</b>	<b>1,540</b>	<b>3,400</b>
- sale of equity investments	558	299
- dividends from equity investments	-	-
- disposal of financial assets held to maturity	-	-
- disposal of tangible assets	982	3,101
- disposal of intangible assets	-	-
-dismissal of business branches	-	-
<b>2. Cash flows absorbed by</b>	<b>(30,800)</b>	<b>(12,094)</b>
- purchase of equity investments	(22,607)	(569)
- purchase of financial assets held to maturity	-	-
- purchase of tangible assets	(4,235)	(7,603)
- purchase of intangible assets	(3,958)	(3,922)
- acquisition of business branches	-	-
<b>Net cash flow generated/absorbed by investing activities</b>	<b>(29,260)</b>	<b>(8,694)</b>
<b>Funding activities</b>		
- issue/purchase of own shares	3,110	8,137
- issue/purchase of capital instruments	-	-
- dividend distribution and other purposes	(98,517)	(139,333)
<b>Net cash flow generated/absorbed by funding activities</b>	<b>(95,407)</b>	<b>(131,196)</b>
<b>Net cash flow generated/absorbed during the year</b>	<b>(37,482)</b>	<b>(35,290)</b>

## RECONCILIATION

<b>Items</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
Cash and cash equivalents at the beginning of the year	125,113	112,176
Total cash generated/absorbed during the year	(37,482)	(35,290)
Cash and cash equivalents at year end	87,631	76,886

**Reclassified profit and loss account**  
(millions of Euro)

	Q1	Q2	Q3	09/07	09/06	% change	Q3'06	12/06
interest margin	129.5	187.7	112.7	429.9	362.1	18.7	101.2	465.1
non-interest margin	86.6	87.4	86.0	260.0	269.2	(3.4)	76.6	383.1
<b>banking margin</b>	<b>216.1</b>	<b>275.1</b>	<b>198.7</b>	<b>689.9</b>	<b>631.3</b>	<b>9.3</b>	<b>177.8</b>	<b>848.2</b>
personnel costs	(78.6)	(73.2)	(78.4)	(230.2)	(216.4)	6.4	(72.4)	(302.4)
administrative costs	(46.8)	(48.1)	(51.0)	(145.9)	(137.4)	6.2	(49.7)	(181.1)
<b>Operating costs</b>	<b>(125.4)</b>	<b>(121.3)</b>	(129.4)	(376.1)	<b>(353.8)</b>	<b>6.3</b>	<b>(122.1)</b>	<b>(483.5)</b>
<b>EBITDA</b>	<b>90.7</b>	<b>153.8</b>	<b>69.3</b>	<b>313.8</b>	<b>277.5</b>	<b>13.1</b>	<b>55.7</b>	<b>364.7</b>
amortisation/depreciation	(5.2)	(6.3)	(6.8)	(18.3)	(14.2)	28.9	(4.9)	(19.8)
<b>net operating profit</b>	<b>85.5</b>	<b>147.5</b>	<b>62.5</b>	<b>295.5</b>	<b>263.3</b>	<b>12.2</b>	<b>50.8</b>	<b>344.9</b>
provisions for risks and charges	(0.1)	(0.6)	1.1	0.4	(4.1)	n.s.	0.2	(9.0)
extraordinary income/charges	2.2	(0.5)	7.0	8.7	4.3	102.3	(3.3)	8.2
adjustments to loans, net	(4.7)	(9.9)	(8.0)	(22.6)	(13.3)	69.9	(3.9)	(25.2)
<b>PRE-TAX PROFIT</b>	<b>82.9</b>	<b>136.5</b>	<b>62.6</b>	<b>282.0</b>	<b>250.2</b>	<b>12.7</b>	<b>43.8</b>	<b>318.9</b>
income taxes	(28.0)	(30.3)	(19.7)	(78.0)	(71.9)	8.5	(17.9)	(104.0)
<b>NET PROFIT</b>	<b>54.9</b>	<b>106.2</b>	<b>42.9</b>	<b>204.0</b>	<b>178.3</b>	<b>14.4</b>	<b>25.9</b>	<b>214.9</b>
<b>PROFIT PER SHARE</b>	<b>0.19</b>	<b>0.38</b>	<b>0.15</b>	<b>0.72</b>	<b>0.64</b>	<b>12.5</b>	<b>0.09</b>	<b>0.77</b>
<b>DILUTED PROFIT PER SHARE</b>	<b>0.19</b>	<b>0.37</b>	<b>0.16</b>	<b>0.72</b>	<b>0.63</b>	<b>14.3</b>	<b>0.08</b>	<b>0.76</b>

**KEY:**

<p><b>Interest margin</b> + Item 30 Interest margin + Item 210 Profit (Loss) from equity investments + Item 70 Dividends and similar revenues (solely for the portion relating to dividends from equity investments)</p> <p><b>Non-Interest Margin</b> + 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 110 Net result from financial assets and liabilities valued at fair value + Item 190 Other operating income/charges (net of extraordinary items) + Item 100 Profit (loss) from sale or repurchase for the sole item d) financial liabilities</p> <p><b>Banking margin</b> (Interest margin + Non-interest margin)</p> <p><b>Operating costs</b> + Item 150 Administrative costs</p> <p><b>EBITDA</b> (Banking margin – Operating costs)</p>	<p><b>Depreciation &amp; amortisation</b> + Item 170 Net value adjustments/write-backs to tangible assets + Item 180 Net value adjustments/write-backs to intangible assets</p> <p><b>Net operating profit</b> (EBITDA – Depreciation &amp; Amortization)</p> <p><b>Net provisions for risks and charges</b> + Item 160 Net provisions for risks and charges</p> <p><b>Adjustments to loans, net</b> + Item 130 Net value adjustments/write-backs for impairment of loans ("a") and other assets ("d")</p> <p><b>Extraordinary income (charges)</b> + Item 100 Profit (loss) from sale or repurchase net of item d) financial liabilities + item 130 Net value adjustments/write-backs for impairment ("b" and "c") + Item 190 Other operating charges/income (only extraordinary items) + Item 240 Profit (Loss) from disposal of investments + 280 Profit (Loss) from non-current assets being disposed net of taxes</p> <p><b>Pre-tax profit</b> (Net Operating Profit +/- Net provisions for risks and charges - Adjustments to loans +/- Extraordinary income/charges)</p>
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