

INTERIM  
DIRECTORS'  
REPORT  
SEPTEMBER 2010

GRUPPO

**CREDEM**



Credito Emiliano SpA.  
Credito Emiliano Banking Group - Credem  
3032 – Joint stock company

Registered Office and Headquarters:

Via Emilia San Pietro no. 4 - 42100 Reggio Emilia  
Fully paid-up share capital € 332,392,107  
Taxpayer's Code 01806740153 – VAT Number 00766790356  
ABI Code 3032  
Bank enrolled in the Banks Register under no. 5350  
Bank enrolled in the Banking Groups Register under no. 3032  
Participant in the Interbank Deposit Protection Fund  
Tel.0522 5821 - Telefax 0522 433969 - Telex BACDIR 530658 – Swift Code BACRIT22  
Internet site: [www.credem.it](http://www.credem.it)

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# **BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS, SENIOR MANAGEMENT, MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS, INDEPENDENT AUDITORS**

## **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

\*\* Independent directors pursuant to art. 148, paragraph 3, Legislative Decree no. 58/1998 (Consolidated Financial Act)

## **BOARD OF STATUTORY AUDITORS**

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

## **SENIOR MANAGEMENT**

General Manager	Adolfo Bizzocchi
Central Managers	Giuliano Baroni Angelo Campani Nazzareno Gregori
Central Co-Managers	Marco Braglia Stefano Morellini Stefano Pilastrì
Deputy Central Managers	Giuliano Cassinadri Ferdinando Rebecchi Rossano Zanichelli

## **MANAGER responsible for preparing the company's financial reports**

Paolo Tommasini

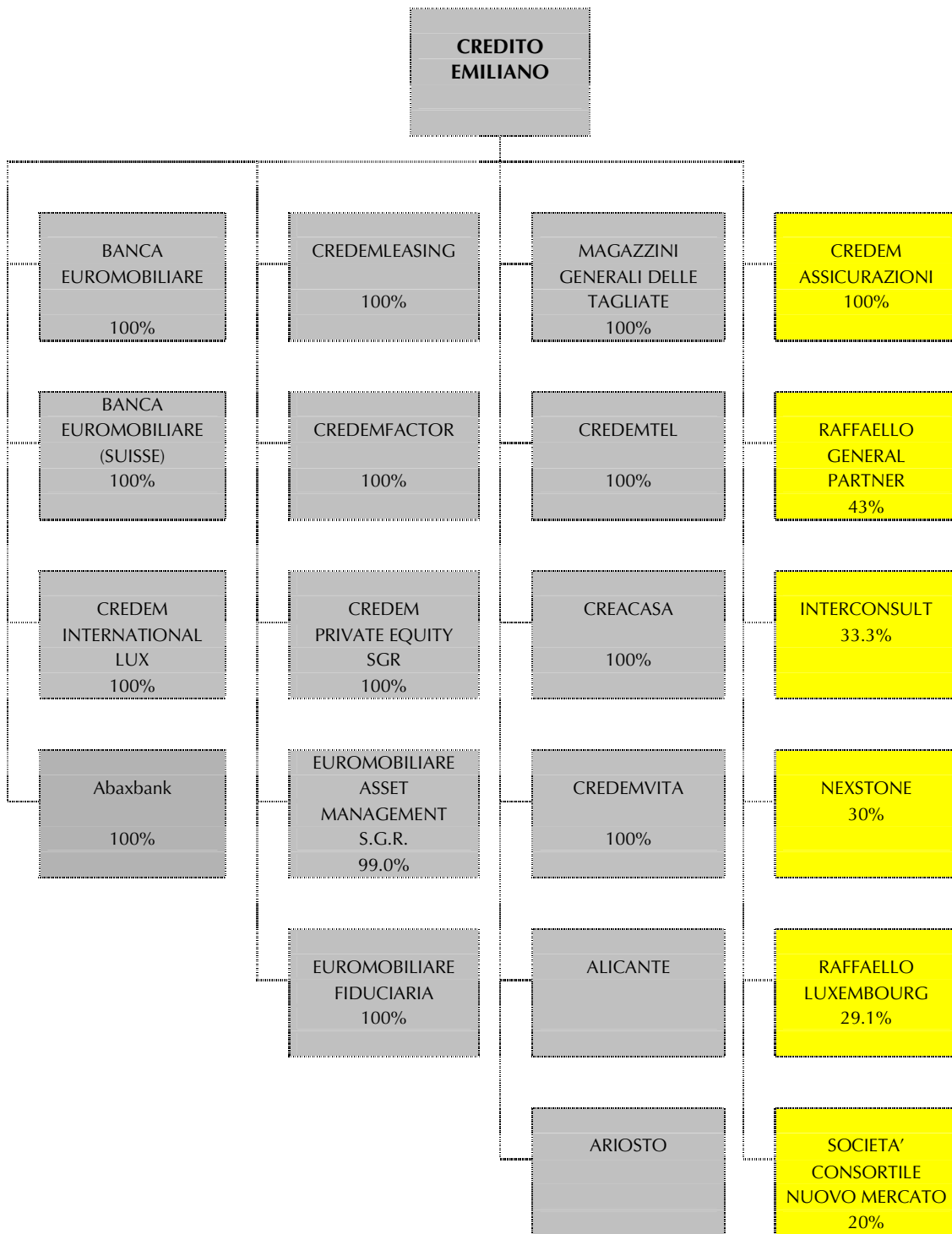
## **INDEPENDENT AUDITORS**

DELOITTE & TOUCHE S.p.A.



INTERIM  
DIRECTORS'  
REPORT  
SEPTEMBER 2010

## SCOPE OF CONSOLIDATION



### Notes:

- the percentages refer to directly or indirectly exercisable voting rights
- the highlighted equity investments are valued using the equity method
- In accordance with IAS 27 and SIC 12, Ariosto and Alicante, special purpose entities pursuant to Law 130, were considered as controlled by Credem and, as such, were included within the scope of consolidation.

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

Also in March 2008, Credem and Reale Mutua Assicurazioni signed a bancassurance agreement aimed at the joint development of the non-life segment. In accordance with the agreement, Reale Mutua Assicurazioni purchased 50% of Credemassicurazioni which is controlled jointly by the two groups, following the necessary authorisations issued by the Supervisory Authorities at the end of July, and is subject to a joint control after the conclusion of a specific shareholders' agreement. The agreement provides for the issue of a put option by Credem to the purchaser, to be exercised for a six-month period from the end of the third year of the equity investment transfer date. The exercise price of the option is equal to the total amount of the investment made by the purchaser, net of dividends cashed before the exercise date of the above mentioned option and added with interest due between each single payment and the exercise date of the option itself. According to International accounting standards, this situation is classified as one of "continuing involvement", which does not allow derecognition of the equity investment in Credemassicurazioni by Credem, up to the expiry of the aforementioned option.

Following the aforementioned information and pursuant to IAS 31, as at 30 September 2010, the Bank consolidated its total equity investment in Credemassicurazioni under equity method.



BALANCE  
SHEET  
INCOME  
STATEMENT

**Balance Sheet**  
(in €/thousand)

	<b>Assets</b>	<b>30.09.2010</b>	<b>31.12.2009</b>
10.	Cash and cash equivalents	110,670	140,298
20.	Financial assets held for trading	1,064,812	1,255,886
30.	Financial assets valued at fair value	1,055,124	1,084,300
40.	Available-for-sale financial assets	6,191,019	3,757,714
50.	Financial assets held to maturity	601,027	-
60.	Due from banks	801,228	1,170,809
70.	Loans to customers	17,781,577	17,535,701
80.	Hedging derivatives	99,983	34,231
90.	Value adjustments to financial assets subject to macro-hedging (+/-)	85,765	37,917
100.	Equity investments	19,319	14,040
110.	Technical reserves attributable to reinsurers	702	397
120.	Tangible assets	326,297	333,283
130.	Intangible assets	357,746	360,851
	- of which: goodwill	285,945	285,945
140.	Tax assets	187,179	184,329
	a) current	55,695	76,284
	b) prepaid	131,484	108,045
150.	Non-current assets and groups of assets being disposed	1,047	1,047
160.	Other assets	526,162	528,238
	<b>Total assets</b>	<b>29,209,657</b>	<b>26,439,041</b>

**Balance Sheet**  
(in €/thousand)

	Liabilities and shareholders' equity	30.09.2010	31.12.2009
10.	Due to banks	6,595,546	2,394,643
20.	Due to customers	12,120,355	12,691,347
30.	Outstanding securities	3,462,238	5,000,157
40.	Financial liabilities held for trading	540,930	521,388
50.	Financial liabilities valued at fair value	1,494,394	1,488,745
60.	Hedging derivatives	346,585	222,129
70.	Value adjustments to financial liabilities subject to macro-hedging (+/-)	37,895	1,237
80.	Tax liabilities	90,666	127,423
	a) current	30,240	69,488
	b) deferred	60,426	57,935
100.	Other liabilities	1,120,590	747,509
110.	Staff termination indemnity	88,610	90,909
120.	Provisions for risks and charges:	63,613	85,499
	a) pensions and similar	1,997	2,007
	b) other provisions	61,616	83,492
130.	Technical reserves	1,406,466	1,218,044
140.	Valuation reserves	-87,361	-16,560
170.	Reserves	1,226,726	1,161,956
180.	Share premium reserve	283,052	283,052
190.	Share capital	332,392	332,392
210.	Minority interests (+/-)	251	343
220.	Profit (loss) for the period (+/-)	86,709	88,828
	<b>Total liabilities and shareholders' equity</b>	<b>29,209,657</b>	<b>26,439,041</b>

## Income Statement

(in €/thousand)

	Items	30.09.2010	30.09.2009
10.	Interest income and similar revenues	511,580	838,908
20.	Interest expense and similar charges	(131,676)	(331,420)
<b>30.</b>	<b>Interest margin</b>	<b>379,904</b>	<b>507,488</b>
40.	Commission income	346,456	283,540
50.	Commission expense	(67,631)	(57,507)
<b>60.</b>	<b>Net commissions</b>	<b>278,825</b>	<b>226,033</b>
70.	Dividends and similar revenues	1,351	1,749
80.	Net result from trading activities	3,117	(91,809)
90.	Net result from hedging activities	(3,589)	3,536
100.	Profit (loss) from sale or repurchase of:	12,296	51,283
	a) loans	-	(6,104)
	b) available-for-sale financial assets	12,477	39,440
	d) financial liabilities	(181)	17,947
110.	Net result from financial assets and liabilities valued at fair value	1,587	(10,595)
<b>120.</b>	<b>Operating income</b>	<b>673,491</b>	<b>687,685</b>
130.	Net value adjustments/write-backs due to impairment of:	(38,710)	(75,156)
	a) loans	(39,068)	(75,041)
	d) other financial transactions	358	(115)
<b>140.</b>	<b>Net income from banking activities</b>	<b>634,781</b>	<b>612,529</b>
150.	Net premiums	277,994	439,607
160.	Other income/expenses from insurance activities	(298,730)	(444,625)
<b>170.</b>	<b>Net income from banking and insurance activities</b>	<b>614,045</b>	<b>607,511</b>
180.	Administrative costs:	(484,319)	(500,138)
	a) personnel costs	(313,917)	(318,821)
	b) other administrative costs	(170,402)	(181,317)
190.	Net provisions for risks and charges	(1,383)	2,408
200.	Net value adjustments/write-backs to tangible assets	(11,530)	(11,805)
210.	Net value adjustments/write-backs to intangible assets	(9,908)	(10,375)
220.	Other operating income/charges	42,055	39,583
<b>230.</b>	<b>Operating costs</b>	<b>(465,085)</b>	<b>(480,327)</b>
240.	Profit (loss) from equity investments	639	(829)
270.	Profit (loss) from disposal of investments	(5)	154
<b>280.</b>	<b>Profit (loss) before tax from continuing operations</b>	<b>149,594</b>	<b>126,509</b>
290.	Taxes on income from continuing operations	(62,846)	(58,894)
<b>300.</b>	<b>Profit (loss) after-tax from continuing operations</b>	<b>86,748</b>	<b>67,615</b>
<b>320.</b>	<b>Profit (loss) for the period</b>	<b>86,748</b>	<b>67,615</b>
330.	Profit (loss) attributable to minority interests	(39)	(43)
<b>340.</b>	<b>Profit (loss) attributable to the parent company</b>	<b>86,709</b>	<b>67,572</b>

**Consolidated statement of comprehensive income**  
*(in €/thousand)*

	Items	30.09.2010	30.09.2009
<b>10</b>	<b>Profit (loss) for the period</b>	<b>86,748</b>	<b>67,615</b>
	<b>Other income components net of taxes</b>		
20	Available-for-sale financial assets	(37,722)	20,034
30	Tangible assets	-	-
40	Intangible assets	-	-
50	Foreign investment hedge	-	-
60	Cash flow hedge	(32,646)	(15,845)
70	Exchange differences	3,197	(1,158)
80	Non-current assets being disposed	-	-
90	Actuarial profit (loss) on defined benefit plans	(434)	4,423
100	Portion of valuation reserves for equity investments valued under the equity method	-	-
<b>110</b>	<b>Total other income components net of taxes</b>	<b>(67,605)</b>	<b>7,454</b>
<b>120</b>	<b>Comprehensive income (Items 10+110)</b>	<b>19,143</b>	<b>75,069</b>
<b>130</b>	Minority consolidated comprehensive income	<b>(38)</b>	<b>(46)</b>
<b>140</b>	<b>Parent Company consolidated comprehensive income</b>	<b>19,105</b>	<b>75,023</b>

## 2010 STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (in €/thousand)

	Balances as at 31.12.09	Initial balance changes	Balances as at 01.01.10	Allocation of previous year's results		Changes during the period							Shareholders' equity as at 30.09.10	Group shareholders' equity as at 30.09.10	Minority shareholders' equity as at 30.09.10
						Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity						
				Issue of new shares	Purchase of own shares				Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares	Stock options			
Share capital	332,508	-	332,508	-	-	-31	-	-	-	-	-	-	332,477	332,392	85
a) ordinary shares	332,508	-	332,508	-	-	-31	-	-	-	-	-	-	332,477	332,392	85
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	283,058	-	283,058	-	-	-2	-	-	-	-	-	-	283,056	283,052	4
Reserves	1,162,068	-	1,162,068	62,320	-	-741	-	-	-	-	6	3,197	1,226,850	1,226,726	124
a) profit	1,159,379	-	1,159,379	62,320	-	-741	-	-	-	-	-	3,197	1,224,155	1,165,923	124
b) other	2,689	-	2,689	-	-	-	-	-	-	-	6	-	2,695	2,695	-
Valuation reserves	-16,560	-	-16,560	-	-	-	-	-	-	-	-	-70,802	-87,362	-87,361	-1
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the period	88,937	-	88,937	-62,320	-26,617	-	-	-	-	-	-	86,748	86,748	86,709	39
Shareholders' equity	1,850,011	-	1,850,011	-	-26,617	-774	-	-	-	-	6	19,143	1,841,769	1,841,518	251
Group shareholders' equity	1,849,668	-	1,849,668	-	-26,591	-670	-	-	-	-	6	19,105	1,841,518	-	-
Minority shareholders' equity	343	-	343	-	-26	-104	-	-	-	-	-	38	251	-	-

# EXPLANATORY NOTES

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## ACCOUNTING POLICIES

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### GENERAL PART

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#### General standards for the preparation of Financial Statements

The interim directors' report as at 30 September 2010 was drawn up according to the provisions of art.154-ter, paragraph 5 of the Consolidated Financial Act (TUF) and comprises the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in the Shareholders' Equity and the Explanatory Notes. The report is accompanied by the Board of Directors' report on operations, on the income results achieved and on the Group's balance sheet and financial situation. The same report also contains a description of important events and transactions performed in the period.

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

#### Going concern

The directors have the reasonable expectation that the company will continue functioning as a business entity in the foreseeable future, and have drawn up the interim directors' report applying the going concern assumption. Therefore, no doubts are present regarding the continuation of the business. As a result, asset, liabilities and "off balance sheet" transactions are valued in accordance with the operational features, since they are expected to continue in operation for the foreseeable future.

#### Statement of compliance with the International Accounting Standards

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

The interim report was not subject to audit.

The balance sheet data provides corresponding data from the balance sheet of the previous year end, while the income statement data are compared to the same period of the previous year. The financial statement schedules correspond to those of the yearly consolidated report.

#### Accounting standards

The accounting standards adopted in preparing this interim directors' report on operations, in reference to the recording, classification, valuation, write-off and recognition of income components of the various asset and liability items, as well as the recognition method for revenues and expenses, have remained unchanged from those adopted in the 2009 year end financial statements, to which the reader should refer.

#### Contents of the Financial Statements Forms

The Consolidated Financial Statements are in compliance with the provisions of Bank of Italy Circular no. 262/2005.

#### Balance sheet, Income statement and Statement of comprehensive income

The balance sheet and income statement are made up of items, sub-items and additional information (the "of which" in the items and sub-items). In the income statement and statement of comprehensive income, 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 report, split between capital reserves, profit reserves, asset and liability valuations reserves and net profit or loss. Capital instruments other than ordinary shares have not been issued.

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

## Scope and methods of consolidation

The interim directors' report on operations 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 consolidation scope, as required by international accounting standards. Similarly, the special purpose entities (SPE/SPV) have also been included when an effective controlling interest exists, irrespective of whether equity investments are held.

Compared to the situation as at 31 December 2009, no changes are reported in the scope of consolidation.

## Criteria and principles of consolidation

The following criteria were adopted in the preparation of the interim directors' report on operations:

- 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 contingent liabilities of companies acquired at fair value as at the acquisition date, which is the moment in which effective control of the acquired company is achieved. Therefore, the operating results of a subsidiary acquired during the year are included in the Consolidated Financial Statements starting from its control date. Similarly, the operating results of a subsidiary that has been sold are included in the Consolidated Financial Statements until the date in which control is exercised;
- any surpluses in the book value of equity investments, as per the previous point, compared to the corresponding portion of shareholders' equity, adjusted to the fair value of assets or liabilities, are recorded as goodwill under "Intangible assets" if positive and to the income statement if negative;
- any purchases of additional equity investments subsequent to the acquisition of control are specifically regulated by IAS 27; any positive or negative differences, as defined above, that arise following said acquisition are recorded directly to equity.
- a test of the adequacy of the goodwill value (so-called impairment test) is carried out annually or each time there is evidence of impairment. To this end, the cash-generating unit that produces the cash flow and to which goodwill is attributed is identified. The amount of the impairment is calculated as the negative difference, if any, between the goodwill value recorded and its recoverable amount, equal to the greater of fair value of the cash-generating unit, net of any sales costs, and the relative value in use of the asset. The subsequent value adjustments are recorded in the income statement.
- balance sheet and profit & loss items for companies consolidated on a line-by-line basis are fully acquired for each item;
- 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 in the relative sections under liabilities in the balance sheet and in the income statement, respectively;
- the interim reports of the single companies were used for consolidation of the companies on a line-by-line basis, adjusted, if necessary, to comply with the international accounting standards used in the preparation of the consolidated position and the statements of the consolidating company;
- the book value of significant equity investments held by Credito Emiliano, or by other companies of the group, regarding companies consolidated with the equity method is compared to the relative portion of shareholders' equity of the investee companies. Any excess in the book value – resulting from first-time application to the Consolidated Financial Statements – is included in the book value of the investee company. The changes in equity value that take place during the years subsequent to the year of first-time application are recorded under item 240 of the consolidated income statement ("profit (loss) from equity investments"), to the extent in which said changes refer to profits or losses of the investee companies;
- if there is evidence that the value of a significant investment may have fallen, the recoverable amount 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 amount is lower than the book value, the difference is recorded in the income statement.
- for the consolidation of equity investments in associated companies, the results of the reports as at 30.09.10 were used, where possible; alternatively the data from the most recent Financial Statements were used, including interim ones.

Listed below are the equity investments in jointly-controlled companies, associated companies and joint-controlled companies:

**Equity investments in subsidiaries and associated companies (consolidated under the equity method)**

Company name	Registered office	Type of Relationship	Shareholding Relationship		Voting Rights %
			Investing Company	Share %	
<b>A. Companies</b>					
<b>A. 1 Consolidated line-by-line</b>					
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	99.90%	
			Magazzini Generali delle Tagliate	0.10%	
4. Credemfactor spa	Reggio Emilia	1	Credito Emiliano	99.00%	
			Credemleasing	1.00%	
5. Credem Private Equity SGR spa	Reggio Emilia	1	Credito Emiliano	87.50%	
			Banca Euromobiliare	12.50%	
6. Euromobiliare Asset Management SGR spa	Milan	1	Credito Emiliano	99.03%	
7. Credemtel spa	Reggio Emilia	1	Credito Emiliano	99.00%	
			Credemleasing	1.00%	
8. Creacasa S.r.l.	Reggio Emilia	1	Credito Emiliano	100.00%	
9. Magazzini Generali delle Tagliate spa	Reggio Emilia	1	Credito Emiliano	100.00%	
10. Banca Euromobiliare spa	Milan	1	Credito Emiliano	100.00%	
11. Banca Euromobiliare Suisse sa	Lugano	1	Credito Emiliano	100.00%	
12. Euromobiliare Fiduciaria spa	Milan	1	Credito Emiliano	100.00%	
13. Credemvita spa	Reggio Emilia	1	Credito Emiliano	100.00%	
<b>A. 2 Consolidated using the equity method</b>					
1. Credemassicurazioni spa	Reggio Emilia	2	Credito Emiliano	100.00%	50.00%
2. Raffaello General Partner Jersey	St. Helier	3	Credito Emiliano	43.00%	
3. Interconsult	Luxembourg	3	Credito Emiliano	33.33%	
4. Nextone srl	Milan	3	Credito Emiliano	30.00%	
5. Raffaello Luxembourg SCA	Luxembourg	3	Credito Emiliano	15.24%	
			Abaxbank	7.62%	
			Banca Euromobiliare	6.25%	
6. Società Consortile Nuovo Mercato srl	Andria	3	Credito Emiliano	20.00%	

Key

Type of relationship:

1 = majority of the voting rights of ordinary Shareholders' Meeting

2 = joint control

3 = associated companies

In application of the indications of IAS 27 and SIC 12, Ariosto, the special purpose entity wholly owned by Credem Holding and Alicante Finance, the special purpose entity, were considered as controlled by Credem and as such were included in the scope of consolidation.

The Group holds a majority share in the capital of several mutual funds managed by asset management companies of the Group itself. Considering the composition of the capital of these funds, essentially comprising financial assets, and given that the reporting benefits resulting from consolidation of the funds are inferior to the costs necessary to provide said reporting, the Bank has decided not to consolidate these mutual funds. The above-mentioned investments are recorded under the item "Financial assets held for trading" for approximately € 65 million. As these amounts are recorded at fair value, their consolidation would not have had any impact on the Parent Company's profit or on the Group's shareholders' equity.

## **Other matters**

### **Option for domestic tax consolidation**

As of 2004, Credem and the Group's Italian companies have adopted what is known as "domestic tax consolidation" regulated by articles 117-129 of the TUIR, introduced into tax legislation by Italian 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 taxable 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. As a consequence of such, provisions for IRES (corporate income tax) are recorded under "other liabilities".

The Group has also applied domestic tax consolidation for the three-year period 2010-2012.

### **Estimated data**

The accounting results concerning the components "other general overheads", "commission income" and "commission expenses" were supplemented by the accruals emerging also from the evidence of the planning for 2010 in order to correctly calculate the accrued amounts.

For all the other income statement items, the usual accrual methods were applied.

### **Forecast on operations**

The Group's immediate outlook reflects the continuing uncertainties of the environment and has not led to substantial changes in business activities with respect to the first nine months of the year. However, we believe that the difficulties of the production industry will persist to a significant degree for the whole of 2010: this could impact the cost of credit generating a slightly higher figure than that recorded in the first nine months of the year.

## TRENDS IN THE MAIN BALANCE SHEET AGGREGATES

### RECLASSIFIED BALANCE SHEET (€/million)

	9/10	12/09	% change	
			absolute	%
Cash and cash equivalents	110.7	140.3	-29.6	-21.1
Loans to customers	17,781.6	17,535.7	245.9	1.4
Due from banks	801.2	1,170.8	-369.6	-31.6
Other financial assets	9,012.0	6,132.1	2,879.9	47.0
Equity investments	19.3	14.0	5.3	38.0
Tangible and intangible assets	684.0	694.1	-10.1	-1.4
Other assets	800.9	752.0	48.9	6.5
<b>TOTAL ASSETS</b>	<b>29,209.7</b>	<b>26,439.0</b>	<b>2,770.7</b>	<b>10.5</b>
Due to customers	12,120.4	12,691.4	-571.0	-4.5
Outstanding securities	4,956.6	6,488.9	-1,532.3	-23.6
Technical reserves	1,406.5	1,218.0	188.5	15.5
<i>Customer deposits (including insurance)</i>	<i>18,483.5</i>	<i>20,398.3</i>	<i>-1,914.8</i>	<i>-9.4</i>
Due to banks	6,595.5	2,394.6	4,200.9	175.4
Other financial liabilities	925.4	743.5	181.9	24.5
Specific risk provisions	152.2	176.4	-24.2	-13.7
Other liabilities	1,211.5	876.2	335.3	38.3
Minority interests	0.3	0.3	0.0	-16.3
<b>TOTAL LIABILITIES</b>	<b>27,368.4</b>	<b>24,589.3</b>	<b>2,779.1</b>	<b>11.3</b>
Share capital	332.4	332.4	0.0	0.0
Reserves	1,422.2	1,428.5	-6.3	-0.4
Profit (loss) for the period	86.7	88.8	-2.1	-2.4
<b>SHAREHOLDERS' EQUITY related to the banking group</b>	<b>1,841.3</b>	<b>1,849.7</b>	<b>-8.4</b>	<b>-0.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>29,209.7</b>	<b>26,439.0</b>	<b>2,770.7</b>	<b>10.5</b>

## LOANS TO CUSTOMERS

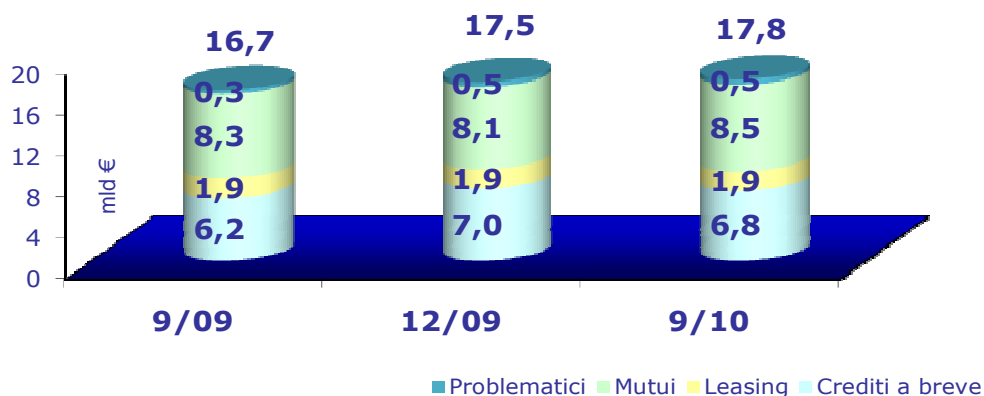
	€/million		% change on		
	9/10	12/09	9/09	12/09	9/09
short term loans	6,826	7,018	6,152	-2.7	11.0
mortgages and leasing	10,451	10,052	10,221	4.0	2.3
<b>LOANS TO CUSTOMERS</b>	<b>17,277</b>	<b>17,070</b>	<b>16,373</b>	<b>1.2</b>	<b>5.5</b>
Impaired loans	505	466	348	8.4	45.1
<b>TOTAL LOANS TO CUSTOMERS</b>	<b>17,782</b>	<b>17,536</b>	<b>16,721</b>	<b>1.4</b>	<b>6.3</b>

The table below summarises the loans by company:

	9/10		12/09		9/09		% change on	
	Amount	% impact	Amount	% impact	Amount	% impact	12/09	9/09
Credito Emiliano	16,847	86.6	15,766	85.7	14,990	85.5	6.9	12.4
Credemleasing	1,911	9.8	1,941	10.6	1,936	11.0	-1.5	-1.3
Credemfactor	293	1.5	320	1.7	223	1.3	-8.4	31.4
abaxbank	50	0.3	60	0.3	141	0.8	-16.7	-64.5
Banca Euromobiliare	271	1.4	223	1.2	183	1.0	21.5	48.1
Credem International (Lux)	45	0.2	50	0.3	48	0.3	-10.0	-6.3
Other Companies	41	0.2	35	0.2	14	0.1	17.1	n.s.
Aggregate	19,458	100	18,395	100.0	17,535	100.0	5.8	11.0
Consolidation Adjustments	-1,676		-859		-814			
<b>Consolidated</b>	<b>17,782</b>		<b>17,536</b>		<b>16,721</b>		<b>1.4</b>	<b>6.3</b>

In terms of credit assistance, the trends recorded in 2009 continued, reflecting in particular the resilience of household loans and the slowdown in corporate loans. Short-term loans suffered the most from the current state of the economy (-2.7% compared to the end of 2009; +11.0% compared to the first nine months of 2009). The fall was less accentuated in the corporate market, which is showing the most tangible signs of recovery, while it was more evident as regards small business operators. At the same time, medium-long term credit maintained satisfactory growth levels (+4.0% compared to the end of 2009; +2.3% compared to the first nine months of 2009), particularly loans to private customers.

## IMPIEGHI



Key. Impieghi: Loans; Crediti a breve: Short term loans; Leasing: Leasing; Mutui: Mortgages; Problematici: Impaired loans; € mld; € bln

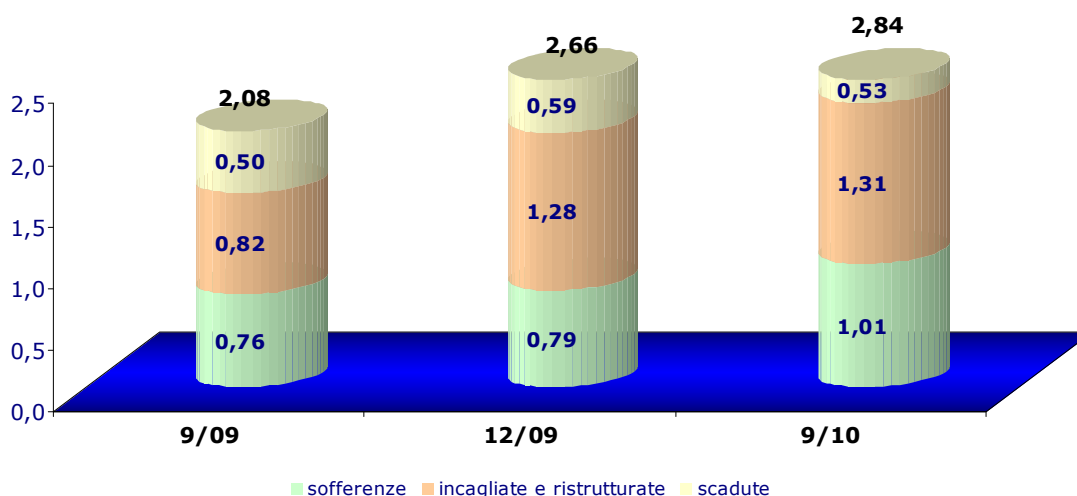
## NON-PERFORMING LOANS

	9/10	12/09	9/09
<b>% net non-performing loans/ net loans to customers</b>	<b>1.01</b>	<b>0.79</b>	<b>0.76</b>
<b>% provisions for losses on non-performing loans</b>	<b>57.9</b>	<b>61.7</b>	<b>60.3</b>
nominal values:			
- non-performing loans	424.6	363.8	317.8
- watch-list loans	254.5	247.4	159.4
- restructured loans	7.4	6.5	6.2
- past due loans	96.9	106.3	86.4
<b>impaired loans</b>	<b>783.4</b>	<b>724.0</b>	<b>569.8</b>
specific writedowns	278.7	257.6	221.7
estimated recoveries			
- non-performing loans	178.9	139.3	126.3
- watch-list loans	226.0	218.8	132.7
- restructured loans	6.0	4.8	4.8
- past due loans	93.8	103.5	84.3
<b>impaired loans</b>	<b>504.7</b>	<b>466.4</b>	<b>348.1</b>
reconstruction of "accounting funds":			
- <i>specific write-downs</i>	278.7	257.6	221.7
- <i>collective write-downs</i>	55.1	60.4	58.0

Credit risk has become one of the most problematic areas for the industry as a whole, and therefore also for the Group; however, the more rigorous criteria used in 2009 as regards both the classification of credit positions and the valuation of expected repayments have had a positive impact.

In this regard, it should also be noted that the rate of increase of these problem items has slowed down significantly compared to 2009.

### % crediti problematici netti / impieghi



**Key. % crediti problematici netti/ impieghi: % net impaired loans/loans; scadute: past due; incagli e ristrutturate: watch-list and restructured loans; sofferenze: non-performing loans**

## CUSTOMER DEPOSITS

	€/million			% change on	
	9/10	12/09	9/09	12/09	9/09
- current accounts and savings accounts	11,826	11,443	10,094	3.3	17.2
- certificates of deposit	708	1,547	1,207	-54.2	-41.3
- other	237	1,090	1,037	-78.3	-77.1
<b>DEPOSITS</b>	<b>12,771</b>	<b>14,080</b>	<b>12,338</b>	<b>-9.3</b>	<b>3.5</b>
- bonds and subordinated debt	3,137	3,848	3,997	-18.5	-21.5
<b>DIRECT DEPOSITS EXCLUDING REPURCHASE AGREEMENTS</b>	<b>15,908</b>	<b>17,928</b>	<b>16,335</b>	<b>-11.3</b>	<b>-2.6</b>
- repurchase agreements	58	158	389	-63.3	-85.1
<b>BANKING DIRECT DEPOSITS</b>	<b>15,966</b>	<b>18,086</b>	<b>16,724</b>	<b>-11.7</b>	<b>-4.5</b>
INSURANCE RESERVES	2,517	2,312	2,247	8.9	12.0
INDIRECT DEPOSITS at countervalue	38,930	37,880	36,988	2.8	5.3
<b>GRAND TOTAL</b>	<b>57,413</b>	<b>58,278</b>	<b>55,959</b>	<b>-1.5</b>	<b>2.6</b>

The table below shows the breakdown of indirect deposits by product type (at countervalue):

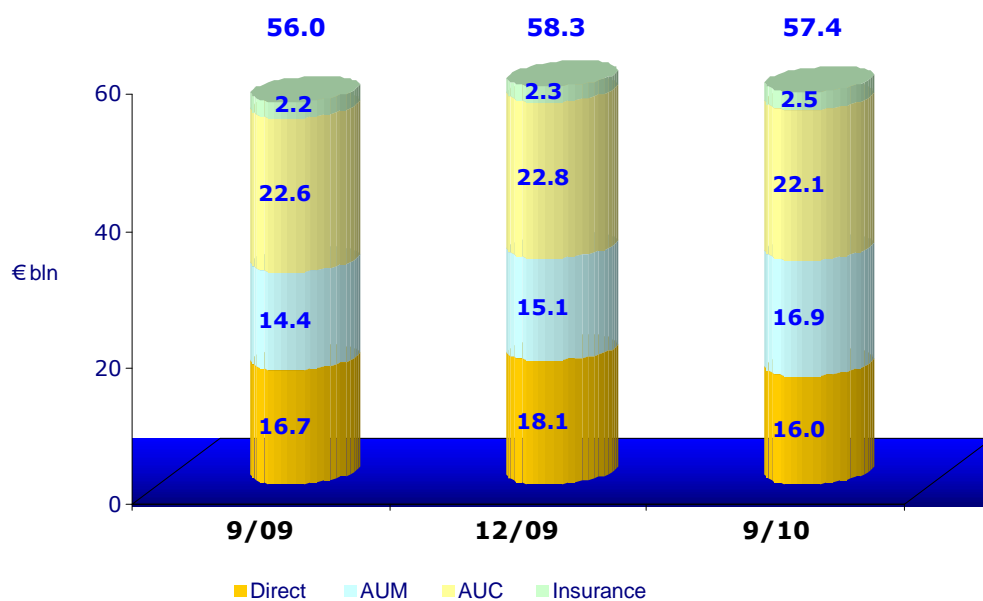
	€/million			% change on	
	9/10	12/09	9/09	12/09	9/09
portfolio management	4,946	4,301	4,096	15.0	20.8
mutual funds	4,029	3,910	3,900	3.0	3.3
SICAV	5,132	5,122	4,901	0.2	4.7
other and third party products	2,765	1,718	1,455	60.9	90.0
<b>assets under management</b>	<b>16,872</b>	<b>15,051</b>	<b>14,352</b>	<b>12.1</b>	<b>17.6</b>
<b>assets under custody</b>	<b>22,058</b>	<b>22,829</b>	<b>22,636</b>	<b>-3.4</b>	<b>-2.6</b>
<b>total counter-value</b>	<b>38,930</b>	<b>37,880</b>	<b>36,988</b>	<b>2.8</b>	<b>5.3</b>

Demand deposits continue to record a good growth rate, sustained by the fall in returns offered by alternative forms of investment and by the lasting uncertainty that is characterising the economic and financial scenario. At the same time, time deposits fell considerably (-28.7% compared to the end of 2009; -26.1% compared to the first nine months of 2009), partially due to the extinction of maturing institutional bond issues (almost € 1,028 million from September 2009; around € 867 million compared to December 2009), and partially due to the repositioning of customers' financial assets towards "indirect" products with higher returns.

The aggregate figure was also negatively influenced by the downturn in the item marked as "Other", which represents the component least linked to relations with ordinary customers. Said downturn is due to the substantial change in the debt structure of a Group company (*Credemleasing*), which replaced non-banking debts with bank debt

Indirect deposits, and in particular assets under management confirmed the positive trend recorded in 2009. As regards the latter, the upturn regarded all product types. As regards product classes, the decline in monetary returns recorded in the first nine months of the year led to a higher demand for investments with better prospective returns, particularly bonds and flexible instruments; at the same time, the trend towards financial investments in protection notes continued to be satisfactory. The increase, which regarded all product types, also led to an improvement in market positioning.

## DEPOSITS



The table below summarises the breakdown of banking direct deposits:

	9/10		12/09		9/09		% change on	
	Amount	% impact	Amount	% impact	Amount	% impact	12/09	9/09
Credito Emiliano	15,941	91.8	18,443	80.6	17,157	80.0	-13.6	-7.1
Credemleasing	53	0.3	938	4.1	870	4.1	-94.3	-93.9
Credemfactor	20	0.1	21	0.1	18	0.1	-4.8	11.1
Banca Euromobiliare	732	4.2	1,179	5.2	999	4.7	-37.9	-26.7
Abaxbank	44	0.3	648	2.8	801	3.7	-93.2	-94.5
Credem International (Lux)	465	2.7	1,460	6.4	1,489	6.9	-68.2	-68.8
Other Companies	107	0.6	176	0.8	110	0.5	-39.2	-2.7
<b>Aggregate</b>	<b>17,362</b>	<b>100.0</b>	<b>22,865</b>	<b>100.0</b>	<b>21,444</b>	<b>100.0</b>	<b>-24.1</b>	<b>-19.0</b>
Consolidation Adjustments	-1,396		-4,779		-4,720			
<b>DIRECT</b>	<b>15,966</b>		<b>18,086</b>		<b>16,724</b>		<b>-11.7</b>	<b>-4.5</b>

The table below summarises the breakdown of indirect deposits:

	assets under management			assets under custody			Total		
	amount	% change		amount	% change		amount	% change	
		12/09	9/09		12/09	9/09		12/09	9/09
Credito Emiliano	13,644	11.9	17.6	19,426	-2.5	-1.3	33,070	2.9	5.7
Euromobiliare Asset Manag. SGR	4,099	3.3	3.4	0	n.s.	n.s.	4,099	3.3	3.4
Banca Euromobiliare	4,834	9.8	17.7	2,214	-10.3	-5.5	7,048	2.6	9.3
Credem International (Lux)	88	-17.8	-26.7	453	-10.3	-23.2	541	-11.6	-23.8
Eurom. International Fund SICAV	5,132	0.2	4.7	0	n.s.	n.s.	5,132	0.2	4.7
Credem Private Equity	36	-2.7	-2.7	0	n.s.	n.s.	36	-2.7	-2.7
Banca Euromobiliare (Suisse)	347	36.1	-3.1	240	3.4	-31.6	587	20.5	-17.2
<b>Indirect aggregate</b>	<b>28,180</b>	<b>8.0</b>	<b>12.3</b>	<b>22,333</b>	<b>-3.5</b>	<b>-2.7</b>	<b>50,513</b>	<b>2.6</b>	<b>5.1</b>
Consolidation Adjustments	-11,308			-275			-11,583		
<b>Total indirect consolidated</b>	<b>16,872</b>	<b>12.1</b>	<b>17.6</b>	<b>22,058</b>	<b>-3.4</b>	<b>-2.6</b>	<b>38,930</b>	<b>2.8</b>	<b>5.3</b>

## PERFORMANCE OF GROUP COMPANIES

### CREDITO EMILIANO

	1st Quarter	2nd Quarter	3rd Quarter	9/2010	9/2009	% change
interest margin	97.3	107.5	100.9	305.7	282.2	8.3
non-interest margin	83.4	87.6	86.8	257.8	272.5	-5.4
<b>operating income</b>	<b>180.7</b>	<b>195.1</b>	<b>187.7</b>	<b>563.5</b>	<b>554.7</b>	<b>1.6</b>
personnel costs	-85.5	-89.6	-90.8	-265.9	-257.4	3.3
other administrative costs	-47.6	-46.4	-49.0	-143	-147.3	-2.9
<b>operating costs</b>	<b>-133.1</b>	<b>-136.0</b>	<b>-139.8</b>	<b>-408.9</b>	<b>-404.7</b>	<b>1.0</b>
<b>GROSS OPERATING PROFIT</b>	<b>47.6</b>	<b>59.1</b>	<b>47.9</b>	<b>154.6</b>	<b>150</b>	<b>3.1</b>
amortisation/depreciation	-5.1	-5.4	-5.8	-16.3	-16.8	-3.0
<b>operating profit</b>	<b>42.5</b>	<b>53.7</b>	<b>42.1</b>	<b>138.3</b>	<b>133.2</b>	<b>3.8</b>
provisions for risks and charges	-0.3	-1.1	0.1	-1.3	3.3	n.s.
extraordinary income/charges	-0.7	-1.2	0.3	-1.6	-1.5	6.7
net value adjustments to loans	-22.0	-3.3	-8.1	-33.4	-69.6	-52.0
<b>PROFIT BEFORE TAX</b>	<b>19.5</b>	<b>48.1</b>	<b>34.4</b>	<b>102</b>	<b>65.4</b>	<b>56.0</b>
income taxes for the period	-12.0	-20.6	-15.4	-48	-36.1	33.0
<b>PROFIT FOR THE PERIOD</b>	<b>7.5</b>	<b>27.5</b>	<b>19.0</b>	<b>54</b>	<b>29.3</b>	<b>84.3</b>
dividends from equity investments	12.0	18.4	-	30.4	2.6	n.s.
<b>Profit for the period</b>	<b>19.5</b>	<b>45.9</b>	<b>19.0</b>	<b>84.4</b>	<b>31.9</b>	<b>164.6</b>

#### KEY:

##### Interest Margin

+ Item 30 Interest margin

##### Non-Interest Margin

+ Item 60 Net Commissions  
 + Item 70 Dividends and similar revenues (solely for the portion relating to dividends from equity investments)  
 + Item 80 Net result from trading activities  
 + Item 90 Net result from hedging activities  
 + Item 100 Profit (loss) from sale or repurchase  
 + Item 110 Net result from financial assets and liabilities valued at fair value  
 + Item 190 Other operating income/charges (net of extraordinary items)

##### Operating Income

(Interest margin + Non-interest margin)

##### Operating costs

+ Item 150 Administrative costs

##### Gross operating profit

(Operating income – Operating costs)

##### Depreciation & amortisation

+ Item 170 Net value adjustments/write-backs to tangible assets  
 + Item 180 Net value adjustments/write-backs to intangible assets

##### Operating profit

(Gross operating profit – Depreciation & Amortization)

##### Net provisions for risks and charges

+ Item 160 Net provisions for risks and charges

##### Extraordinary income / charges

+ Item 190 Other operating income/charges (extraordinary items only)  
 + Item 240 Profit (loss) from disposal of investments

##### Adjustments to loans, net

+ Item 130 Net value adjustments/write-backs for impairment of loans

##### Profit before tax

(Operating profit +/- Net provisions for risks and charges +/- Extraordinary income/charges +/- Plus/minus on investments - Adjustments to loans)

##### Dividends from equity investments

+ Item 70 Dividends and similar revenues (solely for the portion relating to dividends from minority equity investments)

The further cut in interest rates did not hold back the growth of the interest margin. Protection strategies to curb the effects of said fall also contributed, as did the repositioning of sources of funding, following the expiry of institutional bond issues. The non-interest margin recorded a slight decrease; market uncertainty and volatility in particular impacted income from trading and hedging. Commissions, on the other hand, made a significant recovery; the latter benefitted from the improvement in the contribution made by banking services and by asset management and brokerage fees..

Costs were substantially unchanged (+1.0%). Generalised cost-cutting measures have succeeded in reducing administrative costs in particular, while as regards personnel costs, results for the nine-month period will be affected by higher variable components linked to company results.

Adjustments to counter credit risk fell considerably, also due to the more rigorous criteria applied in 2009 as regards write-downs.

It is also worth drawing attention to the fact that the quantification of collective write-downs entailed several variations, including extending the use of risk parameters taken from validated internal models, or models for which work is being carried out for submission of the same to the Supervisory Authority, to the entire credit segment.

		9/10	12/09	9/09
loans to customers	€/million	16,847	15,766	14,990
direct deposits		15,941	18,443	17,157
indirect deposits		33,070	32,127	31,276
total deposits	€/million	49,011	50,570	48,433
employees	no.	4,999	5,064	5,169
branches	no.	543	551	551
financial advisors	no.	576	647	656

In terms of credit assistance, the trends recorded in 2009 continued, reflecting in particular the stability of household loans and the slowdown in corporate loans. As the bank's results were favourably influenced by a higher number of loans to Group companies (particularly to Credemleasing, which decided to substantially restructure its debt situation), with regard to relations with ordinary customers, short-term loans were the most affected by the economic climate. At the same time, medium-long term credit maintained satisfactory growth levels, particularly loans to private customers.

Demand deposits continue to record a good growth rate, sustained by the fall in returns offered by alternative forms of investment and by the lasting uncertainty that is characterising the economic and financial scenario. At the same time, time deposits fell considerably, partially due to the extinction at maturing of institutional bond issues, and partially due to the repositioning of customers' financial assets towards "indirect" products with higher returns.

Indirect deposits, and in particular assets under management continued to rise; the decline in monetary returns led to a higher demand for products with better prospective returns, particularly bonds and flexible instruments.

Right from the beginning of last year, changed market conditions have led, as envisaged in the business plan, to the reorganisation of distribution networks (both traditional branches and financial advisors) also in order to achieve faster and more satisfying income levels.

## CREDEMLEASING

		9/10	09/09	9/08
number of contracts stipulated				
- movables		2,139	1,867	2,389
- real estate		179	160	178
	no.	2,318	2,027	2,567
amount of contracts stipulated				
- movables		168.2	143.8	205.8
- real estate		122.6	146.2	140.8
	€/million	290.8	290.0	346.6
domestic market share	%	1.52	1.58	1.16
leasing receivables	€/million	1,918.1	1,944.5	1,934.4

In the third quarter, the financial leasing market confirmed the signs of recovery shown as at 30 June 2010, recording, following the fall in 2009 and in the first few months of 2010, an increase compared to the same period of the previous year, in terms of both the value of investments financed (+ 3.8% over € 19,100 million) and in the number of new contracts stipulated (+ 4.3%). In line with that recorded in the first half of 2009, the movables segment appears to be the most dynamic, with an overall increase of 4.4% in the value of new contracts stipulated, resulting, in particular from the upward trend in the instrumental goods segment (+ 10.2%), while the real estate segment, which overall recorded an increase of 2.8% in the value of investments, continues to record a considerable reduction in investments in finished properties (- 12.2%) and an upward trend in properties "under construction" (+26.7%), above all as regards high value investments. Furthermore, as regards total investments funded by the financial lease market, in the first nine months of the year, a large share of investments were made in the production of energy from renewable sources (around € 1,900 million, accounting for around 10% of total investments).

The Company's sales performance, compared to the same period of last year, recorded substantially stable figures in terms of the value of new contracts stipulated (+ 0.3%) and a significant rise in the number of the same (+14.4%).

Profit for the period was in line with budget 2010 forecasts.

## CREDEMFACOR

		9/10	9/09	% change
Receivables sold (flows)		880.6	781	12.8
- outstanding	€/million	558.8	516	8.3
- paid in advance loans	€/million	321.8	264.4	21.7
Outstanding	€/million	395.5	320.5	23.4
Investment :				
- specific amounts	€/million	280	211.4	32.5
- average amounts	€/million	261.4	222.9	17.3

Turnover was € 880.6 million, up 12.7 % compared to the figure of € 781 million recorded in September 2009.

Loans without recourse totalled € 321.8 million, with an increase of 21.7% over the previous year and represent 36.5% of total loans (33.9% in September 2009). This latter figure is still marginal if compared to the average figure for the industry of around 66%.

At the end of September, 375 contracts had been signed with assigning customers (356 in September 2009).

Loans at the end of the period had reached € 280 million, with an increase of 32.4% compared to the same period of the previous year (€ 211.4 million), while average loans amounted to € 261.4 million (+17.3% against September 2009).

The outstanding component rose from € 320.5 million in 2009 to € 395.5 million in 2010.

Industry data (change compared to September 2009) is as follows: Turnover +12.3%, Outstanding +12.2% and Investment +10.3%.

## **EUROMOBILIARE ASSET MANAGEMENT SGR**

Net inflows as at 30 September 2010, as regards Italian funds, SICAVs and speculative funds, were € 15 million (up by € 106 million, down by € 69 million and down by € 22 million respectively), in line with the overall performance of the industry (deposits have risen € 4.6 billion from the beginning of the year).

Assets under management (UCITS) were up compared to the previous year, with a rise in the percentage represented by bond/monetary products (80% vs. 75% at the end of 2009) and a fall in that of share/balanced products (19% vs. 24% at the end of 2009). The marginal weight of hedge products was unchanged (1% as at the end of 2009).

The Company's market share, in terms of assets managed (including Italian funds, speculative funds and SICAVs) fell from 2.12% at the end of 2009 to 2.05% as at 30 September 2010.

The Income Statement relating to 30 September 2010 shows a net profit of € 3.97 million, recording an increase of 34% compared to the result recorded for the same period of the previous year (€ 2.97 million). This increase was mainly due to higher commissions collected in the period which, net of retrocession fees paid to the sales network, recorded a 25% increase compared to the figure at 30 September 2009.

## **CREDEM PRIVATE EQUITY**

Credem Private Equity SGR continued its business of the ordinary management of its only closed-end fund, Credem Venture Capital.

As at 30 September 2010, the company had made a net profit for the period of € 67 thousand.

In the third quarter, the main items of the balance sheet and income statement recorded performance in line with those recorded in the half year report.

## **CREDEM INTERNATIONAL LUX**

As regards services provided to Euromobiliare International Fund SICAV, work to revise the range of products continued in the third quarter of 2010, which saw the establishment of a new segment. In terms of volumes, although results for the quarter as a whole were down, the figures recorded at the end of 2009 were substantially unchanged. The balance stands at € 5,132.2 million (+ 9.8 million).

In private banking, total customer deposits were € 636.4 million, down 13.2%. In this regard, direct deposits and current accounts fell (-21.6 million) as well as assets under custody (-73.8 million). The latter figure is almost completely attributable to the fall in share prices. Assets under management were unchanged with respect to the figure recorded at the end of 2009. Bond issues recorded a balance of € 381.8 million.

The loans portfolio totalled € 47 million, slightly down compared to the end of 2009.

The positive figures reflect in particular the great contribution of commissions from SICAVs, due to the repositioning of significant quotas of the same to non-monetary products, a strategy also adopted in the third quarter.

## **BANCA EUROMOBILIARE SUISSE**

The trend recorded in the first half of 2010 continued, with a sharp downturn compared to 2009, a move already planned by the Bank's top management.

In the first nine months of 2010, deposits of Banca Euromobiliare Suisse SA recorded a rise, although heavily penalised by the appreciation of the Swiss franc against the Euro.

Assets under management amounted to 922 Swiss francs (960 million Swiss francs as at 31 December 2009), while new deposits generated 54 million Swiss francs.

The first nine months closed with a net profit of 737,327 Swiss francs.

## **BANCA EUROMOBILIARE**

As at 30 September 2010, total deposits (excluding loans) amounted to € 7,530 million, against € 7,580 million at the end of December 2009, with a fall of € 50 million (-0.6%), mainly due to a fall in total net deposits of around € 90 million, in the light of a weakly positive "market effect" (0.6%, corresponding to € 45 million.).

The percentage represented by assets under management rose from 59% at the end of December 2009 to 65% at the end of September 2010, with a significant rise in net inflows (€ +340 million), due primarily to the reallocation of assets extracted from the direct deposits and assets under custody components (€ -215 million each), which also benefitted both from continuing low interest rates and from the reinvestment of the assets gained at the end of 2009 by virtue of the "Tax Shield".

Operating income overall rose with respect to the same period of the previous year (from € 28.3 million to almost € 36.1 million, +7.8 million, corresponding to +28%).

The interest margin felt the fall in the profitability of liquidity deposits by the treasury, due both to the level of interest rates close to zero since mid-2009 and to lower available liquid assets, only partially offset by an improved margins on customer loans and on direct deposits. As regards the non-interest margin, the margin generated by traditional business activities rose considerably as a result of the higher average profitability of portfolio management (due to the smaller percentage of monetary products and of repricing shares) and the continued growth of assets under management (in absolute values and in terms of the percentage of the total), due to new deposits (also resulting from the "Tax Shield"), the positive "market effect" on managed products and the asset mix, which was less unbalanced towards assets under custody and direct deposits.

Administrative costs fell overall compared to the same period of the previous year (from € 37.2 million to € 34.8 million, € - 2.4 million, corresponding to -7%): personnel costs also fell (- € 1.0 million, corresponding to -5%) mainly due to a lower number of employees, while in terms of overheads (- € 1.4 million, corresponding to -8%) lower real estate costs in particular were recorded thanks to the rationalisation of several sales outlets.

As a result of higher operating income and lower costs, net profit as at September 2010 was € 1.1 million, compared to a loss of € 6.0 million in the first nine months of the previous year.

## ABAXBANK

As at 30 September 2010, Abaxbank recorded a net loss of € 4.4 million.

Results reflect the instability and extreme volatility that have characterised the financial markets, particularly in the so-called Eurozone.

Efforts to deleverage the bond portfolio of the Fixed Income sector continued, the main objective of which is to further reduce financial risk, following which total assets as at 30 September 2010 amounted to around € 1.5 billion, down on the end-of-2009 figure (€ 2.3 billion).

## MAGAZZINI GENERALI DELLE TAGLIATE

The substantial stability in the production of Parmigiano-Reggiano and Grana Padano at the end of August (+ 2.4% the former, -1.1% the latter), together with a gradual rise in consumption have resulted in a further rise in prices which, both as regards "fresh" and "matured" products, have reached important levels.

The figure relating to average stock at the end of September shows a minus 10.8% compared to the same period of the previous year, corresponding to 38,000 cheeses.

Operating revenues fell (-9.9%) which reflects, in broad terms, the same fall in deposits.

In terms of costs, both production and labour costs fell during the period.

## CREDEMVITA

		9/10	9/09
premiums collection (flows)	€/million	484.9	530.4
active policies	no.	92,695	92,189

As at 30 September 2010, Credemvita recorded positive net flows of € 146.3 million, with premiums collected amounting to € 484.9 million, down 9% compared to September 2009 and services rendered corresponding to € 338.6 million, up on the same period of the previous year.

The Company's net flow trend for the first nine months of the year is down on that of the third quarter of 2009 (-56%), confirming the stabilisation of Credemvita's sales trend expected for the whole of the second half of 2010, and in any event in line with market trends.

Premiums collected, corresponding to € 484.9 million, are represented by Segment I premiums accounting for 56% of the total (82% as at September 2009) and Linked product premiums, which account for 41% of the total (16% in September 2009).

Profit as at 30 September 2010, was € 3.76 million, down compared to the same period of the previous year. The net profit figure includes an additional allocation to reserves to guarantee the returns of policyholders of around € 1.64 million (of which around 0.4 million refers to the Guaranteed line of the Pension Fund) and tax on the higher reserves imposed by the 2010 financial manoeuvre.

## CREDEMASSICURAZIONI

		9/2010	9/2009
premiums (net of premium reserve)	€/thousand	28,651	23,778
active policies	no.	132,049	105,945

As at 30 September 2010, Credemassicurazioni collected premiums worth € 28.65 million, recording a rise of 20.5% compared to the same period of the previous year.

Vehicle premiums were down 2.3%, with collections amounting to € 12.1 million compared to € 12.4 million recorded in September 2009, and now represent 42% of the total, compared to 52% last year.

Collections as regards non Vehicle insurance policies amounted to € 16.6 million compared to € 11.4 million recorded in 2009, a rise of 45%, representing 58% of total premiums issued against 48% last year.

Bancassurance business in the non Vehicle insurance segment has shown a lively upward trend for the entire 9 month period.

As at 30 September 2010, Credemassicurazioni recorded a net profit of € 595 thousand, an improvement on the loss made in the same period of the previous year.

## CREDEMTEL

The "Interbank Corporate Banking" sector represents 41.3% of total revenues. The majority of the products supplied to banks are products developed using "Client-server" technologies – multibank and multicompany products, suitable for medium/large companies, which are installed on the PCs of the customer - and "Web-based" technologies – multibank and multicompany products, suitable for smaller-scale operators.

The "Electronic Document Management" sector generated revenues corresponding to 55.7% of the total. Although the general economic situation is very difficult, the sector continued to grow in the second half of the year, recording higher revenues than last year.

## EUROMOBILIARE FIDUCIARIA

Commission income rose to € 1.3 million compared to € 0.9 million at 30 September 2009. The increase in commission income reflects the increase in assets, mainly as a result of the 'Tax Shield', which contributed to the considerable rise in the same. As regards the total assets under administration, the same has not recorded any significant change.

As at 30 September 2010, the company recorded a net profit of € 213,244, up compared to € 57,819 recorded at 30 September 2009.

## CREACASA

The financial statements as at 30 September 2010 show a net profit of € 2.8 million.

This result is a net improvement on that of the same period of last year (€ 56 thousand at 30 September 2009).

The positive performance is due to a better spread of volumes that were substantially in line with objectives, better performance in terms of commission on insurance products and a substantial reduction in administrative costs, which rose to a lesser extent than envisaged, particularly as regards smaller and more efficient real estate investments (corners in branches and home centres).

Recruitment activities continued in the first nine months of 2010, aimed to increase the size of the sales network, currently made up of 200 resources, of which 195 are financial advisers and 5 are employees (Real Estate Credit Consultants).

## TRENDS IN THE MAIN ECONOMIC AGGREGATES

### RECLASSIFIED INCOME STATEMENT (€/million)

	9/10	9/09	% change	12/09
interest margin	342.5	327.2	4.7	430.8
non-interest margin	354.7	383.9	-7.6	517.8
<b>operating income</b>	<b>697.2</b>	<b>711.1</b>	<b>-2.0</b>	<b>948.6</b>
personnel costs	-313.9	-318.8	-1.5	-424.6
other administrative costs	-170.4	-181.3	-6.0	-237.2
<b>operating costs</b>	<b>-484.3</b>	<b>-500.1</b>	<b>-3.2</b>	<b>-661.8</b>
<b>gross operating profit</b>	<b>212.9</b>	<b>211.0</b>	<b>0.9</b>	<b>286.8</b>
amortisation/depreciation	-21.5	-22.2	-3.2	-29.5
<b>operating profit</b>	<b>191.4</b>	<b>188.8</b>	<b>1.4</b>	<b>257.3</b>
provisions for risks and charges	-1.4	2.4	-157.6	-0.4
extraordinary income/charges	-1.7	10.5	-116.5	14.3
net value adjustments to loans	-38.7	-75.2	-48.5	-108.5
<b>PROFIT BEFORE TAX</b>	<b>149.6</b>	<b>126.5</b>	<b>18.3</b>	<b>162.7</b>
income taxes for the period	-62.9	-58.9	6.8	-73.9
<b>PROFIT FOR THE PERIOD</b>	<b>86.7</b>	<b>67.6</b>	<b>28.3</b>	<b>88.8</b>
ROE	4.8%	3.8%		5.0%
<i>non-interest margin / operating income</i>	50.9%	54.0%		54.6%
<i>operating costs / operating income</i>	69.5%	70.3%		69.8%
<i>tax rate</i>	42.0%	46.6%		45.4%

#### KEY:

##### Interest Margin

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

##### Non-Interest Margin

- + Item 60 Net Commissions
- + Item 70 Dividends and similar revenues (solely for the portion relating to dividends from equity investments)
- + Item 80 Net result from trading activities
- + Item 90 Net result from hedging activities
- + Item 100 Profit (loss) from sale or repurchase
- + Item 110 Net result from financial assets and liabilities valued at fair value
- + Item 150 Net premiums
- + Item 160 Other income/expenses from insurance activities
- + Item 220 Other operating income/charges (net of extraordinary items)
- + Interest margin of Abaxbank and Credemvita

##### Operating income

(Interest margin + Non-interest margin)

##### Operating costs

- + Item 180 Administrative costs

##### Gross operating profit

(Operating income – Operating costs)

##### Depreciation & amortisation

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

##### Operating profit

(Gross operating profit – Depreciation & Amortization)

##### Net provisions for risks and charges

- + Item 190 Net provisions for risks and charges

##### Extraordinary income / charges

- + Item 100 Profit (loss) from sale or repurchase
- + Item 220 Other operating income/charges (extraordinary items only)
- + Item 270 Profit (loss) from disposal of investments
- + Item 310 Profit (loss) from non-current assets being disposed of, net of taxes

##### Adjustments to loans, net

- + Item 130 Net value adjustments/write-backs due to impairment of loans

##### Profit before tax

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

##### ROE

Net profit/(equity period concerned + equity end prev. year)

## INTEREST MARGIN ANALYSIS

	09/10	12/09	09/09	% change
average interest on loans	3.07%	3.71%	3.99%	-0.92%
average interest on deposits	-0.56%	-1.06%	-1.20%	0.64%
spread	2.51%	2.65%	2.79%	-0.28%

The further cut in interest rates did not hinder the growth of the interest margin. Protection strategies to curb the effects of said fall also contributed, as did the repositioning of sources of funding in Credem following the expiry of institutional bond issues.

## NON-INTEREST MARGIN ANALYSIS

	9/10	9/09	% change
management and brokerage	163.8	121.5	34.8
banking services	115.9	105.2	10.2
net commissions	<b>279.7</b>	<b>226.7</b>	<b>23.4</b>
Abaxbank operating income	4.5	43.1	n.s.
securities trading, exchange rates and derivatives of other companies	13.3	54.0	n.s.
securities trading, exchange rates and derivatives	<b>17.8</b>	<b>97.1</b>	<b>n.s.</b>
life segment insurance management	15.2	16.3	-6.7
Balance of other operating income/charges	42.0	43.8	-4.1
<b>non-interest margin</b>	<b>354.7</b>	<b>383.9</b>	<b>-7.6</b>

The non-interest margin recorded a slight decrease; market uncertainty and volatility in particular impacted income from trading and hedging. Commissions, on the other hand, made a significant recovery; the latter benefitted from the improvement in the contribution made by banking services and by the asset management and brokerage segment.

## OPERATING INCOME

	9/ 10		9/ 09		change
	amount	% impact	amount	% impact	%
Credito Emiliano	594.1	80.5	557	76.5	6.7
Credem International (Lux)	18.9	2.6	15.5	2.1	21.7
Credemleasing	21.6	2.9	23	3.2	-6.2
Credemfactor	8.8	1.2	9.6	1.3	-8.6
Banca Euromobiliare	37.5	5.1	29.6	4.1	26.6
Euromobiliare A.M. SGR	16.4	2.2	13.3	1.8	23.7
Magazzini Generali delle Tagliate	2.5	0.3	2.6	0.4	-5.4
Credemtel	7.7	1.0	7.3	1	5.2
Abaxbank	4.5	0.6	44.5	6.1	-89.8
Creacasa	7.2	1.0	2.6	0.4	173.2
Credemvita	11.8	1.6	13.7	1.9	-13.5
Banca Euromobiliare (Suisse)	5.6	0.8	6.9	0.9	-18.4
Other Companies	1.9	0.3	2.6	0.4	-24.7
aggregate	738.5	100.0	728.2	100	1.4
consolidation adjustments	-41.4		-17.1		
<b>Operating Income</b>	<b>697.2</b>		<b>711.1</b>		<b>-2.0</b>

## OPERATING COSTS

	9/10		9/09		change
	amount	% impact	amount	% impact	%
Credito Emiliano	408.9	81.7	404.7	78.4	1.0
Credem International (Lux)	3.4	0.7	3.4	0.7	-0.9
Credemleasing	7.3	1.5	6.8	1.3	7.0
Credemfactor	4.6	0.9	4	0.8	13.9
Banca Euromobiliare	34.8	7.0	37.4	7.3	-6.9
Euromobiliare A.M. SGR	10.0	2.0	8.8	1.7	13.5
Magazzini Generali delle Tagliate	1.8	0.4	1.9	0.4	-6.7
Credemtel	6.0	1.2	5.5	1.1	9.5
Abaxbank	9.9	2.0	28.9	5.6	-65.7
Creacasa	2.8	0.6	2.5	0.5	13.2
Credemvita	4.8	1.0	4.4	0.9	9.0
Banca Euromobiliare (Suisse)	4.6	0.9	4.3	0.8	6.8
Other Companies	1.4	0.3	2.8	0.5	-49.0
aggregate	500.3	100	515.4	100	-2.9
consolidation adjustments	-15.9		-15.3		
<b>Operating costs</b>	<b>484.3</b>		<b>500.1</b>		<b>-3.2</b>

Company costs fell. Generalised cost cutting actions had an impact in particular on administrative cost; the fall in personnel costs was less marked, an area more affected in the nine month period due to higher variable components relating to company results.

Operating costs decreased by a total of 3.2%.

## GROSS OPERATING PROFIT

	9/10		9/09		change
	amount	% impact	amount	% impact	%
Credito Emiliano	185.2	77.7	152.3	71.7	21.6
Credem International (Lux)	15.5	6.5	12.1	5.7	28.1
Credemleasing	14.3	6.0	16.2	7.6	-11.7
Credemfactor	4.2	1.8	5.6	2.6	-24.6
Banca Euromobiliare	2.7	1.1	-7.8	-3.7	-134.0
Euromobiliare A.M. SGR	6.5	2.7	4.5	2.1	43.5
Magazzini Generali delle Tagliate	0.7	0.3	0.7	0.3	-1.7
Credemtel	1.7	0.7	1.8	0.8	-7.8
Abaxbank	-5.4	-2.3	15.6	7.3	-134.6
Creacasa	4.4	1.8	0.1	0.1	3053.6
Credemvita	7.0	3.0	9.3	4.4	-24.2
Banca Euromobiliare (Suisse)	1.0	0.4	2.6	1.2	-60.3
Other Companies	0.5	0.2	-0.2	0	-604.0
Aggregate	238.3	100	212.8	100	12.0
consolidation adjustments	-25.4		-1.8		
<b>Gross operating profit</b>	<b>212.9</b>		<b>211.0</b>		<b>0.9</b>

Adjustments to counter credit risk fell considerably, also due to the more rigorous criteria applied in 2009 as regards write-downs.

It is also worth drawing attention to the fact that the quantification of collective write-downs entailed several variations, including extending the use of risk parameters taken from validated internal models, or models for which work is being carried out for submission of the same to the Supervisory Authority, to the entire credit segment.

To analyse the results of the period in question, the table below illustrates an analysis of the quarterly financial performance of the previous year and the current year.

	I/09	II/09	III/09	IV/09	2009	I/10	II/10	III/10	9/2010
interest margin	119.4	94.9	112.9	103.6	430.8	109.4	121.5	111.6	342.5
non-interest margin	102.9	131.4	149.6	133.9	517.8	120.5	109.6	124.6	354.7
<b>operating income</b>	<b>222.3</b>	<b>226.3</b>	<b>262.5</b>	<b>237.5</b>	<b>948.6</b>	<b>229.9</b>	<b>231.1</b>	<b>236.2</b>	<b>697.2</b>
personnel costs	-103.2	-103.2	-112.4	-105.8	-424.6	-101.8	-106.0	-106.1	-313.9
administrative costs	-61.8	-60	-59.5	-55.9	-237.2	-57.1	-55.6	-57.7	-170.4
<b>operating costs</b>	<b>-165.0</b>	<b>-163.2</b>	<b>-171.9</b>	<b>-161.7</b>	<b>-661.8</b>	<b>-158.9</b>	<b>-161.6</b>	<b>-163.8</b>	<b>-484.3</b>
<b>GROSS OPERATING PROFIT</b>	<b>57.3</b>	<b>63.1</b>	<b>90.6</b>	<b>75.8</b>	<b>286.8</b>	<b>71.0</b>	<b>69.5</b>	<b>72.4</b>	<b>212.9</b>
amortisation/depreciation	-7.1	-7.2	-7.9	-7.3	-29.5	-6.8	-7.1	-7.6	-21.5
operating profit	50.2	55.9	82.7	68.5	257.3	64.2	62.4	64.8	191.4
provisions for risks and charges	-1.4	-6.4	10.2	-2.8	-0.4	-0.4	-0.9	-0.1	-1.4
extraordinary income/charges	0.6	8.6	1.3	3.8	14.3	-0.7	-1.0	0.0	-1.7
net value adjustments to loans	-25.9	-35.0	-14.3	-33.3	-108.5	-25.4	-3.8	-9.5	-38.7
PROFIT BEFORE TAX	23.5	23.1	79.9	36.2	162.7	37.7	56.7	55.2	149.6
income taxes for the period	-8.0	-14.2	-36.7	-15	-73.9	-17.6	-23.4	-21.9	-62.9
<b>PROFIT FOR THE PERIOD</b>	<b>15.5</b>	<b>8.9</b>	<b>43.2</b>	<b>21.2</b>	<b>88.8</b>	<b>20.1</b>	<b>33.3</b>	<b>33.3</b>	<b>86.7</b>

## PROFIT (LOSS) FOR THE PERIOD

	9/ 2010				9/ 2009				
	profit	adj.	contr. to cons.		profit	adj.	contr. to cons.		% change
			profit	% impact			profit	% impact	
Credito Emiliano	84.4	-29.0	55.4	63.9	31.9	-3.3	28.6	42.3	93.7
Credem International (LUX)	14.3	-0.3	14.0	16.1	11.4	-0.4	11.0	16.3	27.3
Credemleasing	5.9	-	5.9	6.8	7.8	-	7.8	11.5	-24.4
Credemfactor	1.9	-	1.9	2.2	2.3	-	2.3	3.4	-17.4
Banca Euromobiliare	1.1	-	1.1	1.3	-6.0	0.3	-5.7	-8.4	119.3
Euromobiliare A.M. SGR	4.0	-	4.0	4.6	3.0	-	3.0	4.4	33.3
CredemVita	3.8	-	3.8	4.4	6.2	-	6.2	9.2	-38.7
CredemAssicurazioni	0.6	-	0.6	0.7	-1.0	-	-1.0	-1.5	160.0
Creacasa	2.4	-	2.4	2.8	0.1	-	0.1	0.1	n.s.
Abaxbank	-4.4	-	-4.4	-5.1	13.7	-	13.7	20.3	-132.1
Banca Euromobiliare (Suisse)	0.6	-	0.6	0.7	1.9	-	1.9	2.8	-68.4
Other	1.8	-0.4	1.4	1.6	1.1	-1.4	-0.3	-0.4	566.7
<b>consolidated</b>	<b>116.4</b>	<b>-29.7</b>	<b>86.7</b>	<b>100.0</b>	<b>72.4</b>	<b>-4.8</b>	<b>67.6</b>	<b>100.0</b>	<b>28.3</b>

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

	Shareholders' equity:	of which: profit for the period
Balances as at 30.09.10 as per Credem separate financial statements	1,626,971	84,416
Surpluses compared with book values:		
• line-by-line consolidated companies	188,464	29,361
• companies valued under the equity method	-2,895	639
Dividends collected during the period	-	-30,535
Goodwill	9,285	-
Elimination of intercompany profits and other adjustments	19,693	2,828
<b>Balances as at 30.09.10 as per consolidated financial statements</b>	<b>1,841,518</b>	<b>86,709</b>

## EQUITY AND RISKS

	9/2010	12/2009	12/2008
<b>Regulatory Capital</b>	<b>1,914.7</b>	<b>1,941.4</b>	<b>1,795.5</b>
<i>of which TIER 1 Capital</i>	<i>1,456.4</i>	<i>1,413.4</i>	<i>1,342.3</i>
<b>Capital absorption relative to the following risks:</b>			
. credit	1,112.3	1,123.3	1,196.9
. operational	121.5	121.5	120.8
. market	63.1	110.2	176.7
. other calculation elements	26.6	45.3	-
<b>Overall capital requirement</b>	<b>1,323.5</b>	<b>1,400.3</b>	<b>1,494.4</b>
<b>Surplus capital</b>	<b>591.2</b>	<b>541.1</b>	<b>301.1</b>
<b>Tier 1 capital ratio (1)</b>	<b>8.80%</b>	<b>8.07%</b>	<b>7.18%</b>
<b>Total capital ratio (minimum 8%)</b>	<b>11.57%</b>	<b>11.09%</b>	<b>9.62%</b>
(1) Tier 1 capital/ Overall Weighted Risk			

In accordance with the provisions of Banca d'Italia Circular no. 263/2006, for the purpose of calculating the prudential ratios, the elements deducted from regulatory capital were used separately, in equal measure, to adjust Tier 1 and Tier 2 capital, while the acquisitions of equity investments in insurance companies, performed prior to 20 July 2006, continue to be deducted from the total.

As a result of the provision of the Banca d'Italia of 18 May 2010, which changed the prudential treatment of debt securities in European Union countries for the purpose of calculating regulatory capital of Italian banks and banking groups, the Credito Emiliano group resolved to exercise option a) of said provision, neutralising both the gains and related losses recorded in the valuation reserves after 31 December 2009.

This option has been applied to the calculation of regulatory capital since 30 June 2010 and:

- extended to all securities of this type held in the afore-mentioned portfolio;
- applied equally to all members of the banking group;
- maintained constant over time.

The total capital requirement is € 1,323.5 million against a Regulatory Capital of € 1,914.7 million, with an available margin of € 591.2 million, corresponding to around 30.9% of the Regulatory Capital.

There is an increase in the available margin of € 50.1 million with respect to the position as at December 2009, due to the following:

- decrease in the Capital Requirement of € 76.8 million;
- decrease in the Regulatory Capital of € 26.7 million.

Specifically, the change in Capital Requirement (€ 76.8 million) was due to:

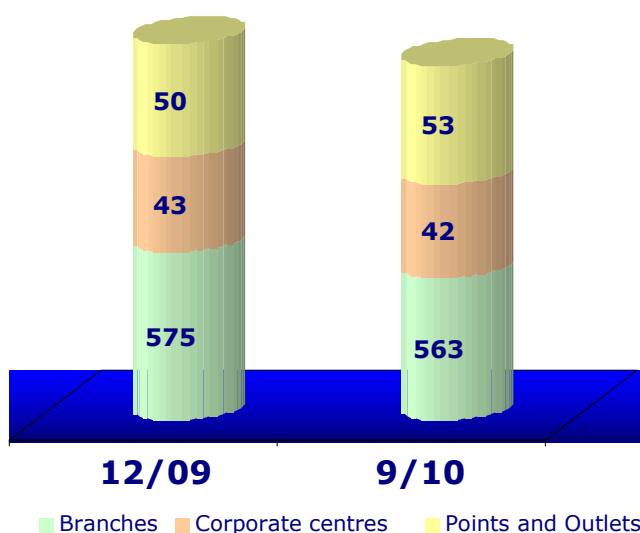
- a reduction of credit risk and other requirements (€ 11.0 million);
- a reduction of market risk (€ 47.1 million);
- a reduction in other calculation elements (€ 18.7 million);

Figures as at 30.09.10 were calculated on the basis of Basel II regulatory provisions. The indications on capital ratios, estimated according to the FIRB (Foundation Internal Ratings Based) method of Basel II, show a Core Tier 1 and a Total Capital ratio of 8.80% and 11.57%, respectively.

## GEOGRAPHICAL ORGANISATION AND EMPLOYEES

	9/2010	12/2009	12/2008
Credem	4,999	5,064	5,204
Banca Euromobiliare	225	237	254
Abaxbank	41	52	148
Other Companies	390	387	387
<b>TOTAL EMPLOYEES</b>	<b>5,655</b>	<b>5,740</b>	<b>5,993</b>
- Credem	576	647	640
- Banca Euromobiliare	353	359	362
<b>TOTAL FINANCIAL ADVISORS</b>	<b>929</b>	<b>1,006</b>	<b>1,002</b>
Credem	543	551	562
Banca Euromobiliare	19	23	27
Banca Euromobiliare (Suisse)	1	1	1
<b>TOTAL BRANCHES</b>	<b>563</b>	<b>575</b>	<b>590</b>
Corporate centres	42	43	44
Credempoint	34	33	36
Banca Euromobiliare Financial Outlets	19	17	22

## DISTRIBUTION CHANNELS





DECLARATION BY THE MANAGER  
RESPONSIBLE FOR PREPARING THE  
COMPANY'S FINANCIAL REPORTS



## **STATEMENT OF THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS**

The undersigned Paolo Tommasini, in my position of Manager responsible for preparing the financial reports of Credito Emiliano SpA, also taking account of the provisions set forth by art. 154-bis, paragraph 2 of Italian Legislative Decree no. 58/98 (TUF), hereby declares that the accounting disclosures contained in this Interim Directors' Report as at 30 September 2010 correspond to the information reported in the accounting books and records.

Reggio Emilia, 11 November 2010

The Manager responsible for preparing the  
company's financial reports

Paolo Tommasini  
(signed)

# ATTACHMENTS



# SEPARATE FINANCIAL STATEMENTS



BALANCE  
SHEET  
INCOME  
STATEMENT

## Balance Sheet

(in euro)

	Assets	30.09.2010	31.12.2009
10.	Cash and cash equivalents	108,233,353	138,209,270
20.	Financial assets held for trading	375,725,121	511,758,816
30.	Financial assets valued at fair value	50,362,056	79,461,367
40.	Available-for-sale financial assets	3,967,180,010	2,127,962,332
50.	Financial assets held to maturity	601,027,158	-
60.	Due from banks	2,385,033,554	3,711,392,532
70.	Loans to customers	16,847,236,023	15,766,264,191
80.	Hedging derivatives	73,988,553	15,417,160
90.	Value adjustments to financial assets subject to macro-hedging (+/-)	85,764,503	37,917,056
100.	Equity investments	450,659,244	444,367,246
110.	Tangible assets	248,491,293	254,285,496
120.	Intangible assets	288,279,585	289,788,922
	- of which: goodwill	240,060,423	240,060,423
130.	Tax assets	113,891,121	105,913,966
	a) current	13,252,646	27,484,970
	b) prepaid	100,638,475	78,428,996
150.	Other assets	484,790,655	442,934,976
	<b>Total assets</b>	<b>26,080,662,229</b>	<b>23,925,673,330</b>

## Balance Sheet

(in euro)

	Liabilities and shareholders' equity	30.09.2010	31.12.2009
10.	Due to banks	6,736,546,937	2,641,161,321
20.	Due to customers	11,556,510,508	10,829,449,085
30.	Outstanding securities	4,021,118,685	7,232,868,604
40.	Financial liabilities held for trading	249,549,166	222,480,846
50.	Financial liabilities valued at fair value	364,238,890	380,510,037
60.	Hedging derivatives	259,163,460	162,752,740
70.	Value adjustments to financial liabilities subject to macro-hedging (+/-)	37,895,356	1,237,267
80.	Tax liabilities	56,718,736	68,488,147
	a) current	20,627,958	35,820,268
	b) deferred	36,090,778	32,667,879
100.	Other liabilities	1,038,446,381	619,952,876
110.	Staff termination indemnity	82,840,447	84,857,113
120.	Provisions for risks and charges:	50,662,568	66,879,874
	a) pensions and similar	1,904,035	1,904,035
	b) other provisions	48,758,533	64,975,839
130.	Valuation reserves	-74,354,000	-28,459,815
160.	Reserves	1,001,464,893	989,739,771
170.	Share premium reserve	283,052,330	283,052,330
180.	Share capital	332,392,107	332,392,107
200.	Profit (loss) for the period (+/-)	84,415,765	38,311,027
	<b>Total liabilities and shareholders' equity</b>	<b>26,080,662,229</b>	<b>23,925,673,330</b>

## Income Statement

(in euro)

	Items	30.09.2010	30.09.2009
10.	Interest income and similar revenues	492,048,517	767,068,541
20.	Interest expense and similar charges	(186,314,262)	(356,258,235)
<b>30.</b>	<b>Interest margin</b>	<b>305,734,255</b>	<b>410,810,306</b>
40.	Commission income	241,133,701	200,309,024
50.	Commission expense	(36,890,175)	(29,111,262)
<b>60.</b>	<b>Net commissions</b>	<b>204,243,526</b>	<b>171,197,762</b>
70.	Dividends and similar revenues	30,440,950	2,574,816
80.	Net result from trading activities	2,677,746	(105,090,133)
90.	Net result from hedging activities	(1,028,208)	7,421
100.	Profit (loss) from sale or repurchase of:	8,244,933	39,316,875
	a) loans	(1)	-
	b) available-for-sale financial assets	8,425,782	38,709,148
	d) financial liabilities	(180,848)	607,727
110.	Net result from financial assets and liabilities valued at fair value	1,409,879	(726,917)
<b>120.</b>	<b>Operating income</b>	<b>551,723,081</b>	<b>518,090,130</b>
130.	Net value adjustments/write-backs due to impairment of:	(33,409,755)	(69,626,765)
	a) loans	(33,762,367)	(69,511,905)
	d) other financial transactions	352,612	(114,860)
<b>140.</b>	<b>Net income from banking activities</b>	<b>518,313,326</b>	<b>448,463,365</b>
150.	Administrative costs:	(408,906,057)	(404,713,613)
	a) personnel costs	(265,930,257)	(257,382,838)
	b) other administrative costs	(142,975,800)	(147,330,775)
160.	Net provisions for risks and charges	(1,350,714)	3,289,016
170.	Net value adjustments/write-backs to tangible assets	(9,583,779)	(9,654,956)
180.	Net value adjustments/write-backs to intangible assets	(6,726,756)	(7,164,777)
190.	Other operating income/charges	40,702,183	38,080,537
<b>200.</b>	<b>Operating costs</b>	<b>(385,865,123)</b>	<b>(380,163,793)</b>
210.	Profit (loss) from equity investments	-	(400,000)
240.	Profit (loss) from disposal of investments	(315)	150,418
<b>250.</b>	<b>Profit (loss) before tax from continuing operations</b>	<b>132,447,888</b>	<b>68,049,990</b>
260.	Taxes on income from continuing operations	(48,032,123)	(36,102,806)
<b>270.</b>	<b>Profit (loss) after-tax from continuing operations</b>	<b>84,415,765</b>	<b>31,947,184</b>
<b>290.</b>	<b>Profit (loss) for the period</b>	<b>84,415,765</b>	<b>31,947,184</b>

## Statement of Comprehensive Income

(in euro)

	<b>Items</b>	<b>30.09.2010</b>	<b>30.09.2009</b>
<b>10</b>	<b>Profit (loss) for the period</b>	<b>84,415,765</b>	<b>31,947,184</b>
	<b>Other income components net of taxes</b>		
<b>20</b>	Available-for-sale financial assets	(15,739,822)	(6,021,816)
<b>30</b>	Tangible assets	-	-
<b>40</b>	Intangible assets	-	-
<b>50</b>	Foreign investment hedge	-	-
<b>60</b>	Cash flow hedge	(29,762,261)	(13,824,763)
<b>70</b>	Exchange differences	-	-
<b>80</b>	Non-current assets being disposed	-	-
<b>90</b>	Actuarial profit (loss) on defined benefit plans	(392,102)	4,074,654
<b>100</b>	Portion of valuation reserves for equity investments valued under the equity method	-	-
<b>110</b>	<b>Total other income components net of taxes</b>	<b>(45,894,185)</b>	<b>(15,771,925)</b>
<b>120</b>	<b>Comprehensive income (Items 10+110)</b>	<b>38,521,580</b>	<b>16,175,259</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (€)

	Balances as at 31.12.09	Initial balance changes	Balances as at 01.01.10	Allocation of previous year's results		Changes during the period							Comprehensive income 30.09.2010	Group shareholders' equity as at 30.09.10
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on shareholders' equity							
							Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares	Stock options		
Share capital	332,392,107	-	332,392,107	-	-	-	-	-	-	-	-	-	-	332,392,107
a) ordinary shares	332,392,107	-	332,392,107	-	-	-	-	-	-	-	-	-	-	332,392,107
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	283,052,330	-	283,052,330	-	-	-	-	-	-	-	-	-	-	283,052,330
Reserves	989,739,771	-	989,739,771	11,719,658	-	-	-	-	-	-	-	5,464	-	1,001,464,893
a) profit	987,050,520	-	987,050,520	11,719,658	-	-	-	-	-	-	-	-	-	998,770,178
b) other	2,689,251	-	2,689,251	-	-	-	-	-	-	-	-	5,464	-	2,694,715
Valuation reserves	-28,459,815	-	-28,459,815	-	-	-	-	-	-	-	-	-	-45,894,185	-74,354,000
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the period	38,311,027	-	38,311,027	-11,719,658	-26,591,369	-	-	-	-	-	-	-	84,415,765	84,415,765
Shareholders' equity	1,615,035,420	-	1,615,035,420	-	-26,591,369	-	-	-	-	-	-	5,464	38,521,580	1,626,971,095

