QUARTERLY REPORT MARCH 2008

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 € 282,327,292 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

CONTENT

Corporate Officers	5
CONSOLIDATED QUARTERLY REPORT	7
Scope of consolidation	8
Consolidated report	
• Balance sheet and Income statement	9
• Statement of changes in shareholders' equity	14
• Explanatory notes	15
Declaration of the Manager in charge of preparing the company's financial reports	43
ATTACHMENTS	47
Statutory Financial Statements	49

CORPORATE OFFICERS

BOARD OF DIRECTORS

Chairman	Giorgio Ferrari*
Vice-Chairmen	Luigi Maramotti* Franco Terrachini*
Directors	Romano Alfieri Vincenzo Calandra Buonaura 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 Pilastri
Deputy General Manager	Ferdinando Rebecchi

MANAGER IN CHARGE of preparing the company's financial reports

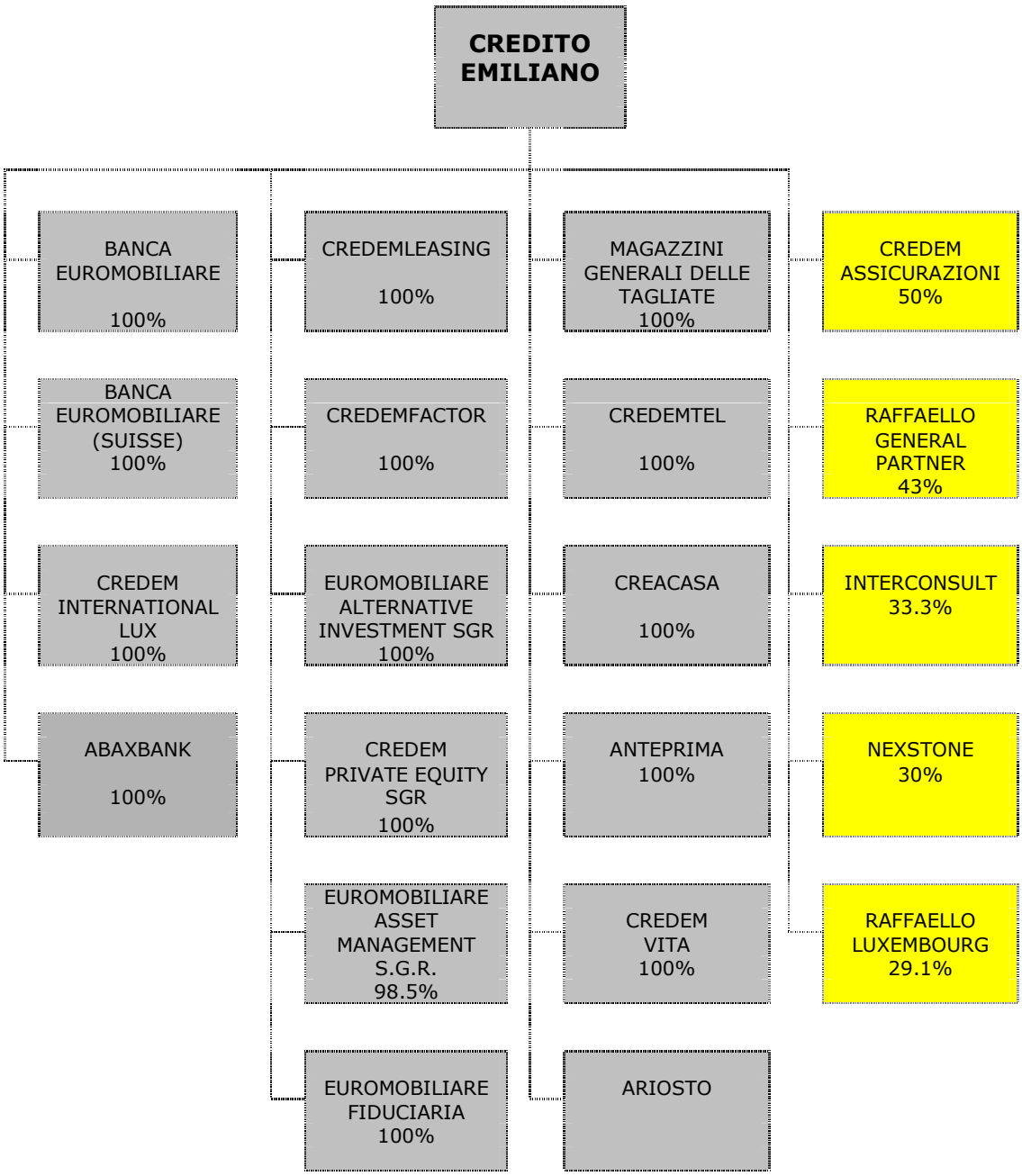
Paolo Tommasini

INDEPENDENT AUDITORS

DELOITTE & TOUCHE S.p.A.

CONSOLIDATED QUARTERLY REPORT MARCH 2008

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 company Credemassicurazioni was consolidated at equity, despite the further purchase of 50% from Assurances Mutuelles de France on 31 March 2008.
  During the same month, Credem and Reale Mutua Assicurazioni signed a bancassurance agreement aimed at the joint development of the non-life segment. The agreement, to be finalised upon receiving the required authorisations from the supervisory authorities, includes, among other things, acquisition by Reale Mutua Assicurazioni of 50% of Credemassicurazioni, to be controlled jointly by the two groups.
  The additional acquisition, carried out exclusively for the purposes of a subsequent sale, was classified as "held for sale", pursuant to IFRS 5.

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

BALANCE SHEET
INCOME STATEMENT

Balance sheet
(in €/thousand)

	Total assets	31/03/2008	31/12/2007
10.	Cash and cash equivalents	90,525	152,071
20.	Financial assets held for trading	4,926,074	4,690,986
30.	Financial assets valued at fair value	1,711,360	467,257
40.	Available-for-sale financial assets	1,054,041	283,711
60.	Due from banks	3,903,041	3,637,378
70.	Loans to customers	16,275,184	15,763,047
80.	Hedging derivatives	25,908	14,154
100.	Equity investments	12,762	40,555
110.	Technical reserves borne by reinsurers	71	-
120.	Tangible assets	327,839	331,783
130.	Intangible assets	65,384	56,559
	- of which: goodwill	43,081	31,187
140.	Tax assets	192,323	155,374
	a) current	108,869	102,029
	b) prepaid	83,454	53,345
150.	Non-current assets held for sale and discontinued operations	12,086	2,026
160.	Other assets	559,042	637,629
	Total assets	**29,155,640**	**26,232,530**

Balance sheet
(in €/thousand)

	Liabilities and shareholders' equity	31/03/2008	31/12/2007
10.	Due to banks	4,837,044	4,735,665
20.	Due to customers	10,686,591	11,239,911
30.	Outstanding securities	6,190,273	5,181,496
40.	Financial trading liabilities	1,696,470	1,468,618
50.	Financial liabilities valued at fair value	2,065,968	844,145
60.	Hedging derivatives	35,973	19,453
80.	Tax liabilities	271,410	247,959
	a) current	150,089	113,712
	b) deferred	121,321	134,247
100.	Other liabilities	1,051,981	784,478
110.	Staff termination pay	84,890	87,494
120.	Provisions for risks and charges:	74,614	80,811
	a) pensions and similar	1,542	1,544
	b) other funds	73,072	79,267
130.	Technical reserves	692,109	-
140.	Valuation reserves	53,451	69,086
170.	Reserves	1,001,926	858,467
180.	Share premium reserve	83,051	83,051
190.	Share capital	282,327	282,327
210.	Minority interests (+/-)	208	206
220.	Profit (Loss) for the year (+/-)	47,354	249,363
	Total liabilities and shareholders' equity	**29,155,640**	**26,232,530**

Income statement

(in €/thousand)

	Items	31/03/2008	31/03/2007
10.	Interest income and similar revenues	337,504	299,166
20.	Interest expense and similar charges	(194,489)	(184,523)
30.	**Interest margin**	**143,015**	**114,643**
40.	Commission income	97,775	122,951
50.	Commission expense	(18,532)	(20,909)
60.	**Net commissions**	**79,243**	**102,042**
70.	Dividends and similar revenues	239	72
80.	Net result from trading activities	(7,236)	49,263
90.	Net result from hedging activities	1,631	106
100.	Profit (loss) from sale or repurchase of:	416	2,616
	b) available-for-sale financial assets	300	2,564
	d) financial liabilities	116	52
110.	Net profit from financial assets and liabilities valued at fair value	12,838	(5,583)
120.	**Banking margin**	**230,146**	**263,159**
130.	Net value adjustments/write-backs for impairment of:	(10,072)	(5,951)
	a) receivables	(10,184)	(5,950)
	d) other financial transactions	112	(1)
140.	**Net profit from banking activities**	**220,074**	**257,208**
150.	Net premiums	9,407	-
160.	Balance of other insurance income/charges	(16,842)	-
170.	**Net profit from banking and insurance activities**	**212,639**	**257,208**
180.	Administrative costs:	(160,470)	(160,309)
	a) personnel costs	(99,925)	(100,959)
	b) other administrative costs	(60,545)	(59,350)
190.	Net allocations to provisions for risks and charges	4,404	(279)
200.	Net value adjustments/write-backs to tangible assets	(4,392)	(4,241)
210.	Net value adjustments/write-backs to intangible assets	(3,681)	(2,457)
220.	Other operating income/charges	14,316	11,599
230.	**Operating costs**	**(149,823)**	**(155,687)**
240.	Profit (Loss) from equity investments	202	1,866

270.	Profit (Loss) from disposal of investments	(74)	9
280.	**Profit (Loss) from current operations before taxes**	**62,944**	**103,396**
290.	Income taxes for current operations	(15,588)	(41,422)
300.	**Profit (Loss) from current operations after taxes**	**47,356**	**61,974**
320.	**Profit (Loss) for the year**	**47,356**	**61,974**
330.	Minority interest in net profit/loss for the financial year	(2)	(2,066)
340.	**Profit (loss) for the year pertaining to the parent company**	**47,354**	**59,908**

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

	Balance as at 31/12/2007		Initial balance changes	Balance as at 01/01/2008		Allocation of net result from previous period			Changes in the period										Profit (Loss) for the year as at 31/03/2008		Shareholders' equity as at 31/03/2008	
						Reserves		Dividends and other allocations	Changes in reserves		Shareholders' equity transactions											
											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		Group	Minority	Group	Minority	Group	Minority					Group	Minority	Group	Minority
Share capital	282,327	104	-	282,327	104	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	282,327	104
a) ordinary shares	282,327	104	-	282,327	104	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	282,327	104
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	83,051	6	-	83,051	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83,051	6
Reserves	858,467	69	-	858,467	69	147,725	27	-	-4,348	-	-	-	-	-	-	-	-	82	-	-	1,001,926	96
a) profit reserve	856,108	69	-	856,108	69	147,725	27	-	-4,348	-	-	-	-	-	-	-	-	-	-	-	999,485	96
b) other	2,359	-	-	2,359	-	-	-	-	-	-	-	-	-	-	-	-	-	82	-	-	2,441	-
Valuation reserves:	69,086	-	-	69,086	-	-	-	-	-15,635	-	-	-	-	-	-	-	-	-	-	-	53,451	-
a) available-for-sale	4,133	-	-	4,133	-	-	-	-	-2,830	-	-	-	-	-	-	-	-	-	-	-	1,303	-
b) cash flow hedging	11,873	-	-	11,873	-	-	-	-	-12,805	-	-	-	-	-	-	-	-	-	-	-	-932	-
c) other:																						
- tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- special revaluation laws	53,080	-	-	53,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,080	-
- intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- reserve for exchange rate differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- hedging of investments for foreign transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- reserves related to groups of assets being disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the year	249,363	27	-	249,363	27	-147,725	-27	-101,638	-	-	-	-	-	-	-	-	-	-	47,354	2	47,354	2
Shareholders' equity	1,542,294	206	-	1,542,294	206	-	-	-101,638	-19,983	-	-	-	-	-	-	-	-	82	47,354	2	1,468,109	208

Credem's profit for 2007 was approved by the Shareholders' Meeting of 29 April 2008.

EXPLANATORY NOTES

ACCOUNTING POLICIES

GENERAL PART

General standards for the preparation of financial statements

The consolidated quarterly report as at 31 March 2008 was drawn up according to the provisions of art. 154-ter of the Consolidated Finance Law and consists of the Balance Sheet, Income Statement, Statement of Changes in Shareholders' Equity, and Explanatory Notes. The report also includes 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.

Statement of compliance with the International Accounting Standards

The economic, capital and financial information was drawn up in accordance with the valuation and measurement criteria established by the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in art. 6 of (EC) Regulation no. 1606/2002 of the European Parliament and Council, dated 19 July 2002, as well as the provisions under art. 9 of Legislative Decree no. 38/2005.
The quarterly report is not subject to accounting audit.

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

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 2007 annual financial statements, to which the reader is referred.
These principles have been integrated by the accounting policies described below, following the line-by-line consolidation of Credemvita.

Insurance assets and liabilities

The following is outlined in terms of the insurance business.
IFRS 4 defines an insurance contract as a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the latter if a specific future event (the insured event) results in adverse effects on the policyholder.
Insurance risk is defined as the risk, other than financial risk, that is transferred from the policyholder to the issuer of the insurance contract.
Financial risk, on the other hand, is defined as the risk of a possible future variation in one or more of the following variables: specific interest rates, prices of financial instruments, prices of commodities, exchange rates, price or rate indices, credit ratings or any other variable, provided that, in the event of a non-financial variable, it is not specific to one of the contractual counterparts.

Insurance risk is significant if, and only if, the insured event could involve payment by the insurer of additional indemnity upon occurrence of an economically significant event (therefore excluding events without any identifiable effects on the economic aspects of the transaction).
Based on the analysis carried out on policies contained in the Credemvita Spa portfolio, all contracts other than Unit-Linked, Index-Linked and Individual Pension Plans fall within the scope of application of IFRS 4 (insurance contracts).
According to the definition of insurance contract provided by IFRS 4, the level of insurance risk of said contracts is insignificant. Therefore, they fall within the scope of application of IAS 39 (Financial instruments: recognition and measurement) and IAS 18 (Revenue).
Where these contracts have both an insurance and deposit component, the faculty provided for by IFRS 4 to separate the two components (unbundling) was adopted: IFRS 4 (including the adequacy test) was applied to the insurance portion and IAS 39 to the deposit portion.

Capitalisation Policies

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

Technical reserves borne by reinsurers

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

Technical reserves

This category includes all technical reserves resulting from commitments connected to the insurance business. Specifically, the item includes commitments from contracts with significant insurance risk and contracts with revaluation of the benefits, linked to performance of a separate management product with discretionary participation in profits (DPF – Discretionary Participation Feature), pursuant to IFRS 4, gross of reinsurance transfers (mathematical reserves, supplementary reserves and reserves for amounts to be paid).
The item also includes reserves allocated following verification of the adequacy of liabilities (LAT – Liability Adequacy Test) and deferred liabilities to policyholders (shadow accounting).
Specifically:

- L.A.T.

According to IFRS 4 (par. 15 and 19), the adequacy of insurance liabilities is valued on the basis of current estimates of future cash flows.
If the book value of insurance items proves to be inadequate, the deficiency is recorded in the income statement.
Liabilities under analysis correspond to those recognised in the financial statements of the Life Company (technical reserves, supplementary reserves, etc.).

Life segments

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

- Shadow accounting

Contracts with revaluation of benefits linked to performance of a separate management product are classified as insurance or investment contracts, with discretionary participation features (DPF). The DPF component derives from the existence of unrealised capital gains and losses from valuation.
IFRS 4 (par. 30) permits modification of the accounting principles, so that a capital gain or capital loss recorded but not realised on an asset impacts the measurement of insurance liabilities, the relative deferred acquisition costs and the relative intangible assets, as if it were a realised component.
The resulting adjustment is recorded under shareholders' equity only if said treatment is adopted for realised capital gains and losses as well.

Conversely, latent capital gains and losses recorded directly in the income statement (including write-downs for impairment) result in a corresponding adjustment to the liability or other equity/insurance items recorded directly in the income statement.

Financial liabilities valued at fair value

Under this category, the Group has classified liabilities valued at fair value recognised in the income statement and regulated by IAS 39, for which deposit accounting has been applied, and which are no longer recognised as premium income in the income statement. In particular, the item includes financial liabilities valued at fair value through profit and loss, also in order to avoid accounting imbalances with respect to the correlated financial assets relative to:

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

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

Contents of the consolidated 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 Income statement

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

Statement of changes in shareholders' equity

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

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

Scope and principles of consolidation

The consolidated quarterly report includes the financial statements of Credito Emiliano spa and the companies it directly controls. The companies operating in different business segments than that of the Parent Company have also been included within the consolidation perimeter, as required by the international accounting standards. Similarly, the special purpose entities (SPE/SPV) have also been included when an effective controlling interest exists, irrespective of whether equity investments are held.

Compared to the situation as at 31 December 2007, the line-by-line consolidation of Credemvita is reported, already included in the scope of consolidation under shareholders' equity.

As mentioned, on 31 March 2008, Credem acquired an additional 50% of the equity investment in Credemvita from Assurances Mutuelles de France, part of a strategy aimed at further enhancing the Group's presence in the insurance business, also thanks to the significant know-how acquired over various years of profitable collaboration with the French group. The price paid, including any related charges, amounted to € 40.1 million.

IFRS 3 requires the cost of a business combination to be determined as the sum of the fair value, as at the transfer date, of the following: (i) the assets transferred, (ii) the liabilities sustained and (iii) the capital instruments issued by the purchaser in exchange for control of the acquired company. The (iv) costs directly attributable to the combination must then be added to this value.

The cost of the combination must be allocated to assets, liabilities and potential liabilities and to the intangible values not recorded in the financial statements, to the extent of their fair values. What remains after said allocation must be recorded as goodwill and annually subjected to a verification of recoverability (impairment test).

With respect to the complexity of this process and the purchase date (31 March 2008), which involves measurement of the assets and liabilities comprising the company acquired, the international accounting standards permit the precise allocation of the acquisition cost to be carried out within twelve months from the acquisition date.
As at the moment of preparation of this quarterly report, determination of the fair value of the assets and liabilities and the acquisition cost allocation process had not yet been completed.
Considering the provisional nature of the estimates made, the entire difference between costs of the transaction and shareholders' equity amount of the Company was recorded in the consolidated balance sheet as at 31 March 2008, on a preliminary basis, under "Intangible assets – of which: goodwill", equal to approximately € 11.9 million (acquisition difference).
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 exercise governance rights only 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 have been adopted in the preparation of the consolidated quarterly report:

- upon first consolidation, the book value of equity investments in companies consolidated on a line-by-line basis or on a proportional basis is offset against the shareholders' equity of said companies (or rather the portion of shareholders' equity that said equity investments represent). Accounting for purchases in companies takes place according to the "purchase method", as defined by IFRS 3, with recognition of the assets, liabilities and potential liabilities of companies acquired at fair value as at the acquisition date, which is the moment in which effective control of the acquired company is achieved. Therefore, the operating results of a subsidiary acquired during the year are included in the consolidated financial statements starting from its acquisition date. Similarly, the operating results of a subsidiary that has been sold are included in the consolidated financial statements up until the date in which control ceases.
- any surpluses in the book value of equity investments, as per the previous point, compared to the corresponding portion of shareholders' equity, adjusted to the fair value of assets or liabilities, are recorded as goodwill under "Intangible assets" if positive and to the income statement if negative;
- any additional purchases of equity investments subsequent to the acquisition of control are not specifically regulated by IFRS 3; according to best practice, any positive or negative differences, as defined above, that arise following said acquisition are recorded directly to equity.
- a test of the adequacy of the goodwill value (impairment test) is carried out annually or each time there is evidence of impairment. To this end, the cash-generating unit that produces the cash flow and to which goodwill is attributed is identified. The amount of the impairment is calculated as the negative difference, if any, between the goodwill value recorded and its

recovery value, equal to the greater of fair value of the cash-generating unit, net of any sales costs, and the relative value in use of the asset. The subsequent value adjustments are recorded in the income statement.

- balance sheet and income statement items 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 income statement, 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 Credito Emiliano, or by other companies of the group, regarding companies consolidated with the equity method is compared to the relative portion of shareholders' equity of the investee companies. Any excess in the book value – resulting from first-time application to the consolidated financial statements – is included in the book value of the investee company. The changes in equity value that take place during the years subsequent to the year of first-time application are recorded under item 240 of the consolidated income statement ("profit (loss) from equity investments"), to the extent in which said changes refer to profits or losses of the investee companies;
- if there is evidence that the value of a significant investment may have undergone a reduction, the recoverable value of the investment is estimated, taking into account the present value of future cash flows that the investment may generate, including the final disposal value of the investment. If the recovery value is lower than the book value, the difference is recorded in the income statement;
- the quarterly reports as at 31 March 2008 were used where available for the consolidation of equity investments in associated companies. Alternatively, the financial statements as at 31 December 2007 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	99.90%	
			Magazzini Generali delle Tagliate	0.10%	
4. Credemfactor spa	Reggio Emilia	1	Credito Emiliano	99.00%	
			Credemleasing	1.00%	
5. Euromobiliare Alternative Investments SGR spa	Milan	1	Credito Emiliano	80.00%	
			Banca Euromobiliare	20.00%	
6. Credem Private Equity SGR spa	Reggio Emilia	1	Credito Emiliano	87.50%	
			Banca Euromobiliare	12.50%	
7. Euromobiliare Asset Management SGR spa	Milan	1	Credito Emiliano	98.54%	
8. Credemtel spa	Reggio Emilia	1	Credito Emiliano	99.00%	
			Credemleasing	1.00%	
9. Creacasa srl	Reggio Emilia	1	Credito Emiliano	100.00%	
10. Magazzini Generali delle Tagliate spa	Reggio Emilia	1	Credito Emiliano	100.00%	
11. Banca Euromobiliare spa	Milan	1	Credito Emiliano	100.00%	
12. Banca Euromobiliare Suisse sa	Lugano	1	Credito Emiliano	100.00%	
13. Euromobiliare Fiduciaria spa	Milan	1	Credito Emiliano	100.00%	
14. Anteprima srl	Reggio Emilia	1	Credito Emiliano	100.00%	
15. Credemvita spa	Reggio Emilia	1	Credito Emiliano	100.00%	
A. 2 Consolidated using the equity method					
1.Credemassicurazioni spa	Reggio Emilia	2	Credito Emiliano	50.00%	
2. Raffaello General Partner Jersey	St.Helier	3	Credito Emiliano	43.00%	
3.Leasemac spa	Milan	3	Credito Emiliano	33.40%	
4.Interconsult	Luxembourg	3	Credem International (Lux)	33.33%	
5.Nexstone srl	Milan	3	Credito Emiliano	30.00%	
6.Rafffaello Luxembourg sca	Luxembourg	3	Credito Emiliano	15.24%	
			Abaxbank	7.62%	
			Banca Euromobiliare	6.25%	
7. Società Consortile Nuovo Mercato Ortofr.	Andria (BA)	3	Credito Emiliano	20.00%	

Key
Type of holding:
1 = control pursuant to art. 2359 paragraph 1 of the Civil Code (majority of voting rights at ordinary shareholders' meeting)
2 = joint control
3 = associated companies

The company Credemassicurazioni was consolidated at equity, despite the further purchase of 50% from Assurances Mutuelles de France on 31 March 2008.
During the same month, Credem and Reale Mutua Assicurazioni signed a bancassurance agreement aimed at the joint development of the non-life segment. The agreement, to be finalised upon receiving the required authorisations from the supervisory authorities, includes, among other things, acquisition by Reale Mutua Assicurazioni of 50% of Credemassicurazioni, to be controlled jointly by the two groups.
The additional acquisition, carried out exclusively for the purposes of a subsequent sale, was classified as "held for sale", pursuant to IFRS 5.
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 Leasemac spa and Società Consortile Nuovo Mercato Ortofrutticolo srl are in liquidation.

Significant events subsequent to the balance sheet date

No significant events occurred after the balance sheet date.

Other matters

Election for domestic tax consolidation

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

Estimated data

The accounting results relative to the items "other general expenses", "commission income" and "commission expense" include accruals calculated also in accordance with the 2008 budget, in order to correctly determine the year of reference.
The usual methods for determining economic value were used for all other items of the income statement.

INTRODUCTION TO THE COMMENTS ON THE MAIN AGGREGATES

As mentioned above, Credito Emiliano acquired 50% of Credemvita and Credemassicurazioni from Assurances Mutuelles de France.
Credemassicurazioni was consolidated at equity, despite the further purchase of 50% from Assurances Mutuelles de France on 31 March 2008, as during the same month, Credem and Reale Mutua Assicurazioni signed an agreement aimed at the joint development of the non-life segment.
The agreement, to be finalised upon receiving the required authorisations from the supervisory authorities, includes, among other things, acquisition by Reale Mutua Assicurazioni of 50% of Credemassicurazioni, to be controlled jointly by the two groups.
The additional acquisition, carried out exclusively for the purposes of a subsequent sale, was classified as "held for sale", pursuant to IFRS 5.

In order to make the comparison more uniform, and only for the purposes of these notes on the main financial and economic aggregates, the following were carried out:

- for Credemvita, consolidated under the equity method in prior years, reclassification of the consolidated figures as at March and December 2007, consolidating them according to the proportional method;
- for Euromobiliare Sim, sold at the end of 2007, elimination of the relative contribution.

PERFORMANCE OF THE MAIN FINANCIAL AGGREGATES

Reclassified balance sheet (€/million)

	3/2008	12/2007	3/2007	Changes 3/08-3/07 absolute	Changes 3/08-3/07 %
Cash and cash equivalents	90.5	152.1	80.5	10.0	12.4
Loans to customers	16,275.2	15,763.1	14,768.1	1,507.1	10.2
Due from banks	3,903.0	3,637.4	6,794.8	-2,891.8	-42.6
Other financial assets	7,717.4	5,456.1	5,387.6	2,329.8	43.2
Equity investments	12.8	40.6	38.8	-26.0	-67.0
Tangible and intangible assets	393.2	388.3	386.2	7.0	1.8
Other assets	763.5	794.9	880.4	-116.9	-13.3
TOTAL ASSETS	**29,155.6**	**26,232.5**	**28,336.4**	**819.2**	**2.9**
Due to customers	10,686.6	11,239.9	10,983.0	-296.4	-2.7
Outstanding securities	8,256.2	6,025.6	6,058.2	2,198.0	36.3
Technical reserves	692.1	-	-	692.1	100.0
Customer deposits	*19,634.9*	*17,265.5*	*17,041.2*	2,593.7	15.2
Due to banks	4,837.0	4,735.7	6,807.5	-1,970.5	-28.9
Other financial liabilities	1,732.4	1,488.1	1,527.4	205	13.4
Specific risk provisions	159.5	168.3	164.9	-5.4	-3.3
Other liabilities	1,323.5	1,032.4	1,432.2	-108.7	-7.6
Minority interests	0.2	0.2	23.2	-23	-99.1
TOTAL LIABILITIES	**27,687.5**	**24,690.2**	**26,996.4**	**691.1**	**2.6**
Share capital	282.3	282.3	281.5	0.8	0.3
Reserves	1,138.4	1,010.6	998.7	139.7	14.0
Operating profit for the period	47.4	249.4	59.9	-12.5	-20.9
SHAREHOLDERS' EQUITY	**1,468.1**	**1,542.3**	**1,340.0**	**128.1**	**9.6**
LIABILITIES AND SHAREHOLDERS' EQUITY	**29,155.6**	**26,232.5**	**28,336.4**	**819.2**	**2.9**

Loans to customers

	€/million			% change	
	3/2008	**12/2007**	**3/2007**	on 12/07	on 3/07
loans to customers	7,137	6,673	6,335	7.0	12.7
mortgage loans and leases	8,946	8,896	8,397	0.6	6.5
outstanding repurchase agreements	192	194	36	-1.0	n.s.
TOTAL CUSTOMER LOANS	**16,275**	**15,763**	**14,768**	**3.2**	**10.2**

The loans by company are presented in the table below:

	3/2008		**12/2007**		**3/2007**		% change on	
	Amount	%	Amount	%	amount	%	12/07	3/07
Credito Emiliano	14,698	85.5	14,346	85.7	13,441	84.9	2.5	9.4
Credemleasing	1,895	11.0	1,894	11.3	1,817	11.5	0.1	4.3
Credemfactor	267	1.6	298	1.8	276	1.7	-10.4	-3.3
Banca Euromobiliare	136	0.8	31	0.2	105	0.7	338.7	29.5
ABAXBANK	144	0.8	126	0.8	107	0.7	14.3	34.6
Credem International (Lux)	15	0.1	19	0.1	24	0.2	-21.1	-37.5
Other companies	27	0.2	18	0.1	45	0.3	50.0	-40.0
Aggregate	17,182	100.0	16,732	100.0	15,815	100.0	2.7	8.6
Consolidation adjustments	-907		-969		-1,047			
Consolidated	**16,275**		**15,763**		**14,768**		**3.2**	**10.2**

Growth in medium-term loans remains significant for the group, involving 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.
Total loans amounted to € 16.3 billion, up 10.2%, which is higher than industry results (+9.2%).
In terms of categories, particular mention goes to the mortgages and leases component, which grew 6.5% on an annual basis; the most marked increase was demonstrated by the sight component (+12.7%).
The estimated recoveries of non-performing loans, presented in the table below, although growing in absolute terms, remained at normal levels in terms of percentage of total loans (1%); the net non-performing loans to total loans ratio continues to be quite low (0.30% compared to the industry figure of 1.0%).
Regarding the trend in total write-downs, it must first be noted that various similarities (in terms of identification of default and overall structure of collective valuation, based on groups of loans with similar risk characteristics) among the current financial statement standards (in particular IAS 39) and the approach recommended by the New Basel Accord have made it advisable to apply metrics and the risk factors developed as part of "Basel II" to the financial statements. In this context, the increase in general provisions for loan losses compared to March 2007 is attributable to the so-called "probability of default" (PD). At the company level, repositioning of the risk-return profile undoubtedly had an impact on these positions.

Non-performing loans

	3/2008	12/2007	3/2007
% non-performing loans net of specific write-offs on total loans	**0.30**	**0.28**	**0.23**
% estimates of bad debts on non-performing loans	64.1	63.6	60.2
par values:			
non-performing loans	136.4	118.8	84.5
watch-list loans	84.6	77.1	63.6
restructured loans	3.2	3.6	2.3
"past due loans"	54.9	74.4	43.9
total par values	**279.1**	**274.6**	**194.3**
estimated bad debts	117.7	106.9	83.7
estimated recoveries			
- non-performing loans	49.0	43.3	33.6
- watch-list loans	57.0	50.9	35.6
- restructured loans	3.0	1.6	0.3
- "past due loans"	52.4	71.2	41.1
total estimated recoveries	**161.4**	**167.7**	**110.6**
re-allocation of "accounting funds":	170.5	159.5	119.2
- specific write-downs	*117.7*	*106.9*	*83.7*
- "lump sum" write-downs on outstanding loans	*52.8*	*52.6*	*35.5*

Capital and risks

	3/2008	12/2007	12/2007
Capital for supervisory purposes	**1,458.6**	**1,500.9**	**1,430.3**
of which TIER 1 capital	*1,283.5*	*1,305.7*	*1,175.1*
Capital absorption relative to risk:			
. credit	1,121.7	1,072.3	976.1
. Securitisation operations	4.0	4.2	4.7
. market	209.1	221.2	210.7
Overall capital requirement	**1,334.8**	**1,297.7**	**1,191.5**
Surplus capital	**123.8**	**203.2**	**238.8**
Tier 1 capital ratio	7.69%	8.05%	7.89%
Total capital ratio (8% minimum)	**8.74%**	**9.25%**	**9.60%**

The reduction in capital for supervisory purposes is mainly due to the purchase, illustrated above, of the additional 50% of the two insurance companies for € 50 million: these components are fully deducted from capital.
It is also noted that the absorption relative to risk was calculated using the "Basel 1" methods, as the new reporting methods have been postponed to 25 May 2008.

Customer deposits

	€/million			% change	
	3/2008	**12/2007**	**3/2007**	on 12/07	on 3/07
- current and savings accounts and other	10,162	10,495	9,921	-3.2	2.4
- insurance deposits	2,089	2,153	1,936	-3.0	7.9
- certificates of deposit	1,759	800	178	119.9	888.2
DEPOSITS	**14,010**	**13,448**	**12,035**	**4.2**	**16.4**
- bonds and subordinated debt	5,101	5,225	5,880	-2.4	-13.2
DIRECT DEPOSITS EXCLUDING REPURCHASE AGREEMENTS	**19,111**	**18,673**	**17,915**	**2.3**	**6.7**
- repurchase agreements	524	735	1,055	-28.7	-50.3
TOTAL DIRECT DEPOSITS	**19,635**	**19,408**	**18,970**	**1.2**	**3.5**
INDIRECT DEPOSITS AT COUNTER VALUE	37,064	39,750	41,348	-6.8	-10.4
GRAND TOTAL	56,699	59,158	60,318	-4.2	-6.0
- without repurchase agreements	***56,175***	***58,423***	***59,263***	***-3.8***	***-5.2***

In the analysis of deposits, it is noted that with the line-by-line consolidation of Credemvita, mathematical reserves that in prior years were included under indirect managed deposits are now recorded under the appropriate liability items, in accordance with the IAS/IFRS principles and, therefore, included under the direct deposits aggregate.
In order to ensure a uniform comparison, the relative aggregates as at March and December 2007 were recalculated.

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

	3/2008		**12/2007**		**3/2007**		% change on	
	Amount	%	Amount	%	Amount	%	Amount	%
Credito Emiliano	16,187	80.4	15,566	79.2	15,235	78.8	4.0	6.2
Credemleasing	781	3.9	795	4.0	747	3.9	-1.8	4.6
Credemfactor	19	0.1	23	0.1	16	0.1	-17.4	18.8
Banca Euromobiliare	472	2.3	458	2.3	606	3.1	3.1	-22.1
Abaxbank	270	1.3	383	1.9	524	2.7	-29.5	-48.5
Credem International (Lux)	275	1.4	283	1.4	217	1.1	-2.8	26.7
Credemvita	2,089	10.4	2,153	10.9	1.936	10.0	-3.0	7.9
Other companies	41	0.2	34	0.2	63	0.3	20.6	-34.9
Aggregate	20,134	100.0	19,695	100.0	19,344	100.0	2.2	4.1
Consolidation adjustments	-499		-287		-374			
DIRECT DEPOSITS	**19,635**		**19,408**		**18,970**		**1.2**	**3.5**

The group recorded growth in sight deposits (+2.4%) again this year, sustained by favourable market conditions as well as by growth in the customer base.
The deposits aggregate recorded a significant increase of 16.1%, mainly thanks to growth of the certificates of deposit component: these products satisfy the expectations of a still significant portion of customers seeking guaranteed, short-term returns, and they support strong development of the traditional network.
The bond segment, which is still significant in absolute terms (€ 5.1 billion), recorded a decline of 13.2% compared to March 2008.
Overall, growth of the "direct deposits excluding repurchase agreements" segment was in line with industry results (+7.4%).
The repurchase agreements for non-institutional customers component was down.
Regarding indirect deposits, the group was inevitably impacted by the unfavourable external conditions that affected the asset management sector. The organisational review of the entire wealth management range, which began during the previous period, also included the introduction of new UCI products of the group, as well as the substantial overhaul of the management system of pre-existing ones. Consequently, asset management recorded a lower decline than that recorded at the industry level (-18.8%).
Administered assets, down 10.3% on an annual basis, recorded a more limited decline (-4.3%) in the private customers segment, with performance driven by widespread preference for short-term and guaranteed-return products.

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

	€/million			**% change**	
	3/2008	**12/2007**	**3/2007**	on 12/07	on 3/07
asset management	4,923	5,495	6,169	-10.4	-20.2
of which sicav multi-manager	*1,873*	*2,513*	*2,490*	*-25.5*	*-24.8*
mutual funds	4,518	5,111	5,877	-11.6	-23.1
SICAV	3,836	3,927	2,857	-2.3	34.3
hedge fund	260	256	241	1.6	7.9
venture capital	37	37	37	0.0	0.0
other	182	192	149	-5.2	22.1
indirectly managed	**13,756**	**15,018**	**15,330**	**-8.4**	**-10.3**
indirect business administered	**23,308**	**24,732**	**26,018**	**-5.8**	**-10.4**
of which customer	***12,769***	***13,325***	***13,349***	***-4.2***	***-4.3***
TOTAL INDIRECT DEPOSITS	**37,064**	**39,750**	**41,348**	**-6.8**	**-10.4**

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

	managed			under administration			total		
	amount	*% change % 12/07*	*% change % 3/07*	amount	*% change % 12/07*	*% change % 3/07*	amount	*% change % 12/07*	*% change % 3/07*
Credito Emiliano	10,432	-7.7	-6.6	20,858	-6.6	-11.5	31,290	-7.0	-10.0
Euromobiliare Asset Management SGR	4,444	-11.7	-22.8	-	-	-	4,444	-11.7	-22.8
Banca Euromobiliare	3,804	-10.7	-18.5	1,713	13.9	15.7	5,517	-4.3	-10.2
Euromobiliare Fiduciaria	-	-	-	821	0.0	5.4	821	0.0	5.4
Credem International (Lux)	124	19.2	13.8	628	-21.5	-30.8	752	-16.8	-26.0
Euromobiliare Inter. Fund SICAV	3,836	-2.3	34.3	-	-	-	3,836	-2.3	34.3

Euromobiliare Alternative SGR	260	1.6	7.9	-	-	-	260	1.6	7.9
Credem Private Equity	37	-0.5	0.0	-	-	-	37	-0.5	0.0
Banca Euromobiliare (Suisse)	316	-11.2	-40.8	362	4.6	21.5	678	-3.4	-18.5
Indirect aggregate	*23,253*	*-8.0*	*-8.4*	*24,382*	*-5.5*	*-9.8*	*47,635*	*-6.8*	*-9.1*
Consolidation adjustments	-9,497			-1,074			-10,571		
Total indirect consolidated	**13,756**	**-8.4**	**-10.3**	**23,308**	**-5.8**	**-10.4**	**37,064**	**-6.8**	**-10.4**

PERFORMANCE OF GROUP COMPANIES

CREDITO EMILIANO

	3/08	3/07	% change	12/07
interest margin	129.6	111.1	16.7	470.7
dividends from equity investments	0.2	18.4	(98.9)	87.3
non-interest margin	60.6	86.6	(30.0)	337.3
banking margin *	**190.4**	**216.1**	**(11.9)**	**895.3**
- not including dividends	***190.2***	***197.7***	***(3.8)***	***808.0***
personnel costs	(81.9)	(78.5)	4.3	(312.9)
administrative costs	(48.8)	(46.8)	4.3	(188.0)
Operating costs	**(130.7)**	**(125.3)**	**4.3**	**(500.9)**
EBITDA	**59.7**	**90.8**	**(34.3)**	**394.4**
- not including dividends	***59.5***	***72.4***	***(17.8)***	***307.1***
amortisation/depreciation	(6.8)	(5.3)	28.3	(25.7)
net operating profit	52.9	85.5	(38.1)	368.7
provisions for risks and charges	4.2	(0.1)	n.s.	(21.4)
extraordinary income/charges	(0.3)	1.7	n.s.	40.9
adjustments to loans, net	(9.8)	(4.2)	133.3	(46.6)
PRE-TAX PROFIT	47.0	82.9	(43.3)	341.6
income taxes	(10.0)	(28.0)	(64.3)	(72.9)
NET PROFIT	**37.0**	**54.9**	**(32.6)**	**268.7**
- not including dividends	***36.8***	***36.5***	***0.8***	***181.4***
ROE**	**3.0%**	**5.0%**		**23.2%**
non-interest margin / banking margin	31.9%	43.8%		41.7%
operating costs / banking margin	68.7%	63.4%		62.0%
tax rate (not including dividends from equity investments)	21.4%	43.4%		28.7%

Key

* the banking margin includes the item "Other operating income/charges" net of extraordinary income/charges
** ROE = Net profit/(equity for the reporting period + equity at previous year-end)
2

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

The banking margin is down compared to first quarter 2007 by 11.9% (-3.8% excluding from equity investments).
This aggregate includes an increase in the interest margin, up 16.7%, mainly due to the growth in volume of loans (+9.4%), as the customer spread was essentially unchanged compared to the same period in 2007 (-2 bps).
Growth was recorded in direct deposits, driven by the "deposits and current accounts" component.
Indirect deposits showed a decline (€ 31.3 million) both in the managed component (-6.6%) as well as the administered component (-11.5%).

The non-interest margin has been following a cautious path: the drop in net commissions (from € 61 to € 58 million) was amplified by the trading component (from € 31 to € -12 million); this last component underwent difficulties related to the uncertainties that still persist in the financial markets. This impacted the result from own trading, as well as from trading where customers are the counterparty, which showed limited activity and focused on simple products with guaranteed return. First quarter also saw the loss of significant income that impacted the first part of 2007, related to the valuation of a portfolio of interest-rate derivatives, previously classified as hedging, under trading.
The growth in costs is in line with annual objectives, with a uniform increase in personnel costs (mainly due to investments relative to growth in the number of branches) and in other administrative costs.
Amortisation/depreciation is up compared to first quarter 2007, due to the impact of the plan to open new branches.
Adjustments to loans, although moderate in absolute terms and in line with forecasts, are up, also affected by the improved performance of loans.
Taxes are down, also as a result of the change in IRES (corporate income tax) and IRAP (regional business tax) rates.

At the end of March, the agreement described in the introduction of this quarterly report was signed, involving the purchase by Credembanca of 50% of Credemvita and Credemassicurazioni from Assurances Mutuelles de France.
During the same month, Credembanca and Reale Mutua Assicurazioni signed a bancassurance agreement aimed at the joint development of the non-life segment. The agreement, to be finalised upon receiving the required authorisations from the supervisory authorities, includes the following:

- acquisition by Reale Mutua Assicurazioni, for € 18 million, of 50% of Credemassicurazioni, to be controlled jointly by the two groups;
- signing of a commercial agreement and shareholders' agreements aimed at ensuring, through consolidation and greater efficiency of business processes, expansion of the products portfolio and stability of the partnership over time.

The benefits of the agreement will stem from the sharing of expertise and from the increase in distribution potential.
Reale Mutua Assicurazioni is leader of the ninth largest Italian insurance group, and fifth largest in the non-life segment, operating through five companies in Italy and Spain. The group achieved € 3,293 million in premiums in 2007. The Parent Company has 1,100 employees and 1,400,000 policyholders, who can count on the services of 350 agencies. With € 1,686 million in premiums collected in 2007, Reale Mutua Assicurazioni is the top Italian mutual insurance company.

Also at the end of March, Credembanca signed an agreement involving the acquisition from Banca Popolare di Verona – San Geminiano e San Prospero of 33 branches located in Tuscany and 2 business centres with relative sales support structures. At the end of 2007, this company segment included approximately € 980 million in loans to customers, € 1,150 million in direct and indirect deposits and 230 employees.
This deal, which strengthens the commercial presence of the bank in areas of substantial interest, was completed at an agreed provisional price of € 155 million, subject to variation depending on the effective volumes transferred.

CREDEMLEASING

		3/08	3/07	3/06
number of contracts stipulated				
– movables		862	896	764
– real estate		45	82	84
	no.	907	978	848
value of contracts stipulated				
– movables		58.7	50.9	46.2
– real estate		30.3	62.3	54.3
	€/million	89.0	113.2	100.5
domestic market share	%	0.92	0.99	0.96
outstanding principal (including construction in progress)	€/million	1,824	1,766	1,673

Sales performance during first quarter was impacted by moderate growth in the Italian economy, similarly to what was recorded at the industry level, which recorded a 14.8% decrease in the total value of investments financed.
Sales results were impacted by the sharp slowdown in the real estate sector (-51.4% of the value of new contracts stipulated), offset by positive performance in the movables segment, which recorded an increase of 15.3% compared to the same period of the previous year.
Profit generated mainly by the consolidation of deposits was positive (+3.4%).

CREDEMFACTOR

Description		3/08	3/07	% change
Turnover (flows)		259.2	290.8	-10.9
- with recourse	€/million	178.7	206.0	-13.3
- without recourse	€/million	80.5	84.7	-5.0
Outstanding	€/million	364.9	370.2	-1.4
Investment:				
. at year end	€/million	249.5	258.3	-3.4
. average	€/million	250.5	267.2	-6.3

Turnover during the quarter amounted to € 259.2 million, down 10.9% compared to € 290.8 million in March 2007.
An analysis of turnover in March 2008 compared to March 2007 highlighted a reduction of € 103 million on 30 positions, mainly attributable to increased supervision of credit risk and the conclusion of several occasional transactions of significant amounts.
Corporate customer flows declined (-24.5%), in line with forecasts.
Products without recourse amounted to € 81 million, down 5% over the previous year. This represents 31% of global volumes (29% in March 2007), but is still marginal compared to the sector figure, which is around 65%.
New contracts stipulated with assigning customers at the end of March amounted to 93 (+10 over the previous year).
Loans as at the end of March 2008 amounted to € 249.5 million, down 3.4% compared to the previous year (€ 258.1 million), while average figures amounted to € 250.5 million (-6.3% over previous year). The outstanding amount decreased from € 370.2 million to € 364.9 million in 2008.
The interest margin was mainly impacted by the increase in shareholders' equity (capital increase of € 22 million in September 07), which allowed for reduced recourse to debt for funding. The non-interest margin was impacted by the reduction in turnover (-10.9%).
Net non-performing loans over risks amounted to 0.3%, in line with December 2007. The percent estimate of bad debts on non-performing loans is 55%, in line with December 2007.

EUROMOBILIARE ASSET MANAGEMENT SGR

The income statement for first quarter 2008 shows a net profit of € 130 thousand, down 81.40% compared to first quarter 2007.
This decrease is due to lower revenues from net commissions (-22.78% compared to first quarter 2007), due to the lack of management commissions (-26.20% compared to first quarter 2007) as a result of the decline in managed deposits.
Net deposits for first quarter 2008, as far as Funds and SICAVS are concerned, were down by € 408 million (€ -386 and € -22 million, respectively), in line with overall industry performance (deposits were negative at approximately € 36.8 billion).
Managed assets (Funds and SICAVs) were down compared to the end of the previous year, with an increase in bond/monetary products (64% compared to 56% at the end of 2007) compared to equity/balanced products (33% compared to 41% at the end of 2007).
The company's market share, in terms of managed assets (including Italian funds, speculative funds and SICAVS) dropped from 1.62% at the end of 2007 to 1.68% in first quarter of 2008.

EUROMOBILIARE ALTERNATIVE INVESTMENTS SGR

The income statement as at 31 March 2008 shows a net profit of € 35 thousand, down compared to the same period last year (€ 210 thousand). This outcome is mainly attributable to the decrease in net commissions (from € 573 thousand to € 451 thousand) and an increase in personnel costs (from € 108 thousand to € 256 thousand).

CREDEM PRIVATE EQUITY

First quarter 2008 ended with a moderate net result.
The main balance sheet and income statement items do not show any variations compared to the same quarter of the previous year.
The fund investment activity is continuing: in January of this year, the transaction with Tecnogear, company in the province of Reggio Emilia specialised in the production of gears with Gleason technology, was completed.
The majority transaction, initially completed for € 4.5 million, was later shared with the Aletti fund, to which approximately 30% of the investment was transferred.
Credem Private Equity is also active in the development of equity investments already acquired: due diligences are currently underway for the acquisition of an additional chain of competitors of Agrifarma in the Lazio region.

CREDEM INTERNATIONAL LUX

As part of the administrative services provided to the Group's SICAV, the activities necessary for completion of the merger of four segments were carried out as part of the continuous updating of products offered. In terms of volumes, a decrease of € 91 million was recorded compared to the end of 2007, equal to -2.3%, The contribution of this line of business to the income statement is below objectives as at the end of the quarter, as deposits are largely concentrated on monetary products.
Total direct deposits decreased by € 9 million (-3.9%), following the loss of several temporary positions at the end of 2007, referring to institutional parties and to the negative impact from the euro/dollar exchange rate.
The interest margin made a positive contribution to the income statement, thanks to the particular interest rate situation during first quarter.
The reduction in prices resulted in a sharp decline in administered assets (€ -146 million, equal to -17.3%), mitigated by the increase in volume of insurance policies, which amounted to € 60 million.
The credit segment focused on managing the existing portfolio, which due to a series of maturities, decreased by € 3.3 million (-7%), and on identifying opportunities to carry out transactions, which during first quarter resulted in new loans for € 1.7 million.

BANCA EUROMOBILIARE SUISSE

The quarter showed good recovery in sales growth, highlighting positive net deposits (+3%). The impact of the financial markets and exchange rates, however, penalised the overall total, with a reduction of about 10%.
The economic results were consequently impacted by the performance of markets, as mentioned, with a declining net profit compared to the budget figure (-16%). This decrease is due to a decline in income from commissions and income from trading (respectively -5% and -28% compared to budget).
Growth in operating costs is essentially in line with forecasts.

BANCA EUROMOBILIARE

Balance sheet items (including loans) showed a reduction of about 3.4% during the first three months of the year, from € 6,421 to € 6,203 million.
About 1/3 of this reduction is due to negative net deposits (€ -69 million) and the remaining 2/3 to the negative market effect (€ -288 million, equal to -2.2%), consistently with the crisis in the financial markets, ongoing since the second half of 2007.
In particular, a significant reduction was recorded in assets managed between December 2007 and the end of March 2008, at negative € 458 million, essentially due – in equal measure - to negative net deposits and the market effect. Within the managed component, negative net deposits mainly affected asset management and the Euromobiliare SGR Funds, while positive results were achieved on the Credemvita insurance products and the EurofundLux SICAVs.
Trends in revenues show a reduction compared to the last quarter of 2007, and the comparison with the corresponding period of 2007 shows a reduction in the banking margin of 19%, attributable in particular to the non-interest margin component (-29%), while the interest margin is up 25%, following growth in average liquidity amounts invested.
The first phenomenon is mainly linked to the aforementioned reduction in average assets managed, while the second is due to both disposals as well as the substantial portfolio reallocations underway, which jointly generated temporary peaks in liquidity.
Administrative costs are down compared to first quarter 2007 (-2.6%), particularly thanks to personnel costs (-6.9%).
The net result, equal to € 553 thousand, is 69% lower than the corresponding period of the prior year.

Following the agreement signed in February, Banca Euromobiliare proceeded with the merger, on 10 May 2008, of the Italian asset management division of Citibank International Plc. Specifically, the transaction involved the transfer of 5 branches (of which two in Milan and 1 in each of Rome, Turin and Florence) and approximately € 1.2 billion in overall masses, 75% of which is attributable to 42 bank employees and the remaining 25% to 78 financial advisors. The provisional value of the transaction, which took place in the form of an acquisition of company division, was approximately € 40 million.
This transaction, supported by capital strengthening of € 30 million fully subscribed by Credembanca, will allow Banca Euromobiliare and the Group to consolidate their position in private banking.

ABAXBANK

The company recorded a negative net result of € 157 thousand as at 31 March 2008.
Economic performance during the first quarter of 2008 showed a reduction in revenues due to the continued crisis in the financial markets.
A positive contribution was made by the Fixed Income and Fx & Interest Rate segments, the results of which are in line with the budget.
The results achieved by the structured equity segment were down.
The trend in general expenses is in line with expectations.
The economic results did not show any material items of an extraordinary nature.

CREACASA

The company, operating since July 2007, focused mainly on recruitment during first quarter 2008, in order to consolidate the structure of the sales network.
Along with recruitment activities, Creacasa focused on inaugurating the new corners dedicated to agents and set up within Credem branches, and on defining the first Home Center, true financial shop dedicated exclusively to Creacasa agents, to be inaugurated during the second half of May.
The company, still in the start-up phase, recorded a loss of € 314 thousand.

ANTEPRIMA

The company will be incorporated by Credem spa during the second half of the year.

CREDEMVITA

		03/2008	03/2007
collection (flows)	€/million	151.6	128.1
active policies	no.	99,708	99,674
employees	no.	32	30

First quarter 2008 was positive from a sales point of view. In fact, total deposits for the period amounted to about € 152 million, up over 18% compared to first quarter 2007.
The economic result showed a significant increase over the prior year's period, amounting to € 2,629 thousand, net of taxes (+28%).
The increase in sales during first quarter did not result in significant increases in managed deposits, as a parallel increase in amounts disbursed during the period took place.

CREDEMASSICURAZIONI

		03/2008	03/2007
premiums issued	€/thousand	13,395	15,405
active policies	no.	84,328	79,069
employees	no.	15	15

From the sales point of view, first quarter 2008 saw a reduction in premiums collected of 13% compared to the same period of the previous year: this reduction is due to the increase in cancellation of car insurance products.
Conversely, premiums issued for "non-car" policies are up, in accordance with the product diversification objectives. In particular, the most significant increases regard: Accident and Medical Insurance Policies (+46%), Multi-risk Home Policies (+6%) and "CPI" Policies (+17%).
The economic result for first quarter 2008 was positive (€ 403 thousand, net of taxes), but lower than the same period of the previous year.

MAGAZZINI GENERALI DELLE TAGLIATE

The usual weakness in demand for rounds of cheese was marked by an inversion in the market trend for Parmesan at the beginning of the year, with a net reduction in production prices and, therefore, sales prices. For this reason, the majority of operators deemed it appropriate to suspend and/or defer transactions.
Consequently, inventories declined, resulting in a consequent decrease in operating revenues as well, due to a more aggressive policy of storage fees and related services, necessary in order to retain customers.
In terms of costs, no particular variations were recorded compared to forecasts.
Moderate net economic result.

CREDEMTEL

Turnover of the Corporate Banking Interbank sector has likely completed the contraction phase which has been constant over the last 3 years, following the disposal of a large Banking Group.

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

Regarding the "Electronic Document Management" sector, first quarter figures are very reassuring in terms of achievement of the objectives set for the year underway, thanks to the various commercial initiatives.

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

PERFORMANCE OF THE MAIN ECONOMIC AGGREGATES

RECLASSIFIED INCOME STATEMENT (in €/million)

	3/08	3/07 (*)	% change	12/07 (*)
interest margin	145.4	125.1	16.2	534.5
non-interest margin	91.9	132.3	(30.5)	471.0
banking margin	**237.3**	**257.4**	**(7.8)**	**1.005.5**
personnel costs	(99.9)	(95.8)	4.3	(383.9)
administrative costs	(60.6)	(57.6)	5.2	(234.3)
Operating costs	**(160.5)**	**(153.4)**	**4.6**	**(618.2)**
EBITDA	**76.8**	**104.0**	**(26.2)**	**387.3**
amortisation/depreciation	(8.1)	(6.7)	20.9	(30.8)
net operating profit	68.7	97.3	(29.4)	356.5
provisions for risks and charges	4.4	(0.3)	n.s.	(20.6)
extraordinary income/charges	(0.2)	2.0	n.s.	41.5
adjustments to loans, net	(10.0)	(6.0)	66.6	(53.2)
PRE-TAX PROFIT	62.9	93.0	(32.4)	324.2
minority interest profit/loss	0.0	0.0	-	0.0
income taxes	(15.5)	(37.8)	(59.0)	(74.8)
NET PROFIT	**47.4**	**55.2**	**(14.1)**	**249.4**

(*) The following were carried out for a uniform comparison:

- for Credemvita, consolidated under the equity method in prior years, consolidation on a line-by-line basis according to the proportional method
- for Euromobiliare Sim, sold at the end of 2007, elimination of the relative contribution.

KEY:

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

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

Banking margin
(Interest margin + Non-interest margin)

Operating costs
+ Item 180 Administrative costs

EBITDA
(Banking margin – Operating costs)

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

Net operating profit
(EBITDA – Depreciation & Amortization)

Net provisions for risks and charges
+ Item 190 Net provisions for risks and charges

Adjustments to loans, net
+ Item 130 Net value adjustments/write-backs for impairment of loans (:a:) and other assets ("d")

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

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

The interest margin grew 16.2%, mainly as a result of growth in loan volumes (+10.2%), with the customer spread unvaried compared to the same period in 2007.
The non-interest margin recorded a decrease of 30.5%, with its most significant component, commissions, declining by 10.7%.
The asset management aggregate (-18%) saw a reduction in commissions from collective management (-13.1%): this decrease is mainly attributable to the aforementioned difficulties in the sector. The negative variation of commission relative to individual asset management was less severe (-3.8%). Commissions for the placement of insurance products showed slight growth (+2.7%).
Again on the subject of contributions from commissions, there was a strong decrease in the segment related to trading on behalf of third parties, due to the difficulties related to continued uncertainty in the financial markets.
These difficulties had a heavy impact on the trading component (from € +33 to € 0 million): this impacted the result from own trading, as well as from trading where customers are the counterparty, which showed limited activity and focused on simple products with guaranteed return. First quarter also saw the loss of significant income that impacted the first part of 2007, related to the valuation of a portfolio of interest-rate derivatives, previously classified as hedging, under trading.
Regarding positions having American sub-prime mortgages as their underlying asset, 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 per thousandth of the portfolio, and the impact on the income statement was essentially insignificant.

NON-INTEREST MARGIN ANALYSIS

	3/2008	**3/2007**	% change
management and brokerage	47.4	57.8	(18.0)
banking services	30.2	29.1	3.8
net commissions	77.6	86.9	(10.7)
Abaxbank banking margin	9.3	15.4	(39.6)
Credemvita banking margin	2.3	2.4	(4.2)
Securities trading, exchange rates and derivatives of other group companies	(11.7)	15.4	(176.0)
securities trading, exchange rates and derivatives	(0.1)	33.2	(100.3)
other income and charges	14.4	12.2	18.5
non-interest margin	**91.9**	**132.3**	**(30.5)**

An analysis of the main aggregates and the contribution of the individual companies is provided below.

BANKING MARGIN

	3/ 2008		3/ 2007		change
	amount	% impact	amount	% impact	%
Credito Emiliano (*)	190.6	79.1	197.5	76.2	(3.5)
Credem International (Lux)	3.8	1.6	5.9	2.3	(35.6)
Credemleasing	8.4	3.5	7.7	3.0	9.1
Credemfactor	3.4	1.4	3.7	1.4	(8.1)
Banca Euromobiliare	11.5	4.8	14.2	5.5	(19.0)
Euromobiliare A.M. SGR	3.6	1.5	4.7	1.8	(23.4)
Magazzini Generali delle Tagliate	0.8	0.3	0.9	0.3	(11.1)
Credemtel	2.4	1.0	2.2	0.8	9.1
Credemvita	2.3	1.0	2.4	0.9	(4.2)
Other companies	1.8	0.7	1.5	0.6	20.0
Subtotal "captive"	228.6	94.9	240.7	92.8	(5.0)
Abaxbank	9.3	3.9	15.4	5.9	(39.6)
Banca Euromobiliare (Suisse)	2.9	1.2	3.3	1.3	(12.1)
Subtotal "other	12.2	5.1	18.7	7.2	(34.8)
aggregate	240.8	100.0	259.4	100.0	(7.2)
consolidation adjustments	(3.5)		(2.0)		
Banking margin	**237.3**		**257.4**		**(7.8)**

(*) net of dividends received by group companies

OPERATING COSTS

	3/ 2008		3/ 2007		change
	amount	% impact	amount	% impact	%
Credito Emiliano (*)	130.8	79.2	125.3	79.4	4.4
Credem International (Lux)	1.1	0.7	1.1	0.7	0.0
Credemleasing	2.4	1.5	2.2	1.4	9.1
Credemfactor	1.4	0.9	1.1	0.7	27.3
Banca Euromobiliare	10.2	6.2	10.5	6.6	(2.9)
Euromobiliare A.M. SGR	3.3	2.0	3.5	2.2	(5.7)
Magazzini Generali delle Tagliate	0.6	0.4	0.6	0.4	0.0
Credemtel	1.9	1.2	1.8	1.1	5.6
Credemvita	0.8	0.5	0.7	0.4	14.3
Other companies	1.8	1.1	1.2	0.8	50.0
Subtotal "captive"	154.3	93.7	148.0	93.7	4.3
Abaxbank	8.7	5.3	8.3	5.3	4.8
Banca Euromobiliare (Suisse)	1.7	1.0	1.6	1.0	6.2
Subtotal "other	10.4	6.3	9.9	6.3	5.1
Aggregate	164.7	100.0	157.9	100.0	4.3
consolidation adjustments	(4.2)		(4.5)		
Operating costs	**160.5**		**153.4**		**4.6**

EBITDA

	3/ 2008		3/ 2007		change
	amount	% impact	amount	% impact	%
Credito Emiliano (*)	59.8	78.5	72.2	71.1	(17.2)
Credem International (Lux)	2.7	3.5	4.8	4.7	(43.8)
Credemleasing	6.0	7.9	5.5	5.4	9.1
Credemfactor	2.0	2.6	2.6	2.6	(23.1)
Banca Euromobiliare	1.3	1.7	3.7	3.6	(64.9)
Euromobiliare A.M. SGR	0.3	0.4	1.2	1.2	(75.0)
Magazzini Generali delle Tagliate	0.2	0.3	0.3	0.3	(33.3)
Credemtel	0.5	0.7	0.4	0.4	25.0
Credemvita	1.5	2.0	1.7	1.7	(11.8)
Other companies	0.0	0.0	0.3	0.3	(100.0)
Subtotal "captive"	74.3	97.6	92.7	91.3	(19.8)
Abaxbank	0.6	0.8	7.1	7.0	(91.5)
Banca Euromobiliare (Suisse)	1.2	1.6	1.7	1.7	(29.4)
Subtotal "other	1.8	2.4	8.8	8.7	(79.5)
Aggregate	76.1	100.0	101.5	100.0	(25.0)
consolidation adjustments	0.7		2.5		
EBITDA	**76.8**		**104.0**		**(26.2)**

(*) net of dividends received by group companies

The increase in general costs was in line with forecasts.
With regard to the risk profile, the year saw an increase in the impact of adjustments and provisions relating to credits and non-credit disputes: it is worth noting, however, that the values for both these segments were at normal levels for the size of the company.
No significant extraordinary components impacted the period under review.

In order to fully analyse the results of the period under review, the table illustrates an analysis of the quarterly economic performance for the prior year, highlighting the percentage variations of first quarter 2008 compared to third and fourth quarters 2007.
The result appears to be clearly in line with the trend highlighted during the second half of the previous year.

						% change on	
	I/07	II/07	III/07	IV/07	I/08	III/07	IV/07
banking margin	257.4	277.8	228.3	242.0	237.3	3.9	(1.9)
Operating costs	(153.4)	(155.2)	(155.9)	(153.7)	(160.5)	3.0	4.4
EBITDA	104.0	122.6	72.4	88.3	76.8	6.1	(13.0)
pre-tax profit	93.0	105.2	62.0	64.0	62.9	1.5	(1.7)

OPERATING PROFIT FOR THE YEAR

	3/ 2008				3/ 2007				
	profit	adj.	Contr. to cons. profit	% *impact*	profit	adj.	Contr. to cons. profit	% *impact*	% *change*
Credito Emiliano	37.0	0.4	37.4	78.9	54.9	(17.4)	37.5	68.0	*(0.3)*
Credem International (Lux)	2.5	(0.3)	2.2	4.6	4.4	(0.3)	4.1	7.4	*(46.3)*
Credemleasing	3.6	0.0	3.6	7.6	2.4	0.0	2.4	4.3	*50.0*
Credemfactor	1.4	0.0	1.4	3.0	1.2	0.0	1.2	2.2	*16.7*
Banca Euromobiliare	0.6	0.1	0.7	1.5	1.8	0.1	1.9	3.4	*(63.2)*
Euromobiliare A.M. SGR	0.1	0.0	0.1	0.2	0.7	0.0	0.7	1.3	*(85.7)*
CredemVita	1.3	0.0	1.3	2.7	2.0	(1.0)	1.0	1.8	*30.0*
Other "captive"	0.5	(0.5)	0.0	0.0	2.1	(1.2)	0.9	1.6	*(100.0)*
Subtotal "captive"	47.0	(0.3)	46.7	98.5	69.5	(19.8)	49.7	90.0	*(6.0)*
Abaxbank	(0.2)	0.0	(0.2)	(0.4)	4.2	0.0	4.2	7.6	*(104.8)*
Banca Euromobiliare (Suisse)	0.9	0.0	0.9	1.9	1.3	0.0	1.3	2.4	*(30.8)*
Subtotal "other"	0.7	0.0	0.7	1.5	5.5	0.0	5.5	10.0	*(87.3)*
consolidated	**47.7**	**(0.3)**	**47.4**	**100.0**	**75.0**	**(19.8)**	**55.2**	**100.0**	***(14.1)***

Credembanca's net equity and net profit for the period are reconciled with the consolidated amounts below (€/thousand):

	Shareholders'	of which:
Balances as at 31 March 2008 as per Credembanca individual financial	1,270,991	36,964
Surpluses compared with book values:		
• fully consolidated companies	183,170	10,011
• companies valued using the equity method	712	202
Dividends collected during the period	-	-356
Goodwill	17,087	-
Elimination of intragroup profits and other adjustments	-3,851	533
Balances as at 31 March 2008 as per consolidated financial	**1,468,109**	**47,354**

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

In terms of the context, the Italian economy has been negatively impacted by the slowdown in world growth, by strengthening of the euro, by inflationary pressures from price increases in raw materials (oil and agricultural) and by a worsening of the credit conditions for families and companies. Consequently, a slowdown in growth is expected for the main real indicators: gross domestic product should undergo growth of between 0.4% and 1% (according to the leading economists), while investments are expected to be the most dynamic component of internal demand (with growth of around 1.8%). Assuming a cut in rates by the ECB during the second half of the current year, short-term rates should undergo a slight adjustment, while medium-term rates are expected to show limited growth.
Regarding the main banking aggregates:

- financial assets of families are expected to undergo growth of around 4%; the portion of investments in securities is expected to rise, sustained by the continued interest of investors in public securities and bank bonds, in addition to a renewed focus by banks on the retail market;
- the asset management market will continue to experience difficulty. Initial industry data for 2008 highlight a continuing negative trend: in January 2008, managed assets net of duplicates of Group UCIs showed a decline of 7%, while total UCIs in February 2008 were down 13%, with negative deposits of € 26 billion (Assogestioni data).

Although they are slowing down, loans are still expected to record a significant increase, albeit at lower growth rates than in previous years.
Regarding the overall trend in profitability, the remainder of 2008 is expected to undergo positive performance of the financial contribution and difficulties in the sector of asset management and own trading.

In order to support the external development of the group already underway, as well as any future investment options deemed to be of interest, we also report that, as at today's date, the Board of Directors resolved to submit the following proposals to the attention of the Extraordinary Shareholders' Meeting scheduled for this 26 June:

- grant authorisation to the Board of Directors, pursuant to art. 2443 of the Civil Code, to carry out an increase in capital, to be offered as an option to those eligible (and with ample powers to establish the methods, terms and conditions of the operation, including the issue price), up to a maximum (including the premium) of € 500 million, to be carried out at one or more times and within a maximum period of 5 years from the meeting date; as part of said authorisation, the Board of Directors shall carry out an initial tranche of said increase, according to the same methods indicated above and for a maximum amount (including the premium) of € 250 million within one year from the meeting date;
- make the necessary statutory amendments in accordance with the above.

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

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

We declare, pursuant to paragraph 2 of art. 154-bis of Legislative Decree 98/1998 (Consolidated Finance Law), that the accounting information contained in this consolidated quarterly report of Credito Emiliano spa as at 31 March 2008 corresponds to the information contained in the documents, books and accounting entries.

Manager in charge of preparing the company's financial reports

Paolo Tommasini

ATTACHMENTS

STATUTORY FINANCIAL STATEMENTS

BALANCE SHEET INCOME STATEMENT

Balance sheet
(in €)

	Total assets	31/03/2008	31/03/2007
10.	Cash and cash equivalents	88,838,540	79,367,044
20.	Financial assets held for trading	1,197,063,852	1,936,734,227
30.	Financial assets valued at fair value	436,824,962	72,385,271
40.	Available-for-sale financial assets	11,385,336	37,513,777
60.	Due from banks	4,643,867,351	6,028,436,112
70.	Loans to customers	14,698,941,143	13,440,657,897
80.	Hedging derivatives	21,406,162	9,296,429
100.	Equity investments	396,721,229	345,791,254
110.	Tangible assets	251,210,118	227,022,129
120.	Intangible assets	44,719,873	44,524,731
	- of which: goodwill	25,701,372	25,692,101
130.	Tax assets	121,212,522	97,696,974
	a) current	89,068,949	56,711,418
	b) prepaid	32,143,573	40,985,556
140.	Non-current assets held for sale and discontinued operations	12,086,277	-
150.	Other assets	486,111,086	575,453,038
	Total assets	**22,410,388,451**	**22,894,878,883**

Balance sheet
(in €)

	Liabilities and shareholders' equity	31/03/2008	31/03/2007
10.	Due to banks	3,440,169,090	4,811,970,709
20.	Due to customers	9,187,864,185	9,335,712,657
30.	Outstanding securities	6,279,416,335	4,682,580,967
40.	Financial trading liabilities	270,626,208	309,925,721
50.	Financial liabilities valued at fair value	719,900,151	1,216,402,335
60.	Hedging derivatives	26,797,402	5,583,027
80.	Tax liabilities	206,092,690	243,474,049
	a) current	110,954,861	125,266,890
	b) deferred	95,137,829	118,207,159
100.	Other liabilities	865,462,805	1,020,770,844
110.	Staff termination pay	78,139,047	90,372,799
120.	Provisions for risks and charges:	64,929,642	52,035,605
	a) pensions and similar	1,471,207	1,429,476
	b) other funds	63,458,435	50,606,129
130.	Valuation reserves	39,434,464	51,580,075
160.	Reserves	829,214,115	659,324,426
170.	Share premium reserve	83,051,074	78,728,259
180.	Share capital	282,327,292	281,475,792
200.	Profit (Loss) for the year (+/-)	36,963,951	54,941,618
	Total liabilities and shareholders' equity	**22,410,388,451**	**22,894,878,883**

Income statement
(in €)

	Items	31/03/2008	31/03/2007
10.	Interest income and similar revenues	287,103,584	260,754,723
20.	Interest expense and similar charges	(157,511,130)	(149,926,246)
30.	**Interest margin**	**129,592,454**	**110,828,477**
40.	Commission income	66,605,402	70,536,659
50.	Commission expense	(8,764,001)	(9,453,734)
60.	**Net commissions**	**57,841,401**	**61,082,925**
70.	Dividends and similar revenues	194,275	18,409,997
80.	Net result from trading activities	(14,023,071)	13,304,031
90.	Net result from hedging activities	(77,836)	102,305
100.	Profit (loss) from sale or repurchase of:	450,674	2,615,787
	b) available-for-sale financial assets	335,075	2,564,197
	d) financial liabilities	115,599	51,590
110.	Net profit from financial assets and liabilities valued at fair value	1,649,380	(105,006)
120.	**Banking margin**	**175,627,277**	**206,238,516**
130.	Net value adjustments/write-backs for impairment of:	(9,840,347)	(4,234,877)
	a) receivables	(10,253,558)	(4,722,471)
	d) other financial transactions	413,211	487,594
140.	**Net profit from banking activities**	**165,786,930**	**202,003,639**
150.	Administrative costs:	(130,767,475)	(125,348,270)
	a) personnel costs	(81,945,925)	(78,555,331)
	b) other administrative costs	(48,821,550)	(46,792,939)
160.	Net allocations to provisions for risks and charges	4,182,260	(144,488)
170.	Net value adjustments/write-backs to tangible assets	(3,612,297)	(3,209,153)
180.	Net value adjustments/write-backs to intangible assets	(3,206,801)	(2,039,190)
190.	Other operating income/charges	14,661,598	11,376,880
200.	**Operating costs**	**(118,742,715)**	**(119,364,221)**
210.	Profit (Loss) from equity investments	-	261,006
240.	Profit (Loss) from disposal of investments	(75,527)	
250.	**Profit (Loss) from current operations before taxes**	**46,968,688**	**82,900,424**
260.	Income taxes for current operations	(10,004,737)	(27,958,806)
270.	**Profit (Loss) from current operations after taxes**	**36,963,951**	**54,941,618**
290.	**Profit (Loss) for the year**	**36,963,951**	**54,941,618**

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

	Balance as at 31/12/2007	Initial balance changes	Balance as at 01/01/2008	Allocation of net result from previous period		Changes in the period							Profit (Loss) for the year as at 31/03/2008	Shareholders' equity as at 31/03/2008
							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	Stock options		
Share capital	282,327,292	-	282,327,292	-	-	-	-	-	-	-	-	-	-	**282,327,292**
a) ordinary shares	282,327,292	-	282,327,292	-	-	-	-	-	-	-	-	-	-	**282,327,292**
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Share premium reserve	83,051,074	-	83,051,074	-	-	-	-	-	-	-	-	-	-	**83,051,074**
Reserves	662,313,510	-	662,313,510	167,054,199	-	-235,711	-	-	-	-	-	82,117	-	**829,214,115**
a) profit reserve	659,954,978	-	659,954,978	167,054,199	-	-235,711	-	-	-	-	-	-	-	**826,773,466**
b) other	2,358,532	-	2,358,532	-	-	-	-	-	-	-	-	82,117	-	**2,440,649**
	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Valuation reserves:	51,920,688	-	51,920,688	-	-	-12,486,224	-	-	-	-	-	-	-	**39,434,464**
a) available-for-sale	5,828,422	-	5,828,422	-	-	-785,154	-	-	-	-	-	-	-	**5,043,268**
b) cash flow hedging	10,462,127	-	10,462,127	-	-	-11,701,070	-	-	-	-	-	-	-	**-1,238,943**
c) other:	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
- tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
- special revaluation laws	35,630,139	-	35,630,139	-	-	-	-	-	-	-	-	-	-	**35,630,139**
- intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
- reserve for exchange rate differences	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
- hedging of investments for foreign transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
- reserves related to groups of assets being disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Profit (Loss) for the year	268,692,024	-	268,692,024	-167,054,199	-101,637,825	-	-	-	-	-	-	-	36,963,951	**36,963,951**
Shareholders' equity	1,348,304,588	-	1,348,304,588	-	-101,637,825	-12,721,935	-	-	-	-	-	82,117	36,963,951	**1,270,990,896**