

CREDEM

CREDEM
1Q07 Results

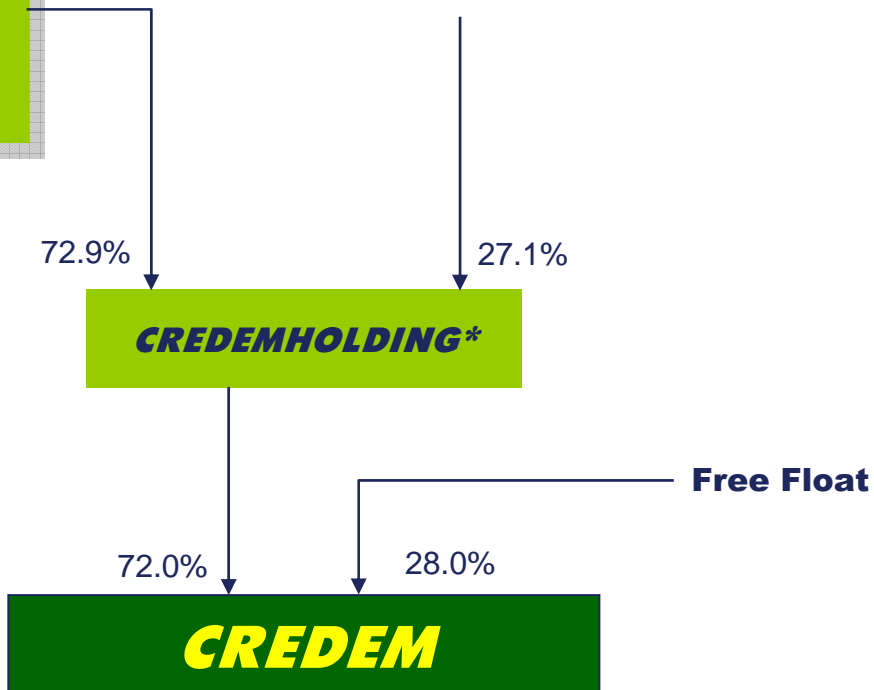
- ***CREDEM at a Glance***

- *Key Data*
- *1Q07 Results*
- *Long Term Strategy*

Pact among 230 shareholders

Maramotti family	35.5%
Pictet Cie	4.9%
Eredi Savioli	2.9%
Fincorrad	2.1%
Allianz Subalpina	1.7%

More than 2,900 other shareholders



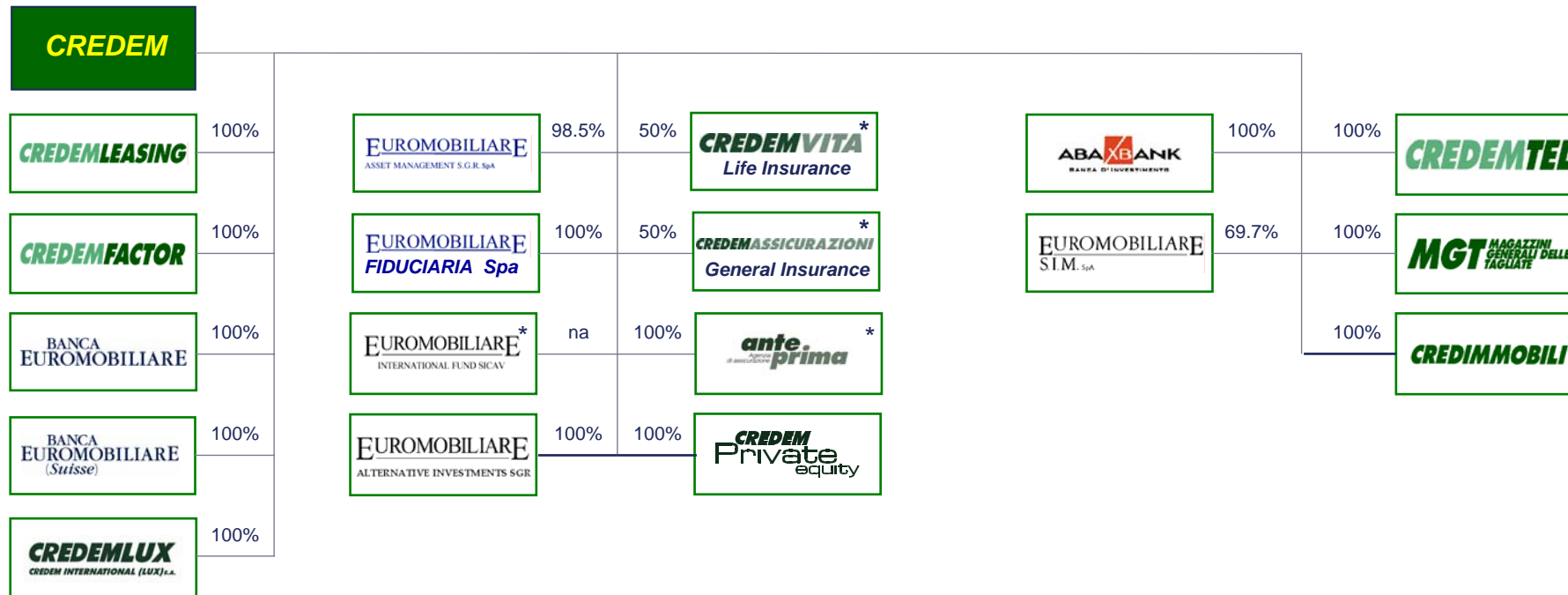
- *Listed on Milano Stock Exchange since 1997*
- *Market cap around EURbn 3.3*
- *RATINGS : A- S&P Long Term – Outlook Positive
A Fitch Long Term – individual B – Outlook Stable*

Commercial Banking

Wealth Management

Investment Banking

Other



- 516 branches and corporate centres in Italy
- 790,000 customers and over EURbn 70 in customer total business**

•Not consolidated

•**Sum of activities with customers (AUC, loans, AUM, direct fundings)

Group branches as at 31 March, 2007

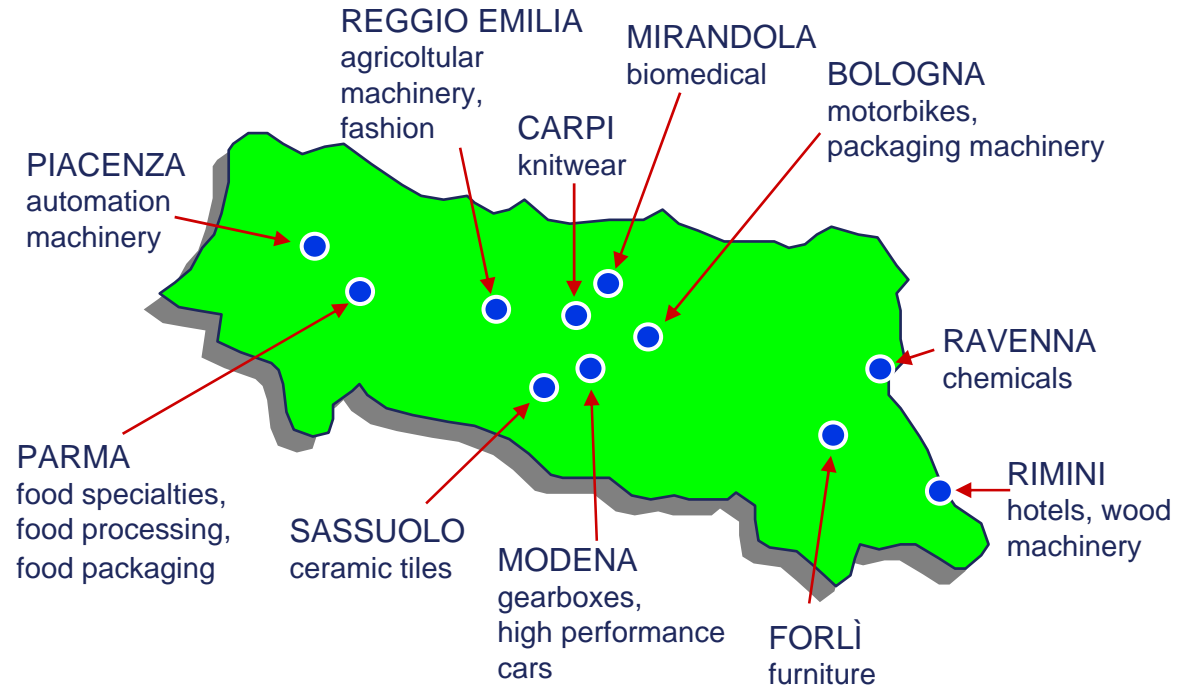


	12/31/06	3/31/07
Credem Branches & others	447	454
B.ca Euromobiliare Branches	21	21
Total Branches	468	475
Corporate Centres	41	41
Credem Points	25	23
Banca Euro Financial Stores	37	36
	12/31/06	3/31/07
Banca Euromobiliare Advisors	316	304
Credem Advisors	484	467
Advisors with mandate*	800	771
Advisors with employee status	213	218
Total Advisors	1,013	989
Credem Group Employees	5,095	5,188

* not on group's payroll

Main Industrial Districts

- Region of Emilia-Romagna rating: Aa2 stable /A+ stable, Moody's/S&P
- About 4.1 million people (7% of the Italian population)
- A wealthy and well diversified economy, with strong positions in several markets and leading industrial districts
- 8.7% of the national total GDP
- Eur 29K regional GDP per capita (25% higher than Italian average, among the top 20 regions of Europe)
- Eur 31 bn in exports (more than 11% of the national exports in 2003)
- Unemployment rate of 3.5%, well below the national average (7%). 1 company every 10 people, 90% of companies have less than 5 people. 4.3 employees per company on average
- 4 Universities (Bologna, Parma, Modena & Reggio Emilia and Ferrara). 162,000 students



Sources: Censis, Eurostat, Unioncamere, Bloomberg

CREDEM market shares as at 31 December 2006

	Deposits & Fundings	Loans
Emilia-Romagna	3.9%	4.3%
Italy	1.5%	1.0%

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Comparison with the Industry*

	CREDEM	Sample** Average
Non Interest Income/ Total Income	60.7%	47.9%
Spread	3.32%	3.82%
Cost to Income (including D&A)	60.5%	56.1%
EBIT	39.5%	43.8%
Operating Profit/RWAs	2.82%	2.36%
NPL ratio	0.22%	1.24%
ROE***	16.7%	11.0%

*FY06 figures

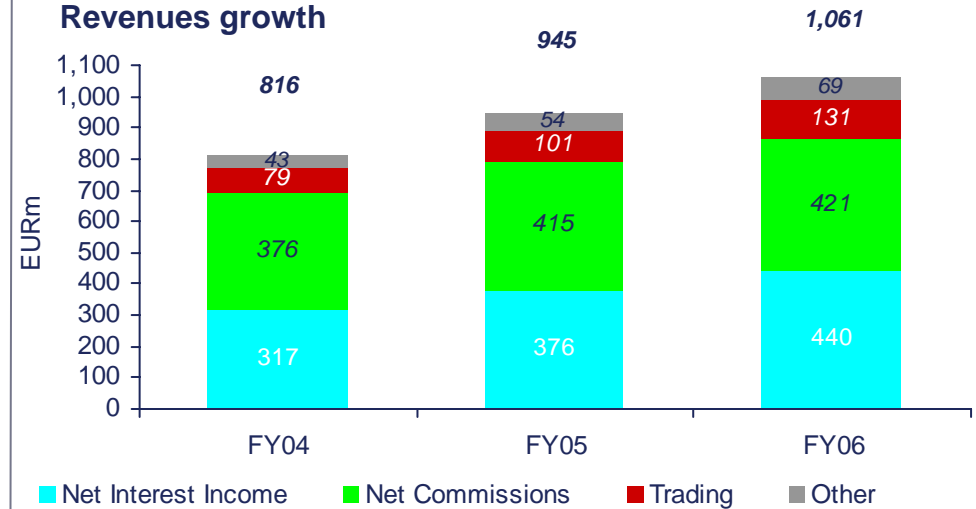
**Sample includes BPM, BPU, BPVN, Capitalia, Carifi, Carige, Credem, Intesa San Paolo pf, MPS, Unicredit (about 75% of the industry)

***Equity includes dividend payout

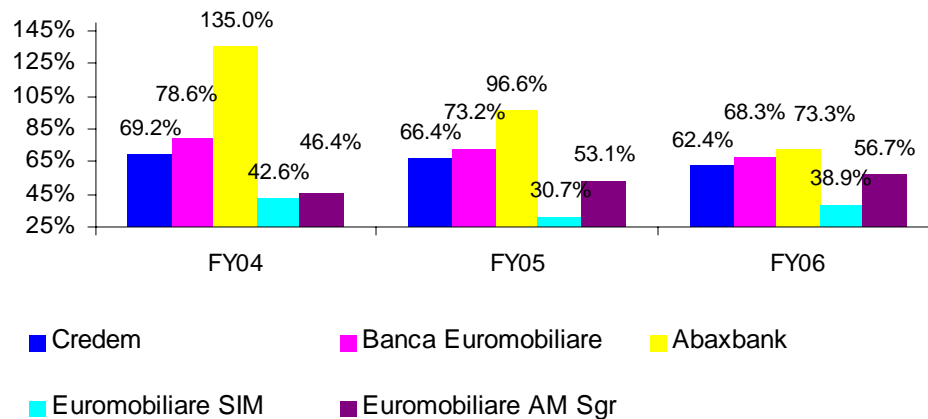
Key Indicators

	FY04	FY05	FY06
EBIT/Total Income	30.1%	35.2%	39.2%
Revenues per Employee (EUR,000)	164.0	190.0	211.4
Oper. Costs per Employee (EUR,000)	108.6	123.9	123.3
Non Interest Income/ Total Income	61.1%	60.3%	58.5%
Operating Costs/Non Interest Income	108.3%	100.3%	99.7%

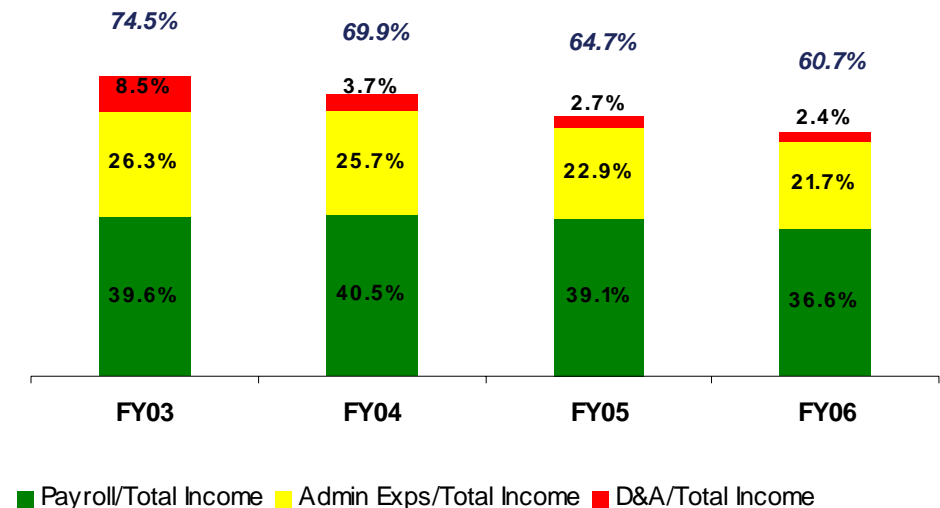
Revenues growth



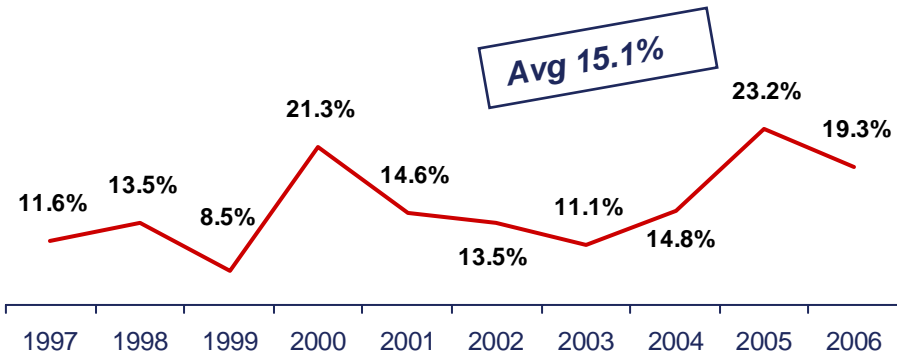
Cost/Income trend for main group companies (excluding D&A)



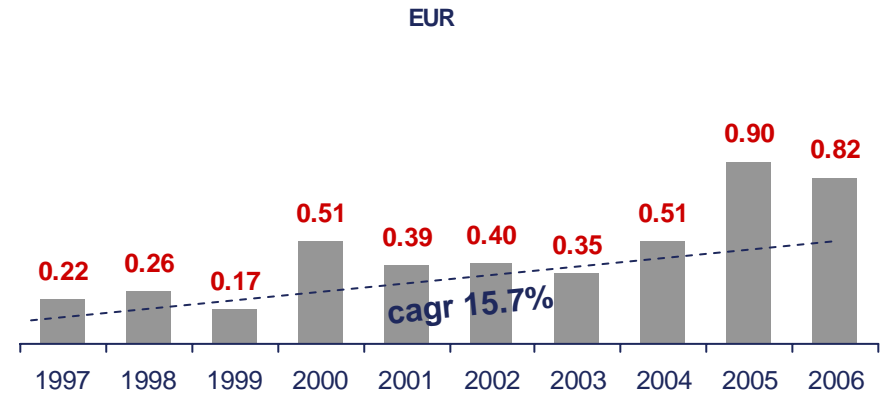
Consolidated Cost to Income trend (including D&A)



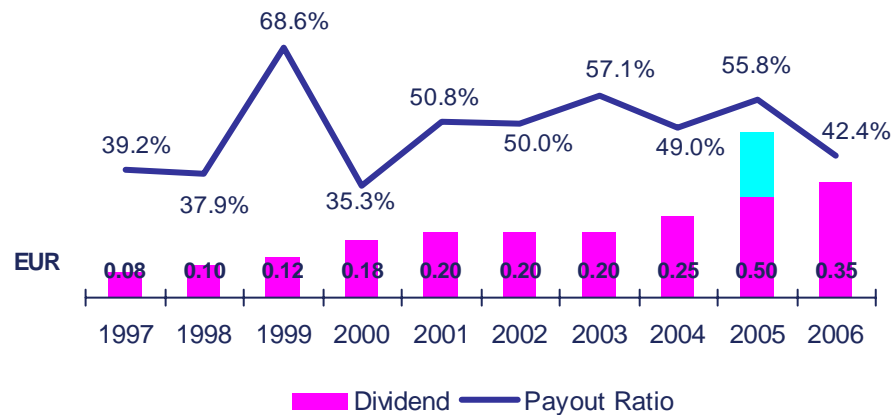
ROE



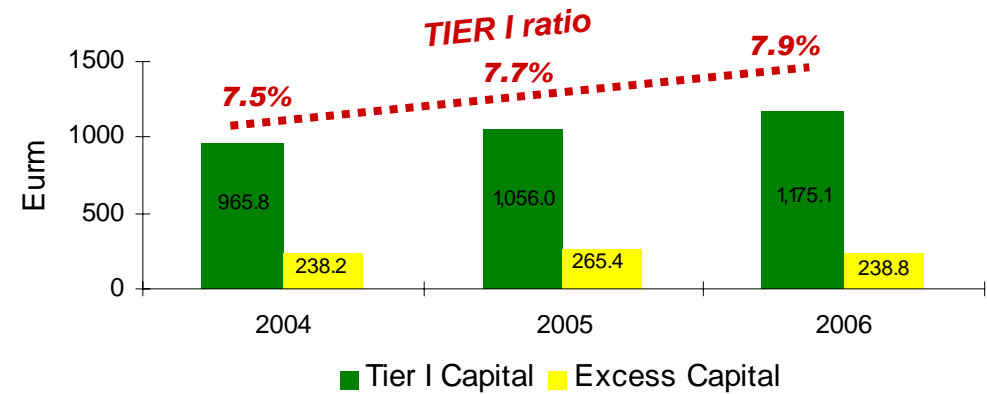
EPS



Dividend and Payout Ratio

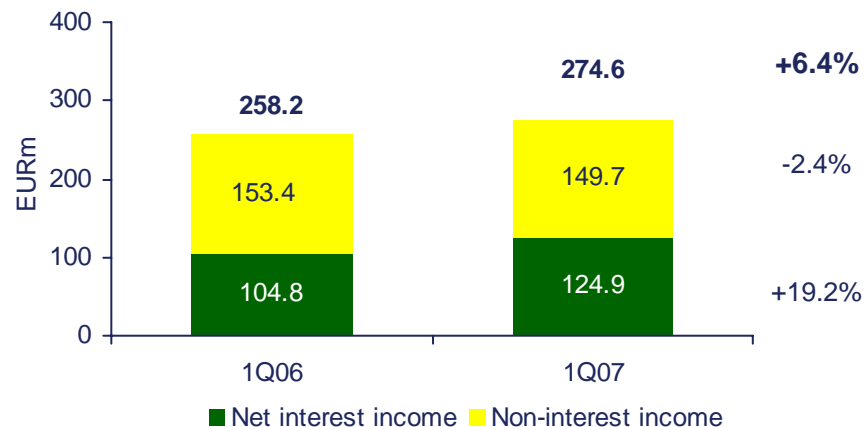


Capital Adequacy

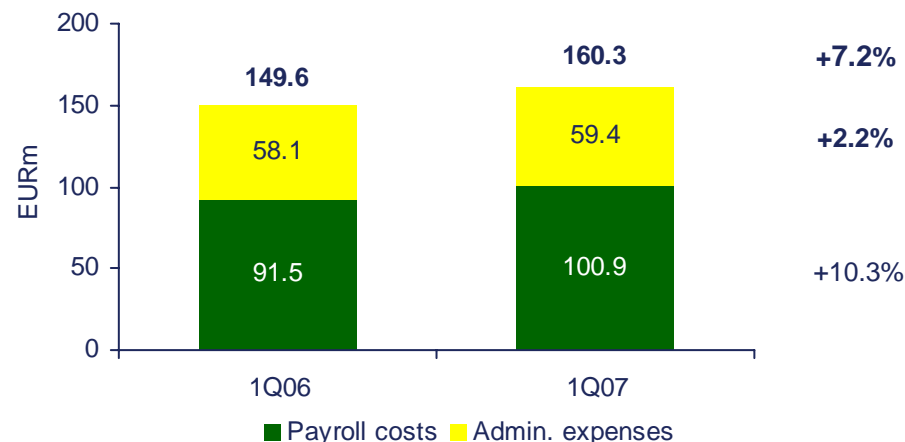


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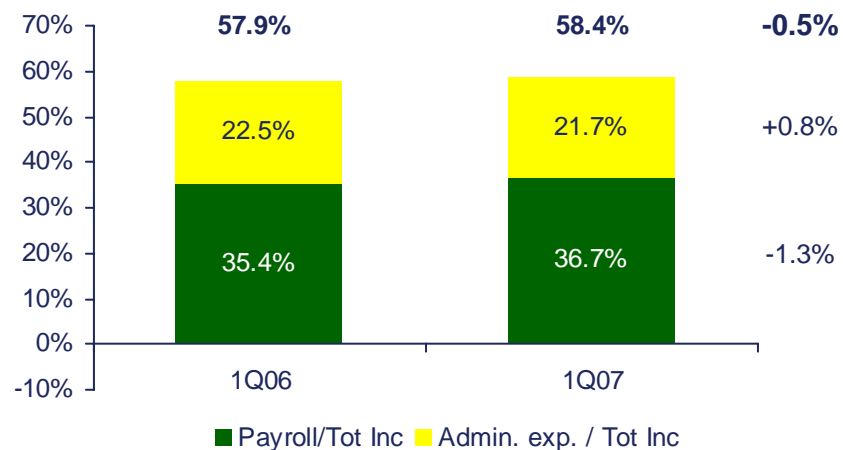
Total Income



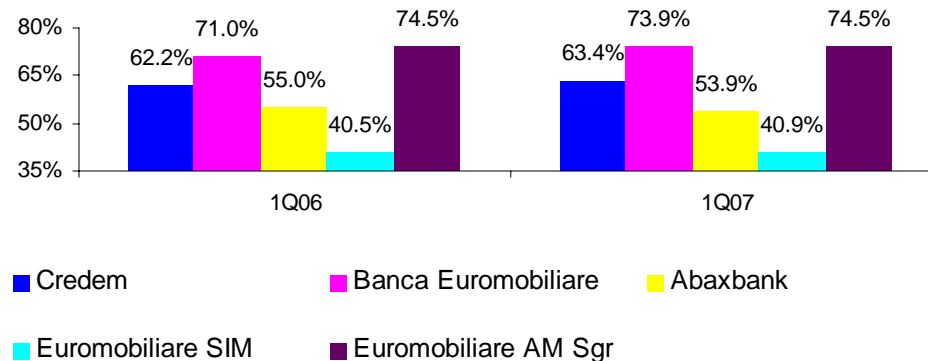
Operating Costs



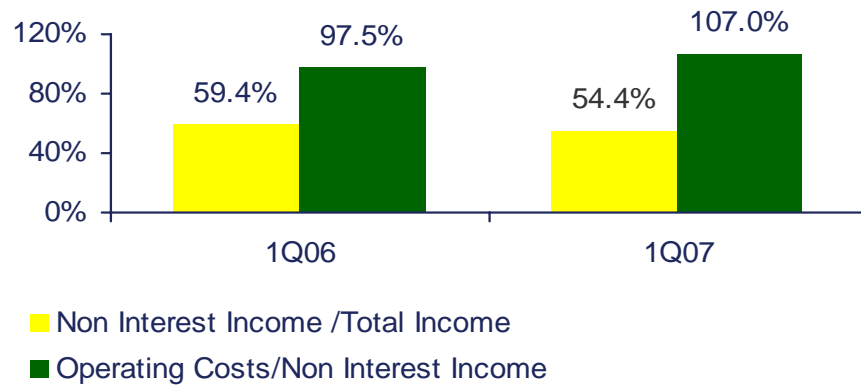
Consolidated Cost/Income



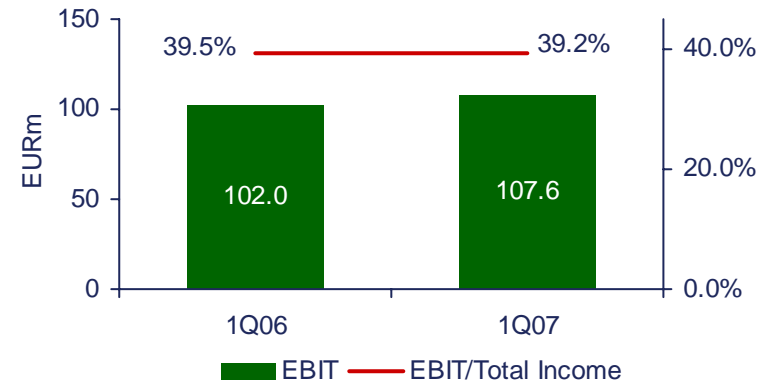
Cost/Income trend for main group companies (excluding D&A)



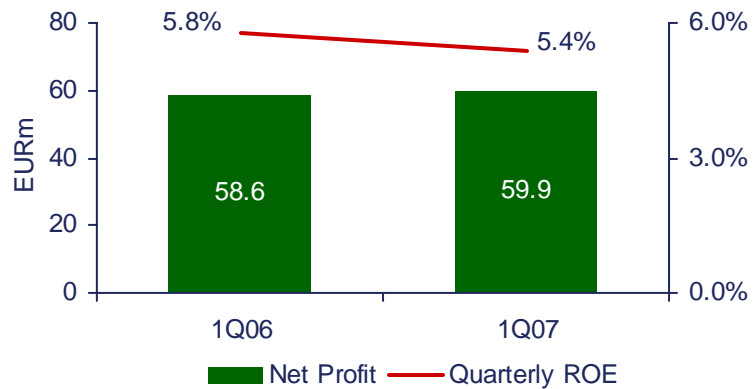
Efficiency



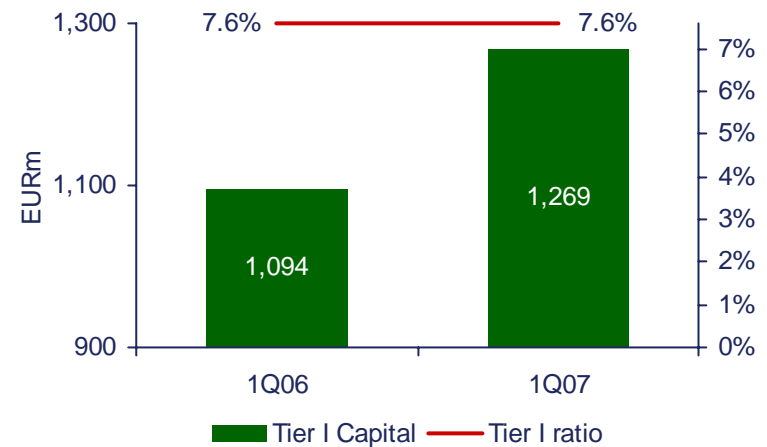
Profitability



ROE



Capital adequacy



EURm	1Q06	FY06	1Q07	% yoy
Total Income	258.2	1,060.9	274.6	6.4
Operating Costs	-149.6	-618.8	-160.3	7.2
EBITDA	108.6	442.1	114.3	5.2
Amortization and Depreciation	-6.6	-25.9	-6.7	1.5
EBIT	102.0	416.2	107.6	5.5
Net Loan Writedowns	-4.8	-25.6	-6.0	
Provisions for Risks and Expenses	1.67	-8.6	-0.3	
Extraordinary Income (Expenses)	4.7	7.6	2.0	
Pre-tax Profit	103.5	389.6	103.3	-0.2
Income Taxes	-42.4	-147.9	-2.0	-20.0
Minority Interests	-2.5	-9.6	-41.4	-2.4
Net Profit	58.6	232.1	59.9	2.2

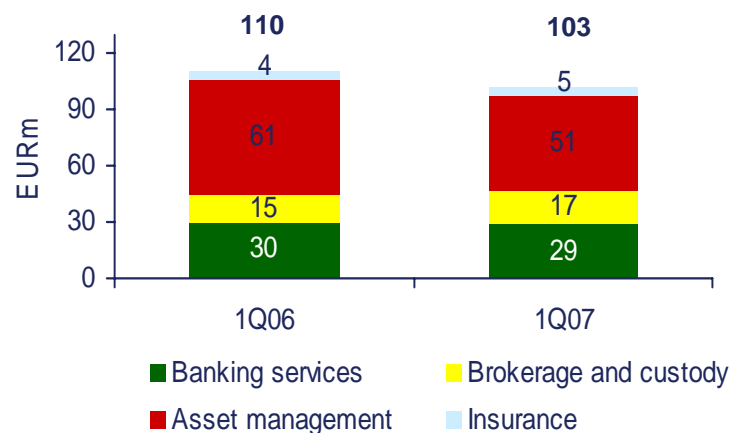
Total Income breakdown

EURm	1Q06	FY06	1Q07	% yoy
Net Interest Income	104.8	440.3	124.9	19.2
Commercial Spread	3.29	3.39	3.69	43bps
Avg loan rate	4.34	4.64	5.36	102bps
Avg deposit rate	-1.05	-1.25	-1.68	63bps
Net Commission Income	110.3	420.9	102.9	-6.7
- of which: Management and Brokerage	80.0	303.4	73.8	-7.8
- of which: Banking Services	30.3	117.5	29.1	-4.0
Trading Income	30.2	131.1	34.5	14.2
- of which Abaxbank	17.1	49.1	15.4	-9.9
- of which Other Companies	13.1	82.0	19.1	45.8
Other Income and Expenses	12.9	68.6	12.3	-4.7
Non-Interest Income	153.4	620.6	149.7	-2.4

Normalization of Pre-tax Profit

EURm	1Q06	1Q07	% yoy
Pre-tax Profit	103.5	103.3	-0.2%
Capital Gains from Investments Sales	-3.6	-2.6	
Normalized Pre-tax Profit	99.9	100.7	0.8%

Net Commission Income breakdown



Core business companies are defined as those involved in activities relying on the distribution network of the group

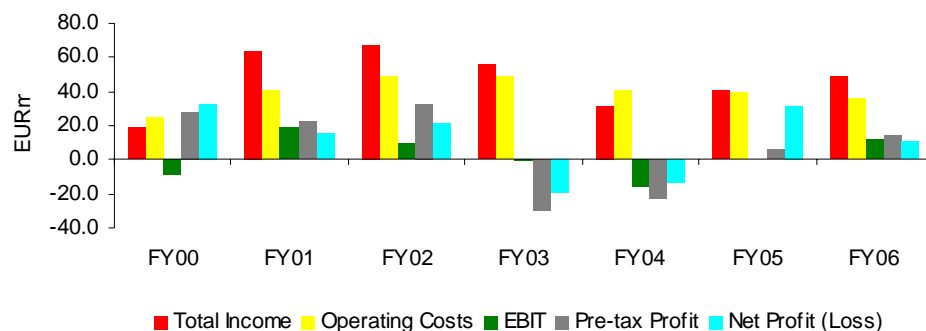
Total Income

EURm	1Q06	FY06	1Q07	%y/y
Core business	221.0	932.4	237.3	7.3
Credem	187.4	798.9	203.4	8.5
Banca Euromobiliare	14.5	61.6	14.2	-0.2
Euromobiliare A.M. SGR	6.5	23.1	4.7	-27.6
Credemleasing	7.3	30.1	7.7	5.5
Others and adjustments	5.3	18.7	7.3	37.7
Other activities	37.2	128.5	37.3	0.0
Euromobiliare SIM	17.1	67.4	15.4	-10.5
Abaxbank	17.3	49.1	18.6	7.5
B.ca Euromobiliare Suisse	2.8	12.0	3.3	17.9
Total	258.2	1,060.9	274.6	6.4

Net Profit

EURm	1Q06	FY06	1Q07	%y/y
Core business	49.7	195.5	49.7	0.0
Credem	42.0	159.9	41.6	-1.0
Banca Euromobiliare	2.1	10.3	1.9	-9.5
Euromobiliare A.M. SGR	1.9	5.6	0.7	-63.2
Credemleasing	3.4	11.7	2.4	-29.4
Others and adjustments	0.3	8.0	3.1	na
Other activities	8.9	36.6	10.2	15.2
Euromobiliare SIM	3.7	21.9	4.7	28.6
Abaxbank	4.2	10.7	4.2	0.0
B.ca Euromobiliare Suisse	1.0	4.0	1.3	30.0
Total	58.6	232.1	59.9	2.3

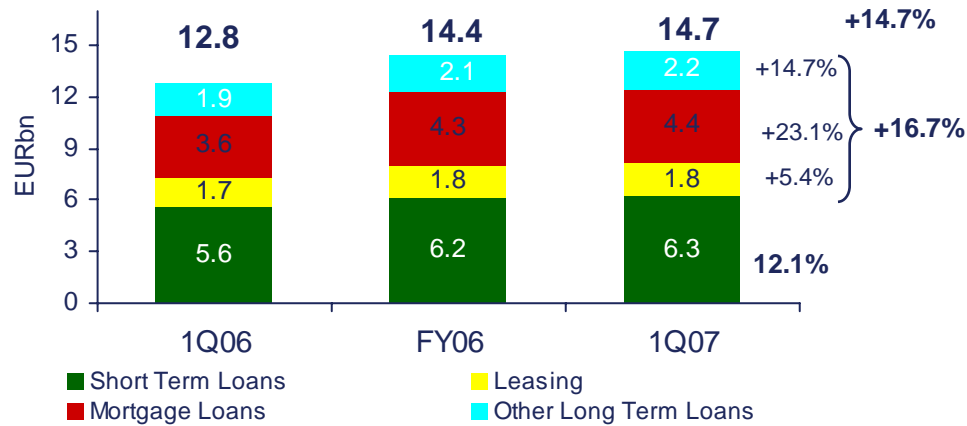
Abaxbank's performances history



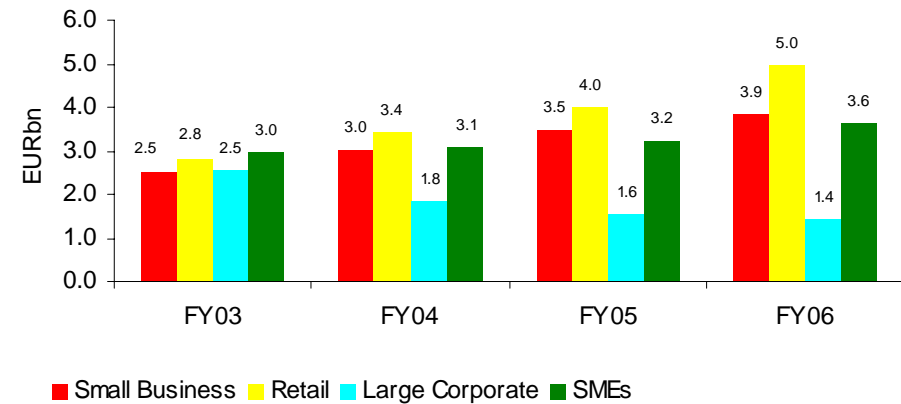
1Q07 Consolidated Results

	Core business	Other activities
Total Income	86.4%	13.6%
Operating Costs	89.4%	10.6%
EBITDA	82.3%	17.7%

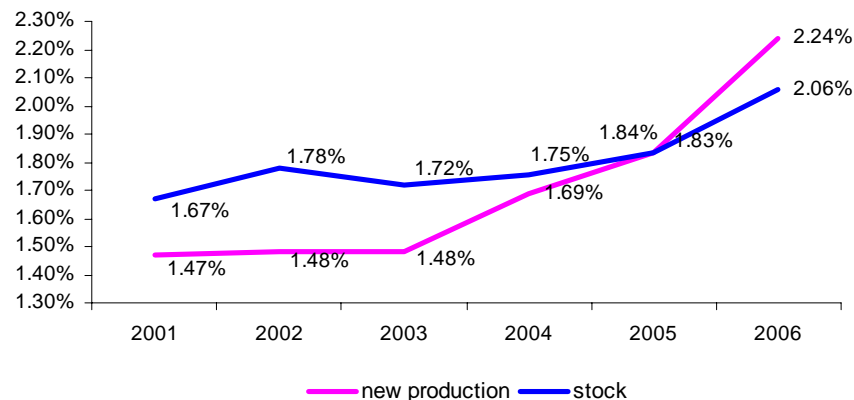
Lending volumes



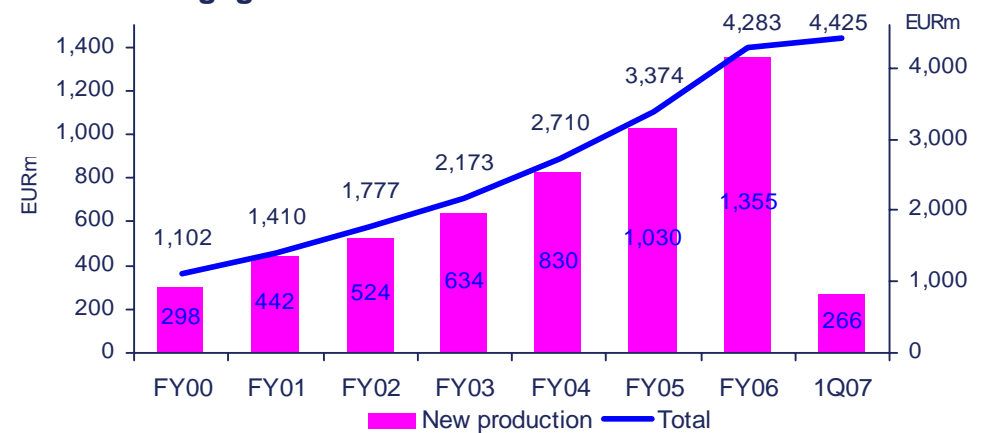
Loans by clients segment



CREDEM market shares in home mortgage Italian market

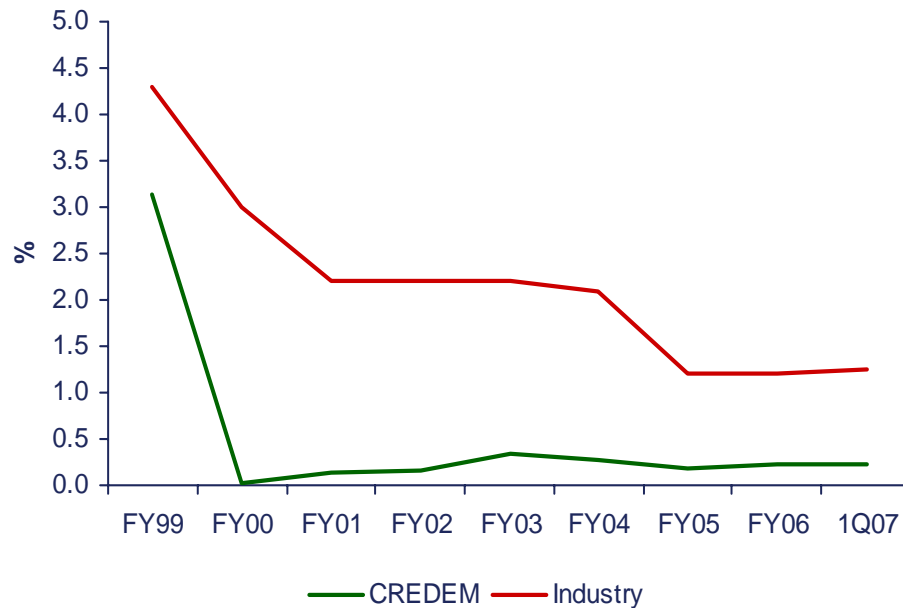


Home Mortgage Loans



Avg amount financed: 90€k – 56,000 mortgage loans - 5.4 €bn inflows since 2000

- Credit quality consistently high, with an **NPL ratio of 0.23%** (0.22% at December '06) compared to an industry average of 1.25% (Sources: Bank of Italy)



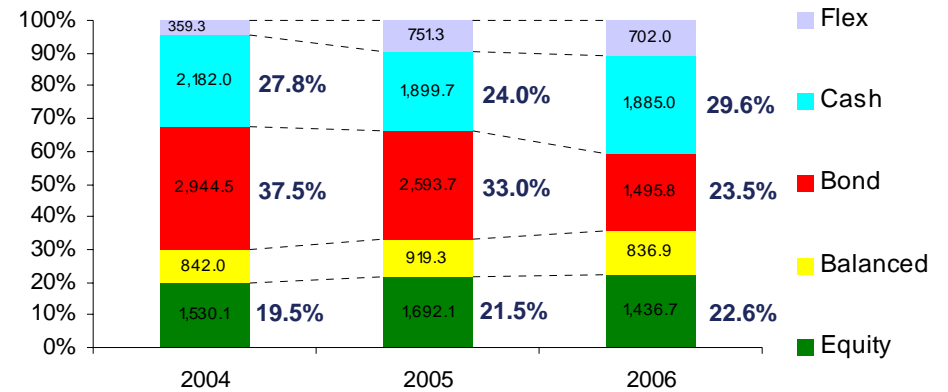
	3/31/06	12/31/06	3/31/07
Doubtful Loans/Total Loans	81.1%	0.77%	0.75%
NPL ratio	0.16%	0.22%	0.23%
Coverage Ratio	63.5%	60.3%	60.2%

- The management and collection of loans securitized in late 2000 continued with success. As at 31 December, 2006:
 - EURm 198 collected, vs. a maximum EURm 129 forecast;
 - senior tranche (ex EURm 100) paid back in full in 2004, five years ahead of schedule;
 - EURm 31 of the junior tranche (ex EURm 81) already paid back .
 - “Additional return” income of about EURm 5.0 in the year (EURm 8.5 and EURm 3.3 million in 2005 and 2004 respectively).

- Highly reliable, tested internal rating system in place for many years and Basel II compliant
- About 85% of credit related decisions approved at central level

EURm	1Q06	FY06	1Q07	% yoy
Deposits	8,736	10,020	10,106	15.7
Bonds	4,131	4,431	5,880	42.3
Portfolio Management	5,317	5,931	6,169	16.0
Mutual Funds and SICAVs	10,365	8,969	8,734	-15.7
of which Mutual Funds	7,553	6,468	5,877	-22.2
Hedge Funds	220	249	241	9.5
Insurance	1,822	1,896	1,929	5.9
Other	196	174	186	-5.1
AUM	17,920	17,220	17,259	-3.7
AUC	25,647	25,966	26,018	1.4
TOTAL	56,434	57,637	59,263	5.0

Mutual Funds breakdown



Breakdown by company

EURm	AUM	AUC	Deposits	TOTAL
Creдем	11,174	23,580	8,300	43,054
Banca Euromobiliare	4,667	1,480	606	6,753
Other Companies	1,418	958	1,200	3,576
TOTAL	17,259	26,018	10,106	

Bonds maturities



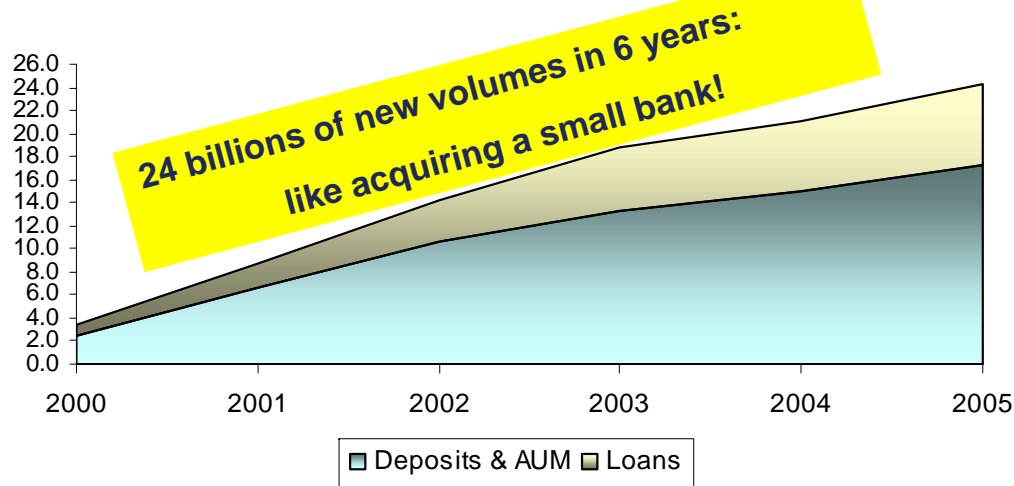
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1990 – 1999 ACQUISITIONS	2000 – 2003 ORGANIC GROWTH	2004 – 2006 PROFITABILITY
<ul style="list-style-type: none">• <i>Acquisition of more than 30 small banks</i>• <i>Acquisition in 1994 of Euromobiliare Group from Midland Bank</i>• <i>CREDEM stock listed on the Milan Stock Exchange in 1997</i>	<ul style="list-style-type: none">• <i>Divisionalisation</i>• <i>113 new branches opened</i>• <i>38 Corporate Centres created</i>• <i>Sizeable market shares increase</i>	<ul style="list-style-type: none">• <i>Value creation from acquired potential</i>• <i>Central role of CREDEM's core business</i>• <i>Focus on retail, SME's and small business</i>

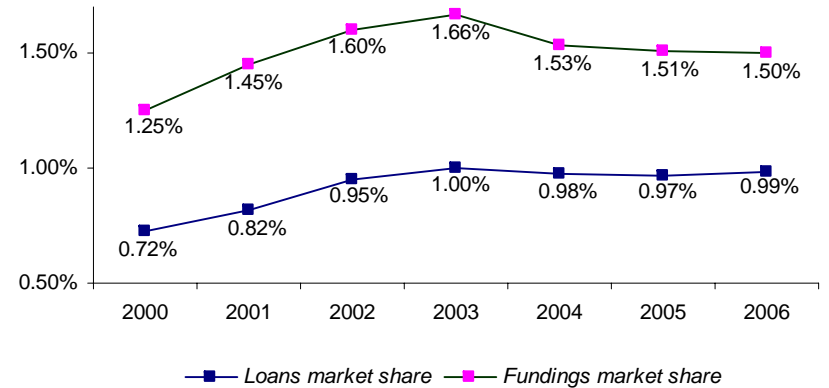
From 56 branches in 1990 to 516 branches and corporate centres today

Organic Growth: a choice confirmed

106 NEW branches and 40 corporate centres opened



Loans & Fundings market shares - Italy



Sources: Credem elaboration on public data

Sample of Small/Regional Italian Banks: 2005 data

EURbn	bank1	bank2	bank3	bank4	bank5	bank6	bank7	bank8	bank9	bank10
Deposits	11,3	8,1	10,5	5,3	7,1	4,8	4,6	3,8	3,0	2,6
AUM + AUC	18,6	21,1	11,6	15,5	6,8	8,0	3,8	3,8	4,6	2,3
Loans	9,8	5,9	9,9	3,5	5,3	4,7	4,7	3,5	2,7	2,5
TOTAL*	39,7	35,1	32,0	24,3	19,2	17,5	13,1	11,1	10,3	7,4
Branches	236	291	346	118	170	112	162	80	105	104

*refers to the Total Business as the sum of activities with customers (AUC, loans, AUM, deposits)

Sources: Credem elaboration on public Annual Operating Reports

STRATEGY

CENTRAL ROLE OF CORE BUSINESS

- Commercial Banking and Wealth Management activities generating well above 80% of Group's EBIT
- Target segments of clientele are medium high standing individuals and families, small business and SMEs.
- More complete, appealing and efficient product range

CUSTOMERS'S BASE INCREASE

- New customers' acquisition
- Existing customers' revitalization
- Aggressive commercial campaigns
- Marketing actions designed on targeted clusters of clientele

2008 GOALS

EXCELLENCE IN VALUE CREATION OVER TIME

- **ROE consistently above 17%**
- Net Profit growing 11% cagr to 243 €million
- Cost to Income to 58% decreasing by 4 percentage points despite consistent investments
- Tier I ratio above 7.5% over the period

VOLUMES INCREASE ABOVE INDUSTRY GROWTH RATES

- **AUM growth 8.1% cagr**
- **Loans growth 11% cagr (about two times the estimated market growth)**
- Total Business 8% cagr at about 19 €billion

Selective increase of the distribution network

- 82 new branches, 2 new Corporate Centers, 9 closings. A larger, more up-to-date network. Areas to focus for the growth: Nord East, North West, Tuscany and Marche.

New Wealth Management

- New retail distribution model to aim at an higher effectiveness. Addition of more than 700 people dedicated to distribution (160 financial advisors). Extensive investments in specific training for commercial roles.
- Migration from pure closed architecture to selective open architecture. Wealth Management products to be distributed will come either by the Group factories or by third party asset managers.

Commercial actions

- The structure of the Group factories will be revised. Investment Center created to define strategic asset allocation and select external suppliers. Product range will be re-designed.
- Full deployment of CRM for retail customers and extension to corporate customers, in order to catch the perceived full potential from each client.
- Development of innovative products and strong dedicated marketing & advertisement investments (31 €million). Networks dedicated to new customers acquisition and to specific segments.

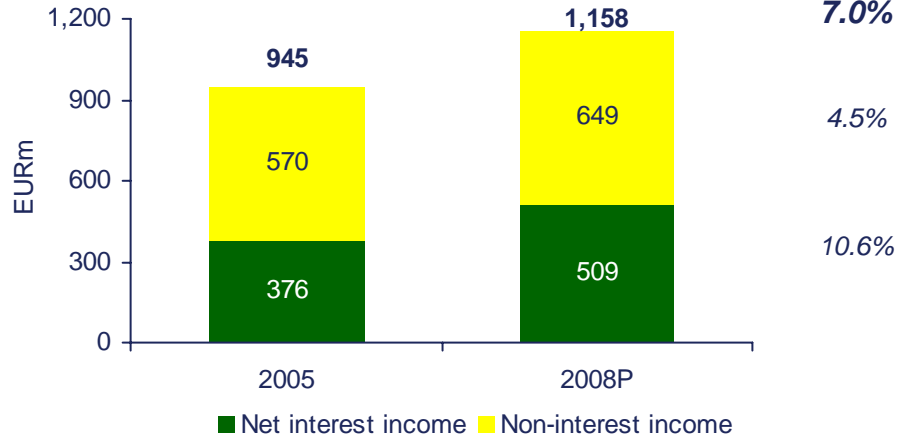
Capital allocation

- Further improvement of risk management methodologies current in place. Internal rating system validation for B II purposes could release a substantial amount of capital by 2008.

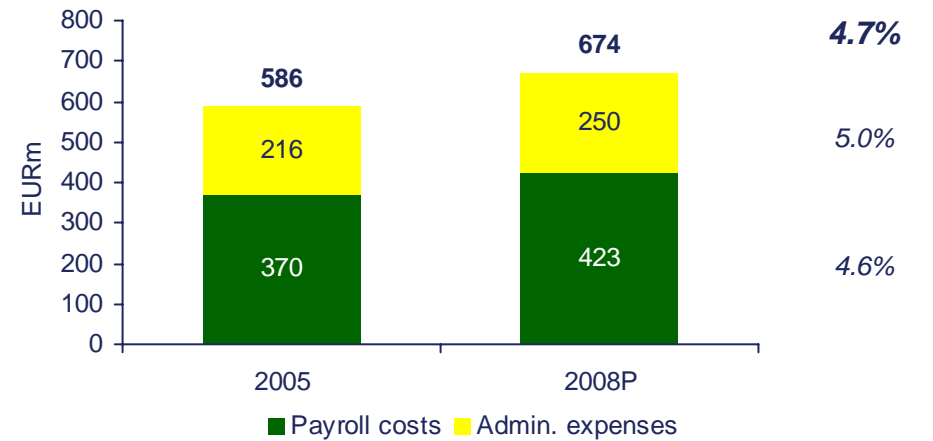
Governance

- Many projects under way to map and improve internal policies and processes in search of an higher efficiency.
- New and more effective model to measure commercial actions' quality and performances.

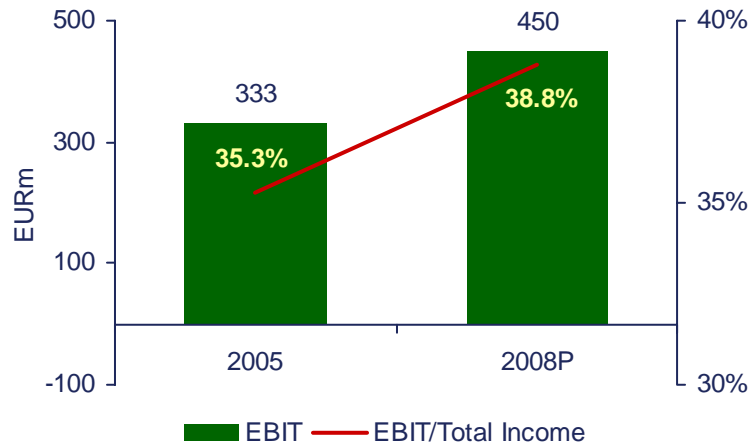
Total Income



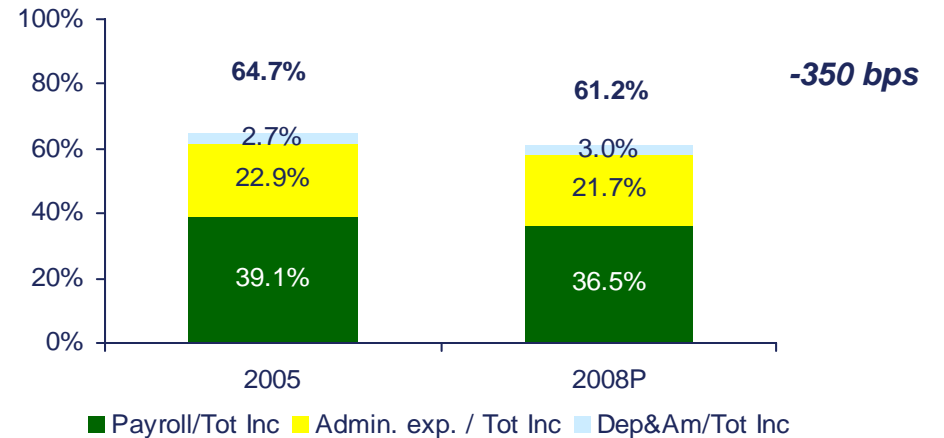
Operating Costs



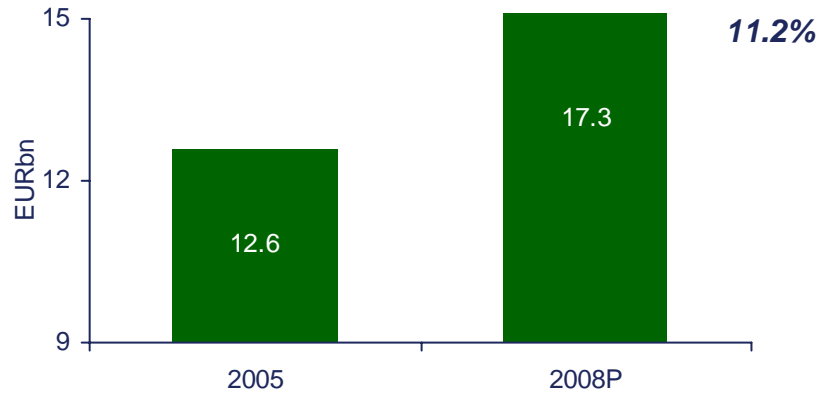
Profitability



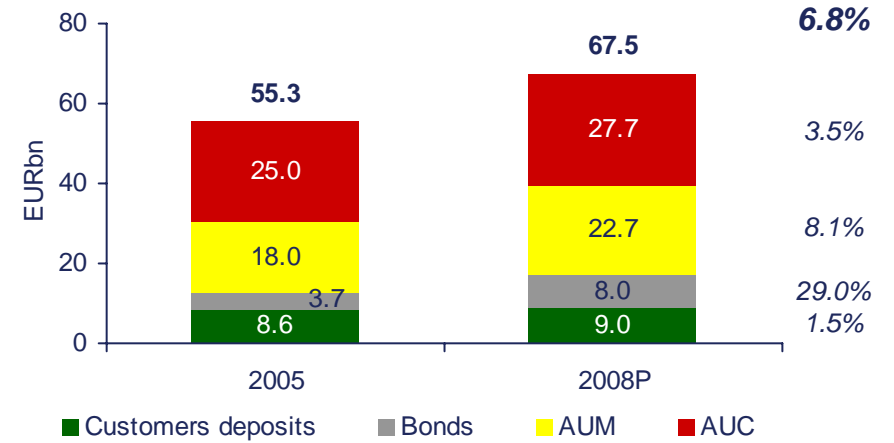
Cost to Income



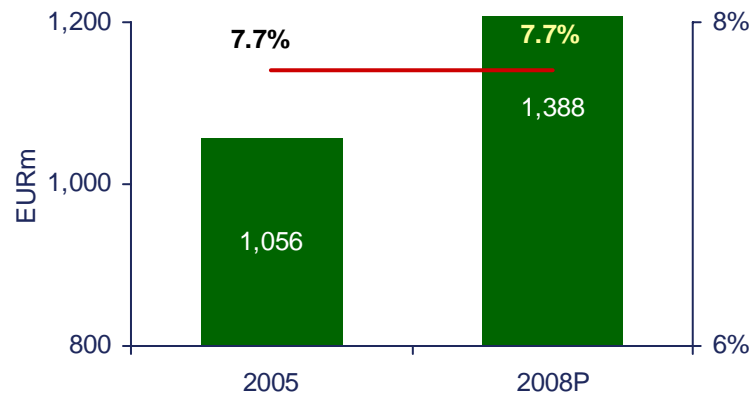
Customer Cash Loans



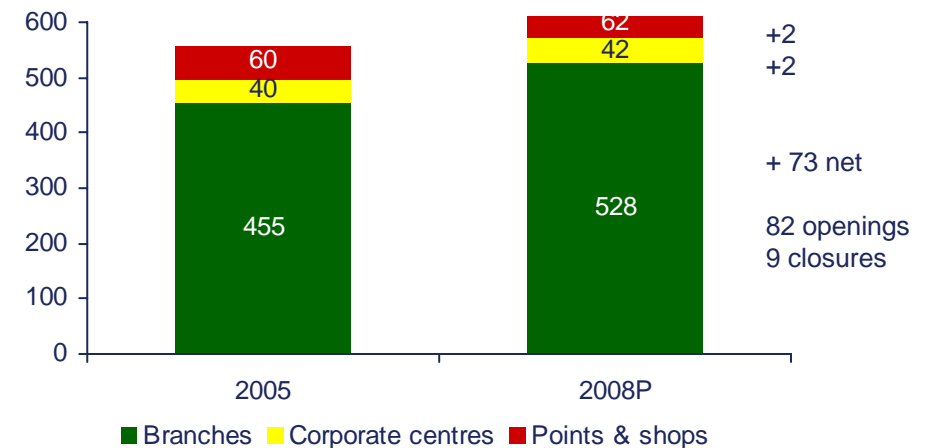
Funding from Customers



TIER I



Distribution Channels



EURm	2005	2008P	CAGR 05-08
Net Interest Income	376	509	10.6%
Net Commissions	415	474	4.6%
Trading	101	123	6.8%
Other	54	52	-1.4%
Non Interest Income	570	649	4.4%
Total Income	945	1,158	7.0%
Payroll	-370	-423	4.6%
Administrative Expenses	-216	-250	5.0%
Operating Costs	-586	-674	4.7%
EBITDA	359	484	10.5%
Amortization and Depreciation	-26	-34	10.1%
EBIT	333	450	10.5%
Net Loan Writedowns	-23	-26	3.1%
Provisions for Risks and Expenses	4	-1	n.a.
Extraordinary Income (Expenses)	17	-10	n.a.
Pre-tax Profit	332	414	7.6%
Income Taxes	-63	-163	37.5%
Minority Interests	-19	-7	-28.1%
Net Profit	250	243	-0.8%

Total Income CAGR will reach 7% with a strong contribution from the interest income.

Operating Costs, including D&A are expected to increase by 5% reflecting increasing commercial investments estimated in the triennium.

EBIT is predicted to increase by approximately 10.5% annually. At the end of the three-year term will exceed ROE will exceed 17%, with a net profit around EURm 250.

Normalized Pre-tax Profit which is predicted to increase by 11.5% annually, reflects the effects of the group cautious lending policy.

EURm	2003*	2004	2005	2008P	CAGR 05-08
Pre-tax Profit	117	215	332	414	7.6%
Parmalat loan Writedowns	55	6	-4		
Extraordinary Provisions	25	18			
Corporate Bonds Write-downs	21				
Extraordinary Incomes/Expenses	-9		-29		
General Banking Risks reserve adj.	-11	-11			
Renewal of collective labour contract		5			
Used Tax Provision		-2			
Normalization Adjustments	81	15	-33		
Normalized Pre-tax Profit	199	231	299	414	11.5%