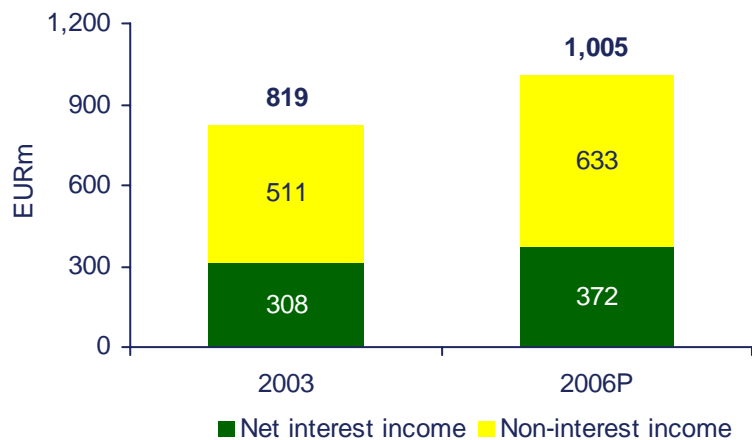


Business Plan 2006 – 2008
and
1H06 Results

- ***2004 - 2006 Business Plan recap***
- *Credem at a glance*
- *2006 – 2008 Business Plan*
- *1H06 Results*
- *Attachment: Group Profile*

Total income



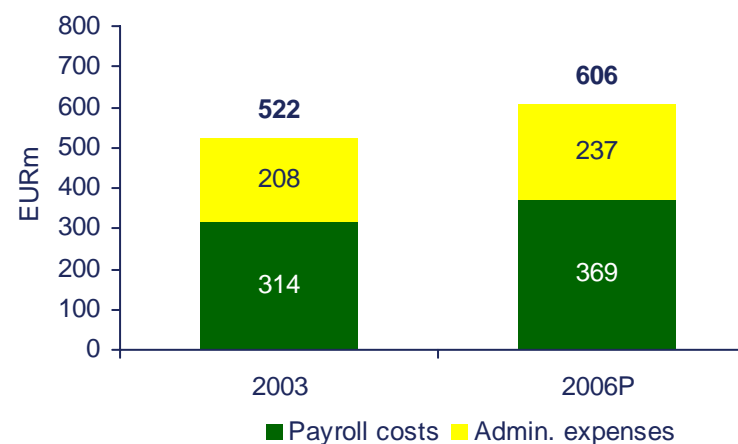
CAGR

7.1%

7.4%

6.5%

Operating costs



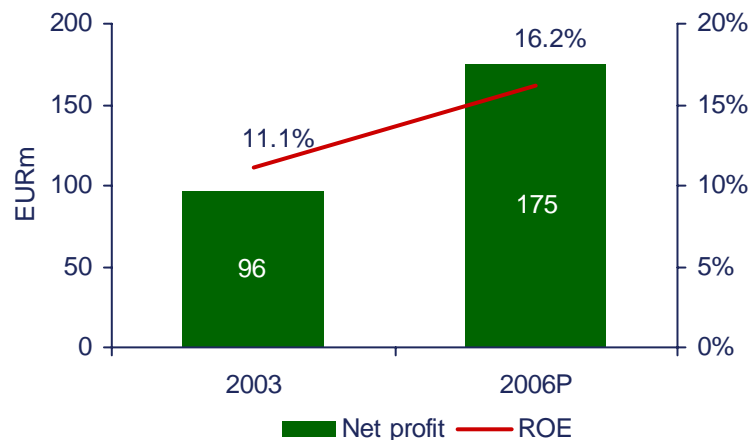
CAGR

5.1%

4.3%

5.6%

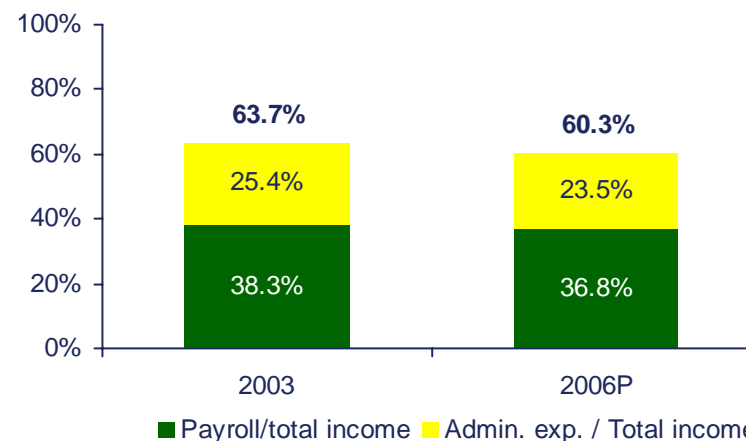
Profitability



CAGR

22.1%

Cost to income



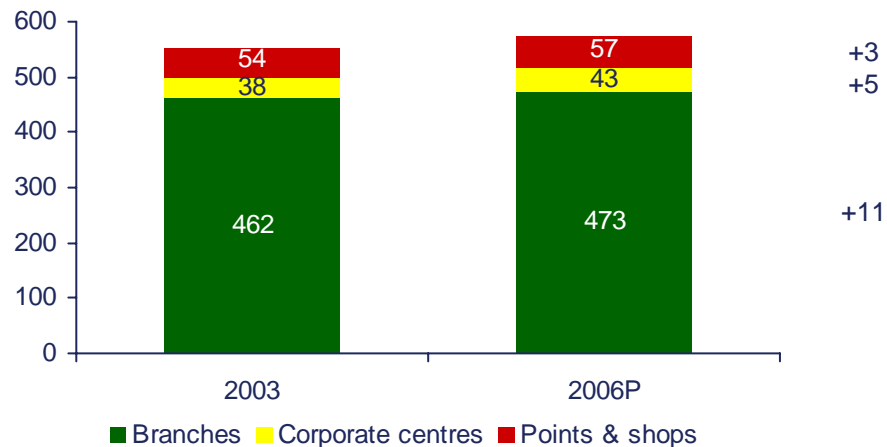
CAGR

-3.4%

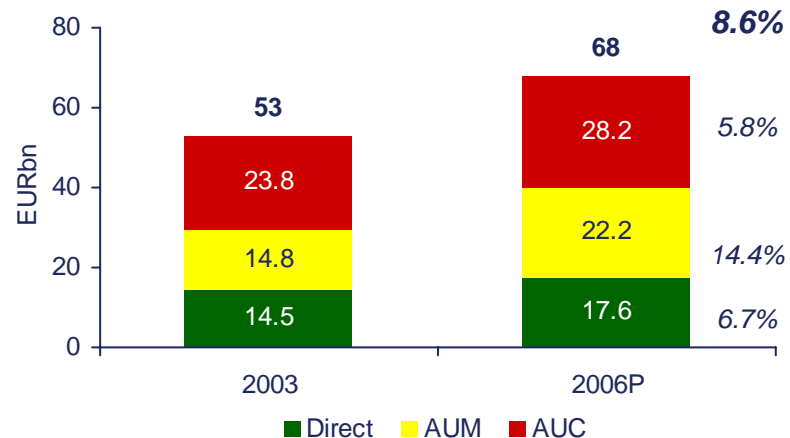
-1.9%

-1.5%

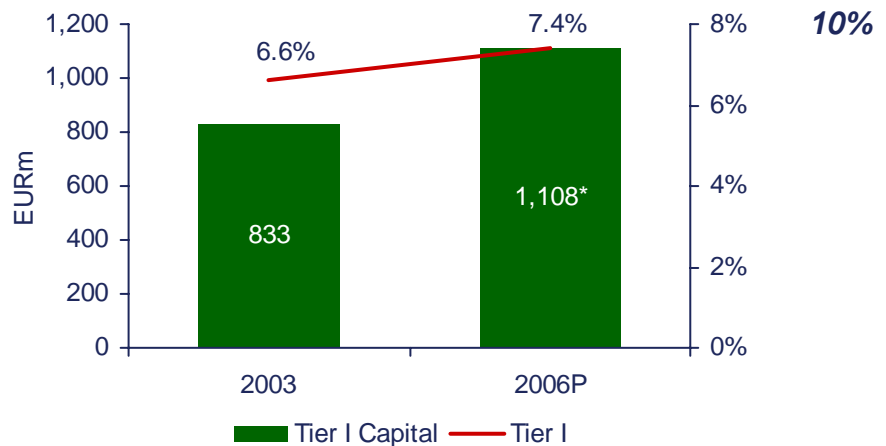
Distribution channels



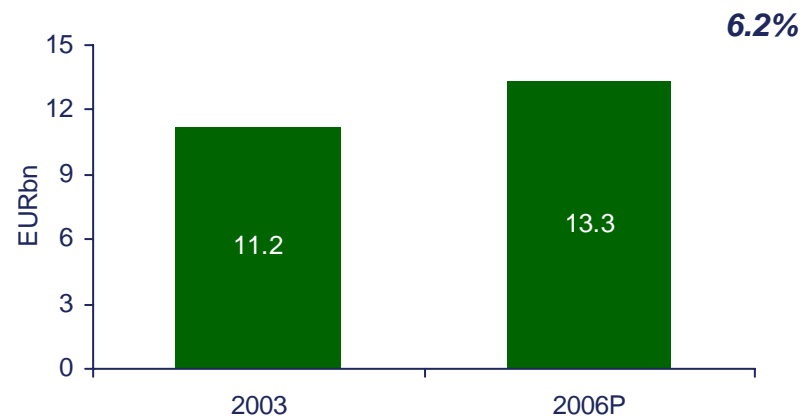
Funding (net of Repos)



Capital adequacy



Customer cash loans



Note: * Net of IAS impact

Strategy

Central role of the core business

- Commercial banking with strong wealth management
 - Focus on RETAIL customers of medium-high standing, small business and SMEs
 - To extract VALUE from acquired potential
-
- After few years of sustained growth, the Group intends to pursue the objective of capitalising on its dimensional evolution by:
 - improving the contribution of the interest margin and, in particular, of loans
 - extending the consulting activity on AUC, to convert savings into AUM and
 - upgrading AUM from monetary to higher risk/profitability profile products

Drivers

Target development
with focus on profit

Selectivity in
business and
capital allocation

Governance

Actions

- Rationalisation of the branches network with stronger focus on efficiency
- Improvement of customers potential and retention through CRM and cross selling
- Strengthening of wealth management as flagship business line
- Focusing of the lending activity on segments with better risk to yield profile
- Maintaining the non-performing loans ratio at its usual levels
- Strengthening of the parent company's role of guidance and supervision
- Improvement in cost control and rationalisation of areas of overlap

EURm	2003*	2004	2005	2006	CAGR	CAGR
	ACTUAL	ACTUAL	ACTUAL	PLAN	03-05	03-06
Net interest income	307	317	376	373	10.6%	6.7%
Net Commissions	343	376	415	403	10.0%	5.6%
Trading	92	79	101	152	4.7%	18.2%
Other	49	43	54	77	5.5%	16.4%
Non interest income	483	499	570	632	8.6%	9.3%
Total Income	791	816	945	1,005	9.3%	8.3%
Payroll	-314	-330	-370	-369	8.7%	5.6%
Administrative expenses	-208	-210	-216	-237	1.9%	4.3%
Operating costs	-522	-540	-586	-606	6.0%	5.1%
EBITDA	269	276	359	399	15.5%	14.1%
Amortization and depreciation	-67	-30	-26	-51	-38.3%	-8.8%
EBIT	202	246	333	348	28.6%	20.0%
Net loan writedowns	-75	-7	-23	-35	n.a.	n.a.
Provisions for risks and expenses	-23	-17	4	-4	n.a.	n.a.
Extraordinary income (expenses)	14	-6	17	-6	n.a.	n.a.
Pre-tax profit	117	215	332	303	68.1%	37.2%
Income taxes	-16	-62	-63	-123	n.a.	n.a.
Minority interests	-6	-9	-19	-6	n.a.	n.a.
Net profit	96	144	250	175	61.3%	22.1%

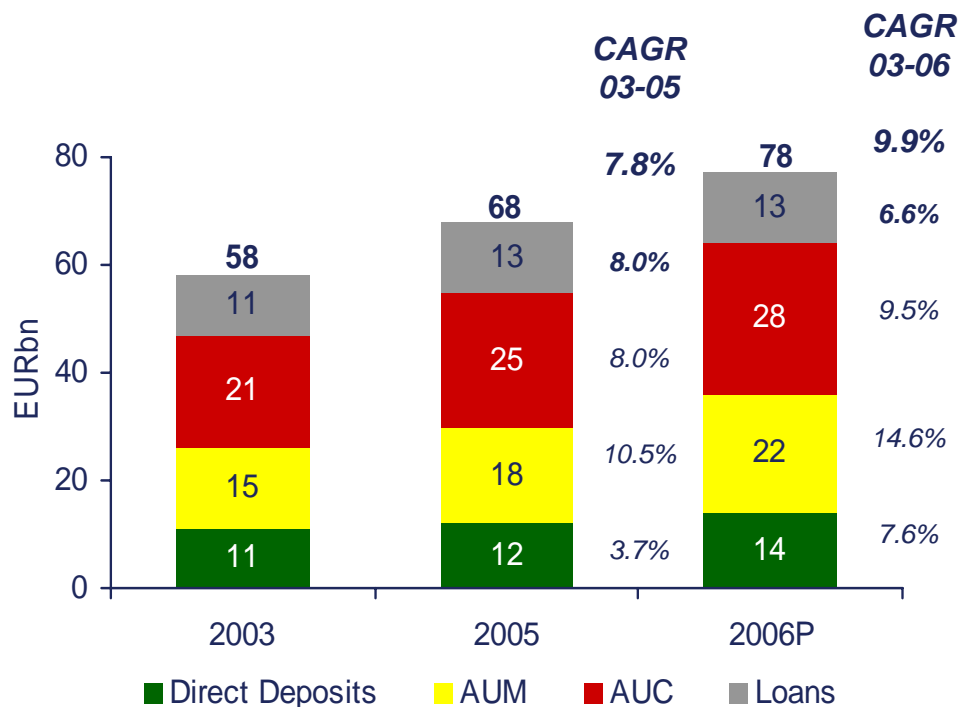
Total income in 2004-2005 period saw an average annual growth rate of 9.3% versus expectations of 8.3%

Substantial 10.6% growth rate for Interest Income broadly above estimates (6.7%).

Excellent Net Commissions performance (10% growth), twice as estimated.

Remarkable growth of EBIT by 29% (9% above estimates).

Total Customers Business



Total Customer Business (net of repos and bonds for institutionals) in the past two years period saw an average growth rate around 8% (lined up with the market performance).

Although market conditions weren't very favorable, total funding trend grew positively.

AUM grew by 10.5% compared to the market (8%).

Direct deposits were slightly conditional on group change of strategy on the Investment Banking and consequent less liquid assets need (- 1.5bln €).

Net inflows reached 4 bln euros, evenly allocated between AUM and AUC.

Loans grew at an 1.5% higher rate than planned targets.

In the last two years period Large corporate loans dropped from 23% to 12% of the total loan book.

	2003* ACTUAL	2004 ACTUAL	2005 ACTUAL	2006 PLAN
Cost to Income	66.0%	66.2%	62.0%	60.3%
ROE	11.1%	14.8%	23.2%	16.2%
TIER I	6.6%	7.6%	7.7%	7.4%
TIER I capital	833	966	1,056	1,108
TIER Total	9.0%	10.6%	9.9%	10.8%
TIER Total capital	1,120	1,351	1,356	1,549

Tier I Capital remarkably supports Group growth, offering stable 7.5% coverage of weighted risks.

Network	2003	2004	2005*	2006P
Credem and others	440	441	433	451
B.ca Euromobiliare	22	22	22	22
Branches	462	463	455	473
Business centres	38	39	40	43
Credem Points	24	24	24	27
Banca Euro financial stores	30	30	36	30
Staff	2003	2004	2005*	2006P
Credem FA	521	508	506	700
Banca Euromobiliare FA	372	356	328	387
Financial Advisors with mandate**	893	864	834	1,087
Financial Advisors with employee status	231	232	218	320
Total FA	1,124	1,096	1,052	1,407
Credem Group employees	4,961	4,986	4,943	5,330

Network development strategy mainly focused on :

- 16 new branches openings in higher margin areas (mainly located in wealthy areas of north east and north west of the country) and 3 new Corporate Centers
- Network rationalization (closing 13 non performing branches in the south.

Human resource strategy mainly focused on Financial advisors portfolio quality in spite of future performance perspectives.

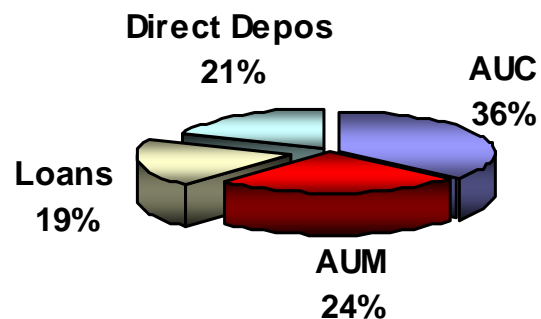
* in jan 2005 Banca del Garda (10 branches) was sold

** not on group's payroll

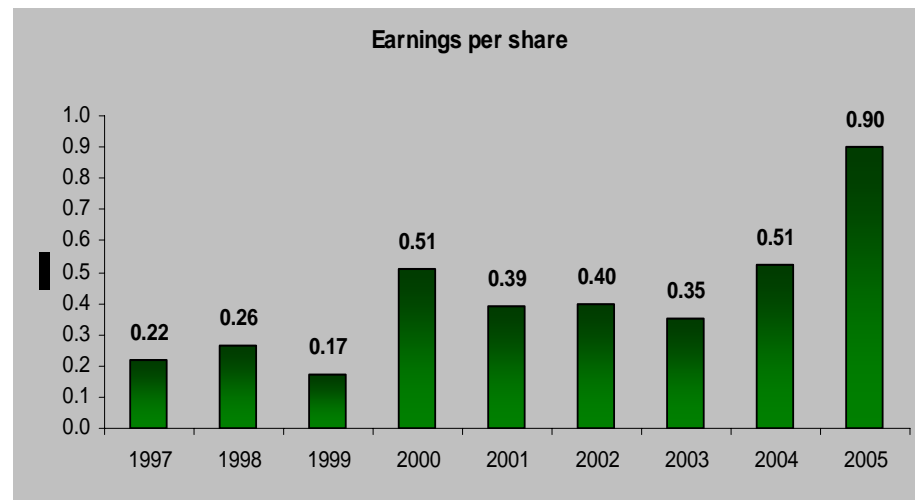
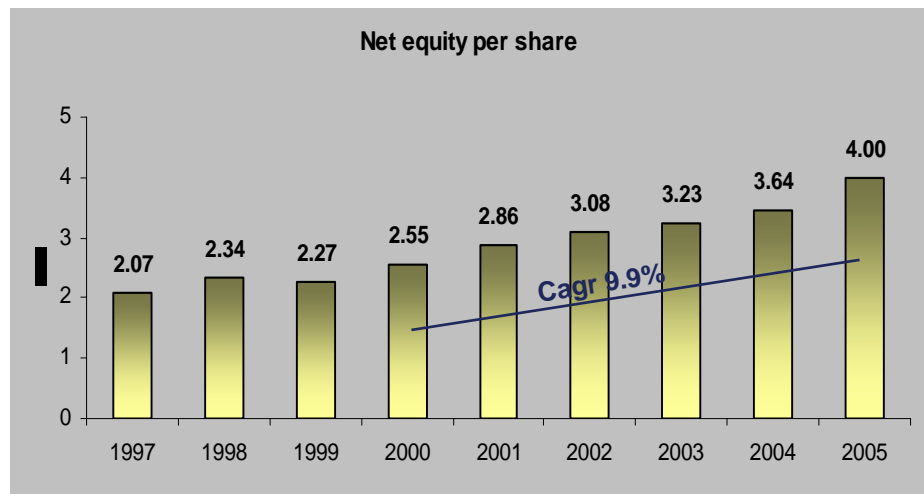
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- Rating: **S&P** **A-** Long Term – outlook positive
Fitch **A** Long Term – outlook stable
- Based in Emilia Romagna, one of Italian richest regions
- 750,000 customers and over Eur 70 bln in total customer business*
- Listed on Milan Stock Exchange since 1997 - market cap over 3 billions
Italy's 14th largest banking group
- Italy's 12th largest asset manager among banking groups
- 500 branches

Total Customers Business



	1997	1998	1999	2000	2001	2002	2003	2004	2005
No. shares (/000)	225,839	253,408	265,464	270,679	272,537	273,309	274,350	275,417	278,605
Net equity per share	2.07	2.34	2.27	2.55	2.86	3.08	3.23	3.64	4.00
Earnings per share	0.22	0.26	0.17	0.51	0.39	0.40	0.35	0.51	0.90
ROE	11.6%	13.5%	8.5%	21.3%	14.6%	13.5%	11.1%	14.8%	23.2%
Dividend per share	0.08	0.10	0.12	0.18	0.20	0.20	0.20	0.25	0.50
Payout ratio	39.2%	37.9%	68.6%	35.3%	50.8%	50.0%	57.1%	49.0%	55.8%



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	2004	2005	2006E	2007E	2008E
<i>Expected growths</i>					
GDP Eu	1.8%	1.4%	2.0%	1.7%	2.0%
GDP Italy	1.1%	0.1%	1.3%	0.9%	1.3%
Direct Deposits	7.3%	8.5%	5.7%	4.7%	4.1%
AUM	6.7%	12.6%	5.3%	8.2%	7.4%
AUM Banks	0.9%	9.0%	4.3%	4.4%	7.8%
Bank Loans	5.5%	8.8%	8.0%	6.6%	6.2%
<i>Interest rates</i>					
Euribor 1M	2.08%	2.15%	2.84%	3.12%	3.28%
Euribor 3M	2.11%	2.19%	2.95%	3.18%	3.35%

Strategy

- Central role of core business intended as Commercial banking and Wealth management
- Increase of customers base

In the next future, Credem Group will continue focusing on its core business activities by intensifying its efforts towards a more complete and efficient offer to its target segments as medium high standing individuals and families, small business and SMEs.

A strong strategic line will be the increase of customers base, either by acquiring new customers and revitalizing existing customers throughout specific commercial campaigns as well as marketing actions designed on targeted clusters of clientele.

Targets

- Excellence in value creation over time
- Volumes increase above industry growth rates

Delivering excellent performances consistently over time, will remain the main management's commitment in the interest of shareholders. Targets are an ROE consistently above 17% over the three year period and a Net Profit growing 11% cagr.

Meanwhile, the Group will continue to self-support its own growth, maintaining a Tier I ratio above 7.5% over the period.

After a sharp reduction over the last biennium, Cost to Income will furtherly decrease to 58% by 4 percentage points, despite incoming important investments mainly directed to improve the size and the effectivity of the distribution network.

Total Business in the three year period will increase by about 19 billion - cagr 8% - with a strong contribution coming from loans growth, forecasted to be 11% cagr (about twice the estimated growth for the industry as a whole over the same period of time).

Drivers

Selective increase of the distribution network

- 82 new branches, 2 new Corporate Centers, 9 closures. A larger, more up-to-date network. Areas to focus for the growth: Nord East, North West, Tuscany and Marche.
- New retail distribution model to aim at an higher effectiveness. Addition of more than 700 people dedicated to distribution. Extensive investments in specific training for commercial roles.

New Wealth Management

- 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.
- 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.

Commercial actions

- 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 killer apps products and strong dedicated marketing & advertisement investments (31 million). Networks dedicated to new customers acquisition and to specific segments.

Drivers

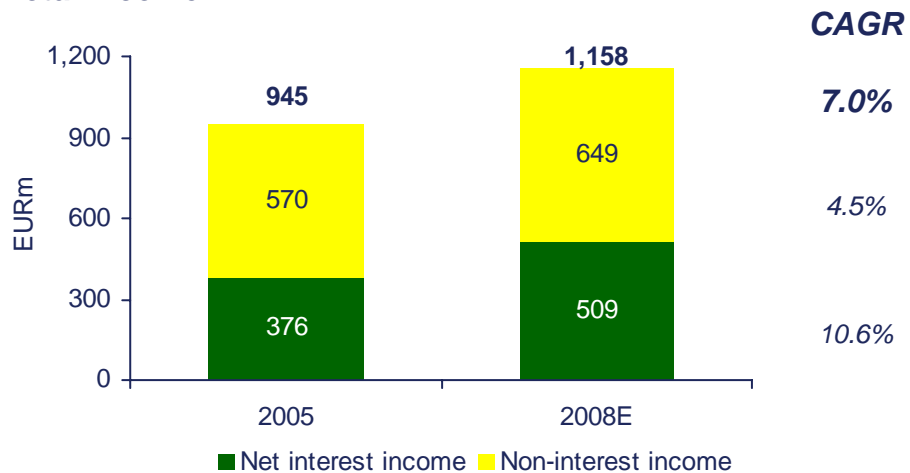
Capital allocation

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

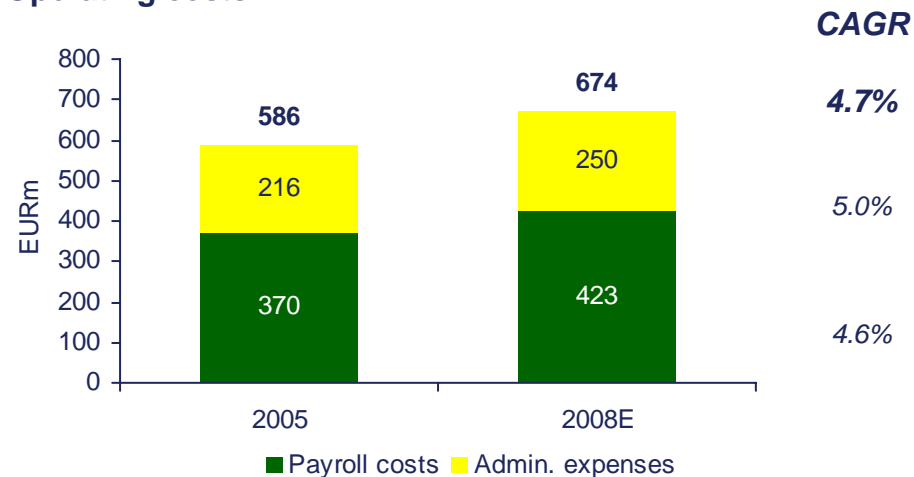
Governance

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

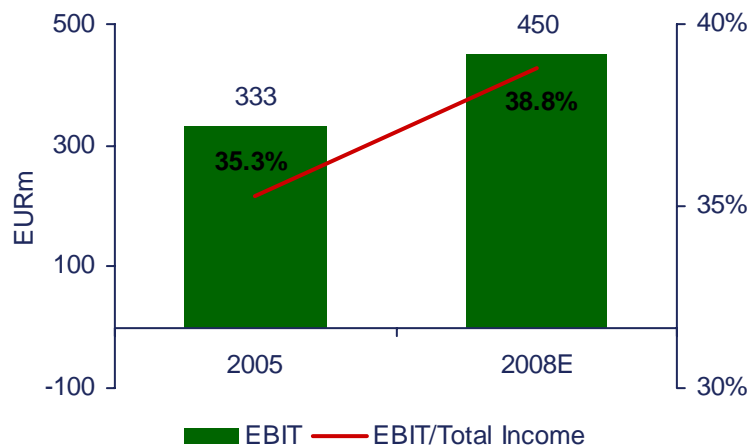
Total income



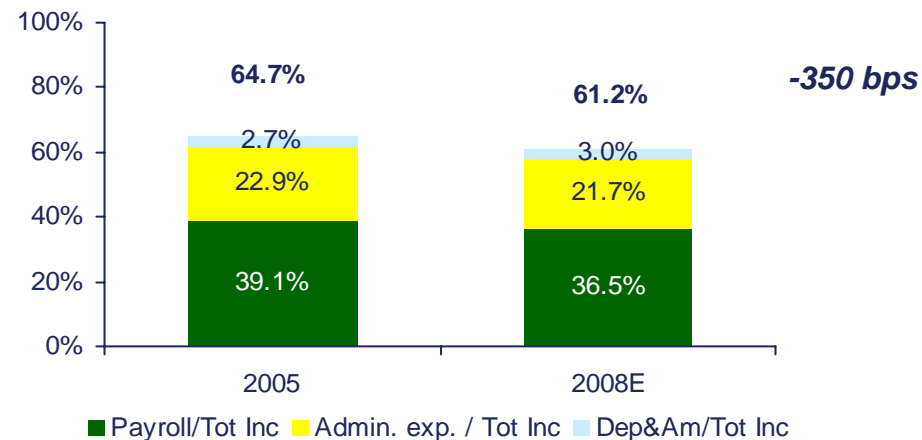
Operating costs



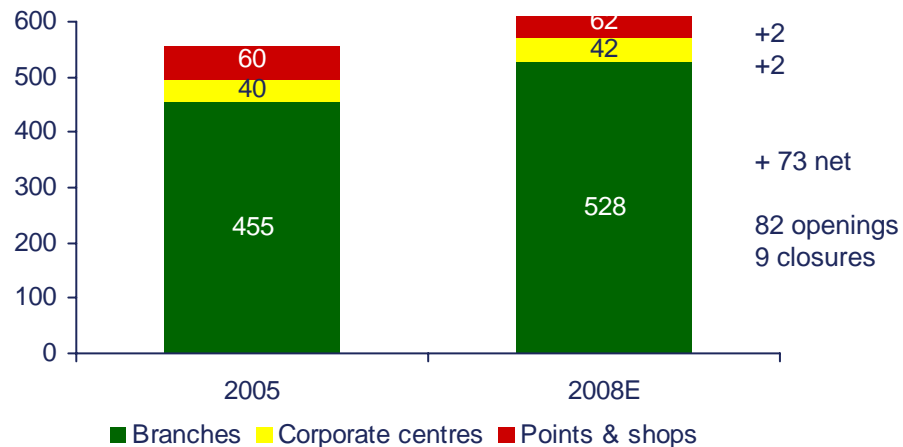
Profitability



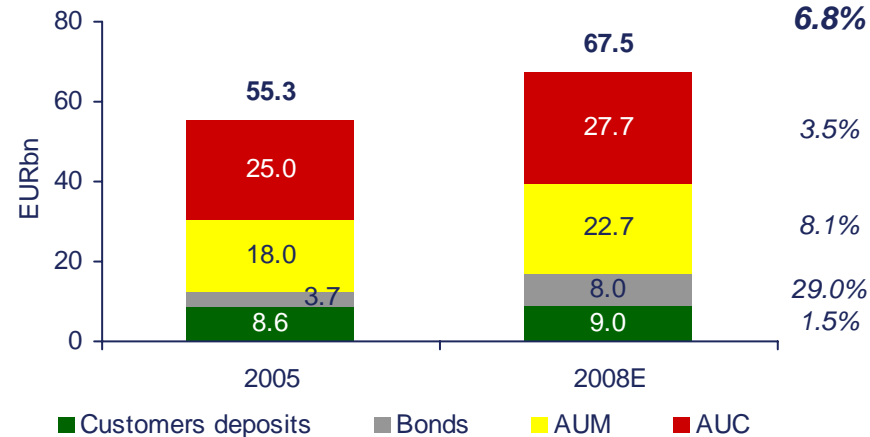
Cost to income



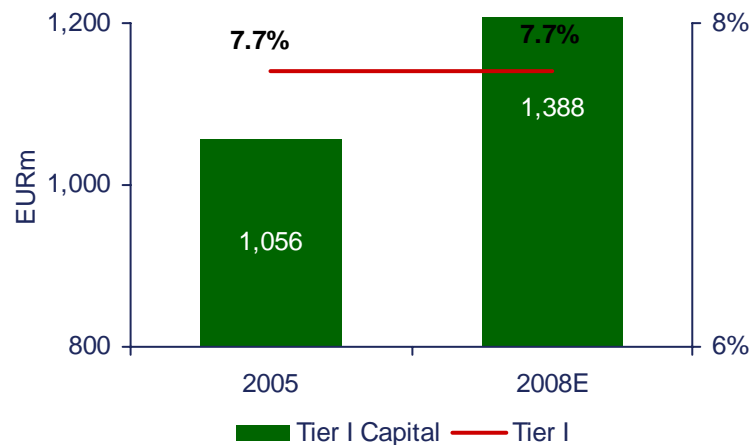
Distribution channels



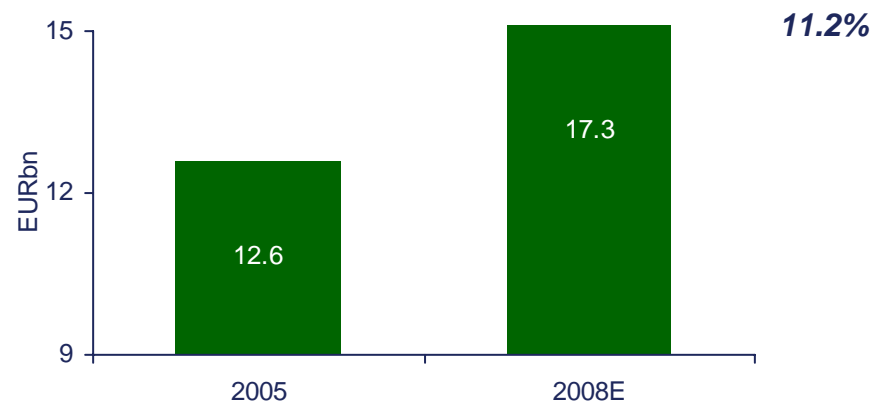
Funding (net of Repos)



Capital adequacy



Customer cash loans (net of Repos)



Note: * Net of IAS impact

EURm	2003*	2004	2005	2008E	CAGR 05-08
Net interest income	307	317	376	509	10.6%
Net Commissions	343	376	415	474	4.6%
Trading	92	79	101	123	6.8%
Other	49	43	54	52	-1.4%
Non interest income	483	499	570	649	4.4%
Total Income	791	816	945	1,158	7.0%
Payroll	-314	-330	-370	-423	4.6%
Administrative expenses	-208	-210	-216	-250	5.0%
Operating costs	-522	-540	-586	-674	4.7%
EBITDA	269	276	359	484	10.5%
Amortization and depreciation	-67	-30	-26	-34	10.1%
EBIT	202	246	333	450	10.5%
Net loan writedowns	-75	-7	-23	-26.	3.1%
Provisions for risks and expenses	-23	-17	4	-1.	n.a.
Extraordinary income (expenses)	14	-6	17	-10.	n.a.
Pre-tax profit	117	215	332	414	7.6%
Income taxes	-16	-62	-63	-163.	37.5%
Minority interests	-6	-9	-19	-7.	-28.1%
Net profit	96	144	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 250 bln Euros.

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	2008E	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		
Genral 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%

EURm	2004	2005	2008E
Total Income			
. Core Business	89.9%	87.1%	90.2%
. Non Core	10.1%	12.9%	9.8%
EBIT			
. Core Business	94.7%	84.1%	89.3%
. Non Core	5.3%	15.9%	11.7%
Net Profit			
. Core Business	99.3%	74.4%	90.9%
. Non Core	0.7%	25.6%	9.1%

At the end of three years period 90% profitability will be coming from “core business”, confirming the willingness of the Group to focus on commercial banking and wealth management

Loans

EURm	2004	2005	2008E	CAGR 05-08
Cash Loans	11,560	12,601	17,331	11.2%
Repos	92	117	231	25.5%
TOTAL LOANS	11,652	12,718	17,562	11.4%

Lending is predicted to grow by 11.2%, almost duplicating the expected market trend (6%).

The main components of lending growth will be coming from “core” segments:

- Retail business, is expected to grow by 15% annually, driven by strong medium-long term loans growth (16%)
- Mid corporate, increasing by over 11%
- Large Corporate area will continue slightly contracting (4.5% of total lending) being compensated by mid and retail expansion

Funding

EURm	2004	2005	2008E	CAGR 05-08
Deposits	7,787	8,622	9,029	1.5%
Bonds	3,743	3,738	8,030	29.0%
Total direct (net of repos)	11,530	12,360	17,059	11.3%
AUM	15,894	17,995	22,743	8.1%
AUC	22,972	24,971	27,657	3.5%
Indirect customer funding	38,866	42,966	50,400	5.5%
TOTAL (net of repos)	50,396	55,326	67,459	6.8%
Repos	1,435	1,101	1,954	20.9%
TOTAL FUNDING	51,831	56,427	69,404	7.1%

Funding will increase at a rate above than 7% annually.

Substantial contribution will be coming from Direct Deposits, expected to reach 6 bln € in the triennium, 3 bln coming from AUM.

This strategic area is expected to grow at more than 8%, better than banking industry average growth rate (5%).

Direct deposits will be mainly supported by issues on the bond market

Network	2004	2005*	2008E
Credem	441	433	504
B.ca Euromobiliare	22	22	24
Branches	463	455	528
Business centres	39	40	42
Credem Points	24	24	24
Banca Euro financial stores	30	36	38
Staff	2004	2005*	2008E
Credem FA	508	506	634
Banca Euromobiliare FA	356	328	361
Financial Advisors with mandate**	864	834	995
Financial Advisors with employee status	232	218	185
Total FA	1,096	1,052	1,180
Credem Group employees	4,986	4,943	5,507

* in jan 2005 Banca del Garda (10 branches) was sold

** not on group's payroll

Distribution network will grow through:

- 73 new branches net increase (82 new openings and 9 branches closings)
- 2 new Corporate points openings
- 2 new Financial stores openings

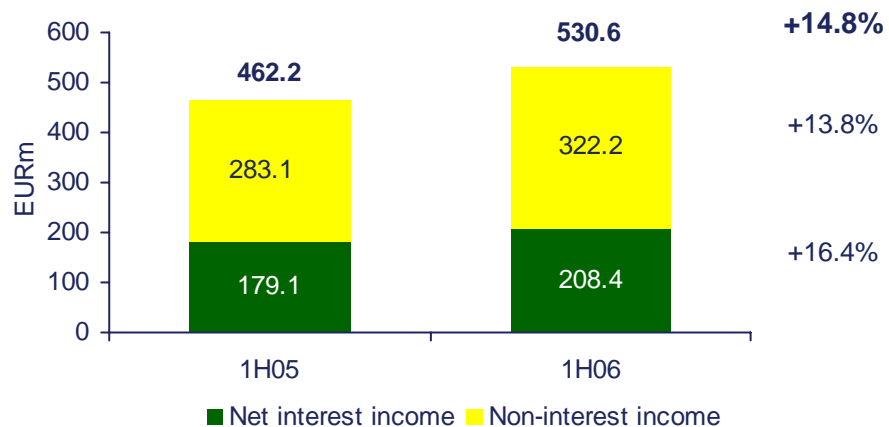
Group staff will increase by around 550 units dedicted mainly to strenghtening the commercial networks.

The number of financial advisors with mandate will increase by 160 units.

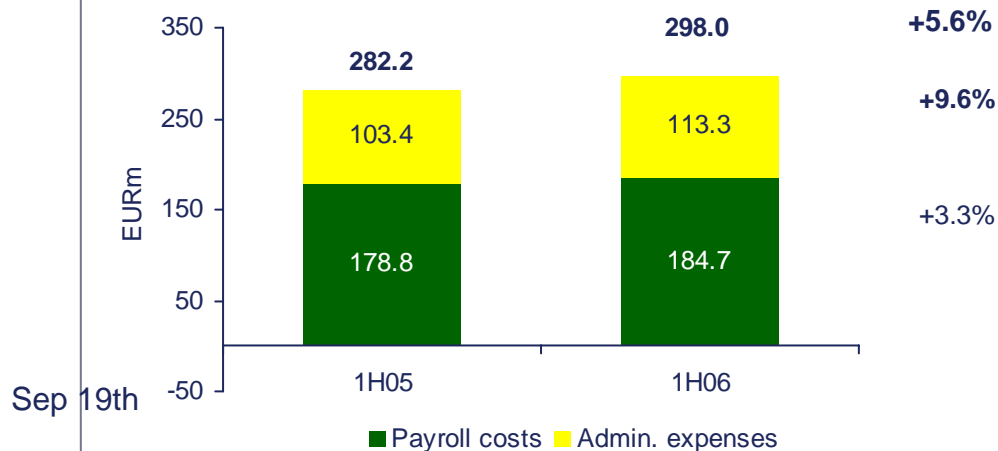
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	1H05	FY05	1H06
Assets under management (AUM)	16.8 bln	18.0 bln	17.1 bln
Assets under custody (AUC)	24.1 bln	25.0 bln	25.1 bln
(AUM+AUC) / Total Business	61.6%	62.2%	60.2%
AUM/AUC	69.7%	72.0%	68.2%
Direct Deposits	8.6 bln	8.6 bln	9.3 bln
Loans to customers	12.0 bln	12.7 bln	13.3 bln
Doubtful Loans/Total Loans	0.79%	0.77%	0.76%
NPL ratio	0.22%	0.18%	0.18%
Coverage ratio	77.0%	60.6%	61.8%
Non interest income / Total Income	61.3%	60.3%	60.7%
Operating costs / Total Income	61.3%	62.0%	56.2%
ROE	11.6%%*	23.2%	10.7%*
TIER I ratio	7,7%	7,7%	7.6%
TIER Total	10.3%	9.9%	9.5%

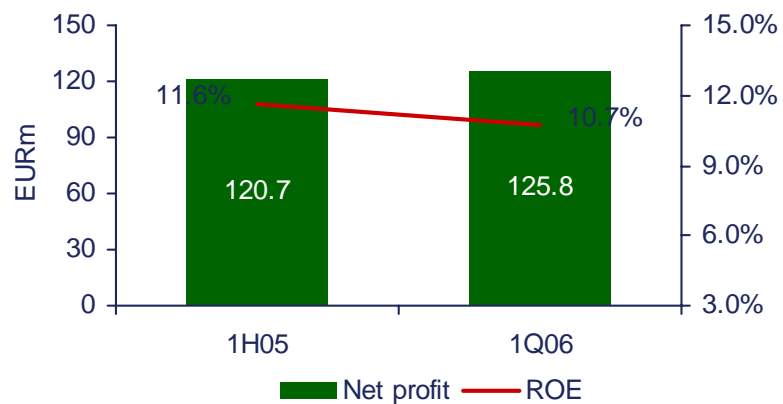
Total income



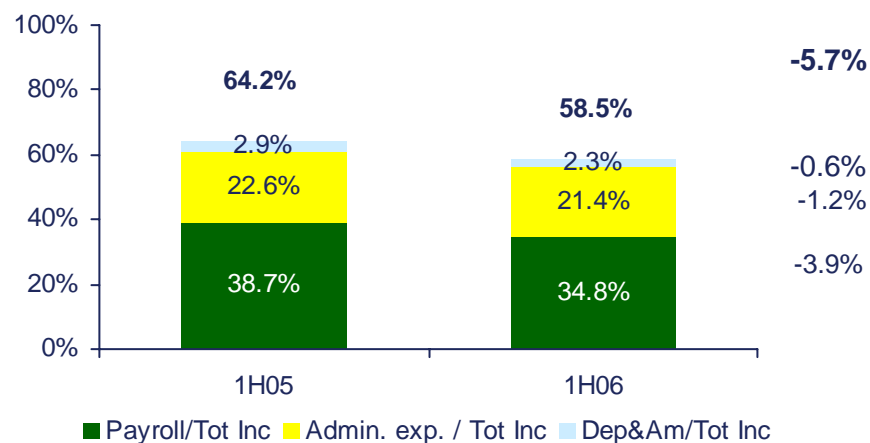
Operating costs



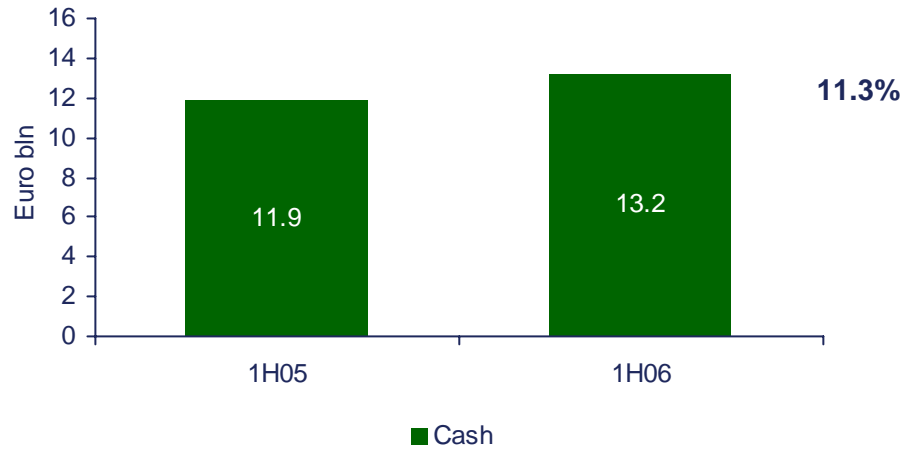
Profitability



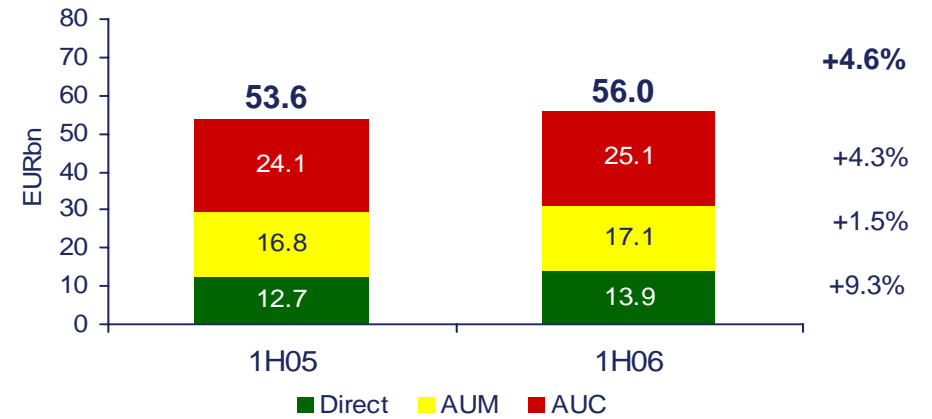
Cost to income



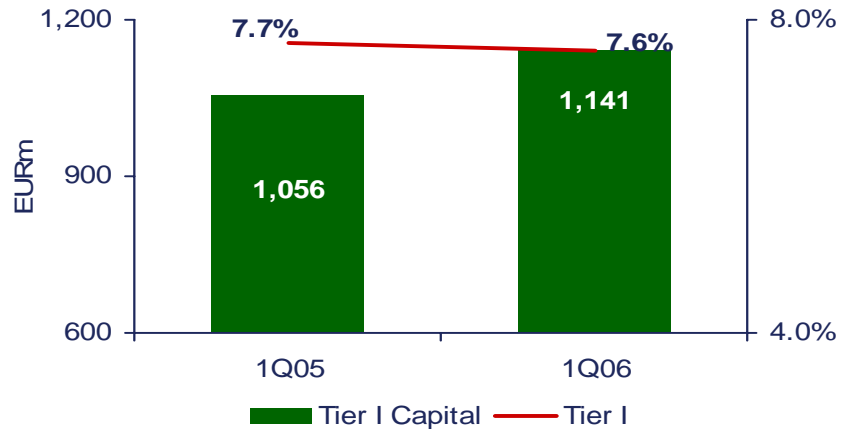
Total direct loans (net of repos)



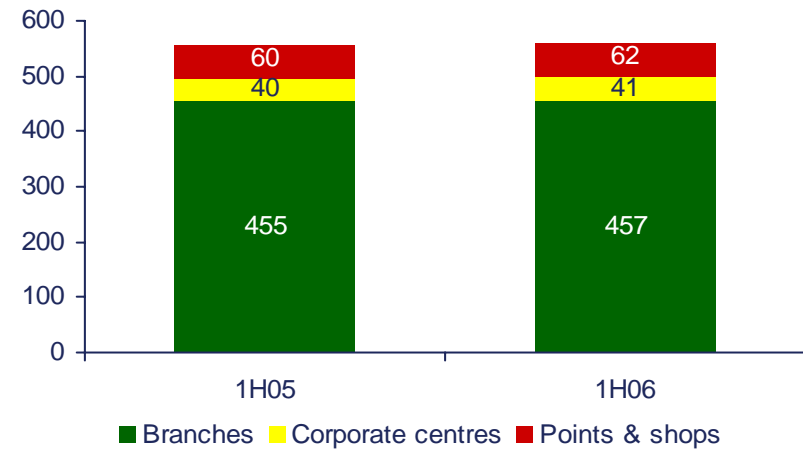
Funding (net of repos)



Capital adequacy



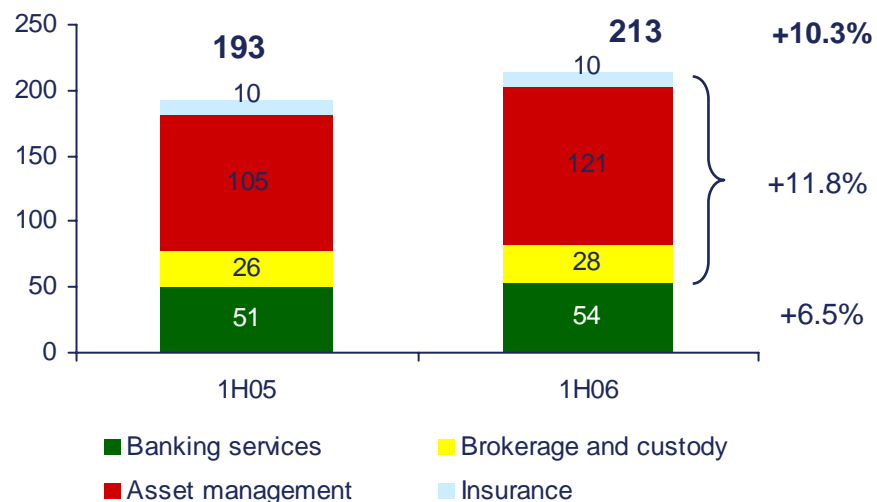
Distribution channels



EURm	1H05	FY05	1H06	% yoy
Net Interest Income	179.1	375.6	208.4	16.4%
Commercial spread	3.17%	3.17%	3.40%	+23bps
Net fee and commission income	192.9	414.7	212.7	10.3%
- of which: management and brokerage	141.9	302.5	158.6	11.8%
- of which: banking services	50.9	112.5	54.2	6.5%
Trading and forex	63.3	100.9	80.9	27.8%
- of which Abaxbank	26.5	41	27.8	4.9%
- of which other companies	36.8	59.9	53.1	44.3%
Other income and expenses	26.9	54.1	28.6	6.3%
Non-Interest Income	283.1	569.7	322.2	13.8%
Total Income	462.2	945.3	530.6	14.8%

- **Net interest income** has improved by **16.4%** yoy. The spread (+23bps) improved as a result of the stronger focus on “core” loan sectors.
- **Non-interest income** is up **13.8%**, confirming the importance of “non-interest” revenue sources for the group that account for **60%** of Total Income.
- **Trading** is particularly favourable with a growth of almost 28% yoy.

Net commissions



- **Net commissions** have grown **10.3%** with a strong contribution coming from asset management (+15%).

EURm	1H05	FY05	1H06	% yoy
Net interest income	179.1	375.6	208.4	16.4%
Non interest income	130.4	569.7	322.2	13.8%
Total Income	462.2	945.3	530.6	14.8%
Payroll	-178.8	-370.3	-184.7	3.3%
Administrative expenses	-103.4	-216.1	-113.3	9.6%
Operating costs	-282.2	-586.4	-298.0	5.6%
EBITDA	180.0	358.9	232.6	29.2%
Amortization and depreciation	-13.3	-25.7	-12.3	-7.5%
EBIT	166.7	333.2	220.3	32.2%
Net loan writedowns	-7.2	-23.3	-8.1	n.a.
Provisions for risks and expenses	7.5	4.3	-4.7	n.a.
Extraordinary income (expenses)	22.0	17.5	6.1	n.a.
Pre-tax profit	189.0	331.7	213.6	13.0%
Income taxes	-61.9	-62.8	-80.5	30.0%
Minority interests	-6.4	-19.3	-7.3	14.1%
Net profit	120.7	249.6	125.8	4.2%

•EBITDA up 29.2%

•EBIT +32.2%

•Depreciation & Amorization decreasing and loan writedowns in line with the past

The normalized pre-tax result looks even better considering that among extraordinary incomes has been posted :

- in 1H06, a capital gain for € 7.7 million from the sale of minority stakes;
- In 1H05, €15.1 million from the sale of Banca del Garda and €11 million due to a consolidated tax recalculation

Here below the detailed normalization.

EURm	1H05	1H06	% yoy
Pre-tax profit	189.0	213.6	13.0%
Capital gains from investments sales	-15.1	-7.7	
Recalculation of fiscal charges	11.0		
Normalization Pre-tax profit	162.9	205.9	
Income taxes	-61.9	-80.5	30.0%
Minority interests	-6.4	-7.3	
Normalization Net profit	94.6	118.1	24.8%

% Contribution to EBITDA at June 30, 2006

EURm	Core business companies	Other companies
Total income	86.5	13.5
Operating costs	88.8	11.2
EBITDA	83.6	16.4

Contribution to Net profit

EURm	1H05	FY05	1H06	Contribution at 1H06
Core business companies	92.8	185.7	108.4	86.2%
Credem (incl. Credem Lux)	82.1	158.6	90.2	71.7%
Banca Euromobiliare	1.8	6.8	4.6	3.7%
Euromobiliare A.M. SGR	2.3	6.1	3.6	2.9%
Credemleasing	6.0	11.9	6.5	5.2%
Other companies and adj.	0.6	2.3	3.5	2.8%
Other companies	27.9	63.8	17.4	13.8%
Euromobiliare SIM	9.4	28.2	10.8	8.6%
Abaxbank	16.5	31.1	5.9	4.7%
B.ca Euromobiliare Suisse	2.3	4.5	1.8	1.4%
Other companies	-0.3		-1.1	
Total	120.7	249.6	125.8	100.0%

The diversification of the Group's activities and the focus on "core" businesses have helped generate significant profits.

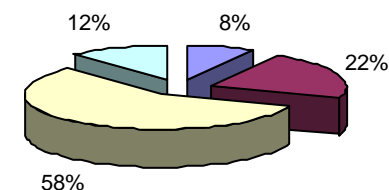
86.2% of Net Profit has been generated by **core** companies working with strategic client segments.

Customers funding

EURm	1H05	FY05	1H06	% yoy
Deposits	8,713	8,758	9,506	9.1%
Bonds	3,959	3,738	4,345	9.7%
Total direct (net of repos)	12,672	12,496	13,851	9.3%
Portfolio management	4,069	5,046	5,198	27.7%
Mutual funds and SICAVs	10,597	10,705	9,628	-9.1%
Hedge funds	104	207	244	n.a.
Insurance	1,861	1,835	1,805	-3.0%
Other	189	202	203	7.4%
Total Assets under Management	16,820	17,995	17,078	1.5%
Assets under Custody	24,068	24,971	25,093	4.3%
Indirect customer funding	40,888	42,966	42,171	3.1%
Total (net of repos)	53,560	55,462	56,022	4.6%
Repos	992	1,101	999	0.7%
Total	54,552	56,563	57,021	4.5%

- “Managed” funding overall has improved 1.5% yoy.
- The reduction in mutual funds that has been affecting the entire industry was partially offset by the growth of portfolio managed products, direct deposits and AUC
- **Net inflows** in the semester was €950 million, evenly distributed among direct and indirect funding and collected by all group networks as shown below.

Net Inflows by channel



- FAs with mandate
- Employee FAs
- CREDEM branches
- Bca Euro branches

Customers loans

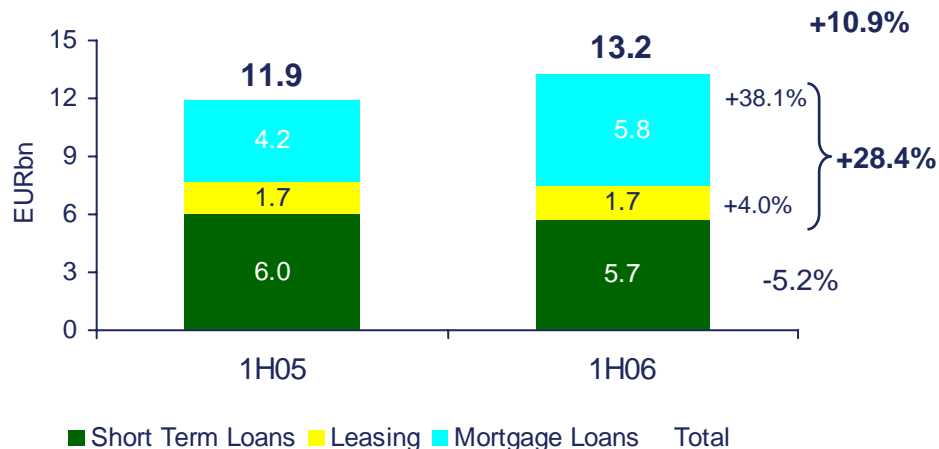
EURm	1H05	FY05	1H06	%yoy
Small Business	2,675	2,962	3,030	13.3%
Retail	3,634	4,044	4,532	24.7%
Others	834	865	831	-0.4%
Total Retail	7,143	7,871	8,393	17.5%
Large Corporate	1,661	1,590	1,471	-11.4%
SMEs	3,192	3,257	3,436	7.6%
Total Corporate	4,853	4,847	4,907	1.1%
Total Cash loans (net of Repos)	11,897	12,601	13,243	11.3%
Repos	99	117	57	na
Total Cash Loans	11,996	12,718	13,300	10.9%

The increase has been sustained by all “core” segments (Retail, Small and Middle Corporate).

Business Unit Retail volumes, that account for 63% on total loan book, grew 17.5% yoy.

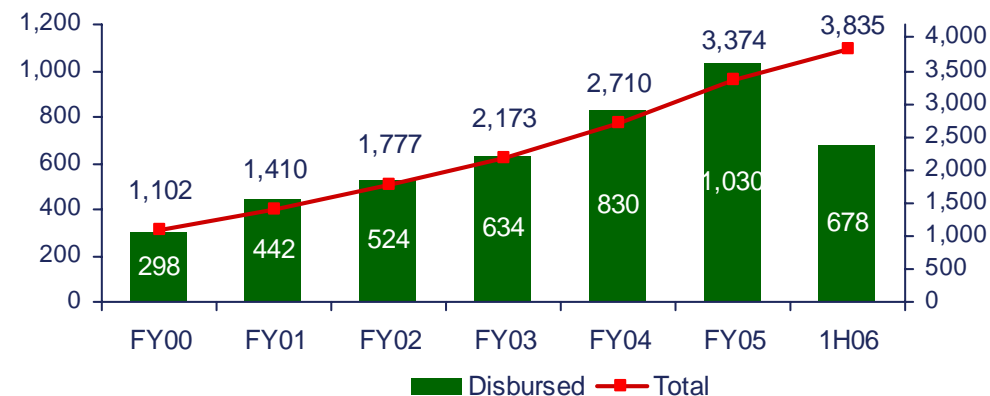
During the last 12 months the repositioning of BU Corporate volumes started in 2003 continued, by reducing Large Corporate exposures in favour of SMEs. Despite this remarkable effort, BU Corporate total volumes registered an increase of 1.1% yoy.

The growth in long term loans continued, remarkably in the household sector as detailed below.

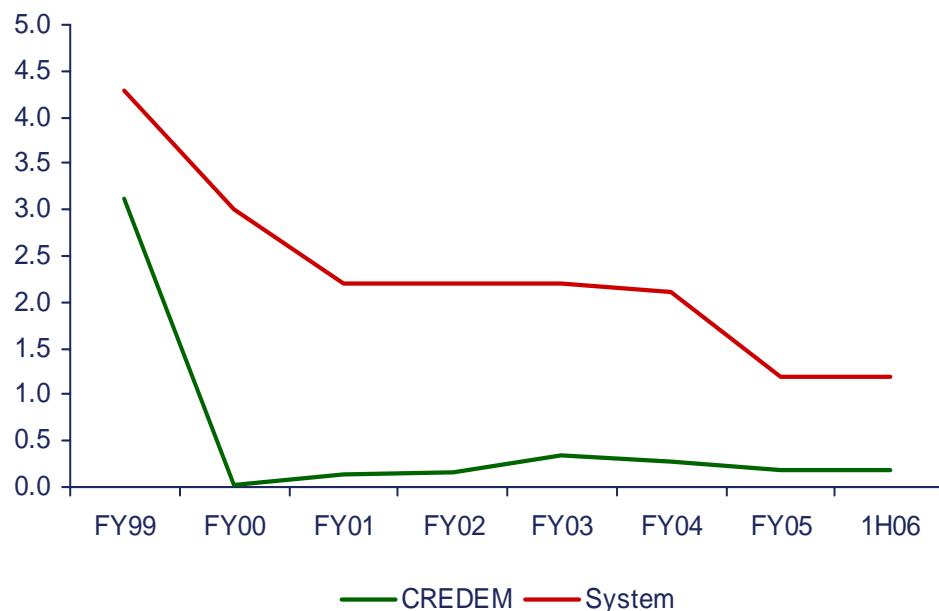


Home mortgage loans

48,500 loans in 7 years - Avg. amount financed: € 92,000



- Credit quality consistently high, with an **NPL ratio of 0.18%** (0.22% at June 05)



- The management and collection of loans securitized in late 2000 continued with success.
 - Euro 189 mln collected, vs. a maximum Euro 122 mln forecast;
 - senior tranche (ex Euro 100 mln) paid back in full in 2004, five years ahead of schedule;
 - Euro 26 mln of the junior tranche (ex Euro 81 mn) already paid back in advance.
 - “Additional return” income of about €2.3 million in the semester (€8.5 and €3.3 million in 2005 and 2004 respectively).
- Highly reliable, tested internal rating system in place for many years. About 85% of credit related decisions are approved at central level

Market risk (EUR/m)	FY04	FY05	1H06
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VAR Trading & banking book

Credem

- average	5.2	5.5	14.8
- maximum	11.0	9.7	25.3

Abaxbank

- average	3.3	4.5	3.7
- maximum	6.1	8.8	7.7

Other companies

- average	4.1	4.5	3.9
- maximum	7.9	16.2	13.1

Interest risk (1% parallel shift)	9.5	3.6	4.9
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- Market risk management mostly pertains to Credem, Abaxbank and Euromobiliare SIM
- Overall risks are modest and fairly stable over time

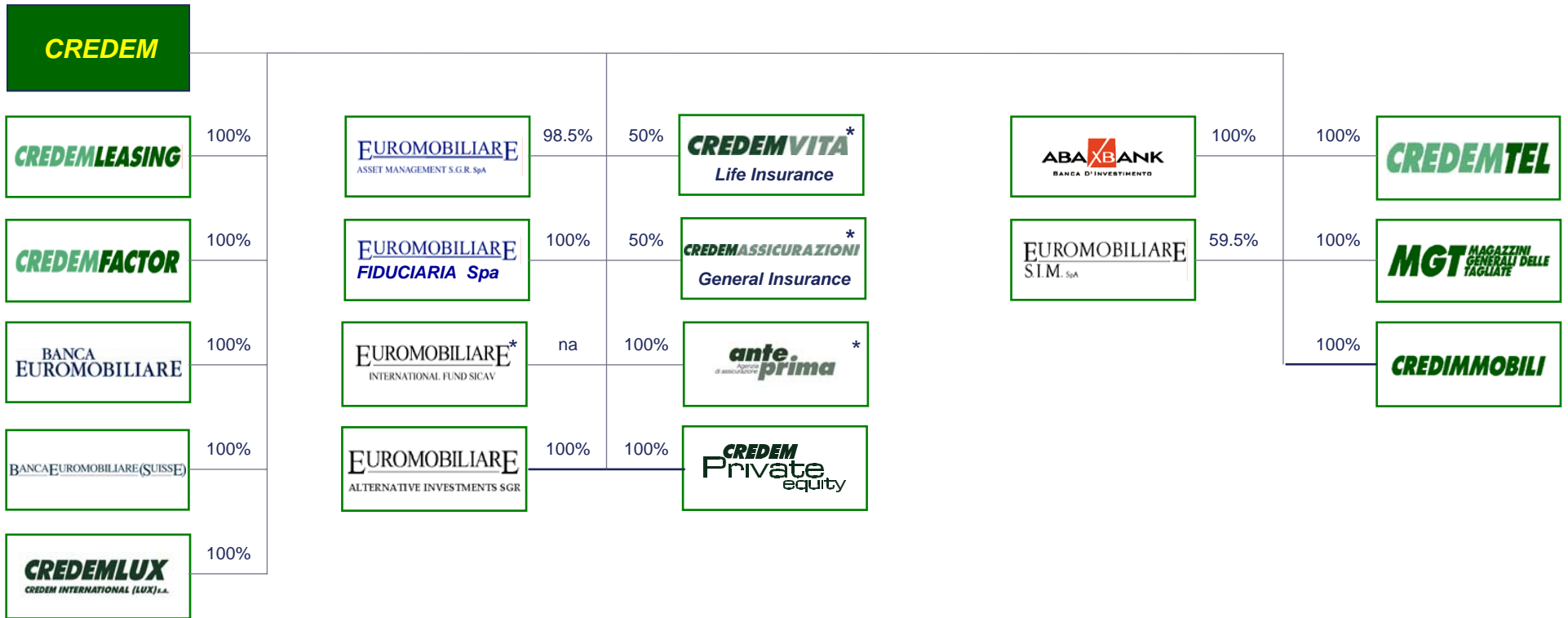
- *2004 - 2006 business plan recap*
- *Credem at a glance*
- *2006 – 2008 business plan*
- *1H06 Results*
- ***Attachment: Group Profile***

Commercial Banking

Wealth Management

Investment Banking

Other



* Not consolidated

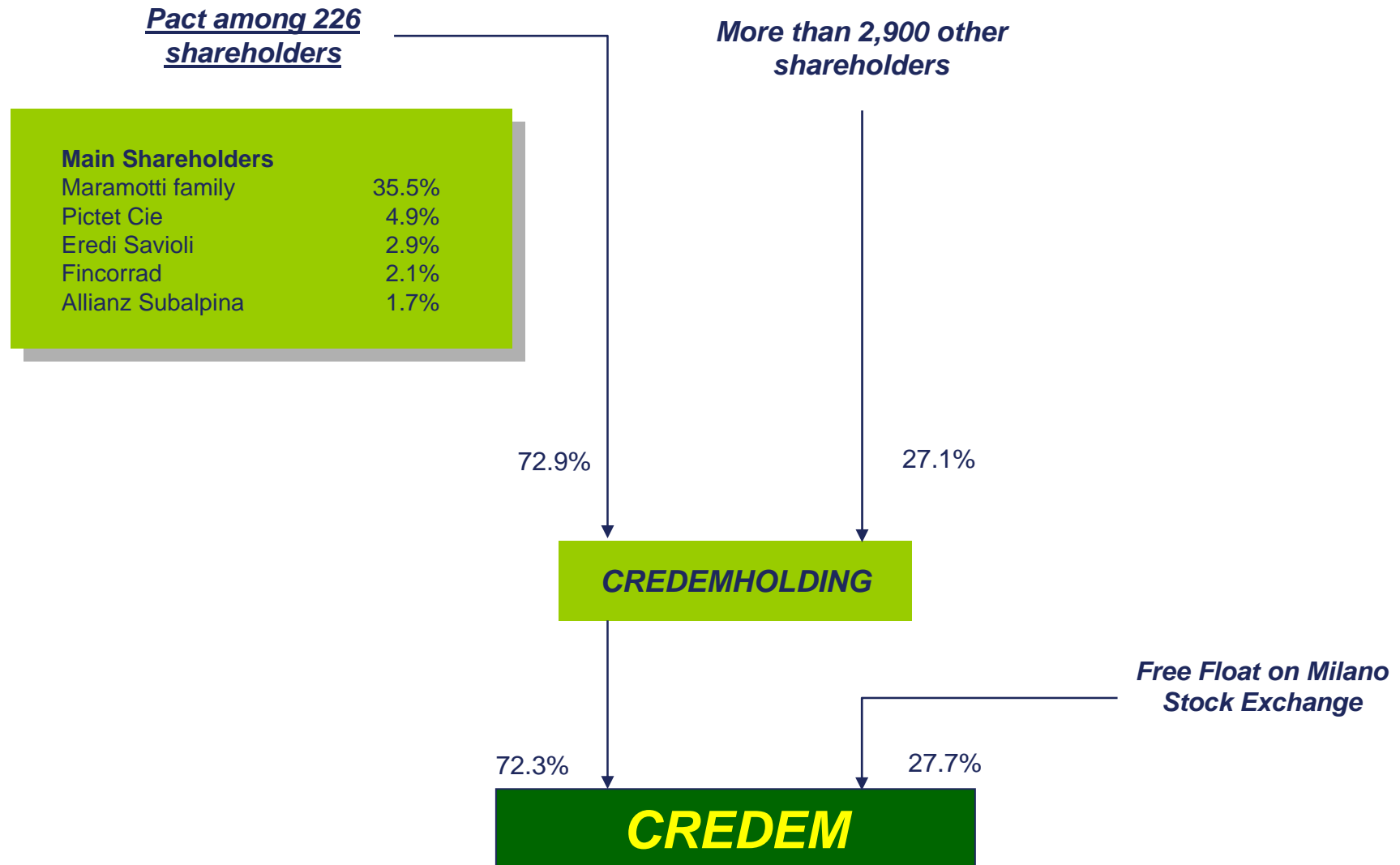
No. of CREDEM Group branches as at March 31° 2006



Network	FY05	1Q06
Credem and others	433	436
B.ca Euromobiliare	22	21
Branches	455	457
Business centres	40	41
Credem Points	24	23
Banca Euro financial stores	36	39

Staff	FY05	1Q06
Banca Euromobiliare advisors	328	327
Credem advisors	506	500
Advisors with mandate*	834	827
Advisors with employee status	218	193
Total advisors	1,052	1,020
Credem Group employees	4,943	4,973

* not on group's payroll



Ratings Standard & Poor's

Short Term	A2
Long Term	A-
Outlook	Positive

Last review: 16 January '06

“.. The ratings on Credem reflect its strong financial profile, based on very strong asset quality, highly satisfactory capitalization, and resilient core profitability. The ratings also take into account the bank's only-adequate efficiency and market position.

Credem has an adequate market position in its wealthy home Region of Emilia-Romagna, and is a niche player in other regions...

Credem's credit risk metrics are very strong, reflecting a low credit risk appetite; a highly efficient credit risk process; extensive monitoring, notably of its southern branches; and low geographic and single-party concentrations. Capitalization is highly satisfactory in light of the bank's low credit risk profile.

Bottom-line profitability is satisfactory, with only-adequate but improving efficiency compensated by very low cost of risk...

The strategic shift in activity mix toward higher margin retail lending and private banking is paying off, as evidenced by the cost-to-income ratio improving. Compared to domestic regional peers, Credem has a larger share of revenues generated by brokerage fees and commissions on financial products...

The positive outlook reflects the possibility that the ratings on Credem could be raised to 'A/A-1' if the bank manages to sustain the improvement in core profitability--notably efficiency--started in 2005 in the next two years...”

Ratings Fitch-IBCA

Short Term	F1
Long Term	A
Outlook	Stable
Individual	B
Support	3

Last review: 21 December '05

“..The upgrade reflects progress in management efforts to contain Credem's above-average costs and to increase the diversification of its loan portfolio, the quality of which is healthier than other Italian mid-sized regional banks. The ratings also reflect the bank's good revenue generation and profitability, adequate capital base, good management and controls. The Outlook on the ratings is Stable and reflects Fitch's view of Credem as a well-managed, profitable bank with a modest appetite for risk. Where risks are taken, adequate controls are in place, which should maintain ratings at their current levels...”