

GRUPPO

CREDEM

2010 Third-Quarter Group Results

Agenda

- **9M09 Results**
- BP 2010-2012 targets
- Group structure



Executive Summary

3Q10 Highlights

- Asset under Management volumes keep on increasing for the seventh quarter in a row since the end of 2008 (+1.7% QoQ and +17.6% YoY)
- Lending volumes are up €1.1 Billions compared to 3Q09 (+6.3% YoY) while almost stable QoQ (-0.3% QoQ) due to the seasonality impact on corporate customers
- Total Income growth of 2.2% QoQ benefits from Trading recovery, while Net Interest Income suffers due to higher cost of funding and hedging of the interest rate risk on securities' investments
- Operating Costs in line with 2Q10 figures due to some provisions on restructuring charges, comparing 9M10 to 9M09 costs are down 3.2%
- Loan Loss Provisions significant improvement results in a Cost of Risk reduction to 29 bps (from 33 bps in 1H10 and 62 bps in FY09). Cost of Risk, net of one -offs, is down to 40 bps (from 47 bps in 1H10 and 62 bps in FY09)
- 9M09 Net Profit at €86.7 Millions (+28.3% YoY), stable QoQ at €33.3 million
- Core TIER I ratio 8.8% and TIER Total at 11.6%

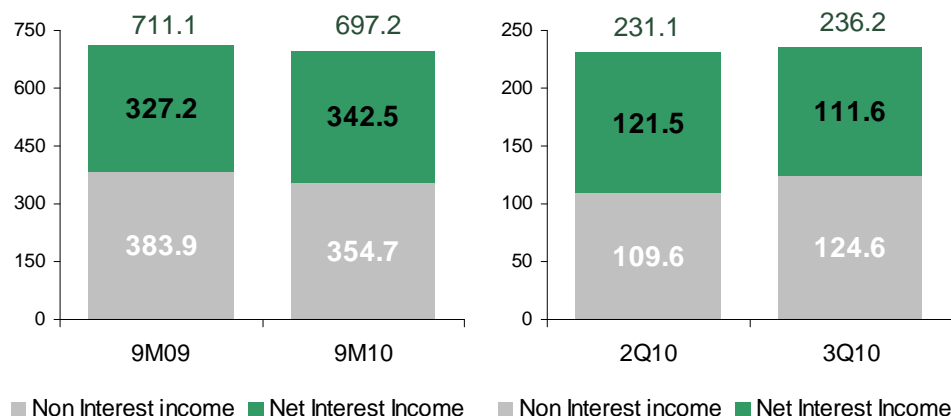
Income Statements

	EURm	9M09	9M10	% yoy	2Q10	3Q10	% qoq
Total Income		711.1	697.2	-2.0	231.1	236.2	2.2
Operating Costs		-500.1	-484.3	-3.2	-161.6	-163.8	1.4
Gross Operating Profit		211.0	212.9	0.9	69.5	72.4	4.2
Amortization and Depreciation		-22.2	-21.5	-3.2	-7.1	-7.6	7.0
Net Operating Profit		188.8	191.4	1.4	62.4	64.8	3.8
Loan Loss Provisions		-75.2	-38.7	-48.5	-3.8	-9.5	n.a.
Provisions for Risks and Charges		2.4	-1.4	n.a.	-0.9	-0.1	n.a.
Extraordinary Income (Expenses)		10.5	-1.7	n.a.	-1.0	0.0	n.a.
Pre-tax Profit		126.5	149.6	18.3	56.7	55.2	-2.6
Income Taxes		-58.9	-62.9	6.8	-23.4	-21.9	-6.4
Net Profit		67.6	86.7	28.3	33.3	33.3	-

- 9M10 Total Income is down 2.0 YoY for the massive impact of 2009 Abaxbank deleveraging. Total Income up by 2.2% QoQ due to Trading income recovery
- 9M10 Operating Costs down 3.2% YoY, in line with 2010-2012 business plan, while almost stable QoQ (+1.4%)
- LLPs low level in 2010 is confirmed in the last quarter (the 9M10 figure is 48.5% lower then in the same period of 2009) . The good trend in impaired loans generation as well as high level of write-backs once again highlight the historical Credem conservative approach in impaired loans treatment.
- Net Profit comes at €86.7 Millions (+28% vs. 9M10). 3Q10 Net Profit is stable QoQ at €33.3 Millions

Revenues and Costs

Total Revenues



- 9M10 Net Interest Income up by 4.7% YoY, while quarter result has been negatively impacted by:
 - higher cost of funding
 - hedging of the interest rate risk on securities' investments (positively affecting, though, the sensitivity to interest rate growth)
- Non Interest Income up by 13.7% QoQ, driven by Trading recovery. 9M10 figures down by 7.6% YoY due to the positive impact of Abaxbank in 2009

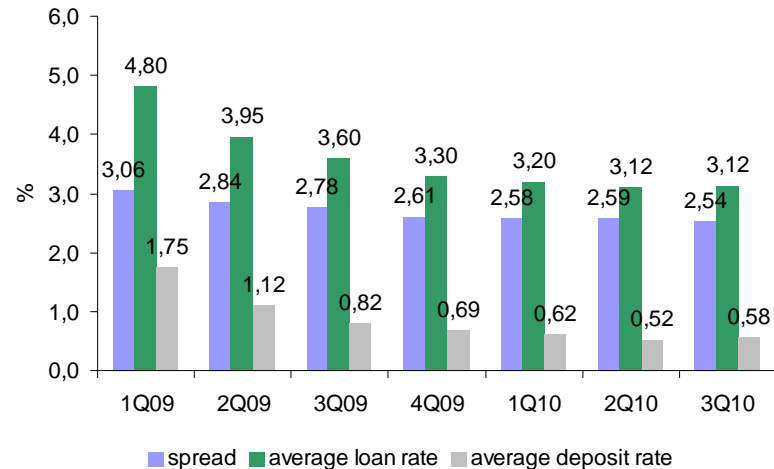
- Operating costs almost in line QoQ (+1.4%) while 9M10 figures are showing a reduction of 3.2% YoY
- Payroll Costs come at €106.1 Millions, virtually stable QoQ, but negatively affected by restructuring charges
- 9M10 Cost to Income, net of amortization and depreciation, comes at 69.5% compared to 70.3% as at 9M09

Costs evolution



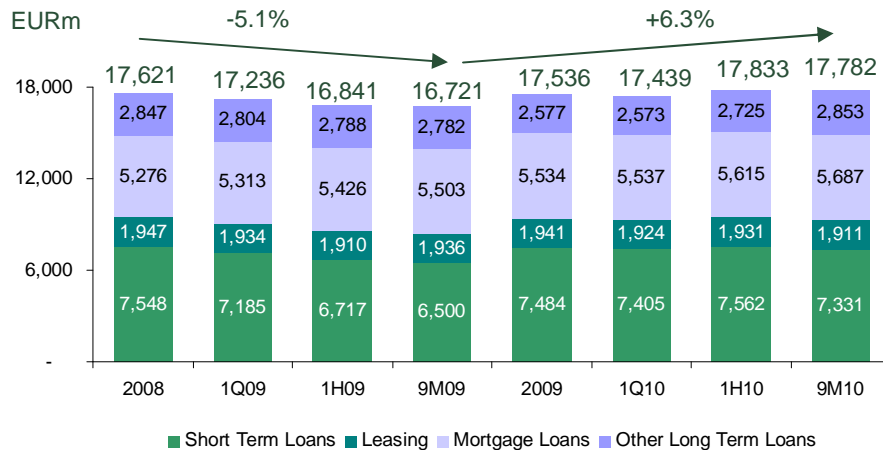
Spread and Loan Book

Spread on clientele (Credem SpA management accounting)

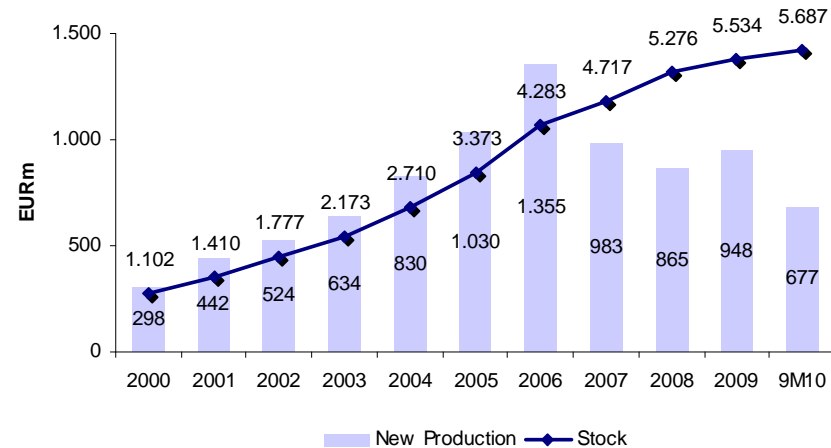


- The spread on deposits have benefited by the recent Euribor growth. Lending spread, instead, is penalized by customers' high credit quality and mortgage loans significant incidence
- Lending volumes are up by 6.3% YoY, in comparison to a market growth of 4.6%* YoY. On a quarterly basis, lending is stable, in line with the seasonality impact affecting corporate customers in the summer season
- Home mortgage loans new production is remarkably in line with last years' performances

Loan Book Breakdown



Home mortgage loans evolution



* Bank of Italy data on total loans on corporate and retail customers in Italy (no lending to banks)

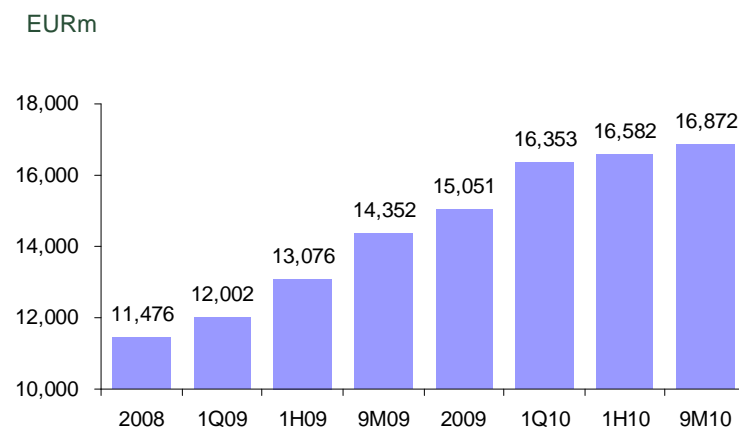
Deposits & Assets Under Management

Eum	2007	2008	2009	1Q10	2Q10	3Q10
Sight Deposits	9,520	10,444	11,443	10,247	11,538	11,826
Time deposits	1,785	3,275	2,637	1,842	1,177	945
Repos	735	2,216	158	44	43	58
Deposits & Repos	12,040	15,935	14,238	12,133	12,758	12,829
Insurance Reserves	2,146	1,794	2,312	2,499	2,511	2,517
Bonds	5,225	4,853	3,848	3,510	3,349	3,137
Of which EMTN	3,900	3,490	2,140	1,790	1,790	1,290
Discretionary Accounts	4,710	3,519	4,301	4,764	4,781	4,946
Mutual Funds	5,154	3,666	3,910	3,888	4,005	4,029
SICAVs	3,927	3,214	5,122	5,495	5,241	5,132
Other	514	1,077	1,718	2,206	2,555	2,765
AUM	14,305	11,476	15,051	16,353	16,582	16,872

* Not including EMTN bonds

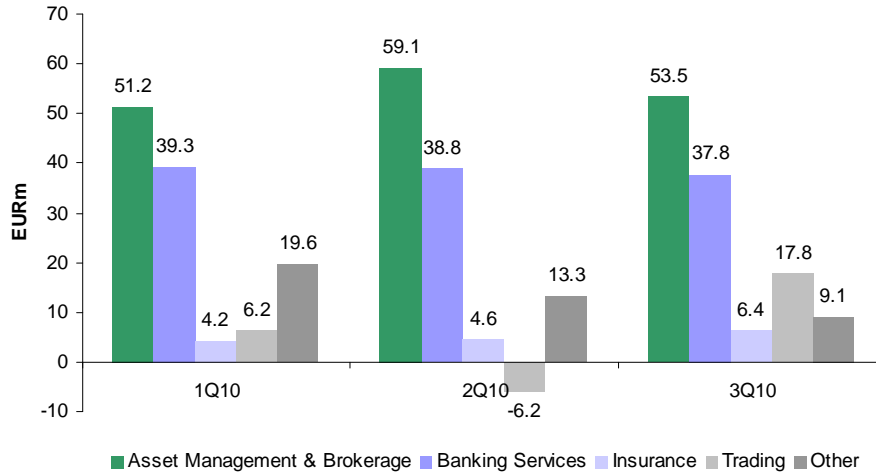
- AuM keeps on increasing for the seventh quarter in a row (+ €290 Millions QoQ and + €5,396 Millions since the end of 2008)
- Sight Deposits are still growing (+ €288 Millions QoQ, + €1,579 Millions since 1Q10). Further decrease of EMTN bonds has been partially offset by the issue of almost €500 Million of retail bonds
- The Loan to Deposits ratio* went down to 1.21 from 1.25 at the end of 2Q10

AuM evolution since FY08



Commissions

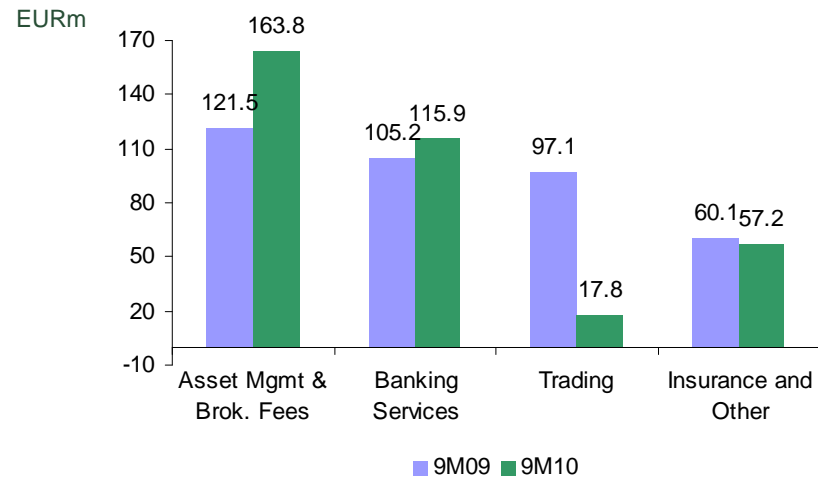
Non Interest Income Breakdown



- Volumes' growth still sustains asset management fees but the seasonality effect has negatively impacted brokerage and banking service fees in 3Q10
- Trading recovery has driven Non Interest Income growth in the quarter, also thanks to a better performance of Abaxbank compared to 2Q10

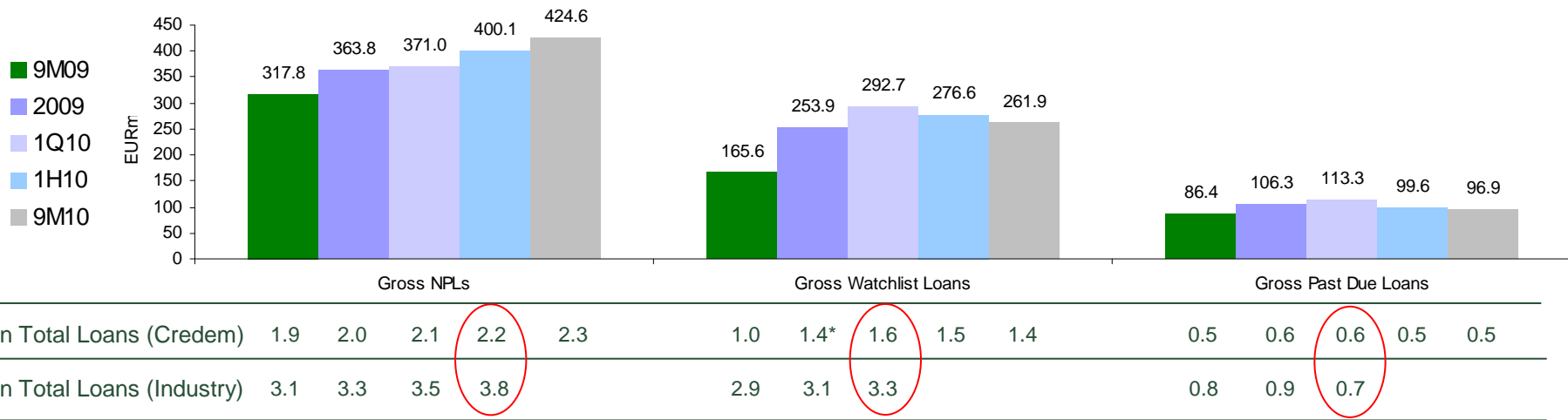
- Even if 9M10 Non Interest Income is down by 7.6% YoY, the business mix has significantly improved
- Asset management & Brokerage fees, together with banking services, have improved by 23.4% (+ €53 Millions in 9M10), partially offsetting the worst Trading performance because of 2009 Abaxbank deleveraging
- Insurance and Other Income are almost stable YoY

Businesses contribution to Non Interest Income

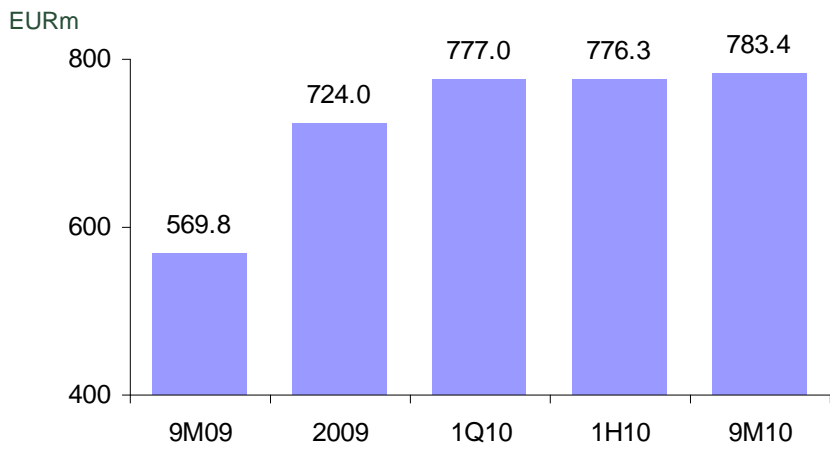


Credit Quality (1/2)

Gross Impaired Loans



Total Gross Impaired Loans



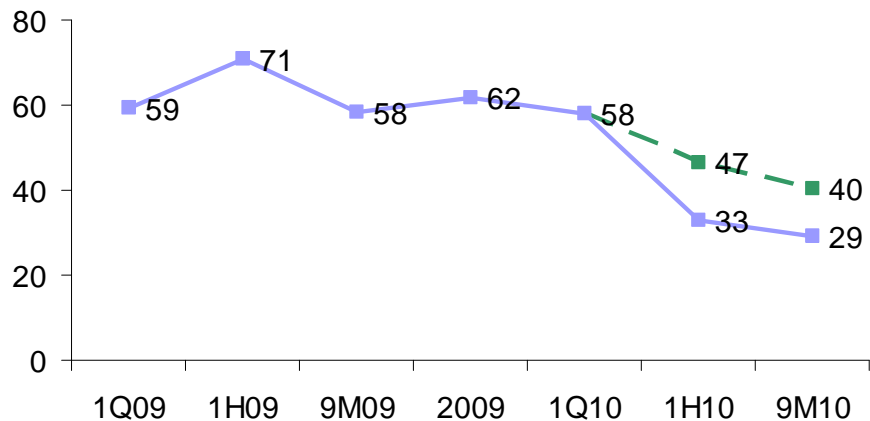
*1.0 Net of "Incagli Oggettivi"

Source: Banca d'Italia

- Gross NPLs are still growing, in line with the current weak economic scenario, but at a slightly lower pace compared to previous quarter
- Watchlists and Past Due loans reduction make Total Gross Impaired Loans almost stable QoQ for the second quarter in a row

Credit Quality (2/2)

Cost of Risk (bps)

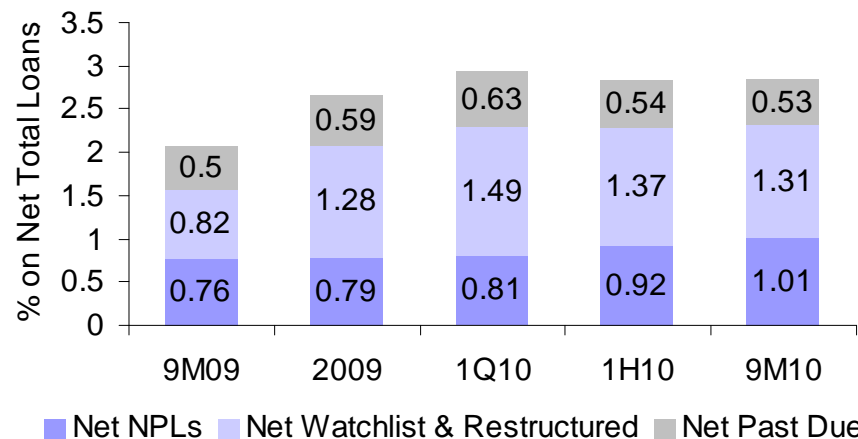


--- Cost of risk not including write-backs and provisioning on performing loans updating

- The slight decrease in NPLs coverage, now at 57.9% compared to 59.0% in 2Q10, brings to a growth on Net NPLs
- Total Net Impaired Loans are stable QoQ after a previous decrease in 2Q10

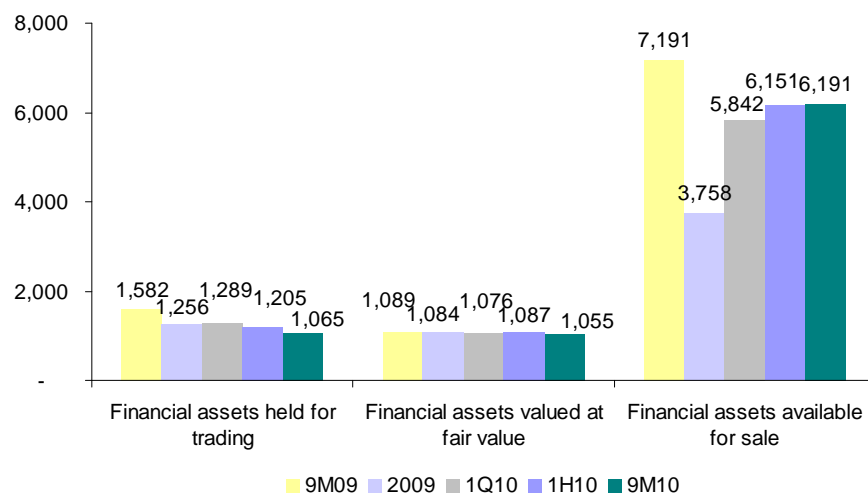
- Cost of risk is down to 29 bps (-4 bps QoQ and -29bps YoY)
- Not including non recurrent items LLPs are still down to 40bps (-7bps QoQ and -18bps YoY) showing an overall positive trend on impaired loans generation

Net Impaired Loans



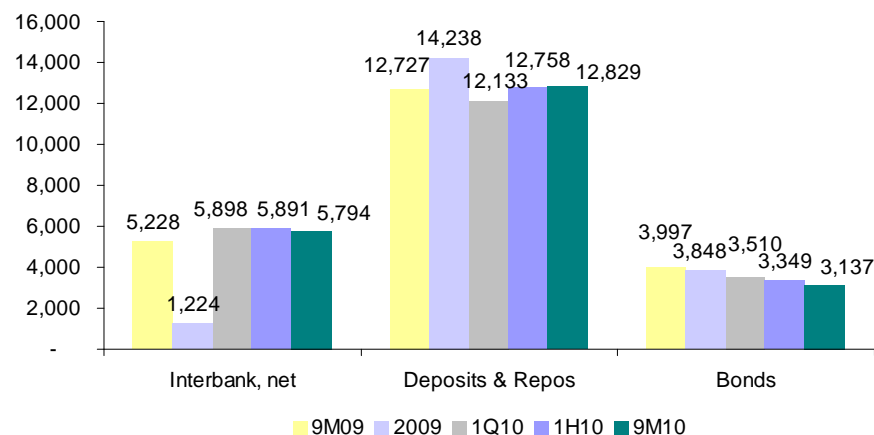
Assets & Liabilities

Assets (EURm)



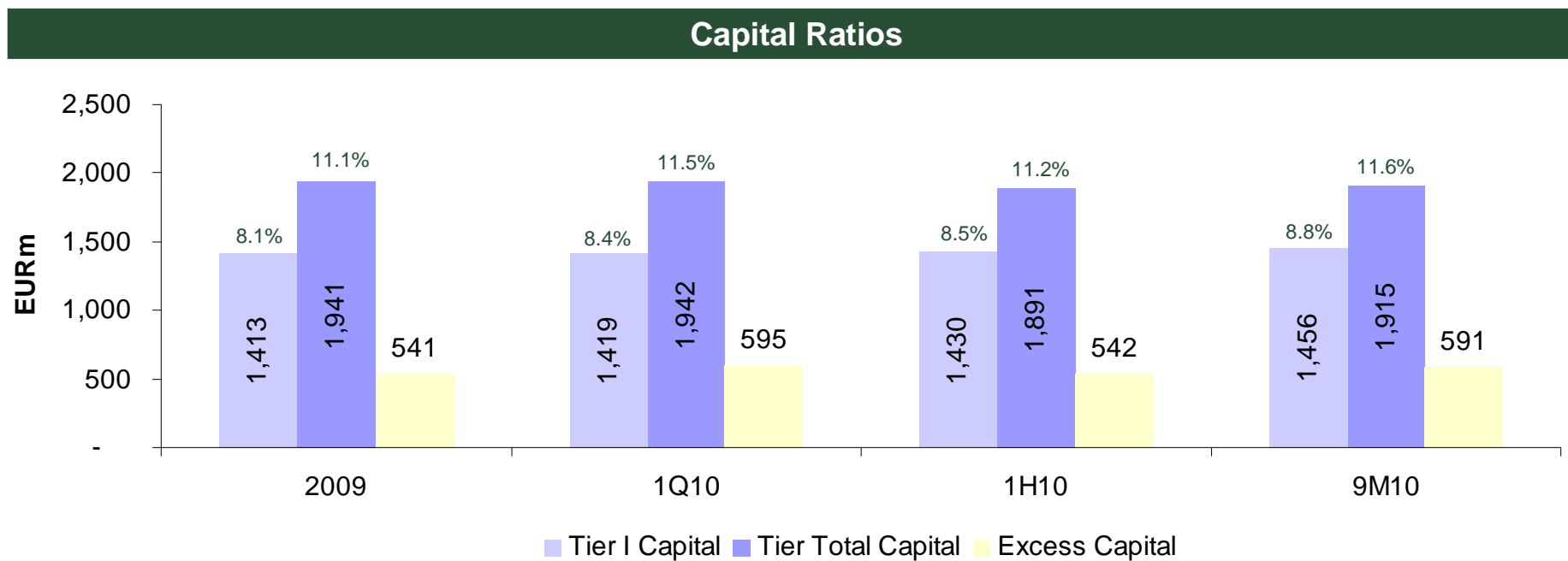
- Financial Assets almost stable after the financial operations put in place in 1Q10
- Financial Assets Available for Sale is mainly made of Italian government bonds with an average duration of almost one year and an half

Liabilities (EURm)



- Net Interbank funding shows a slight decrease at €5,794 Million while Deposits & Repos are still growing after the good performance of the previous quarter

Capital Ratios



- Capital ratios still among the highest of the banking sector
- Tier 1 capital is all core: no hybrids contribute to tier 1 capital build up

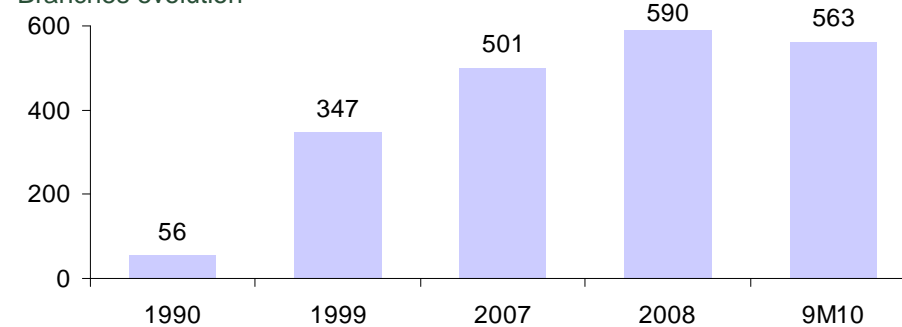
Distribution Network

Number of branches and branches market share per region



	2007	2008	2009	3Q10
Credem Branches	479	563	552	544
B.ca Euromobiliare Branches	22	27	23	19
Total Branches	501	590	575	563
Corporate Centres	42	44	43	42
Credem Points	29	36	33	34
B.ca Euromobiliare Fin. Stores	22	22	17	19
Credem FAs	468	640	647	576
B.ca Eurom. FAs	292	362	359	353
Total FAs	760	1,002	1,006	929
Credem Group Employees	5,291	5,993	5,740	5,655

Branches evolution



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Expected scenario

Assumptions	2008	2009	2010E	2011E	2012E
MSCI Europe (y/y growth)	-45.5%	25%*			
FTSE Italy all-share index (y/y growth)	-48.8%	19.7%*			
GDP UEM	0.6%	-4.0%	0.7%	1.2%	1.6%
GDP Italy	-1.0%	-4.9%	0.5%	1.2%	1.5%
Deposits from customers and bonds (y/y growth) – Total Industry	13.8%	11.0%	4.2%	4.1%	4.1%
Asset Under Management (y/y growth) – Total Industry	-30.4%	3.8%	5.8%	7.4%	
Loans (y/y growth) – Total Industry	4.9%	1.6%	4.4%	5.5%	5.4%
Euribor 1 month (annual average)	4.27%	0.92%	0.94%	1.92%	2.68%

**VERY SLOW AND GRADUAL RECOVERY EXPECTED, INTEREST RATES IN 2012
STILL 150 bps LOWER THAN 2008**

(*) Values at November 18, 2009

Sources: Prometeia "Rapporto di Previsione" (Oct. 2009), "Previsione dei Bilanci Bancari" (Oct. 2009) and "Tassi" (Sept. 2009)

Business Plan Guidelines

MARKET SHARES INCREASE BY ANTICIPATING INDUSTRY TRENDS

HIGHER COST EFFICIENCY

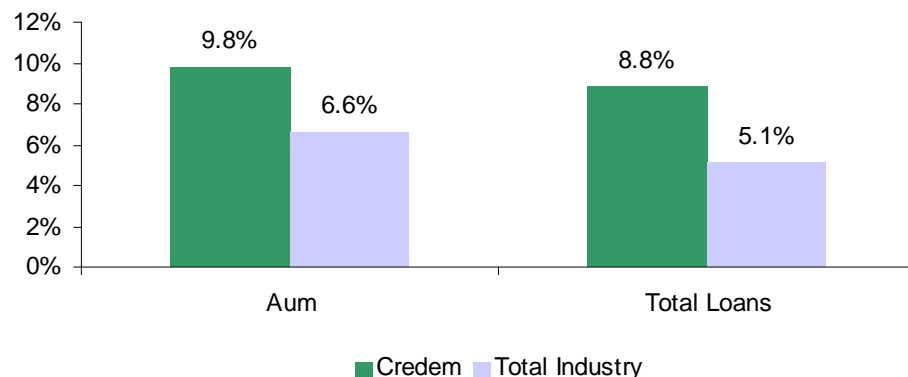
EXCELLENCE IN RISK CONTROL AND CAPITAL ADEQUACY

***Value generation by growing more than the industry,
while maintaining a strong cost control***

Volumes growth and Total Income

Expected volumes growth

2010-2012 CAGR on Loans and AUM (Credem vs. Industry)

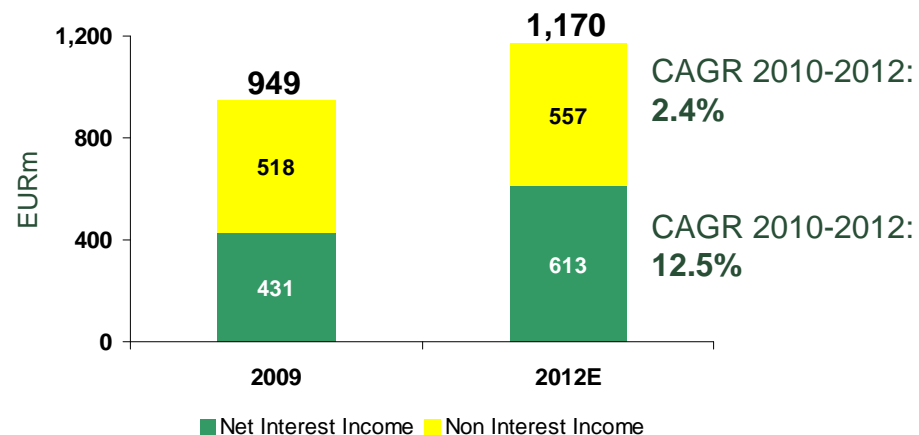


- Growth mainly focused on Net Interest Income due to the expected positive evolution of loans and spreads
- Non Interest Income should evolve into a more stable mix thanks to net fees growth and trading income reduction

The main target is to gain market shares both on AuM and on Lending:

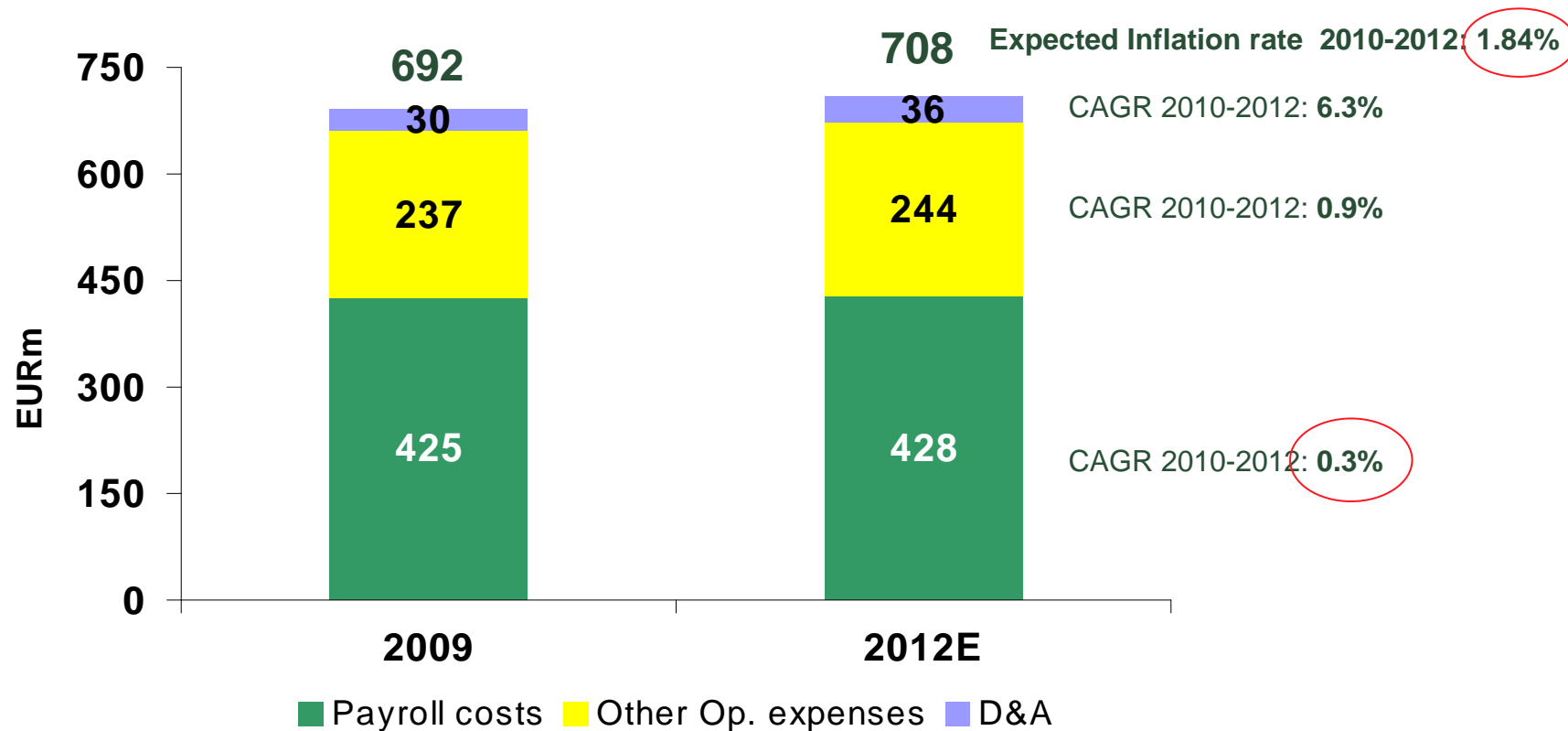
- **AuM:** from 15.1 EURbn (at the end of 2009) to 19.9 EURbn (at the end of 2012E)
- **Loans:** from 17.5 EURbn (at the end of 2009) to 22.6 EURbn (at the end of 2012E):

Total Income



Operating Costs and D&A

Expected Operating Costs evolution

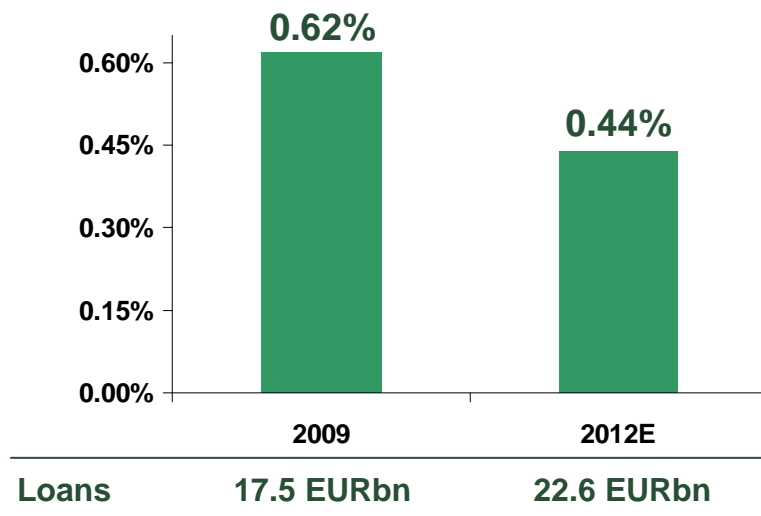


Cost Income ratio (including D&A)	72.9%	60.5%
Cost Income ratio (excluding D&A)	69.8%	57.4%
Employees	5,740	5,600

Source: Prometeia

Excellence in risk control and capital adequacy

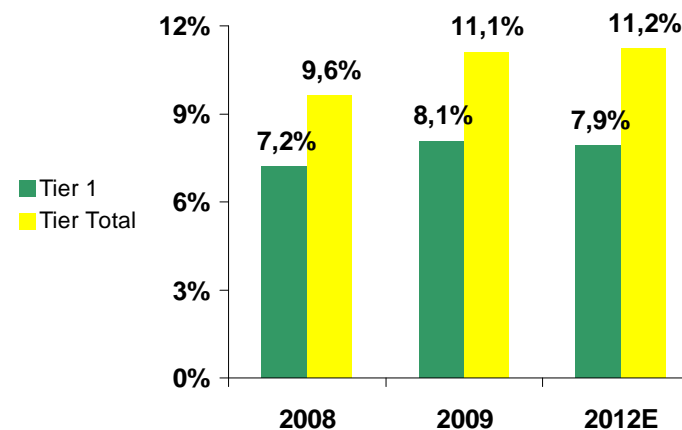
Expected Cost of risk reduction



Gradual decrease of cost of credit, in line with historical trends, while increasing customers' loans from 17.5 EURbn to 22.6 EURbn

- **Stable capital ratios**, despite higher requirements (loans CAGR 2010-2012: 8.5%)
- **Very solid capital base**, only sustained by profits generated by the business

Capital Ratios (targets before Basel III release)



2010-2012 Business Plan CAGR

EURm	2009	2012E	CAGR 10-12
Net Interest Income	431	613	12.5%
Net Fees	339	445	9.5%
Trading	127	57	-23.5%
Other	52	55	2.0%
Non Interest Income	518	557	2.4%
Total Income	949	1,170	7.2%
Payroll Costs	-425	-428	0.3%
Other Operating Expenses	-237	-244	0.9%
Operating Costs	-662	-672	0.5%
Gross Operating Profit	287	498	20.2%
Depreciation & Amortization	-30	-36	6.3%
Net Operating Profit	257	462	21.6%
Extraordinaries Income/Expenses	14	-14	<i>n.a.</i>
Loan Loss Provisions	-109	-99	-3.2%
Provision for Risks and Charges	0	-1	<i>n.a.</i>
Profit Before Taxes	163	348	28.8%
Income Taxes	-74	-142	24.3%
Net Profit	89	206	32.3%

Total Income is expected to grow **7.2% CAGR** over the period, mostly dragged by **Net Fees** and **Net Interest Income**

Costs will remain almost stable: **CAGR is 0.5%**

As a result, **Net Operating Profit** increases **21.6% CAGR** and **Profit before Taxes** increases **28.8% CAGR**

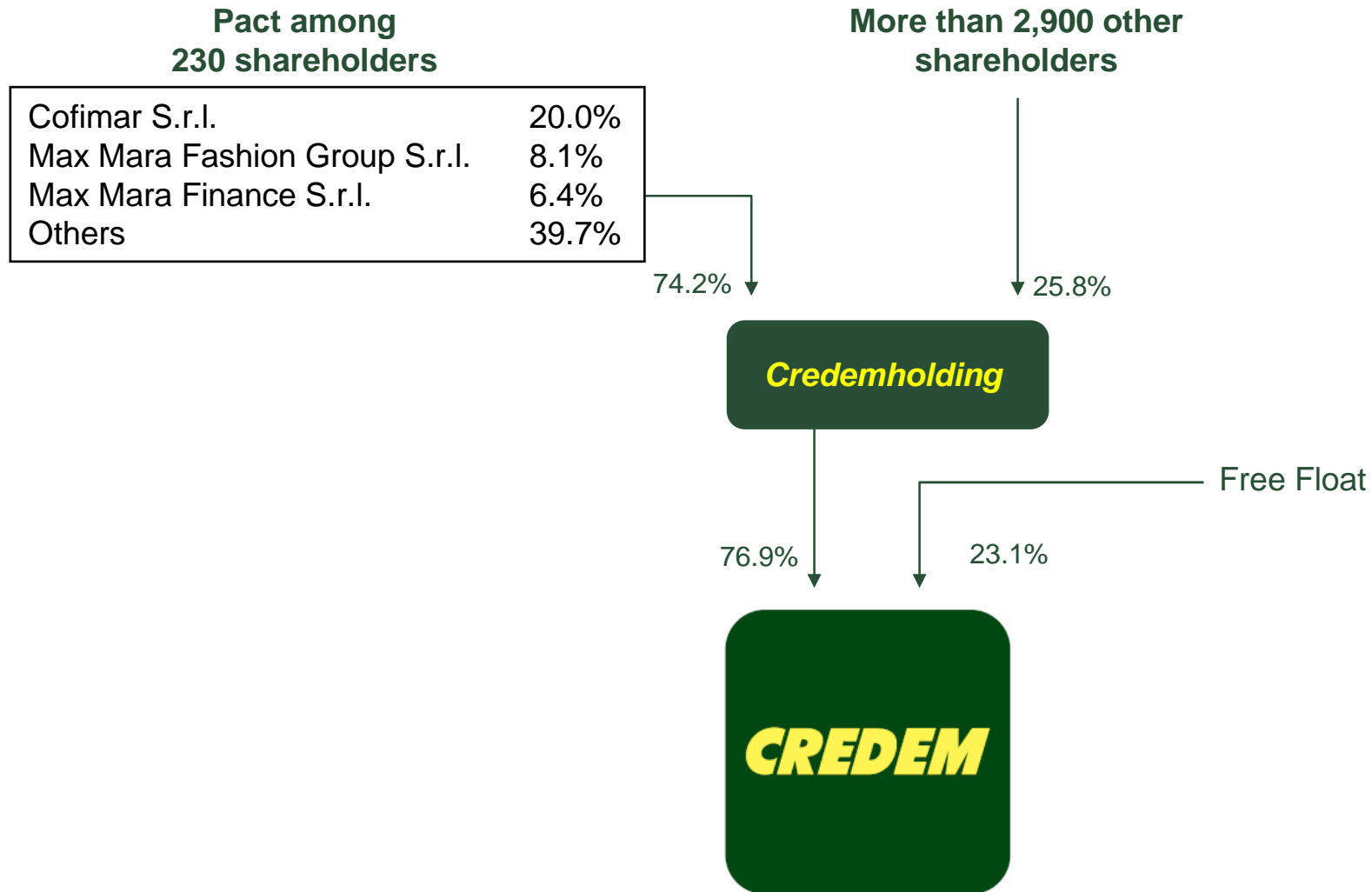
Net Profit will be **206 EURm** compared to 89 EURm in 2009 (CAGR 32.3%)

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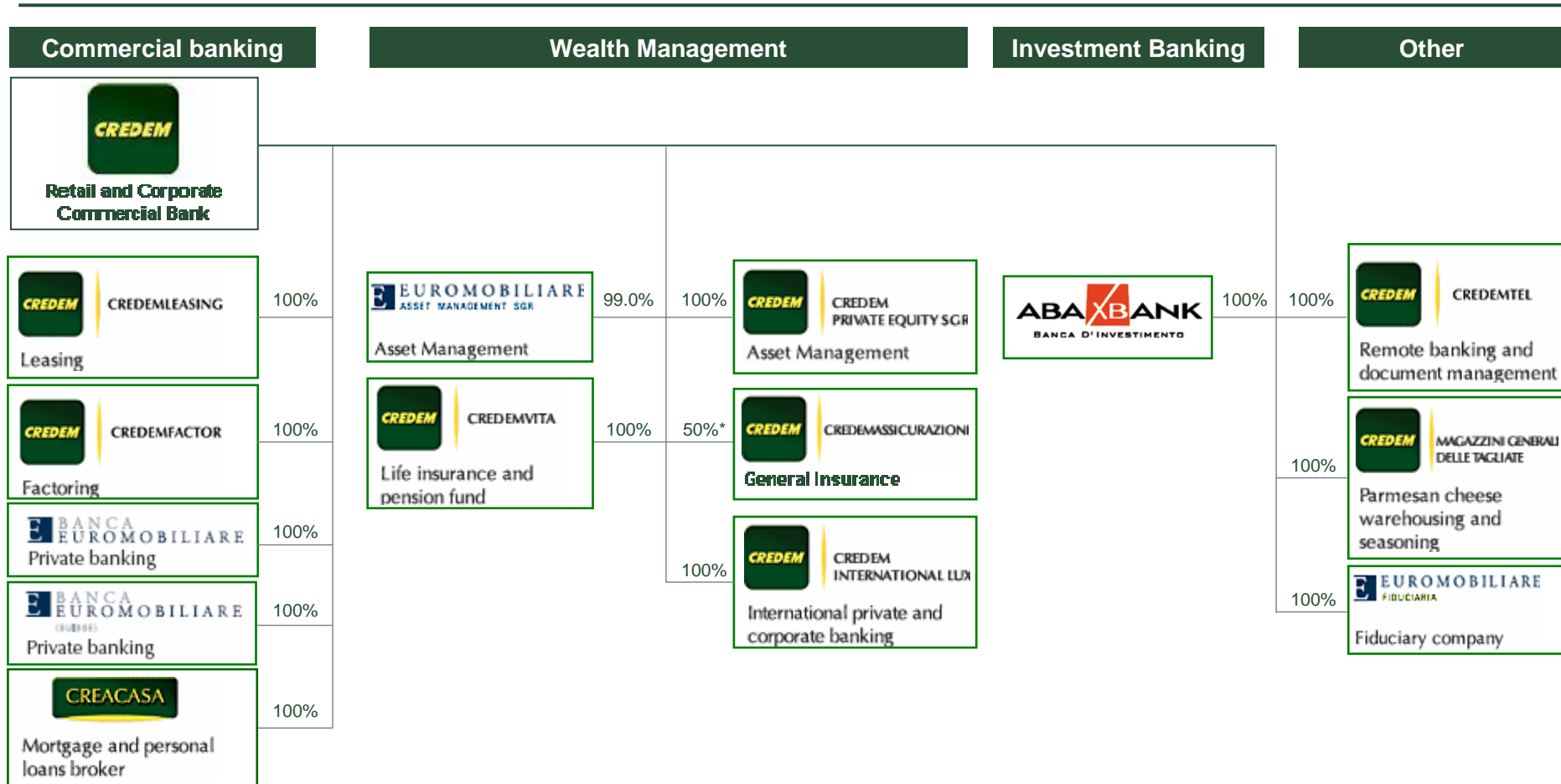


Shareholders' base



Source: Internal data

A Complete Group



Disclaimer and Contacts

Pursuant to Article 154-bis, section 2 of the “Consolidated Law on Financial Intermediation” dated Feb 24, 1998, the Financial Manager Paolo Tommasini, declares that the accounting information contained in this document correspond to documentary records, ledgers and accounting entries.

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