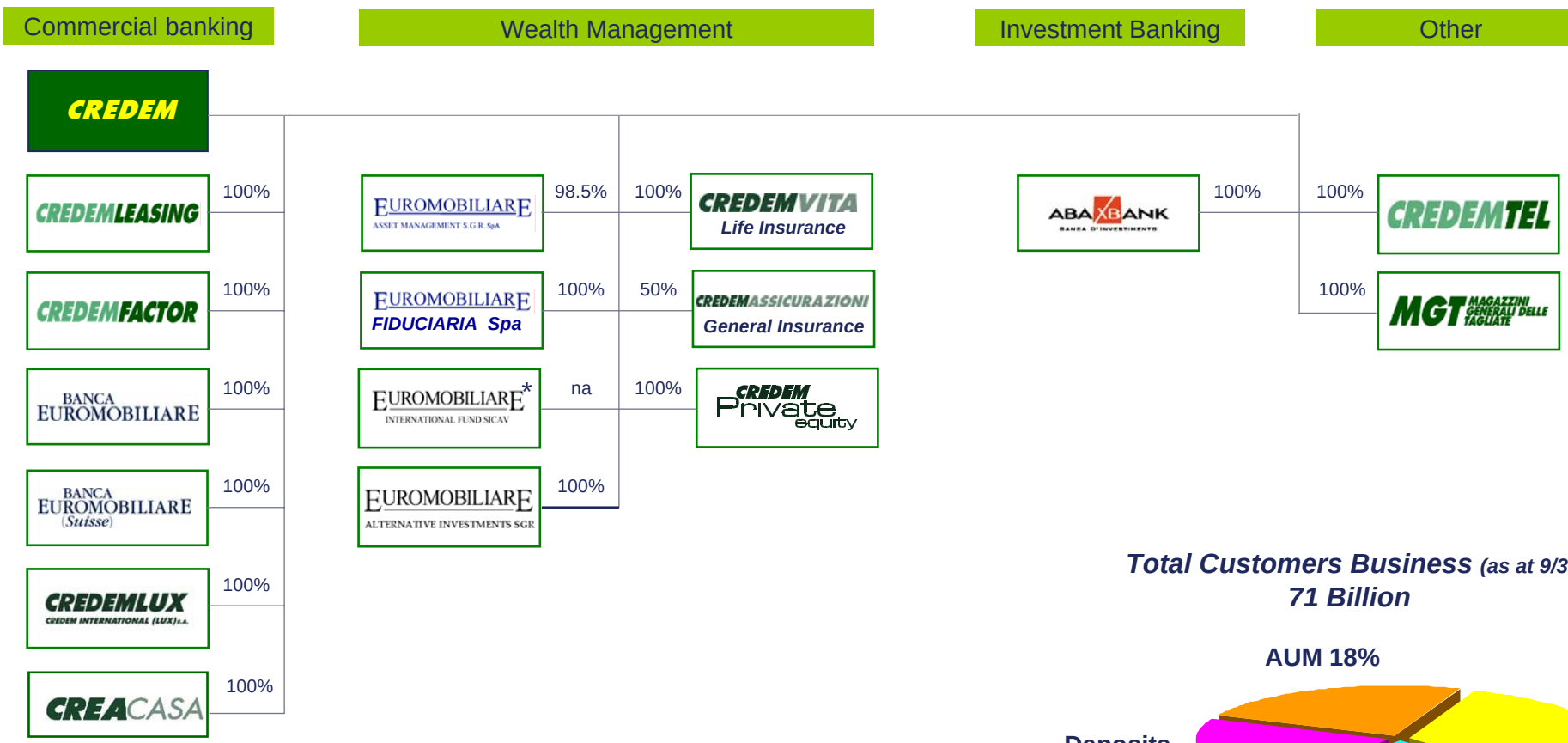
CREDEM

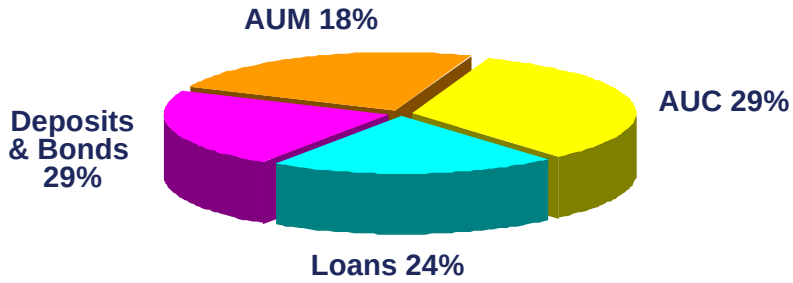
9M08

GROUP RESULTS

A complete group



***Total Customers Business** (as at 9/30/2008)*
71 Billion



Distribution Network as at 30 September 2008

64 branches opened from 1 January 2006,

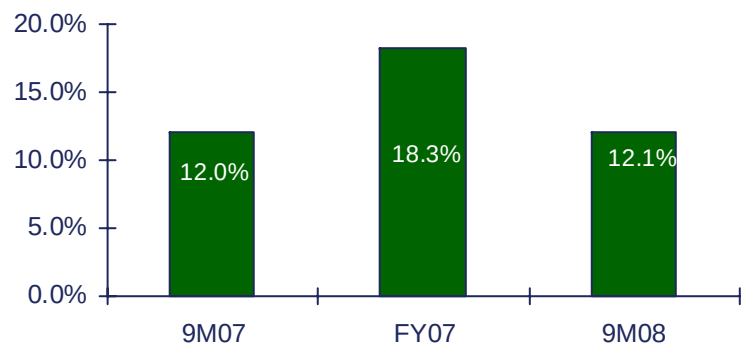
NETWORK	2007	9M08
Credem Branches	*479*	*522*
B.ca Euromobiliare Branches	*22*	*27*
Total Branches	***501***	***549***
Corporate Centres	*42*	*44*
Credem Points	*29*	*34*
Banca Euro Financial Stores	*22*	*22*
HUMAN RESOURCES		
Credem Advisors	*468*	*617*
Banca Euromobiliare Advisors*	*292*	*359*
Advisors with mandate	*760*	*976*
Credem Group Employees**	*5,291*	*5,760*

** of wich 76 from Citibank*
*** of wich 54 from Citibank, 198 from Banco Popolare and including Credemvita and Credemassicurazioni*

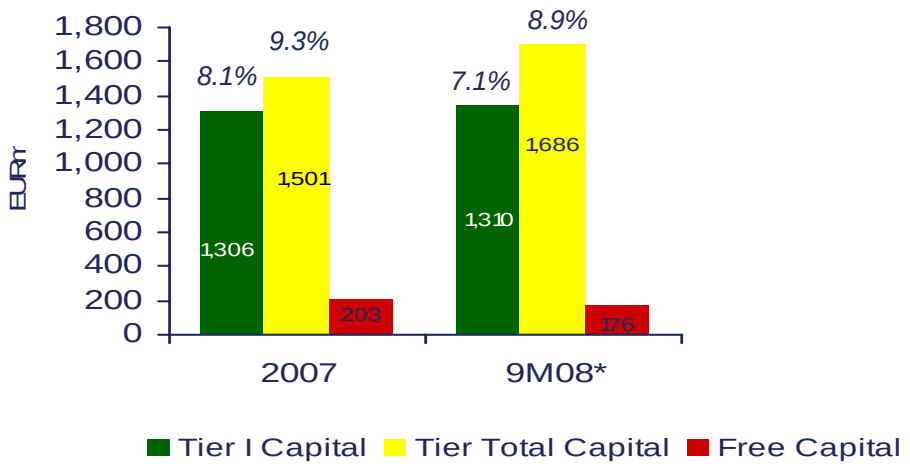
Executive Summary (1)

- *Net Interest Income driven by lending volumes*
- *AUM fees and volumes struggling*
- *Bad quarter for Trading*
- *Operating Costs moderate increase*
- *Excellent credit quality*
- *Decrease of deferred tax liabilities due regulatory change*
- *Distribution capacity development under way*
- *Internal rating system Basel II compliant approved by Bank of Italy*

ROE



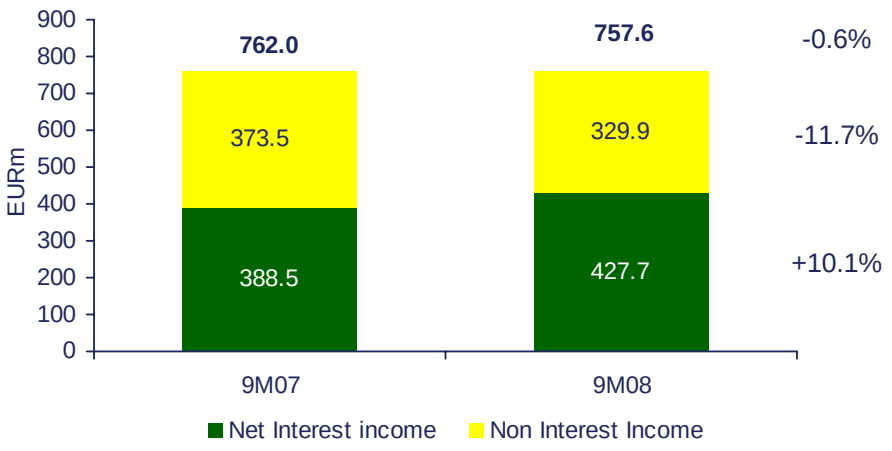
Capital Adequacy



** FIRB Basel II methodology compliant*

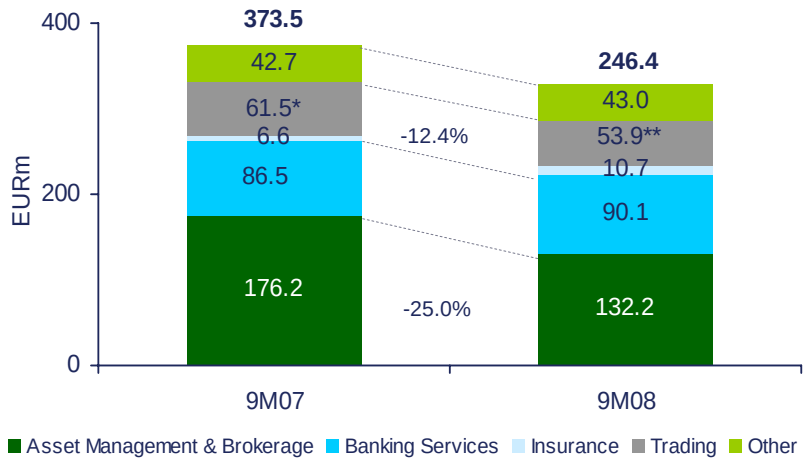
Total Income (1)

Total Income

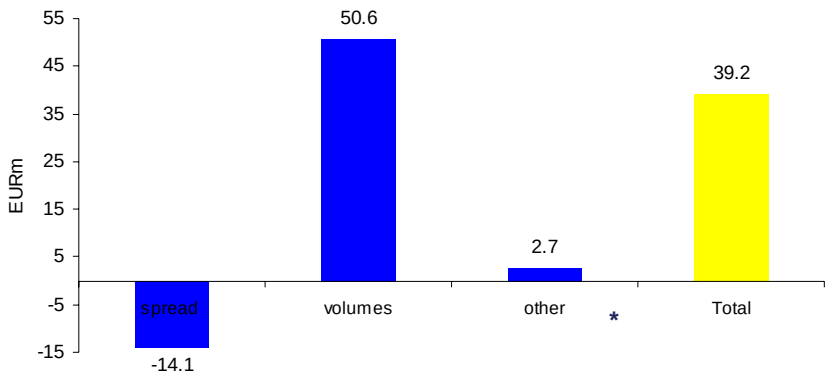


Non Interest Income

** of wich 29.8 Abax Total Income*
*** of wich 40.7 Abax Total Income*

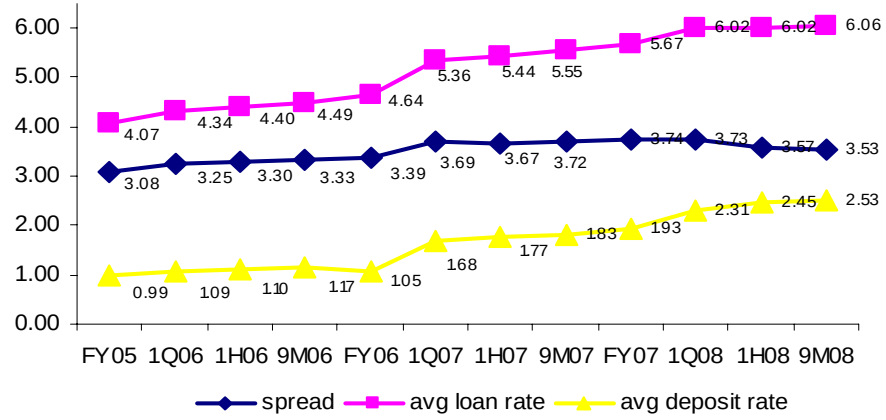


Net Interest Income variation



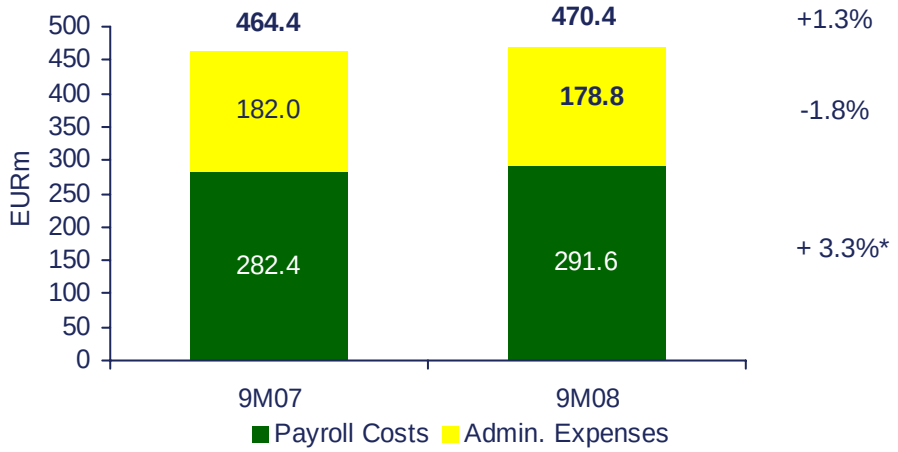
** Interbanking activity and other*

Spread



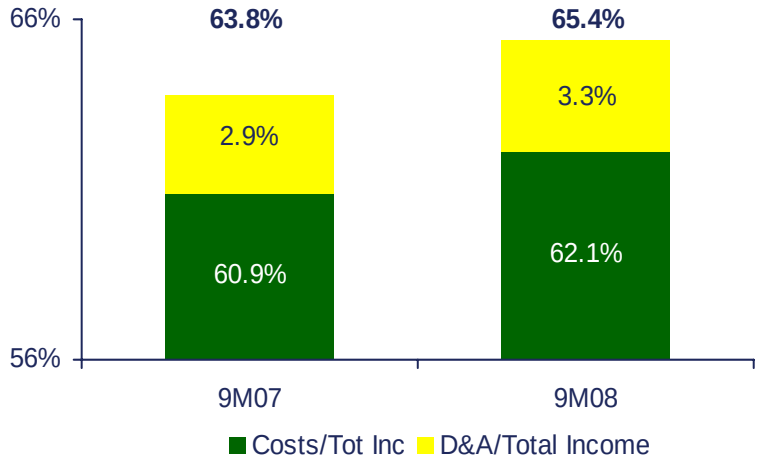
Operating Costs & Credit Quality (1)

Operating Costs

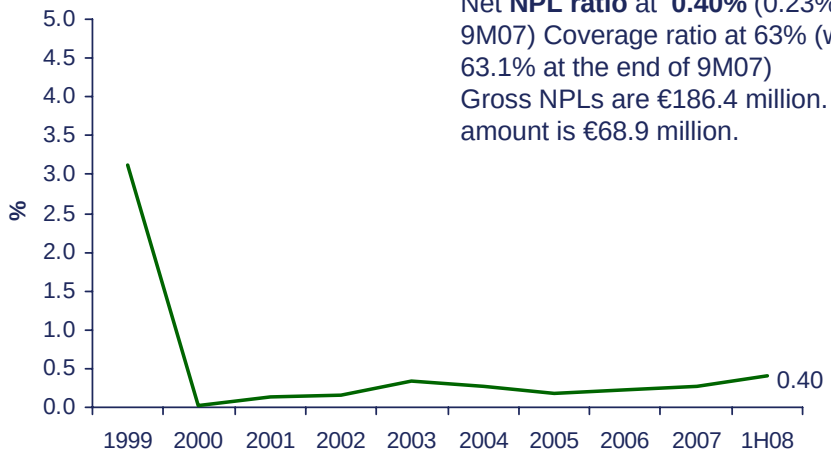


** +1.1% net of a non recurring benefit posted of €6 mn in 1H07 in connection with the termination indemnity provision*

Cost to Income

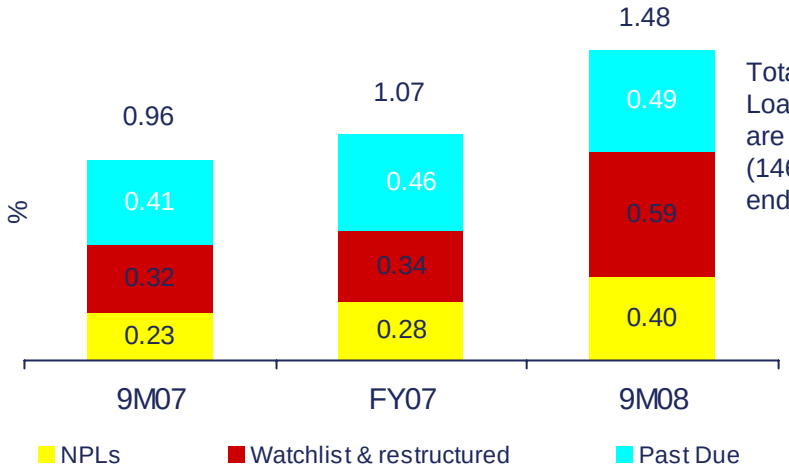


NPLs



Net **NPL ratio** at **0.40%** (0.23% in 9M07) Coverage ratio at 63% (was 63.1% at the end of 9M07)
Gross NPLs are €186.4 million. The net amount is €68.9 million.

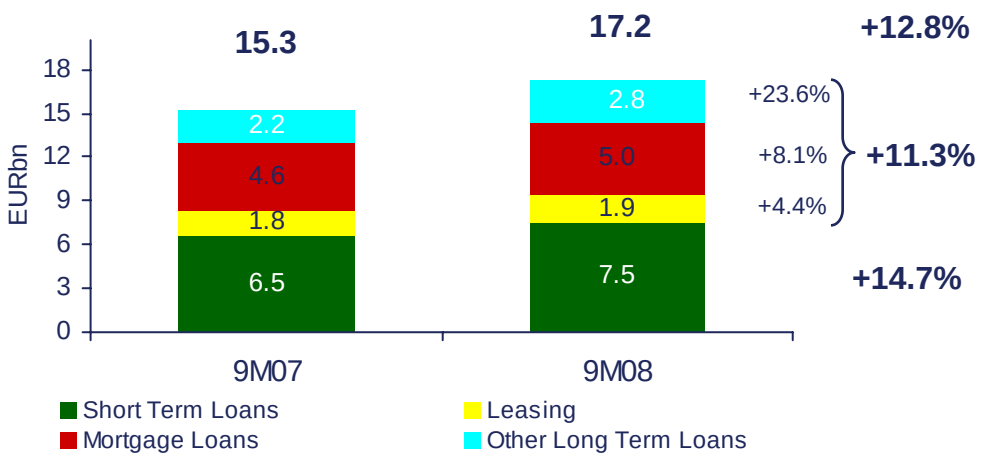
Net Problem Loans Ratio



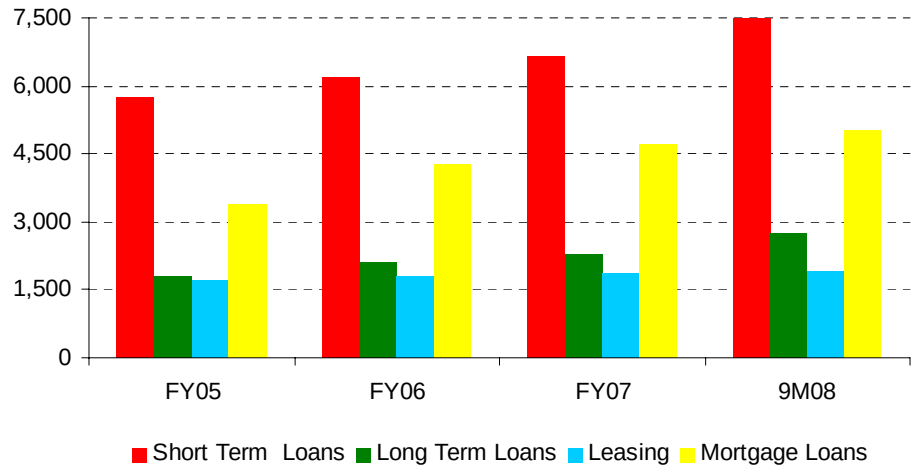
Total Net Problem Loans are 254 EURm (146 EURm at the end of 9M07)

Lending (1)

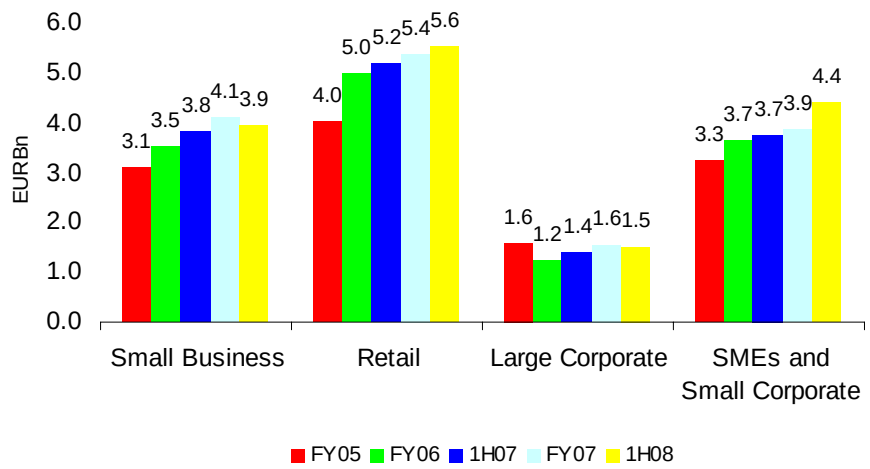
Lending volumes (net of repos)



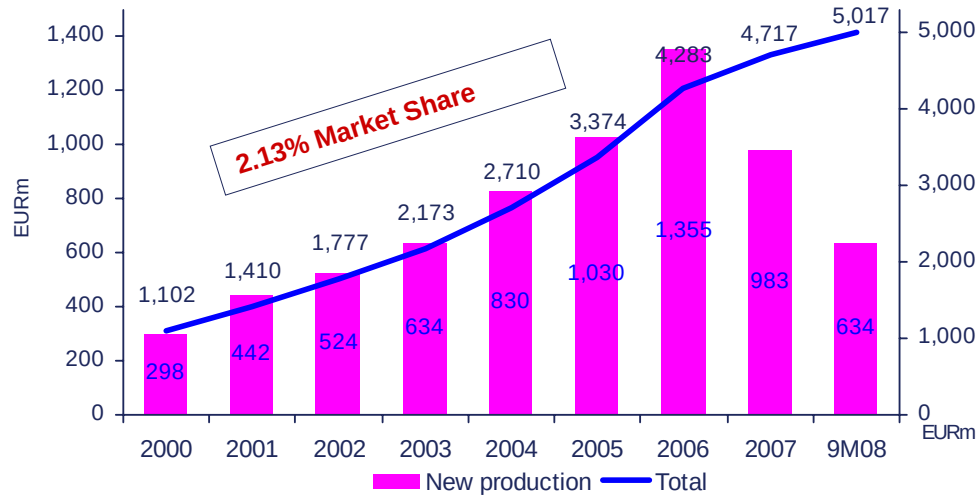
Lending volumes since 2005



Segment Reporting



Home Mortgage Loans



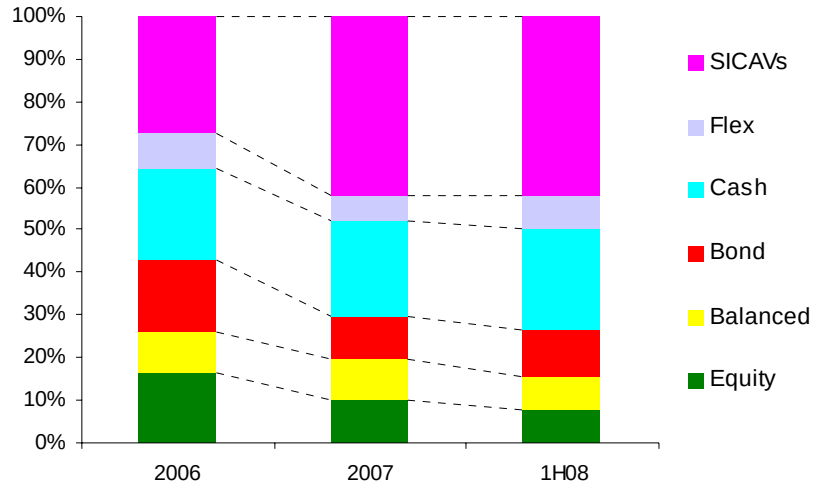
Avg amount financed: 101€k – 67,000 mortgage loans and 6.7€ bn inflows since 2000

Fundings and AUM (1)

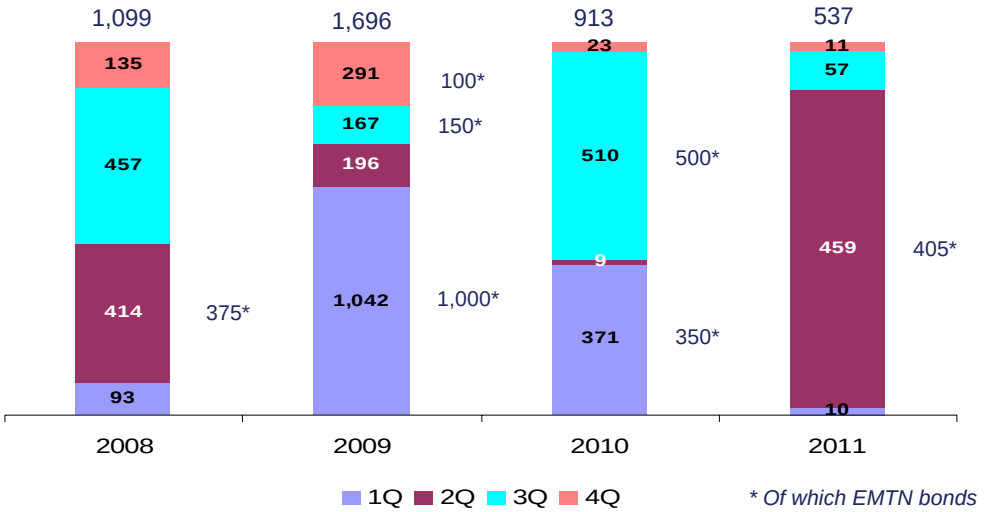
EURm	9M07	9M08	% yoy
Sight Deposits	*10,409*	*10,673*	+2.5
Insurance Deposits	*2,070*	*1,877*	-9.3
Time deposits	*185*	*1,843*	na
Deposits	**12,664**	**15,199**	+13.7
Bonds	**5,474**	**5,275**	-3.6
Discretionary Accounts	*5,343*	*3,908*	-26.9
Third parties managed products	*170*	*862*	na
Mutual Funds	*5,356*	*3,957*	-26.1
SICAVs	*3,401*	*3,278*	-3.6
Other	*351*	*397*	+13.1
AUM	**14,624**	**12,402**	-15.2
Assets under Custody	**24,160**	**21,381**	-11.5
TOTAL	**56,922**	**53,451**	-5.7

Net inflows in the semester amount to 277 EURm, with a strong contribution of Deposits offsetting the outflows from Mutual Funds and Discretionary Accounts.
Repos amount at 1,830 EURm (807 EURm at the end of 9M07)

Mutual Funds & SICAVs



Bonds maturities (EURm)



** Of which EMTN bonds*

Loans to deposits

	Total Group
Loans	17,201
Deposits (excluding Insurance)	12,516
Bonds	5,275
Loan to Deposit & Bonds Ratio	**0.97**
Loan to Deposit Ratio	**1.37**

EMTN notes issued to institutionals amount to 3.5bn. In 2008, total bonds maturities amount to 1.1bn (375 million are EMTN).

S&P recently upgraded Credem Long Term rating to A Outlook went from Positive to Stable. **Fitch Ratings has confirmed its A Long Term rating**, Outlook Stable, to Credem.

Income Statement (1)

EURm	9M07	9M08	% yoy
Total Income	**762.2**	**757.6**	**-0.6**
Operating Costs	*-464.4*	*-470.4*	*+1.3*
EBITDA	**297.6**	**287.2**	**-3.5**
Amortization and Depreciation	*-22.0*	*-25.0*	*+13.6*
EBIT	**275.6**	**262.2**	**-4.9**
Net Loan Writedowns	*-25.5*	*-52.5*	*+105.9*
Provisions for Risks and Expenses	*0.2*	*-2.8*	
Extraordinary Income (Expenses)	*9.8*	*-3.1*	
Pre-tax Profit	**260.1**	**203.8**	**-21.6**
Income Taxes	*-100.9*	*-35.4*	*-64.9*
Net Profit	**159.2**	**168.4**	**+5.8**

Lower taxation is mainly due to a change in Italian fiscal regulation which generated a benefit of 30.1 EURm on deferred tax liabilities mostly in connection with the aligment of statutory and fiscal values of credit risks provision previously set aside.

Disclaimer and Contacts

The strategic plan takes into consideration the acquisition of the 72 branches from Citigroup, Banco Popolare and Unicredit, which were, or will be, integrated in different steps within December 2008. Five private branches acquired from Citigroup and the 33 from Banco Popolare have been already incorporated, respectively in Banca Euromobiliare since May 2008 and in Credem since September 2008.

The assumpions concerning to macroeconomic scenario, rates dynamic, economic and financial aggregates of the credit system on which the plan is based, were formulated after elaborating main institutional national and international economic previews available in 2008. Data were afterwards internally synthesized by the management of the Group.

In particular, previews used are: " Rapporto di Previsione" by Prometeia, April 2008 udated in May 2008, "Previsioni dei Bilanci Bancari" by Prometeia , May 2008, "Previsione dei tassi" by Prometeia, June 2008, "Finance Monitor" by Unicredit, April 2008, "La settimana macroeconomica", by Unicredit Banca d'Impresa (UBI), June 2008 and "Consensus Forecast", June 2008.

Relatively to economics results and in order to guarantee an homogeneous comparison, 2007 data included in this press release are considered :

- excluding contribution of Euromobiliare Sim, disposed at the end of 2007.

- including CredemVita total consolidation effects, 100% controlled since the end of March 2008.

(1) *1H08 Group consolidated accounts include Credemvita contribution at 50% until 3/31/08 and at 100% from then on. Therefore, for a correct comparison of results, 1H07 consolidated accounts have been restated accordingly.*

Also, 1H07 consolidated accounts have been restated to exclude the contribution of Euromobiliare SIM, partecipated by CREDEM with a stake of 70% and therefore previously included in the consolidation area, that was disposed at the end of 2007.

In accordance with section 2, Article 154-bis of the consolidated Law on Finance TUF), the Financial Reporting Manager Paolo Tommasini, declares that the accounting information contained in this press release correspond to documentary records, ledgers and accounting entries.

Investor Relations Team

Paolo Pratissoli – Head of IR
ppratissoli@credem.it
+39 0522583029

Veronica Costanza Ward
vward@credem.it
+39 0522582351