

PRESS RELEASE

CREDEM approves consolidated quarterly report as at March 31st 2002, which shows, on a YoY basis:

- Customer loans growing to € 10,103 million (+19.5%)
- Total customer deposits and assets of € 48,713 million (+1.1%)*

Net inflows for funds (including SICAV) of € 550 million in the first 3 months of 2003.

Consolidated net profit of € 30.2 million (€ 30.8 million in 1st quarter of 2002).

Today Credem's Board of Directors approved the quarterly report for the quarter ending on March 31st 2003 (1Q03).

Net interest income grew by 0.4% to € 75.5 million (mn) vs. € 75.2 mn in the same period in 2002 (1Q02), thanks to volume growth offsetting the narrowing of the rates spread.

Non-interest income – totalling € 119.5 mn vs. € 126.5 mn in 1Q02 – generally reflected the industry's trend towards shrinkage in commissions on securities trading and mutual fund management.

Operating costs and depreciation & amortisation increased by 7.3% and 9.1% respectively. This trend – in line with corporate plans – relates to the upgrading and rationalisation underway of the Credembanca and Banca Euromobiliare commercial networks.

Consolidated net profit amounted to € 30.2 mn (€ 30.8 mn in 1Q02).

Customer loans (net of repos) grew by 19.5% to € 10,103 mn (€ 8,457 mn in 1Q02). The increase involved both corporate and retail customers and both short- and medium-/long-term loan products. The key highlights in the quarter were:

- The significant growth in home loan mortgages - +21% vs. March 2002 – which rose to some € 1,850 mn, with new mortgages issued in the quarter for more than € 125 mn
- The increase in the customer loans of Credembanca and Credemleasing of +21.4% and +38.7% respectively vs. 1Q02.

Net non performing loans vs. cash loans amounted to 0.18%, thus confirming excellent credit quality.

Total customer deposits and assets rose to € 48,713 mn, progressing by 1.1%* vs. € 48,425 mn as at March 2002.

The persistence of turbulence in financial markets continued to drive savers' propensity to opt for liquid, low-risk investments, as opposed to asset management services. Going into greater detail:

- Direct deposits grew by 6% to € 12,968 mn vs. € 12,234 mn in 1Q02 (+22.4% net of repos)

* NB: % changes in total customer deposits and indirect deposits are shown net of an institutional counterpart's major securities deposit.



Banking Group
CREDITO EMILIANO - CREDEM

- Indirect deposits showed a total value in line with that of 1Q02 and growth of 5.3%* vs. December 2002 to € 35,745 mn (of which € 12,714 of assets under management, +3.6% vs. December 2002).

As regards AUM, in 1Q03 the net inflow for funds (including SICAV) totalled € 550 mn, confirming the Credem Group as being one of the best players in terms of net inflows. This trend continued in April with a net inflow of € 225 mn, enabling the Group to achieve a market share, in terms of total assets in funds and SICAV, of 2.0%.

As at March 31st 2003, the Group featured 455 bank branches, 38 corporate centres, 62 financial stores, 4,886 employees, and 828 fully licensed financial advisors with mandates.

The reclassified consolidated balance sheet and income statement are attached.

Further information on Credem and the group's company is available on the Web site: www.credem.it - Investor Relations section.

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CREDITO EMILIANO - Reclassified consolidated balance sheet (€ millions)

	mar-03	dic-02	mar-02	Change 3/03 vs.3/02	
				Amount	%
Securities	1.842,5	1.662,0	1.200,7	641,8	53,5
Cash and banks	5.117,5	5.421,0	5.688,8	-571,3	-10,0
Customers	10.428,4	10.217,0	9.048,4	1.380,0	15,3
Equity investments	58,6	58,0	102,6	-44,0	-42,9
Intangible non-current assets	96,0	101,8	108,0	-12,0	-11,1
Tangible fixed assets	277,0	282,6	288,4	-11,4	-4,0
Other assets	1.593,3	1.344,9	1.022,8	570,5	55,8
Total assets	19.413,3	19.087,3	17.459,7	1.953,6	11,2
Banks	3.624,0	3.896,9	2.945,0	679,0	23,1
Clients	12.646,5	12.314,3	11.911,4	735,1	6,2
Other liabilities	1.700,2	1.442,2	1.190,5	509,7	42,8
Employee provisions	93,2	89,9	88,8	4,4	5,0
Subordinated liabilities	233,7	232,5	213,6	20,1	9,4
Provisions for risks and charges	197,7	168,9	235,4	-37,7	-16,0
Loan-loss provisions	2,6	2,6	2,2	0,4	18,2
Minorities	44,9	44,2	63,2	-18,3	-29,0
Total liabilities	18.542,8	18.191,5	16.650,1	1.892,7	11,4
Share capital	273,3	273,3	272,5	0,8	0,3
Reserves	556,1	502,1	495,4	60,7	12,3
Provisions for general banking risk	10,9	10,9	10,9	0,0	0,0
Net profit	30,2	109,5	30,8	-0,6	-1,9
Net equity	870,5	895,8	809,6	60,9	7,5
Total liabilities	19.413,3	19.087,3	17.459,7	1.953,6	11,2

CREDITO EMILIANO - Reclassified consolidated income statement (€ millions)

	mar-03	dic-02	mar-02	Change 3/03 vs.3/02	
				Amount	%
Interest income on loans	172,8	158,2	686,4	14,6	9,2
Dividends and income on equity investments	0,4	0,4	2,4	0,0	0,0
Cost of funding	-97,7	-83,4	-393,9	-14,3	17,1
Net interest income	75,5	75,2	294,9	0,3	0,4
Commission income	93,1	101,0	408,2	-7,9	-7,8
Commission expenses	-22,3	-17,8	-96,1	-4,5	25,3
Share dividends	0,2	5,2	76,2	-5,0	-96,2
Net profit/(loss) on financial transactions	37,5	26,9	67,2	10,6	39,4
Other net income/(charges)	11,0	11,2	49,7	-0,2	-1,8
Non-interest income	119,5	126,5	505,2	-7,0	-5,5
Total income	195,0	201,7	800,1	-6,7	-3,3
Payroll expenses	-77,0	-72,2	-303,2	-4,8	6,6
Administrative expenses	-55,0	-50,8	-212,8	-4,2	8,3
Operating costs	-132,0	-123,0	-516,0	-9,0	7,3
Gross operating profit	63,0	78,7	284,1	-15,7	-19,9
Depreciation and amortisation	-19,2	-17,6	-76,8	-1,6	9,1
Operating profit	43,8	61,1	207,3	-17,3	-28,3
Non-recurring income/(charges)	9,8	-0,2	21,2	10,0	nmf
Net write-downs for loans	-5,2	-3,3	-27,8	-1,9	57,6
Provisions for risks	-0,1	-0,3	-4,5	0,2	-66,7
Net write-downs of equity investments	0,0	0,0	0,3	0,0	n.s.
Pre-tax profit	48,3	57,3	196,5	-9,0	-15,7
Income taxes	-17,5	-25,5	-84,2	8,0	-31,4
Minority interests in net (profit)/loss	-0,6	-1,0	-2,8	0,4	-40,0
Net profit	30,2	30,8	109,5	-0,6	-1,9