

CREDEM: THE BOARD OF DIRECTORS APPROVES GROUP'S CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2009

- **Core Tier 1 capital ratio** at 8.5%, among the highest of the industry;
- **Consolidated Net Profit** at €67.6 million, higher than previous quarters;
- **Net Npl Ratio** at 0.76%, confirming the excellent asset quality;
- **Group customers' funding** at €55,959 million (+1.5% compared to 9M08 figure);
- **2.2 billion Euro net inflows in AUM since the beginning of the year.**

Today, Credem's Board of Directors, chaired by **Giorgio Ferrari**, approved 9M09 statutory and consolidated results.

First nine months 2009 results confirm the **solid capital position** of the Group with a **core Tier 1** ratio at 8.5% and a credit quality among the best in the industry, as confirmed by the net NPL ratio at 0.76%. Credem Group continues to implement its strategy aimed to extract value from the investments recently made to strengthen the distribution network.

Consolidated Income Statement¹

Total Income comes at €711.1 million, compared to €757.6 million at 30 September 2008 (-6.1%).

In particular, **Net Interest Income²** comes at €327.2 million vs. €427.7 million as at the end of September 2008. The reduction is mostly due to the recent interest rates downward trend.

Net Non Interest Income³ comes at €383.9 million, up 16.4% if compared to €329.9 million at the end of September 2008. Management and Brokerage Fees are still down (-8.1%), while the contribution of Banking Fees is remarkably positive (+16.8%). Insurance Fees show a strong increase (+29.5%) and Trading Profits comes at €97.1 million in the first nine months of 2009 vs. €53.9 million in the same period of 2008. In 3Q09, Net Non Interest Income shows a satisfactory trend, as it amounts to €149.6 million, up by 13.9% on previous quarter.

Operating Costs are €500.1 million, +6.3% compared to the €470.4 million in the first nine months of 2008, but net of acquired branches' costs and one-off restructuring charges, they would be substantially flat (-0.1%). In particular, Administrative Expenses equal €181.3 million (+1.4% compared to the same period of 2008). Payroll Costs come at €318.8 million (+9.3%), but, net of acquisitions and one-off restructuring charges, they would show a reduction of 1.4%.

Gross Operating Profit comes at €211.0 million compared to €287.2 million in the same period of 2008 (-26.5%). **Depreciation and Amortization** equal €22.2 million vs. €26 million at the end of September 2008 (-14.6%).

¹Comparative figures reflect the effects of the definitive purchase price allocation PPA referred to Credemvita minority stake acquisition as well as Banco Popolare and Unicredit acquired branches.

²comprehensive of dividends from financial assets held for sale (non qualified participations) and gain/losses from consolidated participations calculated with net equity method.

³Comprehensive of the entire total income of Abaxbank and Credemvita and the item "other operating income/charges" net of extraordinary income/charges.

Net Operating Profit is down to €188.8 million compared to the €261.2 million in the third quarter 2008 (-27.7%).

Net Provisions for Risk and Charges are positive and equal €2.4 million (€-2.8 million in the same period of 2008).

Net Loans Write-downs are €75.2 million (€52.5 million at the end of September 2008).

Net Extraordinary Income/Expenses impact for €10.5 million (negative for €3.1 million at 30 September 2008).

Pre-tax Profit equals €126.5 million versus €202.8 million in the same period of 2008 (-37.6%).

Income Taxes come in at €58.9 million (€35.1 million in the third quarter 2008).

Net Profit comes at €67.6 million (€167.7 million at 30 September 2008, -59.7%), still affected by the negative macroeconomic scenario, but showing a strong recovery compared to previous quarters.

Consolidated Balance Sheet⁴

Group Customers Funding comes at €55,959 million at the end of September 2009, vs. €55,121 million at the end of September 2008 (+1.5%).

Direct Deposits and Bonds, net of repos, are €16,335 million vs. €17,791 million at the end of September 2008 (-8.2%). Direct deposits, including repurchase, agreements have reached €16,724 million compared to €19,621 million at 30 September 2008 (-14.8%). In detail, deposits are €12,338 million (€12,516 million in the same period of 2008). Bonds are €3,997 million (€5,275 million at the end of September 2008); repos are €389 million vs. €1,830 million at the end of September 2008.

Insurance Funding growth is 19.7% to 2,247 million vs. €1,877 million at the end of September 2008.

Indirect Funding equals €36,988 million compared to €33,623 million at the end of September 2008 (+10.0%). **Assets Under Management** equals at €14,352 million compared to €12,242 million in the same period of 2008 (+17.2%). Within this aggregate, discretionary accounts are at €4,096 million, mutual funds and Sicav are at €8,801 million. **Asset Under Management net inflows** since the beginning of the year come at €2,233 million.

Assets Under Custody equals €22,636 million compared to €21,381 million in the same period of 2008 (+5.9%).

Net Cash Loans to customers, net of repurchase agreements, come at €16,721 million versus €17,201 million at 30 September 2008 (-2.8%); medium and long term lending increase continues, even if at a slower pace compared to the past. **Residential Mortgage Loans**, in particular, were €5,503 million at the end of September 2009 and inflows come at €732 million (+16.2%).

Net NPL ratio comes in at 0.76% of total loans (0.40% at 30 September 2008). **Coverage ratio** is 60.3% (63.0% at the end of September 2008). **Total Impaired Loans** equal €348.1 million (€249.0 million at the end of September 2008) and represent 2.08% of total loans.

⁴ Funding and lending aggregates, at the end of September 2009, are comprehensive of Unicredit acquired branches' contribution which, at the closing (December 2009), showed: direct funding €336.0 million, AUM €175.0 million, AUC €321.0 million, lending €465 million.

Core Tier 1 ratio is 8.5%. **Total Capital ratio** equals 11.7%.

Other informations:

As of 9/30/2009 Credem's distribution network consists of 577 branches, 44 corporate centres, 57 financial stores with 5,868 employees and 1,009 financial advisors with mandate.

As for the outlook for the remaining quarter of the year, no substantial changes in macroeconomic trends and further negative elements, other than those ones already affecting the current scenario, are expected in the near future.

Considering that the current scenario is not yet stabilizing, it is now under way the planning activity aimed at defining and approving, within the end of the year, the new three year business plan whose assumptions take properly into account the expected trends in the macroeconomic environment and in the financial markets.

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.

Find here attached the consolidated balance sheet and income statement as well as the reclassified consolidated P&L .

9M2009 Interim Consolidated Report will be available within law terms.

For additional information about Credem and the other companies in the Group, please visit

Group's website at: www.credem.it

Reggio Emilia, 12 November 2009

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CONSOLIDATED BALANCE SHEET (€,000)

	Assets	9.30.2009	12.31.2008
10	Cash and balances with central banks	107,930	1,257,081
20	Financial assets held for trading	1,581,968	4,509,994
30	Financial assets at fair value	1,089,447	1,402,947
40	Financial assets available for sale	7,190,824	2,024,986
60	Loans and advances to banks	1,479,271	1,472,926
70	Loans and advances to customers	16,720,944	17,620,513
80	Hedging derivatives	17,793	301,579
90	Net adjustment due to fair value hedge option on financial assets	37,477	27,156
100	Equity investments	15,315	20,107
110	Technical reserves attributable to reinsurers	316	57
120	Tangible assets	328,810	333,576
130	Intangible assets	356,764	363,602
	of which: goodwill	285,945	290,747
140	Tax assets	186,815	249,384
	<i>a) current</i>	82,472	150,342
	<i>b) prepaid</i>	104,343	99,042
150	Non-current assets and groups of assets being disposed	2,953	2,784
160	Other assets	567,472	549,404
	Total assets	29,684,099	30,136,096

Comparative figures reflect the effects of the definitive purchase price allocation PPA referred to Credemvita minority stake acquisition as well as Banco Popolare and Unicredit acquired branches.

CONSOLIDATED BALANCE SHEET (€,000)

	Liabilities	9.30.2009	12.31.2008
10	Due from banks	6,706,939	2,836,608
20	Due to customers	11,519,943	13,668,480
30	Outstanding securities	4,742,162	6,808,472
40	Financial liabilities held for trading	778,675	1,524,398
50	Financial liabilities valued at fair value	1,560,278	1,364,940
60	Hedging derivatives	213,844	171,091
70	Net adjustment due to fair value hedge option on financial liabilities	2,730	-
80	Tax liabilities	128,000	118,979
	<i>a) current</i>	67,578	67,403
	<i>b) deferred</i>	60,422	51,576
100	Other liabilities	879,965	945,712
110	Staff termination indemnity	87,884	97,450
120	Provisions for risks and charges	89,255	106,562
	<i>a) pensions and similar</i>	2,132	2,219
	<i>b) other</i>	87,123	104,343
130	Technical reserves	1,149,706	740,202
140	Valuation reserves	-21,293	-25,479
170	Reserves	1,162,725	1,007,183
180	Share premium	283,052	283,105
190	Share capital	332,392	332,392
210	Minority interests	270	226
220	Profit /(Loss) for the period	67,572	155,775
	Total equity and liabilities	29,684,099	30,136,096

Comparative figures reflect the effects of the definitive purchase price allocation PPA referred to Credemvita minority stake acquisition as well as Banco Popolare and Unicredit acquired branches.

CONSOLIDATED INCOME STATEMENT (€,000)

		9.30.2009	9.30.2008
10	Interests income and similar revenues	838,908	1,083,894
20	Interest expense and similar charges	(331,420)	(616,103)
30	Interest Margin	507,488	467,791
40	Commission income	283,540	279,321
50	Commission expense	(57,507)	(57,745)
60	Net Commissions	226,033	221,576
70	Dividend and similar revenues	1,749	338,310
80	Net result from trading activities	(91,809)	(318,810)
90	Net result from hedging activities	3,536	1,932
100	Profit (loss) from sale or repurchase of:	51,283	1,106
	<i>a) loans</i>	(6,104)	-
	<i>b) available for sale financial assets</i>	39,440	238
	<i>d) financial liabilities</i>	17,947	868
110	Net result from financial assets and liabilities valued at fair value	(10,595)	26,393
120	Operating Income	687,685	738,298
130	Net value adjustments/write-backs due to impairment:	(75,156)	(52,545)
	<i>a) loans</i>	(75,041)	(52,687)
	<i>b) available for sale financial assets</i>	-	16
	<i>d) other financial transactions</i>	(115)	126
140	Net Income from Banking Activities	612,529	685,753
150	Net premiums	439,607	49,055
160	Other income/expenses from insurance activities	(444,625)	(75,928)
170	Net Income from Banking and Insurance Activities	607,511	658,880
180	Administrative costs:	(500,138)	(470,384)
	<i>a) personnel costs</i>	(318,821)	(291,573)
	<i>b) other administrative costs</i>	(181,317)	(178,811)
190	Net provisions for risks and charges	2,408	(2,791)
200	Net value adjustments/write-backs to tangible assets	(11,805)	(13,780)
210	Net value adjustments/write-backs to intangible assets	(10,375)	(12,313)
220	Other operating income/charges	39,583	41,786
230	Operating Costs	(480,327)	(457,482)
240	Profit/(loss) from equity investments	(829)	1,444
270	Profit/(loss) from disposal of investments	154	(103)
280	Profit (loss) before tax from continuing operations	126,509	202,739
290	Taxes on income from continuing operations	(58,894)	(35,008)
300	Profit (loss) after-tax from continuing operations	67,615	167,731
320	Profit (loss) for the period	67,615	167,731
330	Profit (loss) attributable to minority interests	(43)	(6)
340	Profit (loss) attributable to the parent company	67,572	167,725

Comparative figures reflect the effects of the definitive purchase price allocation PPA referred to Credemvita minority stake acquisition as well as Banco Popolare and Unicredit acquired branches.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT (€million)

	1Q08	2Q08	3Q08	4Q08	FY08	1Q09	2Q09	3Q09	9M09
Net Interest Income	145.4	141.5	140.8	135.1	562.8	119.4	94.9	112.9	327.2
Net Non Interest Income	91.9	154.5	83.5	23.4	353.3	102.9	131.4	149.6	383.9
Total Income	237.3	296.0	224.3	158.5	916.1	222.3	226.3	262.5	711.1
Payroll Costs	(99.9)	(101.6)	(90.1)	(100.3)	(391.9)	(103.2)	(103.2)	(112.4)	(318.8)
Administrative Expenses	(60.6)	(60.3)	(57.9)	(64.9)	(243.7)	(61.8)	(60.0)	(59.5)	(181.3)
Operating Costs	(160.5)	(161.9)	(148.0)	(165.2)	(635.6)	(165.0)	(163.2)	(171.9)	(500.1)
Gross Operating Profit	76.8	134.1	76.3	(6.7)	280.5	57.3	63.1	90.6	211.0
Depreciation and Amortization	(8.5)	(8.8)	(8.8)	(10.8)	(36.9)	(7.1)	(7.2)	(7.9)	(22.2)
Net Operating Profit	68.3	125.3	67.5	(17.5)	243.6	50.2	55.9	82.7	188.8
Net Provisions for Risks and Charges	4.4	(1.3)	(5.9)	(1.5)	(4.3)	(1.4)	(6.4)	10.2	2.4
Net Loans Write-Downs	(10.0)	(14.0)	(28.5)	(5.6)	(58.1)	(25.9)	(35.0)	(14.3)	(75.2)
Net Extraordinary Income/Expenses	(0.2)	(1.2)	(1.7)	2.7	(0.4)	0.6	8.6	1.3	10.5
Pre-Tax Profit	62.5	108.8	31.4	(21.9)	180.8	23.5	23.1	79.9	126.5
Income Taxes	(15.3)	(7.3)	(12.4)	10.0	(25.0)	(8.0)	(14.2)	(36.7)	(58.9)
Net Profit	47.2	101.5	19.0	(11.9)	155.8	15.5	8.9	43.2	67.6

Comparative figures reflect the effects of the definitive purchase price allocation PPA referred to Credemvita minority stake acquisition as well as Banco Popolare and Unicredit acquired branches.

Reclassification rules:

Net Interest income

+ Item 30 + Item 70 (only dividends from minority stakes) + Item 240 - Abaxbank Total Income - Credemvita Total Income - Non Recurrent Income coming from treasury deals (128.6 million in 9M09)

Non interest income

+ Item 60 + Item 70 (only dividends from equity investments) + Item 80 + Item90 + Item (only non- equity investments) + Item 110 + Item 150 + Item 160 + Item 220 (net of extraordinaries) + Abaxbank Total Income + Credemvita Total Income + Non Recurrent Income coming from treasury deals (128.6 million in 9M09)

Payroll Costs

Item 180 (only a)

Administrative Expenses

Item 180 (only b)

Depreciation and Amortization

+ Item 200 + Item 210

Net Provision for Risk and Charges

+ Item 190

Net Loans Write-downs

+ Item 130

Net Extraordinary Income/Expenses

+ Item 100 ((only a) + 17 million settlement on a watchlist loan in 2009 and 3.6 million capital gain on a minority stake sale) + Item 220 (only extraordinaries) + Item 270

Income Taxes

+ Item 290